

City of Kitchener

Growing Together East – Market Analysis Study

Phase 2: Policy Directions and Recommendations

March 2025

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1 Introduction

The City of Kitchener (the City) is undertaking the final phase of Growing Together – Growing Together East to update the planning framework for three Protected Major Transit Station Areas (PMTSAs): Block Line, Fairway and Sportsworld. As part of this undertaking, the City has retained Tate Research, Sajecki Planning Inc., metroeconomics, and Divercities Advisory to prepare a Market Analysis Study. The purpose of this study is to evaluate commercial and employment conditions and recommend policy directions for the three PMTSAs to optimize their non-residential components.

Key Study objectives include:

- Maintaining the commercial function within the PMTSAs as residential growth occurs, especially within Fairway and Sportsworld PMTSAs (as they currently have a significant amount of commercial lands/uses);
- Supporting the viability of commercial uses in the short-term while providing opportunities for mixed-use redevelopment;
- Ensuring commercial space can be supported in a variety of formats (i.e. vertical / horizontal, mixed-use developments and standalone uses); and,
- Securing commercial needs in the early phases of redevelopment, including strategies for the phasing of development on large sites/multi-phase development to provide continuity or replacement of existing commercial space.

Market trends are continuously evolving, making it challenging to predict the future landscape of the three PMTSAs. The Block Line, Fairway and Sportsworld PMTSAs are anchored by significant low-density commercial, and employment uses that present opportunities for intensification and horizontal and vertical mixed-use redevelopment. To maximize their potential a creative, innovative and balanced approach is required.

Phase 1 of the Growing Together East – Market Analysis Study included an analysis of the strengths, weaknesses, opportunities, and threats (SWOT) related to commercial opportunities for each PMTSA. Block Line, Fairway, and Sportsworld PMTSAs present similar challenges with respect to the viability of commercial development. The SWOT analysis identified the following key issues from a commercial perspective:

- The Block Line PMTSA may struggle to attract a robust ground floor commercial landscape based on its location and proximity to Fairway.
- The Fairway PMTSA will likely have a viable commercial program within mixed-use buildings, however there may be a reduction in the existing amount of commercial space as intensification occurs.
- Given its isolated location, the viability of the commercial uses in mixed-use buildings in the Sportsworld PMTSA will be challenging without a comprehensive plan. This plan should ensure that future commercial uses are compatible. Currently the Sportsworld PMTSA consists of larger retailers, and it is unlikely that these will survive redevelopment over the long term.
- Overall, Fairway, followed by Sportsworld, offer valuable opportunities to achieving City planning objectives.

The City must ensure that policies for the PMTSAs remain flexible enough to respond to a changing commercial landscape and future market trends.

The primary purpose of the Phase 2 **Policy Directions and Recommendations Report** is to provide recommendations to guide future policies and regulations for the three PMTSAs. The following report sections include:

- A summary of Strategic Growth Area policy and regulatory directions from Growing Together West;
- An overview of key issues and emerging trends as they relate to commercial development in the three PMTSAs;
- A summary of directions and recommendations that should be considered to support the commercial function of each PMTSA; and,
- Conclusions and next steps.

2 Growing Together West

2.1 Land Use Designations

The policy and zoning framework for Growing Together West was approved by Kitchener City Council in March 2024. While the Official Plan Amendment (OPA) is in force and effect, the Zoning-By-law Amendment (ZBA) is currently under appeal. Growing Together West focused on seven of Kitchener’s ten PMTSAs. *Table 1* summarizes key policies within the Strategic Growth Area designations as per the redlined Growing Together West OPA. These policies will in turn inform the development of Growing Together East land use policy recommendations and have been included in the 2014 office consolidation of the Official Plan.

Table 1: Summary of Key Policies per the Strategic Growth Area Designations

Land Use Designation	General Description	Permitted Uses	Max. Height	Min. Floor Space Ratio
SGA A	<p>These lands are located further away from Rapid Transit station stops.</p> <p>Majority of development / redevelopment to occur through infill and compatible non-residential uses.</p>	<ul style="list-style-type: none">• A range of low and medium density residential housing types (<i>Policy 15.D.2.41.</i>)• Where compatible, non-residential uses including:<ul style="list-style-type: none">○ Commercial uses*○ Personal services○ Offices○ Health-related uses such as health offices and health clinics○ Institutional uses such as daycare facilities, religious institutions, community facilities, and educational establishments)○ Social service establishment○ Studio and artisan-related uses (<i>Policy 15.D.2.42.</i>)• To ensure compatibility, zoning may limit the full range and scale of uses listed in Policy 15.D.2.42*. (<i>Policy 15.D.2.43.</i>)	<ul style="list-style-type: none">• 8-storeys (<i>Policy 15.D.2.44.</i>)• Where the implementing zoning does not permit the max. building height outlined in Policy 15.D.2.37.**, the City may consider site specific increases to the permitted building height in accordance with Policy 15.D.2.5.***, a ZBA will be required for a building height of more than 4 storeys (<i>Policy 15.D.2.45.</i>)	<ul style="list-style-type: none">• 0.6 for all development and redevelopment; however, zoning may exempt low rise dwellings (<i>Policy 15.D.2.46.</i>)
SGA B	<p>Intended to accommodate significant intensification, and serve as an area of transition between SGA A and SGA C</p>	<ul style="list-style-type: none">• A range of medium and high density residential housing types (<i>Policy 15.D.2.47.</i>)• Permitted non-residential uses:<ul style="list-style-type: none">○ Compatible commercial uses*○ Personal services○ Office○ Exhibition and/or conference facilities○ Health-related uses such as health offices and health clinics	<ul style="list-style-type: none">• 25 storeys; however, zoning may permit maximum heights less than this (<i>Policy 15.D.2.49.</i>)• Where the implementing zoning does not permit the max. building height outlined in Policy 15.D.2.63., the City may consider site specific increases to the permitted building	<ul style="list-style-type: none">• 1.0 for all development and redevelopment; however, zoning may contain transition regulations

Land Use Designation	General Description	Permitted Uses	Max. Height	Min. Floor Space Ratio
		<ul style="list-style-type: none"> ○ Institutional uses such as hospitals, daycare facilities, religious institutions, community facilities, and educational establishments ○ Social service establishment ○ Studio and artisan-related uses (Policy 15.D.2.48.) 	height in accordance with Policy 15.D.2.5.***, a ZBA will be required for a building height of more than 10 storeys (Policy 15.D.2.50.)	(Policy 15.D.2.51.)
SGA C	Generally, centrally located within Intensification Areas; Intended to accommodate significant intensification at high density	<ul style="list-style-type: none"> • Same permitted uses as SGA B (Policy 15.D.2.52.) 	<ul style="list-style-type: none"> • No maximum building height (15.D.2.53.) • Where the implementing zoning does not permit the max. building height outlined in Policy 15.D.2.68, the City may consider site specific increases to the permitted building height in accordance with Policy 15.D.2.5***. (Policy 15.D.2.54.) 	<ul style="list-style-type: none"> • 2.0 for all development and redevelopment; however, zoning may contain transition regulations (Policy 15.D.2.55.)
<p><u>Notes</u></p> <p>*Where compatible, permitted non-residential uses within the Strategic Growth Area A land use designation may include the following:</p> <ul style="list-style-type: none"> a) commercial uses such as, but not limited to, retail, commercial entertainment, restaurants, financial establishments, and light repair operations; b) personal services; c) offices; d) health-related uses such as health offices and health clinics; e) institutional uses such as daycare facilities, religious institutions, community facilities, and educational establishments; f) social service establishment; and, g) studio and artisan-related uses (Policy 15.D.2.42.). <p>**Where new development or redevelopment is proposed at the edge of a strategic growth area land use designation, the scale and massing will consider compatibility with and transition to the adjacent land use designation (Policy 15.D.2.37.).</p> <p>***Notwithstanding Policy 4.C.1.8 and 4.C.1.9, site specific applications which seek relief from the implementing zoning through a minor variance(s) or special zoning regulation(s), seek to amend the Zoning By-law to change land use permissions, and/or seek to amend this Plan to change from one land use designation to another, will consider the following factors:</p> <ul style="list-style-type: none"> a) compatibility with the planned function of the subject lands and adjacent lands; b) suitability of the lot for the proposed use and/or built-form; c) lot area and consolidation as further outlined in Policy 3.C.2.11; d) compliance with the City's Urban Design Manual and Policy 11.C.1.34; e) cultural heritage resources, including Policy 15.D.2.8; and, f) technical considerations and other contextual or site-specific factors (Policy 15.D.2.5). 				

2.1.1 Additional Land Use Designations

In addition to the SGA designations, three other designations are identified in the draft land use mapping for Growing Together East, including:

- **Institutional**
 - Institutional uses that are of a community or regional nature, such as secondary and post-secondary educational facilities, long-term care facilities and social, cultural and administrative facilities.
 - Includes small-scale institutional uses compatible with surrounding uses such as public and private elementary schools, libraries, day care centres, and places of worship.
- **Open Space**
 - Open space is considered a valuable resource to the community and contributes to quality of life.
 - Primary intent is to provide for a comprehensive and connected open space system of parks and trails, a buffer between land uses, and increase the opportunities for recreation and general enjoyment of an area, while having regard for the City’s natural areas (outside of the Natural Heritage System).
- **Floodway**
 - Per the City Official Plan Glossary of Terms, Floodway is defined as “for watercourses and small inland lake systems, means the portion of the flood plain where development and site alteration would cause a danger to public health and safety or property damage.”

2.2 Zoning

The City currently has two zoning by-laws: Zoning By-law 85-1 and Zoning By-law 2019-051. The Growing Together West Study Area was brought into Zoning By-law 2019-051. By-law 2019-051 has not been consolidated with the Growing Together West ZBA for the PMTSA lands from March 2024, as it remains under appeal; however, the non-PMTSA lands have been consolidated into the By-law. Table 2 summarizes key performance standards for the Strategic Growth Area zones as per the Growing Together West ZBAs, which will be considered in the development of Growing Together East regulatory recommendations.

Table 2: Summary of Key Performance Standards per the Strategic Growth Area Zones

Zone	Short Form	Permitted Uses	Max. Height	Min. Floor Space Ratio	Max. Non-Res GFA**
Low Rise Growth Zone	SGA-1	<ul style="list-style-type: none">• Single Detached Dwelling Units• Semi-Detached Dwelling Units• Street Townhouse Dwelling Units (Section 6.3.1)	Section 6.3.1, Table 6-2 (regulations shall not apply to existing buildings or structures)		
			11.0 m / 3 storeys	N/A	N/A
		<ul style="list-style-type: none">• Multiple Dwellings• Mixed Use Buildings• Non-Residential Buildings (Section 6.3.2)	Section 6.3.2, Table 6-3 (regulations shall not apply to existing buildings or structures)		
			11.0 m	4 units* (N/A) 5-10 units (N/A) 11+ units (0.6)	4 units (100 m²) 5-10 units (150 m²) 11+ units (200 m²) Non-Residential Building (200 m²)

Zone	Short Form	Permitted Uses	Max. Height	Min. Floor Space Ratio		Max. Non-Res GFA**	
				Non-Residential Building (0.6)			
<div>Notes:</div> <div>*Shall also apply to a mixed use building containing 1-3 dwelling units.</div> <div>**Non-residential gross floor area shall not be permitted in a detached accessory building or structure.</div>							
Mid Rise Growth Zone	SGA-2	<ul style="list-style-type: none">Single Detached Dwelling UnitsSemi-Detached Dwelling UnitsStreet Townhouse Dwelling Units (Section 6.4.1)	Section 6.3.1				
			Section 6.3.2 (note these buildings may exceed the maximum building height, maximum number of storeys and maximum non-residential gross floor area in Table 6-3)				
		<ul style="list-style-type: none">Multiple DwellingsMixed Use BuildingsNon-Residential Buildings (up to 4-storeys) (Section 6.4.2) <ul style="list-style-type: none">Multiple DwellingsMixed Use BuildingsNon-Residential Buildings (5 storeys and greater) (Section 6.4.3)	Section 6.4.3, Table 6-4 (regulations shall not apply to existing buildings or structures)				
			Entire Building				
			8 storeys*	1.0	Min. façade openings, 10% Min. street line façade openings, 20%		
			Maximum floor plate area (for Storeys 7 and Above) 2,000 m²				
			For Lot Lines Abutting a Priority Street Identified on Appendix G See last row of Table 2 for 6.6 (additional regulations)				
<div>Notes:</div> <div>* Transition to Low Rise Zones regulations include:</div> <div>Maximum building height within 12 m of a lot with an SGA-1 zone or a lot with a low-rise residential zone of 12.0 m.</div> <div>Minimum rear yard setback where the lot abuts a lot with an SGA-1 zone or a low-rise residential zone of 7.5 m.</div>							
Zone	Short Form	Permitted Uses	Min. and Max. Building Base Height	Min. Street Line Ground Floor Building Height	Max. Height SGA-3 Zone	Min. Floor Space Ratio	Façade Openings
High Rise Growth Zone (Limited)	SGA-3	Multiple Dwellings Mixed Use Buildings Non-Residential Buildings (up to 4 storeys) (6.5.1)	See 6.3.2 (note these buildings may exceed the maximum building height, maximum number of storeys and maximum non-residential gross floor area in Table 6-3)				
		Multiple Dwellings	6.5.2, Table 6-5 (regulations shall not apply to existing buildings or structures)				

Zone	Short Form	Permitted Uses	Max. Height	Min. Floor Space Ratio	Max. Non-Res GFA**		
High Rise Growth Zone	SGA-4	Mixed Use Buildings Non-Residential Buildings (5 storeys and greater) (6.5.2)	Entire Building				
			3 storeys – 6 storeys*	4.5 m	25 storeys	2.0	Min. façade openings, 10% Min. street line façade openings, 20%
			Maximum floor plate area (for Storeys 7 and Above) 2,000 m ²				
			Physical separation (for Storeys 7 and Above) 6.0 m				
			Maximum floor plate area (for Storeys 13-18) 1,200 m ²				
			Physical separation (for Storeys 13-18) 9.0m				
			Maximum floor plate area (for Storeys 19-36) 900 m ²				
			Physical separation (for Storeys 19-36) 12.0 m				
			Maximum floor plate area (for Storeys 37 and Above) 850 m ²				
			Physical separation (for Storeys 37 and Above) 15.0 m				
Notes: * Transition to Low Rise Zones regulations include: Maximum building height within 12m of a lot with an SGA-1 zone or a lot with a low-rise residential zone of 12.0m. Minimum rear yard setback where the lot abuts a lot with an SGA-1 zone or a low-rise residential zone of 7.5m.							
6.6 PRIORITY STREETS a) For lot lines abutting street line segments identified on Appendix G – Priority Streets, the following shall apply: i. a Community Use or Commercial Use listed in Table 6-1 shall occupy a minimum of 50% of the street line ground floor, excluding office and commercial parking facility; ii. above grade structured parking spaces shall not be permitted along the street line ground floor or street line second floor, except for access; iii. above grade structured parking spaces shall not occupy more than 50% of the area of the street line façade within the base of a building; iv. surface parking spaces shall not be permitted within 6 metres of the street line; v. on lots zoned SGA-2, the minimum street line ground floor building height shall be 4.5 m. The requirement for lots zoned SGA-3 and SGA-4 shall be in accordance with Table 6-5; vi. the minimum street line ground floor façade openings shall be 40%, measured between 0.5 m and 4.5 m above exterior finished grade along the entire width of the street line façade; vii. for storeys 1-6, the minimum interior side yard setback shall be 0 m; and,							

Zone	Short Form	Permitted Uses	Max. Height	Min. Floor Space Ratio	Max. Non-Res GFA**
<p>viii. for storeys 2-6, the minimum front and exterior side yard shall be 0 m.</p> <p>Priority Street is defined as “streets with buildings that contain a mix of non-residential ground floor uses that help achieve complete communities by creating engaging and activated pedestrian places. These places contribute to an enhanced streetscape and pedestrian realm by creating a visually stimulating pedestrian experience. Regulations contained within the City’s Zoning By-law that may guide the implementation of priority streets that includes but is not limited to minimum ground floor façade heights; minimum façade openings; minimum amount of active uses at the street level; and/or restrictions on the location of vehicular parking.”</p>					

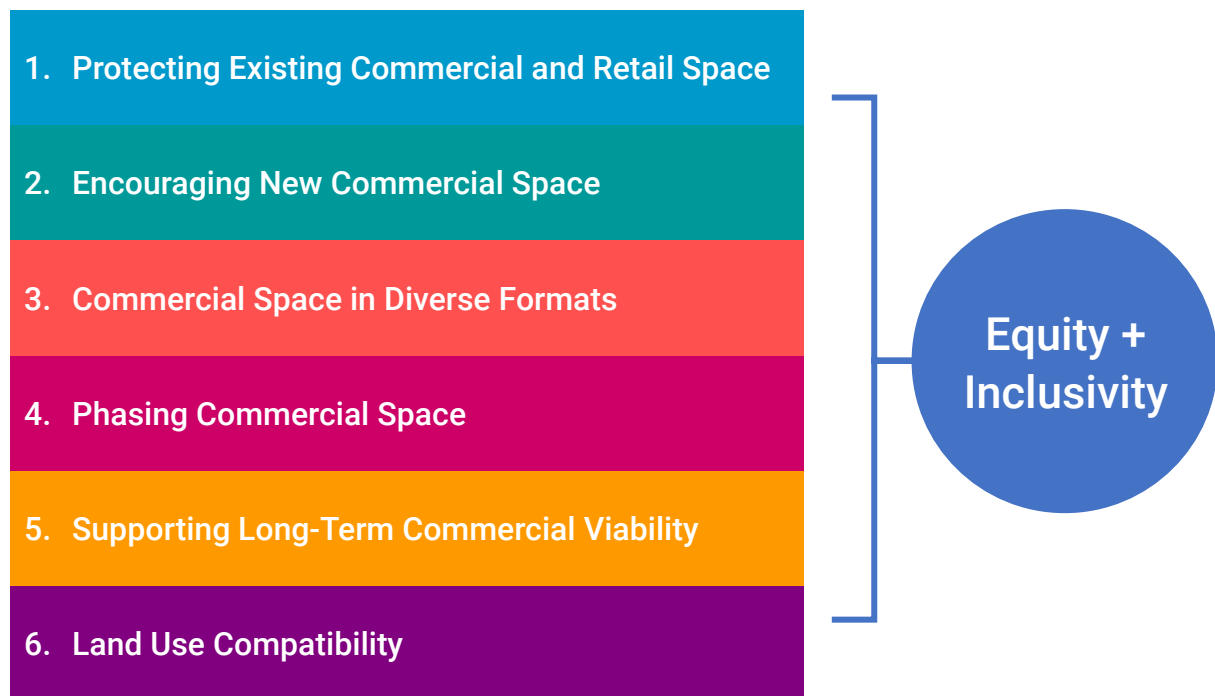
3 Overview of Key Issues and Emerging Trends

3.1 Applying an Equity and Inclusivity Lens

This section outlines the key issues and emerging trends in commercial development within the Block Line, Fairway, and Sportsworld PMTSAs, as identified in Phase 1 of the project. A comprehensive background review and analysis was undertaken, and presented in the following deliverables:

- A Market Review conducted by Tate Research
- A Planning Policy Background Review led by Sajecki Planning Inc.
- A SWOT Analysis, collaboratively prepared by Tate Research, Sajecki Planning Inc., metroeconomics, and Divercities Advisory

Additionally, an equity and inclusivity lens has been applied throughout the policy review and analysis process to assess how potential policies may impact diverse populations, particularly marginalized or underserved groups. This approach ensures that potential systemic barriers considered to better plan for equitable access and outcomes in the evolving commercial landscape of these PMTSAs. By integrating market insights, policy analysis, and inclusivity considerations, this process aims to guide development in a way that is both economically viable and socially inclusive.



Further, it is critical to understand the existing commercial and job functions within the PMTSAs that support the vibrancy of neighbourhoods. Ensuring communities have ease of access, both from a location and financial perspective to community amenities and services that are culturally relevant is critical from an equity and inclusion standpoint. Integration of community uses in the context of PMTSAs is critical to ensuring the success of commercial and residential growth, intensification and neighbourhood resiliency. As PMTSAs develop over time, it is essential to find ways to manage growth and development to ensure a range of businesses can thrive, and people can still afford to remain in their communities.

3.2 Commercial Policy Priorities

Six commercial priorities have been identified to structure the proposed recommendations in *Section 4.0*. A brief description of each priority is provided below.

1. Protecting Existing Commercial and Retail Space

Recent provincial policy changes aimed at addressing the housing crisis and increasing housing supply across Ontario have the potential to reshape the PMTSAs. As these areas undergo redevelopment, there is a possibility that existing retail and commercial spaces may be replaced with residential or mixed-use developments. While this transition can contribute to increased housing availability and density near transit, it is essential to ensure that commercial viability, employment opportunities, and community-serving amenities are maintained. A balanced approach to redevelopment will be necessary to integrate housing growth while preserving essential retail, services, and employment functions that support the long-term vibrancy and economic sustainability of these PMTSAs. The Provincial Planning Statement (PPS) 2024 encourages mixed-use redevelopment and intensification of existing underutilized commercial and institutional sites, such as shopping malls and plazas.

While the City should encourage the redevelopment and intensification of underutilized sites, a key priority for the City should be to protect and maintain the existing commercial function in the PMTSAs by ensuring commercial areas are replaced, where appropriate.

2. Encouraging New Commercial Space

The PPS 2024 sets a minimum density target of 160 people and jobs per hectare for PMTSAs served by Light Rail Transit (LRT) or Bus Rapid Transit (BRT) although municipalities are permitted to request a lower density target for specific PMTSAs.

Municipalities are encouraged to meet minimum density targets by promoting appropriate land uses and built forms and supporting the redevelopment of underutilized sites. The Region of Waterloo Official Plan (ROP) sets specific density targets for Kitchener's PMTSAs:

- a) **Block Line Station:** 80 residents and jobs combined per hectare.
- b) **Fairway Station:** 160 residents and jobs combined per hectare.
- c) **Sportsworld Station:** 160 residents and jobs combined per hectare.

The City will need to appropriately balance residential density with employment density to ensure development of communities where residents can conveniently access housing, retail, jobs, and essential services. As the PMTSAs experience increased residential development, commercial needs for the growing population will also increase.

The commercial needs for the PMTSAs will evolve over time and will be influenced by the evolving nature of retail, including the impact of technology and artificial intelligence (AI), and changes in consumer preferences and behaviors. In addition to encouraging new commercial development in the PMTSAs over the long term, the City can also facilitate interim commercial uses at the ground floor to encourage an animated pedestrian realm, such as:

- a) **Online Pop-up Stores:** Short-term, low-budget space for online retailers seeking to establish a bricks and mortar presence (e.g. artisanal food).
- b) **Incubator Spaces:** Temporary space for budding entrepreneurs seeking to test concepts.
- c) **Non-retail Store Fronts or Interactive Art Installations:** Local art displays in the windows of vacant storefronts.

- d) **Community Spaces:** Temporary space for non-profit activities, additional temporary space for community centres (overflow), public engagement spaces etc.
- e) **Live-Work Options:** Residential units that can be converted to a range of retail commercial uses.
- f) **Office Uses:** Boutique office space that can evolve to retail space as market evolves.

3. Commercial Space in Diverse Formats

Commercial spaces throughout the PMTSAs may be developed in a variety of contexts:

- a) **Horizontal Mixed-use Development:** In the PMTSAs, the cost dynamics of both greenfield and intensification land generally favour residential development, whereas traditional single- or two-storey standalone commercial buildings are less economically viable. As a result, existing commercial lands may be redeveloped into mixed-use (integrating commercial and community-serving uses) or residential-only projects.

During the redevelopment process, the phasing of new uses will likely lead to an interim horizontal mixed-use built form, where commercial and residential functions coexist in separate but adjacent buildings. Over time, as market conditions evolve and intensification progresses, these areas may transition toward higher-density, vertically integrated mixed-use developments, supporting a more compact, transit-oriented urban form.

- b) **Vertical Mixed-use Development:** Commercial space, specifically retail, in vertical mixed-use buildings require similar attributes as retail along main streets and within strip plazas, power centres or shopping centres. The key to the success of these uses is pedestrian traffic (known as footfall density), and/or vehicular traffic, primarily generated by surrounding residential population as well as ease of access and visibility.

While commercial uses in a mixed-use context is positive, it is critical they be located in appropriate locations to facilitate success. Municipalities are increasingly prescriptive regarding where retail should be required, both geographically and within buildings (e.g. only along arterial frontages or retail priority streets).

Recent trends impacting the format in which commercial spaces are designed, include:

- A flexible and creative built form that is functional for and can attract a variety of uses (e.g. community rooms with moveable walls, which can adapt with changing programming needs overtime).
- Consideration of small-scale employment uses that do not pose significant adverse impacts on residential uses (e.g. microbreweries, apparel manufacturing, etc.).
- Smaller units that do not require extensive and in many cases prohibitive build-out costs;
- Integration of public facilities with mixed-use developments (e.g. schools, community centres, etc.).
- Temporary use of underutilized space for commercial activity and community uses (e.g. seasonal farmer's market in an underused parking lot).

4. Phasing Commercial Space

In larger multi building mixed-use developments, consideration should be given to formulating an interim phasing strategy that allows for alternative uses to occupy commercial space during the build-out of the development. These uses could include pop-up, incubator or community uses and can contribute to activating the sidewalks and generating pedestrian traffic.

5. Supporting Long-Term Commercial Viability

Both Fairway and Sportsworld PMTSAs have significant retail space in traditional low density retail formats with surface parking, which creates opportunities for mixed-use or residential infill development. The combination of accelerated population growth, housing market conditions and the presence of commercial developments at major intersections will create additional redevelopment opportunities within the PMTSAs.

Unless protected and encouraged through planning policies, the existing retail and commercial function of the PMTSAs may decline due to current market conditions. Currently, market conditions favour residential development over commercial development, leading to reduced commercial space or its replacement with residential uses in redevelopment scenarios. The increasing population in the PMTSAs due to anticipated residential growth will require retail and commercial space to meet their daily needs.

6. Land Use Compatibility

Recently, changes to the *Planning Act* definition of "area of employment" include the exclusion of commercial and institutional uses (except for uses associated with manufacturing, research and development, warehousing, and goods movement). The new definition is consistent with the "employment areas" definition in the PPS, 2024.

Some employment-designated lands or commercial and institutional uses in the City of Kitchener may not meet this new definition; however, these uses may be integral to the overall employment function of an area. South of the CN railway line in the Fairway PMTSA, just outside of the PMTSA boundary is an existing employment area. Non-employment uses (based on the provincial definition) in proximity to this area will need to consider policies regarding land use compatibility to ensure their long-term operational and economic viability and minimize or mitigating potential adverse impacts on sensitive land uses in terms of the environment, public health, and safety.

Legend	
Policy or Regulation	
Incentive	
Other (Tool, Process or Study)	
Combination	

4 Proposed Recommendations

The proposed recommendations identify different initiatives, whether they be policy or regulation based, an incentive or a different tool (or a combination) that may be considered in the PMTSAs to support their commercial function. These recommendations have been informed by an analysis of commercial development and trends in Kitchener, commercial policy and regulatory analysis, best practices from other municipalities, and discussions with community representatives during Phase 1 of the Growing Together East – Market Analysis Study. An equity and inclusivity lens has also been applied to consider how the PMTSAs can support thriving and diverse communities that are safe, healthy, accessible, affordable and welcoming.

Table 3: Key Policy Recommendations and E+I Considerations

Priorities	Key Recommendations	Equity and Inclusivity Considerations	PMTSA	Implementation	
				Timeline ¹	Action Item / For Further Consideration
1. Protecting Existing Retail and Commercial Space	1.1 Prioritize adaptation and reuse over demolition, where possible: encourage the repurposing, retrofitting, and/or renovating of existing building stock that supports / can support commercial and/or mixed use (such as stand-alone retail, plazas, malls).	<ul style="list-style-type: none"> Offer grants to small / local business owners (e.g. tax incentives or reliefs). Educational and informative tools to help engage business owners regarding renovations. 	All, Block Line and Fairway in particular	Short-term	<ul style="list-style-type: none"> Community Improvement Plan (CIP) to enable a tax increment grant for adaptive reuse (for commercial purposes), in addition to the existing Brownfield Incentive Program. Consider outreach / potential collaboration with ClimateActionWR initiative (ongoing). Potential consideration in the City's Façade Grant Program (ongoing).
	1.2 Increase flexibility of policies and zoning regulations to allow for additions / expansions to support existing commercial uses. Consider proximity of lands to a potential Priority Street (TBD).	<ul style="list-style-type: none"> Consider additional resources for small business owners that can assist with navigating Planning and Building Services (i.e., offering alternate formats and/or translation services) should they want to make a change to their building or structure. 	All, Block Line and Fairway in particular	Medium-term	<ul style="list-style-type: none"> Consider reducing or removing maximum non-residential gross floor area requirements in the SGA-1 zone (i.e. through lot coverage, setbacks, stepbacks, etc.). In other zones, consider reduced setbacks in appropriate locations for specific commercial uses. Identify Priority Streets in the three PMTSAs.

Priorities	Key Recommendations	Equity and Inclusivity Considerations	PMTSA	Implementation	
				Timeline ¹	Action Item / For Further Consideration
1. Protecting Existing Retail and Commercial Space	1.3 Seek opportunities to diversify definitions related to commercial uses.	<ul style="list-style-type: none"> Consultation with local business owners to understand what barriers or gaps may exist (such as certain commercial uses that aren't currently contemplated or permitted in policy and zoning). 	All	Short-term	<ul style="list-style-type: none"> Review of existing definitions through the ongoing new Official Plan project and future comprehensive Zoning By-law Review. Engage with local business owners through the Official Plan Review (ongoing) or separate consultation process.
	1.4 When a reduction in retail and commercial space is proposed, a Retail Impact Study shall be required to provide a rationale for the reduction (from a land use planning and market perspective)	<ul style="list-style-type: none"> Highlight/showcase existing mom and pop shops and cultural shops/businesses through City's social media and/or marketing campaigns (economic development and social planning lens). Consider establishment of a Business Improvement Area (BIA) in the PMTSA areas. Local business inventory hosted on City of Kitchener website. 	All	Short-term	<ul style="list-style-type: none"> Develop a Terms of Reference (TOR) for Retail Impact Studies. Consider tenant engagement plan as part of the planning application process (for commercial uses).
	1.5 Consider requiring the same or similar amount of existing non-residential ground floor area in new developments. Potential considerations: <ul style="list-style-type: none"> Similar yield of number of jobs, which accounts for an average floor area required per employee for the proposed use. The average floor space per employee should follow best practices and industry standards (e.g. consider remote jobs). Future-proofing non-residential space through built form standards at the ground level. Only requiring this along potential Priority Street or Secondary Street (TBD). Refer to 1.9 (re: Food / Grocery Stores) 	<ul style="list-style-type: none"> Consider opportunities / policy to secure a percentage of commercial space in new buildings and identify criteria for prioritizing and accessing new space. 	All	Long-term	<ul style="list-style-type: none"> Policies that encourage the integration or replacement of non-residential uses at the ground level. Policies / regulations and / or design guidelines for certain performance standards at the ground level (i.e., location of building entrances, building orientation and minimum floor to ceiling heights) to allow flexibility of use (that can evolve over time). Identify Priority Streets in the three PMTSAs.
	1.6 Not all sites are appropriate for ground floor non-residential uses. If no non-residential space is proposed, a Retail Impact Study should be	N/A	All	Short-term	<ul style="list-style-type: none"> Develop a TOR for Retail Impact Studies.

Priorities	Key Recommendations	Equity and Inclusivity Considerations	PMTSA	Implementation	
				Timeline ¹	Action Item / For Further Consideration
1. Protecting Existing Retail and Commercial Space	provided to ensure the lack of ground floor non-residential will not adversely impact the function of the commercial arterial.				<ul style="list-style-type: none"> Consider tenant engagement plan as part of the planning application process (for commercial uses).
	1.7 Where retail plays a regional role, if less retail is proposed than currently exists, a Retail Impact Study shall be provided to ensure that the future on-site population and surrounding neighbourhoods are adequately served, and that the function of the PMSTAs serving as a regional shopping destination is not diminished.	N/A	Fairway and Sportsworld	Long-term	<ul style="list-style-type: none"> Develop a TOR for Retail Impact Studies. Consider alternate study criteria based on scale / size of the site. For example, larger sites may be subject to additional requirements. Develop a TOR for a phasing plan and require it for multi-building mixed-use development applications that include commercial uses. Consider tenant engagement plan as part of the planning application process (for commercial uses).
	1.8 Where more retail is proposed on a site (than what currently exists), a Retail Impact Study should be provided at the discretion of the City where retail concentration in proximity to the development may be impacted.	N/A	All	Short-term	<ul style="list-style-type: none"> Develop a TOR for Retail Impact Studies. Actively monitor commercial vacancy rates in the PMTSAs and maintain inventory of ongoing development applications. Identify priority commercial sites in the Growing Together East framework.
	1.9 To help secure access to food, include replacement policies for sites with an existing food or grocery store. Seek opportunities to diversify definitions related to food and grocery-related commercial uses (from an affordability perspective).	<ul style="list-style-type: none"> Strengthen access to food by partnering with local organizations working to reduce food insecurity. Connect food initiatives to City's climate and sustainability goals Consider the importance of international food stores and retailers to the local community. 	All	Medium-term	<ul style="list-style-type: none"> Consider commercial replacement policies for existing grocery / food stores (similar use). Review of existing definitions through the ongoing new Official Plan project and future comprehensive Zoning By-law Review. Create a framework for a Food Security & Accessibility Survey / Study.
	1.10 Require development on sites with existing, on-site community service facilities to replace the total gross floor area of the community service facility on-site.	<ul style="list-style-type: none"> Develop a Community Services and Facilities Plan for Block Line, Fairway and Sportsworld PMTSAs. Work with local Community and Recreation Centres to understand the 	All	Medium-term	<ul style="list-style-type: none"> Conduct mapping exercise to identify existing community services and facilities every five years.

Priorities	Key Recommendations	Equity and Inclusivity Considerations	PMTSA	Implementation	
				Timeline ¹	Action Item / For Further Consideration
	<ul style="list-style-type: none"> The replacement of any existing community service facilities may be provided off-site at the City's direction if conditions are met (receiving site, cost, timely - secured to City's satisfaction; or in lieu (off-site facility)). 	needs of the local community, and what facilities or services may be lacking.			<ul style="list-style-type: none"> Incorporate commercial replacement policies for existing community services and facilities.
2. Encouraging New Commercial Space	2.1 Include interim/temporary use provisions in the Zoning By-law to facilitate seasonal commercial activity (e.g. festivals and/or markets).	<ul style="list-style-type: none"> Partner with local businesses and vendors, community groups, Indigenous Communities and assist with application process (i.e., temporary use by-law, permitting). Outreach and engagement with local food caterers, restaurants and small business owners to participate in farmers markets and festivals. 	All, Block Line and Fairway in particular	Short-term	<ul style="list-style-type: none"> As-of-right permissions for seasonal commercial uses make the permit process efficient and create an attractive business environment. Provide grants / incentives/ waivers for participation in festivals and/or markets through a CIP or small business grants; Provide municipal support in promoting and coordinating special events.
	2.2 Encourage infill focused on new retail and/or mixed-use development.	<ul style="list-style-type: none"> Consider modular and/or pre-fabricated structures that can occupy underutilized spaces on a temporary (or permanent) basis (such as indoor/outdoor market, pop-ups and community event space). 	All, Block Line and Fairway in particular	Long-term	<ul style="list-style-type: none"> Add modular and/or pre-fabricated structures to the temporary use provisions can allow for interesting business opportunities (e.g. STACKT market in Toronto). CIP that provides a Planning and Building Permit Fee Grant for developments along Priority Streets (TBD) that include a specified floor area for commercial uses.
	2.3 Support a range of retail uses reflective of Kitchener's diverse population and consumer needs.	<ul style="list-style-type: none"> Conduct analysis of local commercial uses and identify ways to increase the concentration of locally-serving small-scale retail and service uses. 	All	Long-term	<ul style="list-style-type: none"> Create a framework for a Local Neighbourhood Retail and Services Study to understand, protect and increase opportunities for local businesses.
	2.4 Consider requiring a minimum amount of ground floor space based on a floor space ratio, augmenting the existing requirement for ground floor retail or active frontages on buildings facing arterial and collector streets in specified designations or zones.	N/A	All	Long-term	<ul style="list-style-type: none"> Incorporate regulations for minimum ground floor commercial space in appropriate areas. Identify Priority Streets (TBD) in the three PMTSAs through the Growing Together East project.

Priorities	Key Recommendations	Equity and Inclusivity Considerations	PMTSA	Implementation	
				Timeline ¹	Action Item / For Further Consideration
2. Encouraging New Commercial Space	2.5 Consider requiring that master planned mixed-use communities with 5,000 to 8,000 persons should accommodate a smaller food store and larger communities with over 8,000 persons should be planned to accommodate a full-service supermarket.	<ul style="list-style-type: none"> See considerations associated with Recommendation 1.9. 	All	Long-term	<ul style="list-style-type: none"> Create a framework for a Food Security & Accessibility Survey / Study.
	2.6 For sites designated SGA-C that have no existing commercial space, require a minimum amount of ground floor non-residential space (excluding condominium / amenity space) based on a floor space index.	<ul style="list-style-type: none"> See considerations associated with Recommendation 1.5. 	All	Long-term	<ul style="list-style-type: none"> Require a minimum amount of ground floor commercial space to augment the existing requirement for ground floor retail / active frontages on buildings facing arterial and collector streets (or streets deemed Priority Streets or equivalent) in SGA-C and SGA-B designations. If a Retail Impact Study is undertaken to determine that commercial space is not feasible, require certain performance standards to allow for ground floor spaces to be adapted into retail uses in the future.
	2.7 Encourage grocery stores in mixed use developments by permitting additional height in appropriate areas in the official plan and / or Zoning By-law for developments that include a grocery store.	<ul style="list-style-type: none"> Conduct a Food Security / Accessibility Study every five years to identify underserved areas 	Block Line and Sportsworld	Medium-term	<ul style="list-style-type: none"> Conduct a mapping study for grocery / food stores in the PMTSAs and identify critical areas of need. Create a framework for a Food Security & Accessibility Survey / Study.
	2.8 Encourage small-format, affordable grocery / food retailers. Consider new and revised terms and definitions in the Official Plan and Zoning By-law to support food security (i.e. community gardens, urban farms, edible landscaping, community kitchens, community food markets, food banks, food co-ops, farmers markets, etc.)	<ul style="list-style-type: none"> Many minority populations, particularly immigrant populations, bring food culture to Canada through independent restaurants. Restaurants generate significant local (and in some cases destination) traffic which is beneficial to other forms of surrounding retail. 	All	Medium-term	<ul style="list-style-type: none"> Conduct a mapping study for grocery / food stores in the PMTSAs and identify critical areas of need. Create a framework for a Food Security & Accessibility Survey / Study.
	2.9 Consider adding food security sub-category or use (and associated policies).	<ul style="list-style-type: none"> See considerations associated with Recommendation 2.7. 	All	Short-term	<ul style="list-style-type: none"> Create a framework for a Food Security & Accessibility Survey / Study Add definitions associated with food security / accessibility uses in the Zoning By-law, for example:

Priorities	Key Recommendations	Equity and Inclusivity Considerations	PMTSA	Implementation	
				Timeline ¹	Action Item / For Further Consideration
2. Encouraging New Commercial Space					<ul style="list-style-type: none"> ○ Food security—Access by all people at all times to enough food for an active, healthy life. Food security includes, at a minimum, the availability of nutritionally adequate and safe foods and an assured ability to acquire acceptable foods in socially acceptable ways. ○ Food insecurity—Limited or uncertain availability of nutritionally adequate and safe foods or limited or uncertain ability to acquire acceptable foods in socially acceptable ways.
	2.10 Permit at-grade parking supporting commercial uses within a mixed-use building for a portion of the ground floor towards the rear of the building.	<ul style="list-style-type: none"> • Important to provide a reasonable amount of nearby parking for the viability of commercial functions (loading, accessible parking, pick-up service (i.e., taxis, Ubers), take-out/delivery pick-up orders). Encourage paid parking for regular visitor spaces. 	All	Short-term	<ul style="list-style-type: none"> • For areas where ground floor commercial space is required (if any), permit a portion of the ground floor to be used for parking or other non-residential uses to ensure optimal commercial layout and leasable area (i.e. avoid vacancy of usable area).
	2.11 Permit a mezzanine level in addition to the permitted number of storeys in the Zoning By-law for developments incorporating a-grade non-residential uses.	N/A	All	Long-term	<ul style="list-style-type: none"> • Add a regulation in the zoning-by-law to permit mezzanines in addition to permitted height. The mezzanine level can support ground floor commercial uses and avoid the need to amend the Zoning By-law or submit a minor variance application.
	2.12 Support local business ventures and entrepreneurship in ground floor commercial spaces, by offering incentives to property owners/landlords.	<ul style="list-style-type: none"> • Conduct outreach with existing business owners and entrepreneurs to conduct needs assessment; Work with local community centre staff (who conduct their own needs assessments of the local community). 	Fairway	Medium-term	<ul style="list-style-type: none"> • Establish a CIP to offer grants to small / local business owners such as, tax incentives, reliefs, rent support etc. • Promote existing business planning training support at the Waterloo Region Small Business Centre

Priorities	Key Recommendations	Equity and Inclusivity Considerations	PMTSA	Implementation	
				Timeline ¹	Action Item / For Further Consideration
3. Commercial Space in Diverse Formats	3.1 Support commercial uses in a variety of built forms including in vertical and horizontal mixed-use or individual buildings	N/A	All	Long-term	<ul style="list-style-type: none"> Ensure regulations continue to permit commercial space in a variety of built forms through performance standards such as floor plate size and separation distances.
	3.2 Support non-traditional retail / commercial (e.g. pop-up markets, micro-enterprise space and mobile retail)	<ul style="list-style-type: none"> Survey the range of non-traditional retail / commercial (i.e., pop-up markets, micro-enterprise spaces and mobile retails), demographic of owners and employers, and assess the (operational) challenges they currently face. 	All	Medium-term	<ul style="list-style-type: none"> Conduct a commercial activation study that includes policy and infrastructure requirements to support commercial activation beyond typical retail uses. Permit pop-up markets, micro-enterprise space and mobile retail at local schools, community centres and parks.
	3.3 Support non-traditional storefronts (e.g. automated convenience stores, food and beverage, pharmacy and delivery lockers)	<ul style="list-style-type: none"> Ensure these uses are balanced with traditional storefronts to ensure commercial spaces are accessible to individuals with a range of abilities. 	All	Medium-term	<ul style="list-style-type: none"> Conduct a commercial activation study that includes policy and infrastructure requirements to support commercial activation beyond typical retail uses. Ensure uses such as automated convenience stores, food and beverage, pharmacy and delivery lockers are defined in the Zoning By-law.
	3.4 Encourage upper floor retail / commercial space to increase retail supply within developments in proximity to transit.	N/A	All	Medium-term	<ul style="list-style-type: none"> Prepare policies encouraging commercial space in the podium beyond the ground floor.
	3.5 Allow for public service facilities and community uses within the podium of mixed-use developments.	<ul style="list-style-type: none"> Increase access to public services and facilities required to support residential growth and development by partnering with local public institutions and community groups. 	All	Long-term	<ul style="list-style-type: none"> Prepare policies encouraging use of podium floor space for community uses, including public schools and community centres. Ensure regulations for maximum floor plates for a podium allow for ground floor community uses.
	3.6 Encourage development to contribute to the delivery of community service facilities.	<ul style="list-style-type: none"> If applicable, allow for any percent for public art to be used towards the creation of retail/commercial/ community space and programming of space for art organizations and art purposes. 	All	Long-term	<ul style="list-style-type: none"> Implement a Community Benefits Charge Strategy and By-law and encourage development to deliver: <ul style="list-style-type: none"> New, expanded or retrofitted space for one or more community service facilities on-site.

Priorities	Key Recommendations	Equity and Inclusivity Considerations	PMTSA	Implementation	
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3. Commercial Space in Diverse Formats		<ul style="list-style-type: none"> For use of public art funding for art installations, create a representative jury to select eligible artists from equity-deserving groups identified through Local Needs survey. 			<ul style="list-style-type: none"> New, expanded or retrofitted community service facilities off-site within an appropriate distance. A contribution towards the delivery of a specific community service facility that meets identified needs.
	<p>3.7 Include maps in the Official Plan to guide the provision of community service facilities in the PMTSA, all city parks and parkettes, and transportation and mobility features to inform access to key commercial designations.</p> <p>Community service facility priorities in the PMTSAs include:</p> <ul style="list-style-type: none"> Revitalization and expansion of existing community services, facilities and agency spaces; Potential provision of a new community recreation centre within the PMTSAs; New childcare facilities located near ION LRT stops and within future elementary schools; New public schools. 	<ul style="list-style-type: none"> Consult with local community centres and recreational facilities and include names of centres in policy to both maintain, enhance and expand facilities in the future. Consult with school boards and childcare providers to identify new partnership opportunities and potential collaboration with developers. Provide financial or staffing support to local agencies and schools to establish a representative and intergenerational community advisory to create 'future' visions for a parks plan, recreation plan, art plan, transportation and mobility plan. Alternatively, mapping out existing services and facilities can be used to identify existing gaps in access and service, prior to identifying potential opportunities for improvement (i.e., pedestrian routes to/from these areas, improved trail systems, etc.). Seek opportunities for centralized and expanded City services (i.e. community hubs). 	All	Long-term	<ul style="list-style-type: none"> Ensure alignment, connectivity and walkability between Block Line and Fairway ION Stations, along Courtland Ave. and Fairway Rd. S.) through the Transportation Master Plan. Prepare Parkland Strategy or Community mapping exercise in consultation with the City, Region and Agency staff to identify existing community services and facilities, gaps and opportunities. This can inform the City's approach to Community Benefits Agreements.
	<p>3.8 Permit amenity area within the mechanical penthouse level without considering it an additional storey in the Zoning By-law for development providing ground floor retail.</p>	N/A	All	Medium-term	<ul style="list-style-type: none"> Prepare a regulation permitting amenity area that is part of the mechanical penthouse level, excluding it from the definition of <i>storeys</i>. This can allow for

Priorities	Key Recommendations	Equity and Inclusivity Considerations	PMTSA	Implementation	
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3. Commercial Space in Diverse Formats					additional space within the development for commercial uses.
	3.9 Encourage provision of, or contribution to, affordable childcare spaces within development.	<ul style="list-style-type: none"> Consult with local daycare providers and/or engage with Province on opportunities for EarlyON Child and Family Centres (on publicly-owned and leased lands). 	All	Long-term	<ul style="list-style-type: none"> Conduct a mapping exercise for community amenities in the PMTSAs to identify existing childcare spaces. This is to ensure community amenities are at the forefront of development in the PMTSAs. Encourage developers to include childcare spaces for mixed-use development applications.
	3.10 Support small-scale arts, culture and business uses through the provision of affordable and adaptable non-residential spaces.	<ul style="list-style-type: none"> See considerations associated with Recommendation 1.1. 	All	Long-term	<ul style="list-style-type: none"> Conduct a mapping exercise for arts and culture businesses in the PMTSAs to understand the existing business landscape and support / encourage unique local businesses. Encourage developers to include commercial units that are adaptable and can cater to small businesses for mixed-use development applications.
4. Phasing Commercial Space	4.1 Consider a phasing plan as part of complete applications, demonstrating that the development will not preclude the achievement of a compact, transit-oriented development in the PMTSAs and that the required facilities and commercial uses are retained, replaced or added.	<ul style="list-style-type: none"> Convene a table of key actors (large and small businesses, community, institutions, and service/nonprofit agencies) at the onset of redevelopment to develop an overarching vision, set of principles to guide redevelopment and establish criteria/indicators for social cohesion and development, and create a framework for a future neighbourhood / community association. 	All	Long-term	<ul style="list-style-type: none"> Develop a TOR for a phasing plan and require it for multi-building mixed-use development applications that include commercial uses.
	4.2 Where policies require a certain amount or percentage of non-residential to be built as part of the development, allow development to provide interim uses to evolve as commercial uses over time through phasing plans.	<ul style="list-style-type: none"> Consider how policies can support continuation of temporary/ interim users through indoor markets. 	All	Short-term	<ul style="list-style-type: none"> Develop a list of permitted interim uses to occupy ground floor commercial areas for a specified amount of time until a permanent tenant is found.

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4. Phasing Commercial Space	4.3 Require phased developments to include required on-site commercial space and community facilities as part of the first phase of development.	<ul style="list-style-type: none"> Develop a Social Development Plan and/or Community Action Plan to provide a roadmap for physical spaces, services and programs for the community that support social cohesion and inclusion; and that informs the Community Services and Facilities Plan. 	All	Long-term	<ul style="list-style-type: none"> Develop TOR for a phasing plan and require it for multi-building mixed-use development applications that include commercial uses. Develop a Social Development Plan and/or Community Action Plan to identify opportunities for community facilities. Develop TOR for a Community Services and Facilities Study, to be required as part of development applications.
5. Supporting Long-Term Commercial Viability	5.1 Encourage a range of retail spaces across the affordability spectrum that will allow for local entrepreneurialism.	<ul style="list-style-type: none"> Smaller format retail spaces can serve as more affordable options for small business owners. From a social / community standpoint, affordable restaurants (such as Tim Hortons, McDonalds, etc.) that offer free Wi-Fi, and no time limits serve as important social spaces for local residents. 	All	Medium-term	<ul style="list-style-type: none"> From a programming standpoint, consider extending library and community centre hours as it serves as an important space for residents (such as students, seniors etc.) to access resources and free Wi-Fi.
	5.2 Consider long-term integration of commercial space as a key function of transit-supportive neighbourhoods.	<ul style="list-style-type: none"> See considerations associated with Recommendation 2.3. 	All	Long-term	<ul style="list-style-type: none"> Emphasize importance of ground level / street facing access for retailers.
	5.3 Support the local community's daily needs through ensuring ground floor convenience goods and services.	<ul style="list-style-type: none"> See considerations associated with Recommendation 2.3. 	All	Medium-term	<ul style="list-style-type: none"> Emphasize importance of ground level / street facing access for retailers.
	5.4 Encourage complete communities and prioritize access to daily and weekly goods and services	N/A	All	Long-term	<ul style="list-style-type: none"> Invest in transit and active transportation infrastructure, prioritizing linkages to key commercial nodes and corridors.
	5.5 A Retail Impact Study should be required as part of new development applications proposing to remove, replace or add new retail uses.	N/A	All	Long-term	<ul style="list-style-type: none"> Ensure future on-site population and surrounding neighbourhoods are adequately served for daily and weekly needs. For the Fairway and Sportsworld PMSTAs, the study should ensure that the PMSTAs' function as a regional shopping destination is not diminished.

Priorities	Key Recommendations	Equity and Inclusivity Considerations	PMTSA	Implementation	
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5. Supporting Long-Term Commercial Viability	5.6 Consider implementing Community Benefits Agreements (CBAs) to meet economic development goals.	<ul style="list-style-type: none"> Partner with groups and individuals with lower levels of engagement and representation in government processes. Partner with institutions and/or employment support agencies to create a job program. 	All	Medium-term	<ul style="list-style-type: none"> Prepare and implement CBAs reflecting the interests of people who are not already benefiting from economic growth (e.g. young workers, newcomers, foreign-trained professionals and low-income communities).
	5.7 Discourage land disposal of underutilized lands and consider the acquisition of additional lands for future public uses.	<ul style="list-style-type: none"> Importance of free activities (community centres, entertainment, access to parks and open space) from an equity perspective. Opportunities to provide for supportive, affordable, and below market housing (with public and not-for-profit providers). 	All	Long-term	<ul style="list-style-type: none"> Conduct highest and best use analyses for underutilized public lands to understand development potential and/or identify partnerships with public agencies, groups and not-for-profit housing and service providers should lands become available from other public agencies.
	5.8 Continue monitoring non-residential development activity (retention, loss, and new) over the long-term and explore emerging best practices in the commercial market to remain competitive.	<ul style="list-style-type: none"> Opportunity to partner with Economic Development and Strategic Planning initiatives at the City and Region. 	All	Long-term	<ul style="list-style-type: none"> Ensure the City-wide Market Analysis being conducted as part of the Official Plan Review is updated every five years to ensure policies and regulations evolve with market trends.
	5.9 Require a minimum ground floor height of 5.0 metres in the Zoning By-law.	N/A	All	Long-term	<ul style="list-style-type: none"> Increase the existing regulation for minimum 4.5 m street line non-residential ground floor building height to 5.0 m to allow for a greater diversity of retail uses. Extend this requirement to residential uses as well, to allow for commercial development in the future.
	5.10 Require glazing above the ground floor if commercial uses are proposed above grade	N/A	All	Short-term	<ul style="list-style-type: none"> Develop area-specific guidelines within the existing Urban Design Manual or an urban design brief for commercial uses in the PMTSAs to support a vibrant and walkable environment that supports commercial activity.
	5.11 Improve pedestrian connections between the Block Line and Fairway PMTSAs (given proximity) to support access to local	<ul style="list-style-type: none"> Support walking, cycling, rolling modes of transportation in a safe, accessible, healthy manner. Improve existing trails 	Block Line and Fairway	Medium-term	<ul style="list-style-type: none"> The Growing Together East Transportation Study will identify

Priorities	Key Recommendations	Equity and Inclusivity Considerations	PMTSA	Implementation	
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5. Supporting Long-Term Commercial Viability	businesses through alternate modes of transportation.	and improve streetscape conditions (e.g. lighting, rest areas) to create a pleasurable experience.			<p>pedestrian connections within and between the PMTSAs.</p> <ul style="list-style-type: none"> Community Improvement Plan providing an Accessibility Grant to assist businesses in improving the accessibility of their buildings.
	5.12 Require commercial uses in mixed-use developments to be flush with the sidewalk to encourage pedestrian traffic	N/A	All	Medium-term	<ul style="list-style-type: none"> Develop area-specific guidelines within the existing Urban Design Manual or an urban design brief for commercial uses in the PMTSAs to support a vibrant and walkable environment that supports commercial activity.
	5.13 Require that large-scale retail uses locate the bulk of their floor area behind smaller, street-oriented retail uses and/or above the ground floor in street-oriented mixed-use developments.	N/A	All	Medium-term	<ul style="list-style-type: none"> Develop area-specific guidelines within the existing Urban Design Manual or an urban design brief for the PMTSAs to support a vibrant and walkable environment that supports commercial activity.
	5.14 Permit patios supporting retail uses to encroach into required setbacks in the Zoning By-law	N/A	Fairway	Short-term	<ul style="list-style-type: none"> Permit temporary patios on private lands given compliance with the Zoning By-law regulations and Ontario Building Code For commercial uses, permit patios within the landscaped area / setbacks. Develop area-specific guidelines within the existing Urban Design Manual that address Patios on Public Lands (e.g. City of Burlington City-wide Patio Program).
	5.15 Consider requiring that a minimum percentage of a building facade be transparent at-grade adjacent to a street or park to support retail uses	N/A	All	Medium-term	<ul style="list-style-type: none"> In addition to the existing requirement for minimum street line ground floor façade openings, address non-residential ground floor façade in design guidelines to support a vibrant and walkable environment that supports commercial activity.
	5.16 Consider preparing a parking strategy or management plan to support commercial uses	N/A	All	Long-term	<ul style="list-style-type: none"> A Parking Strategy or Management Plan should be developed to support

Priorities	Key Recommendations	Equity and Inclusivity Considerations	PMTSA	Implementation	
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5. Supporting Long-Term Commercial Viability	over the long-term and ensure PMTSAs develop into walkable communities.				commercial uses that currently rely on vehicular traffic and transition the PMTSAs to transit-oriented areas over time. This can be explored further through a City-wide parking strategy or Zoning By-law Review (TBD).
	5.17 For lands within the Floodway (Block Line PMTSA), consider policies that explore collaboration with landowners, the City, Conservation Authorities and Indigenous Communities for new parkland and/or passive recreational uses, where appropriate for public access, which can help serve the surrounding community.	<ul style="list-style-type: none"> Provide opportunities to partner with local community and environmental groups to reimagine these lands should it be determined that development cannot occur due to environmental hazards. 	Block Line and Fairway	Long-term	<ul style="list-style-type: none"> Incorporate as part of Parkland Strategy to improve recreational opportunities in Block Line and support a pedestrian network to improve active mobility across the PMTSA in areas that are appropriate for public access.
6. Land Use Compatibility	6.1 Sensitive land uses in proximity to provincially defined employment uses must incorporate measures to avoid, minimize or mitigate potential impacts and ensure long-term viability.	N/A	Fairway	Long-term	<ul style="list-style-type: none"> Implement recommendations of the Growing Together East Noise Analysis Study.
Notes: ¹ Identifies the level of impact the implemented recommendation would achieve in the short (~1-2 years), medium (~3-5 years) or long term (~5+ years).					

5 Conclusion and Next Steps

As the commercial market continues to evolve, the commercial function of Block Line, Fairway and Sportsworld PMTSAs will face both opportunities and challenges amid growth and development. The recommendations in this report can shape land use policies, zoning regulations, incentives, tools, and future studies - or a combination of these approaches - to support and enhance non-residential functions. It will be essential to periodically reassess these recommendations, including through an equity lens, considering the social, cultural and affordability implications of growth to ensure balanced and inclusive development.

Below is a summary highlighting key action items for further consideration by City staff:

1. Diversification of Commercial Use and Function

- Update the Official Plan and Zoning By-law to allow for greater flexibility in non-residential/commercial uses and definitions.
- Ensure policies support future-proofing of buildings (e.g., street-facing units, ground floor access, waste management) to maintain long-term commercial viability, including adaptive reuse.

2. Community-based Commercial Pop-ups

- Activate underutilized spaces through temporary or rotating events, festivals, and markets (day and night).
- Foster community collaboration and support local businesses while transforming underused spaces into vibrant gathering places.

3. Food Security & Accessibility Survey / Study

- Assess gaps in food accessibility from social, cultural, financial, and physical perspectives.
- Collaborate with community organizations (e.g., community centers, libraries, schools, NGOs, affordable housing providers, health organizations, youth groups). The survey can be designed and issued in the short-term and/or tie into engagement during the Official Plan Review process.
- Continue to engage the Grand River Accessibility Advisory Committee through the new Official Plan process.

4. Community Mapping Exercises

- Conduct a community asset mapping exercise to identify facilities, schools, parks, road networks (including pedestrian and cycling connections), and trail systems.
- Use mapping insights to inform strategies such as the Parkland Strategy, Mobility Plans, and Official Plan Review.

5. Identify Priority and Secondary Streets

- Designate Priority Streets in the three PMTSAs.
- Key locations may include areas between Block Line and Fairway ION Stations and along Courtland Ave. and Fairway Rd. S.

6. Community Benefits Charge Strategy / Agreement(s)

- Implement a Community Benefits Charge Strategy and By-law to support new, expanded, or retrofitted community service spaces.

- Encourage development/redevelopment to contribute to on-site, off-site, or proximate community facilities.
- Establish Community Benefits Agreements to ensure economic benefits reach underrepresented groups (e.g., young workers, newcomers, foreign-trained professionals, low-income communities).

7. Community Improvement Plan (CIP) for Commercial Development

- Develop a CIP for the three PMTSAs to support commercial growth through:
 - Community Benefits Agreements ensuring economic inclusivity.
 - Tax Increment Grants for adaptive commercial reuse.
 - Planning and Building Permit Fee Grants for developments including commercial space.
 - Accessibility Grants to assist businesses in improving accessibility.

8. A City-wide Commercial Needs Assessment / Strategy

- Conduct a City-Wide Commercial Strategy to benchmark and assess commercial market trends. This can dovetail with the City's Official Plan Review process.
- Consider updates to the strategy that incorporate best practices from other municipalities regarding the non-residential sector (e.g., Mississauga Retail Strategy, Toronto Office Needs Study).
- Maintain an inventory of existing commercial uses and proposed developments to monitor non-residential trends over time.

As part of the Growing Together East project, the City should continue working with the business community and industry experts to ensure the proposed policies and regulations adequately protect commercial interests. A diverse range of businesses (i.e., mom and pop to big box formats) should be consulted to ensure the implementation of proposed policies and regulations is equitable and inclusive.

A cornerstone of resilient neighbourhoods is the provision of a range of goods and services that reflect the diversity of its residents. In most instances the identity of a neighbourhood is tied to its commercial offerings. However, the provision of commercial space goes beyond the transactional nature. Commercial space provides opportunities for residents to meet and build social capital and a vibrant ground floor results in greater community health. The provision and protection of commercial space is critical to city building.

City of Kitchener

Growing Together East - Market Analysis Study

Phase 1: Background Review

Date: February 4, 2025

Prepared for: City of Kitchener

Prepared by: Tate Economic Research Inc. in association with

Sajecki Planning

metroeconomics

Divercities Advisory

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1 Introduction

Tate Research (“TR”) in association with Sajecki Planning, metroeconomics and Divercities Advisory (“Consultant Team”) are pleased to present this Growing Together East Market Study for the Block Line, Fairway and Sportsworld Protected Major Transit Station Areas (PMTSAs).

1.1 Background

The PARTS process, or “Planning Around Rapid Transit Stations” began in 2013 and resulted in the approval of three plans by the end of 2017: PARTS Central, PARTS Midtown, and PARTS Rockway. These plans began to be implemented through the NPR or Neighbourhood Planning Review process from 2017 into 2022. Following several major changes to planning legislation and responding to emerging community needs, the project was re-launched as Growing Together in early 2023. Growing Together provides the planning framework for guiding future growth in Kitchener’s 10 PMTSAs. The majority of Kitchener’s projected growth will occur within these PMTSAs. This is because they include downtown Kitchener and other historically higher density areas where growth has always occurred, but also because they are now serviced by the ION light rail transit line. Putting more homes in already well-served areas is a core fundamental principle of sustainable city-building, creates complete communities and provides the greatest benefit to the greatest number of people.¹

The first phase of Growing Together - Growing Together West, consisted of 7 PMTSAs west of Conestoga Parkway. This phase resulted in amendments to the Official Plan and Zoning By-law to implement the proposed land use and zoning framework adopted by Council in March 2024.

The City of Kitchener has launched the Growing Together East project. This project consists of updating the planning framework for the Block Line, Fairway and Sportsworld PMTSAs. Growing Together East will culminate with amendments to the Official Plan and Zoning By-law to implement the proposed land use and zoning framework adopted by Council in March 2024 as part of the Growing Together West project.

The three PMTSAs in Growing Together East are different from the seven PMTSAs in Growing Together West in that they are further away from the downtown and present a different current commercial function and therefore different future development context. In addition, Sportsworld is not located on the ION light rail line.

In order to understand this different context, a Market Analysis Study is required to evaluate the existing conditions, future conditions and recommended policy directions

¹ Sourced from Growing Together Community Brief, November 2023, City of Kitchener

related to commercial and employment uses with an objective of optimizing the non-residential component of the PMTSAs.

1.2 Growing Together East Context

Growing Together East will add additional housing around transit stations that will support Kitchener's growth and provide housing for the increasing population. However, the goal of providing housing often results in challenges for existing uses, such as retail and other forms of commercial as they may be diminished through development / redevelopment. The resulting residential development, often in the form of mixed-use high density residential, presents several challenges when attempting to accommodate non-residential uses while maintaining an employment and / or commercial function that allows for residents to live, work and play within a walkable community.

Figure 1-1: Growing Together East PMTSAs



Source: Tate Research, Basemap: ArcGIS Business Analyst

The three PMTSAs represent opportunities for residential growth. However, all three PMTSAs also represent retail and commercial uses in some cases significant. In the cases of Sportsworld and Fairway, the existing retail uses represent regional draws. Fundamentally, the objective of this Market Analysis Study is:

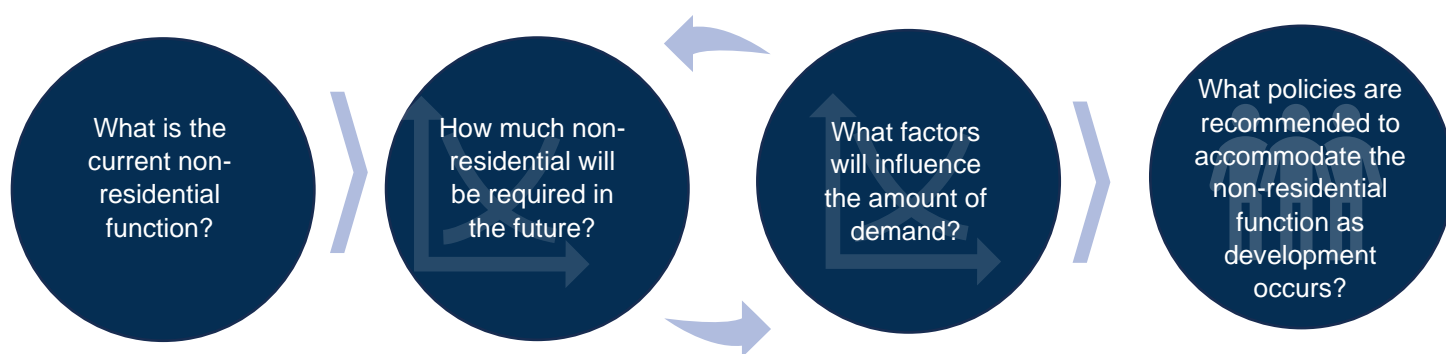
- To provide policy recommendations to ensure the current commercial function is maintained at an appropriate level; and,
- Provide specific policy recommendations addressing the challenges of maintaining commercial space and employment in a redevelopment high density mixed-use environment.

In addition, the three PMTSAs also represent a significant base of independent businesses and communities that have historically not had equal access to a range of services. Growing Together East is specific in the requirement to account for equitable outcomes for all populations.

1.3 Work Scope

Based on guidance from the City, the Consultant Team has formulated a work plan which is summarized in Figure 1-2.

Figure 1-2: Work Plan Summary



Source: Tate Research

The specific work plan consists of two phases. This report addresses the Phase 1 requirements. A Phase 2 report will be delivered in the first quarter of this year.

Phase 1 – Background Review

- Existing and planed market conditions review and mapping (Tate Research)
- Peer review of population related jobs (metroeconomics)
- Policy and legislation review (Sajecki Planning)

- SWOT Analysis (Consultant Teams)

Phase 2 – Study Report and Recommendations

- Options to address SWOT analysis
- Directions and Recommendations

1.4 Report Structure

The main body of this report, Chapter Two, provides a SWOT analysis. The SWOT analysis identifies market trends impacting the forecast retail and non-residential space, as well as opportunities, issues and emerging priorities from a market and planning policy perspective. The purpose of the SWOT analysis is to provide a concise platform from which directions and recommendations in Phase 2 can be formulated.

The input for the SWOT analysis is provided in the Appendices of this report:

Appendix A – TR Report – Existing and Planned Market Conditions

Appendix B – metroeconomics Report – Peer Review of the Population Related Jobs²

Appendix C – Sajecki Planning Report – Policy and Legislation Review

1.5 Basic Assumptions

This report and its recommendations should be reviewed considering the basic assumptions, which are outlined below:

- This report utilizes primary and secondary data sources as well as information provided by the City of Kitchener. We strive to ensure the secondary data used is accurate, however, we cannot guarantee the validity of the methodology and therefore cannot guarantee the accuracy of these secondary data sources. The Consultant Team reserves the right to adjust the recommendations of this report should new secondary data sources be revealed;
- The directions and recommendations provided in this report are contextualized in the current local and macro economic conditions. Should these conditions change the Consultant Team reserves the right to adjust the recommendations of this report; and,

² The purpose of this peer review is to assess demand for population related jobs specifically within the Growing Together East Study Area. The City of Kitchener is undertaking detailed city-wide population and job forecasting as part of its new Official Plan project which considers factors outside of the scope of Growing Together East.

- This report is intended for the uses outlined in the mandate. No parts of this report may be replicated or used for uses other than that stated in the mandate without the written consent of TR.

2 SWOT Analysis

The Consultant Team has conducted a SWOT analysis for each of the PMTSAs. The Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis identifies market trends impacting the forecast retail and non-residential space, as well as opportunities, issues and emerging priorities from a market and planning policy perspective. In addition to identifying the Study Area's current employment density, the Consultant Team also conducted an analysis of the existing physical context, lotting patterns, land uses, landowners, and outline preliminary land use compatibility considerations.

2.1 Summary Analysis

One of the main context factors guiding the SWOT analysis is the ability of the three PMTSAs to continue to provide employment opportunities through the provision of retail and service space.

Figure 2-1, below, provides a summary of the employment assumptions based on the analysis conducted by the Consultant Team.

Figure 2-1: Work Plan Summary

PMSTA		Total Non-Residential Space (sq. ft.)	Existing Retail and Service Space (sq. ft.)	Existing Retail and Service Space (%)	Additional Retail and Service Space (sq. ft.)	2041 Population	2041 Population Related Employment	Jobs / 1,000 people
Block Line	Tate Research	678,500	303,000	45%	291,900	11,516	2,282	198
	metroeconomics					11,516	4,710	409
	City of Kitchener					11,516	1,569	136
Fairway	Tate Research	1,578,100	1,465,500	93%	129,300	12,073	6,420	532
	metroeconomics					12,073	7,856	651
	City of Kitchener					12,073	6,350	526
Sportsworld	Tate Research	1,457,400	877,400	60%	25,700	4,784	3,162	661
	metroeconomics					4,784	6,401	1,338
	City of Kitchener					4,784	5,382	1,125

Source: Consultant Team

The following observations are made with respect to Figure 2-1:

- The Peer Review conducted by metroeconomics of the City's employment assumptions indicates that City's expectation is below where it should be to ensure that employment keeps pace with population growth.
- The market demand analysis and subsequent employment forecasts conducted by TR indicate that from a market perspective, it will be challenging to achieve the City's and ME's assumptions with the exception of Fairway. It should be noted that TR has not considered the reduction of employment that may occur in intensification / redevelopment scenarios through the loss of commercial space.

- The upshot of this analysis is that it will be important to ensure that new retail is encouraged, and that existing retail is not lost through intensification / redevelopment.

2.2 SWOT Analysis Context

The SWOT analysis examines the factors influencing the viability of non-residential space within mixed use buildings. The analysis focuses specifically on market and planning perspectives and is informed by the background analysis conducted by the Consultant Team.

The illustration below summarizes the types of questions the Consultant Team seeks to answer in the SWOT analysis. The findings of the SWOT analysis inform the market and policy recommendations in Phase 2.

PMTSAs		
	Helpful to achieving the objective	Harmful to achieving the objective
Internal origin (attributes of the PMTSA)	<i>Strengths</i> What are the physical / location factors that are beneficial to non-residential space in mixed-use buildings and other built forms throughout the PMTSA?	<i>Weaknesses</i> What are the physical / location factors that are not beneficial to achieving non-residential space in mixed-use buildings and other built forms throughout the PMTSA?
External origin (attributes of the Environment)	<i>Opportunities</i> What are the macro factors that are beneficial to non-residential space in mixed-use buildings? What are some policy incentives and tools that can be leveraged to achieve desirable outcomes?	<i>Threats/Challenges</i> What are the macro factors that are not helpful to achieving non-residential space in mixed-use buildings? What factors contribute to a physical environment that is challenging for maintaining and/or encouraging non-residential uses overall?

The following pages provide a SWOT analysis for each individual PMTSA.

BLOCK LINE		
	Helpful to achieving the objective	Harmful to achieving the objective
Internal origin (attributes of the District)	<p>Strengths</p> <ul style="list-style-type: none"> Overall, there is good access characteristics with connectivity to Highway 7 and Highway 8, which is important for commercial development. There is the potential for arterial road (Courtland Ave. E., Block Line Rd., Fallowfield Rd., Homer Watson Blvd.) frontage for future ground floor commercial space. The market is served by ION LRT, which will facilitate additional access to commercial uses. There are large opportunities on vacant / under utilized lands potentially resulting in multi-building developments, which typically result in a more comprehensive ground floor commercial program. There are service retail options within walking distance of St. Mary's High School (Country Park Shopping Centre) and plaza at Courtland Ave. E and Shelley Dr. A mix and range of housing types, including low density (singles and semis), townhouses (row, stacked, back-to-back), walk-up apartments and mid- to high-rise apartments (along Fallowfield Dr. and Courtland Ave. E), which can help support the viability of non-residential uses (existing and future). Availability of parks and open space (surrounding Peter Hallman Ball Yard, Vanier Park, Traynor Park and portions of Fallowfield Park and Wilson Park), trails and community amenities (Country Hills Library and Activa Sportsplex) within the PMTSA (and adjacent to the PMTSA). 	<p>Weaknesses</p> <ul style="list-style-type: none"> The surrounding area represents a suburban context presenting a challenge for ground floor commercial which generally requires pedestrian traffic. There is limited surrounding residential population to support commercial space. The demand originating from the residential component of the mixed-use development is not enough to support the ground floor commercial. There is limited permeability with the surrounding residential neighbourhoods to facilitate additional support for ground floor commercial. The surrounding population is highly dependent on vehicles for journey to work. Mixed-use developments have several friction points when it comes to vehicular access. Located on the periphery of the main concentration of commercial space represented by Fairway. Until Fairway redevelops, retailers will prefer to locate along Fairway Rd. S. Median household income is significantly lower than the City of Kitchener (\$70K vs. \$92K). This may impact retailer attraction that relies on local demand. Significant older population which may impact retailer attraction. Pedestrian safety concerns <ul style="list-style-type: none"> No sidewalks along Blazer Rd. near Courtland Ave. E, and no crosswalk near this intersection).

	<ul style="list-style-type: none"> • The floodway provides for a natural transition between the employment uses to the southwest and low-rise residential neighbourhoods to the northeast. • Resident expressed appreciation for greenspace/open space under hydro corridor line. • Affordable restaurants with no time limits (i.e. Tim Hortons). • Given proximity to Fairway PMTSA, identify opportunities for further integration and strengthening connections to/through both areas (i.e. through pedestrian connections) to support safe connectivity throughout the area. 	<ul style="list-style-type: none"> • Fragmented trail system near Schneiders Creek, south of Block Line Rd. • Lack of cycling infrastructure throughout. • While the floodway may be used to provide a natural transition between various densities / uses, it significantly limits the development potential of the Block Line PMTSA.
External origin (attributes of the Environment)	<p>Opportunities</p> <ul style="list-style-type: none"> • Subject to a comprehensive proactive City-led planning process. • Encourage intensification of existing residential areas to increase population density necessary to support the growth of retail and service commercial uses. • Infill development on existing sites with surface parking lots and open space areas, that integrate overall improvements to existing buildings (i.e., underground parking, bicycle parking, amenities). • Offering financial incentives for mixed-use buildings that incorporate non-residential uses at grade. This can include a Community Improvement Plan (CIP) focused on non-residential uses or mixed-use development and offer incentives such as development charge deferrals or reductions, waiving of application fees, as-of-right permissions that incentivize non-residential uses and grant programs for redevelopment that incorporates non-residential uses. 	<p>Threats/Challenges</p> <ul style="list-style-type: none"> • There are limited instances where commercial space will be built as stand-alone single use (i.e. not mixed-use). Therefore, the majority of commercial development will occur through mixed-use which has several challenges. • The push for residential density may come at the expense of commercial space. • Commercial space is still viewed as an after thought in mixed-use residential oriented buildings. • The Kitchener market has yet to reach a point where commercial uses have no option but to locate in mixed-use building. • Consumers have access to several 'easier' options for shopping with surface parking and ease of access versus mixed-use developments. • Generally, the retail market is difficult with e-commerce and the requirement for experiences over transactions.

	<ul style="list-style-type: none"> • Potential to create mixed-use residential neighbourhoods by permitting small-scale non-residential uses at intersections and along major streets that meet everyday community needs. • Potential to integrate diverse institutional and community-oriented uses at-grade of new, higher density developments (and provide incentives, such as increased height). • Pedestrian and cycling trails under the hydro corridor line to make the area more accessible by active transportation. • New and improved pedestrian access along existing roads across the PMTSA, to encourage easy access to/from nearby retail and community uses. • Identification of City-owned land (or lands owned by public agencies) for potential mixed-use development projects and other public uses that support a mixed-use environment. Additional municipal investment to provide community amenities, outdoor public amenity areas / gathering spaces. • Policies to acquire a connected network of public park / open space that functions as gathering spaces and linear connections throughout the PMTSA, including to commercial developments, community facilities and surrounding neighbourhoods. • Policies that create a consistent streetwall, and animated and engaging streets and public spaces through ground floor commercial uses in strategic areas and along key streets/nodes. 	<ul style="list-style-type: none"> • Typically, it is more difficult for independent businesses to lease space in mixed-use buildings due to the pro-forma requirements and the lack of covenant strength on behalf of the businesses. • Transition to floodway and low-rise residential neighbourhoods limits the potential of new non-residential space. • Floodway limits developable area, impacting the financial feasibility of non-residential space in a mixed-use building. • Some interviewees expressed the perceived threat of affordability in the future (i.e., new development proposed as luxury rental/condo or unaffordable retailers) and concerns with their ability to stay in the neighbourhood in the long-term.
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Fairway		
	Helpful to achieving the objective	Harmful to achieving the objective
Internal origin (attributes of the District)	<p>Strengths</p> <ul style="list-style-type: none"> Overall, there are good access characteristics with connectivity to Highway 7 and Highway 8, which is important for commercial development. There is potential for arterial road (Fairway Rd. S) frontage for future ground floor commercial space. The market is served by ION LRT, which will facilitate additional access to commercial uses. There are several single ownership retail centres, which could result in multi-building developments which typically result in a more comprehensive ground floor commercial program. 56.6% of the PMSTA population are visible minorities, which opens up additional opportunities for ground floor leasing through ethnic focused stores and services. Fairway Mall is a regional anchor and is an attractor for the Fairway PMTSA. A mix and range of housing types, including low density (singles and semis), townhouses (row, stacked, back-to-back), walk-up apartments and mid- to high-rise apartments (along Kingsway Dr and Wilson Ave), which can help support the viability of non-residential uses (existing and future). Affordable restaurants with no time limits (i.e., Tim Hortons, McDonald's). Affordable grocery stores and specialized food stores that carry international food items (i.e., Walmart Supercentre, Food Basics, Om India Food Centre, the Indian Supermarket). 	<p>Weaknesses</p> <ul style="list-style-type: none"> The surrounding area represents a suburban context presenting a challenge for ground floor commercial which generally requires pedestrian traffic. There is limited permeability with the surrounding residential neighbourhoods to facilitate additional support for ground floor commercial. The surrounding population is highly dependent on vehicles for journey to work. Mixed-use developments have several friction points when it comes to vehicular access. There are several large format anchor national chains, which typically make intensification / redevelopments complicated due to redevelopment clauses in leases. Furthermore, even without redevelopment clauses, large anchor tenants are difficult to accommodate in mixed-use developments. Given the types of tenants and their size, there is the potential for a reduction in commercial space and employment in intensification / redevelopment scenarios. Median household income is significantly lower than the City of Kitchener (\$69K vs. \$92K). This may impact retailer attraction that relies on local demand. Storefronts that are not oriented to front the main street (along Fairway Road), discouraging pedestrian connectivity and accessibility (store entrances are interior to the lots, centered around surface parking lots).

	<ul style="list-style-type: none"> Existing pedestrian walkway north of Fairway Rd. S and LRT corridor 	<ul style="list-style-type: none"> Limited greenspace/open space and outdoor amenity areas required for a truly transit-oriented / walkable community to support ground floor commercial space. Lack of existing community facilities and infrastructure to support residential development. Auto-oriented context, with vast majority of lands non-permeable pavement (such as surface parking lots) with lack of existing green infrastructure (such as green roofs). Lack of cycling infrastructure throughout.
External origin (attributes of the Environment)	<p>Opportunities</p> <ul style="list-style-type: none"> Subject to a comprehensive proactive City-led planning process. In many aspects the commercial context of Fairway is similar to the Golden Mile in Toronto. Although much larger (32,000 new units, 76 mid and high-rise buildings) the Golden Mile redevelopment in Toronto provides a proxy of how to incorporate social benefits into large scale developments through the Inclusive Local Economic Opportunity (ILEO) Initiative. ILEO together the private, public, and community sectors to find innovative ways to reduce gaps in economic prosperity at the neighbourhood level. (https://www.unitedwaygt.org/the-work/ileo-initiative/) Ample existing commercial plazas along Fairway Rd are good candidates for mixed-use redevelopment (currently occupied by expansive surface parking lots). Space for infill development around Fairway Mall. 	<p>Threats/Challenges</p> <ul style="list-style-type: none"> There are limited instances where commercial space will be built as stand-alone single use (i.e. not mixed-use). Therefore, the majority of commercial development will occur through mixed-use which has several challenges. The push for residential density may come at the expense of commercial space. Commercial space is still viewed as an after thought in mixed-use residential oriented buildings. The Kitchener market has yet to reach a point where commercial uses have no option but to locate in mixed-use buildings. Consumers have access to several 'easier' options for shopping with surface parking and ease of access versus mixed-use developments. Generally, the retail market is difficult with e-commerce and the requirement for experiences over transactions.

	<ul style="list-style-type: none"> • Sites adjacent to the ION LRT line will require separation distances from the LRT right-of-way and present an opportunity to use these buffers for greenspace / open space and outdoor amenities to develop the area into a walkable community. This can be connected to the floodway/greenspace in the Block Line PMTSA to create a comprehensive pedestrian network and support ground floor commercial spaces along the LRT corridor. • Potential to create mixed-use residential neighbourhoods to the north of the ION LRT line by permitting small-scale non-residential uses that meet everyday community needs. • Protection of existing rental non-residential and residential units (in particular, within medium to high density buildings, which provide the population necessary to support the growth of retail and service commercial uses). • Some infill development opportunities on existing sites with surface parking lots and open space areas, that integrate overall improvements to existing buildings (i.e., underground parking, bicycle parking, amenities). • Offsetting financial incentives for mixed-use buildings that incorporate non-residential uses at grade. This can include a Community Improvement Plan (CIP) focused on non-residential uses or mixed-use development and offer incentives such as development charge deferrals or reductions, waiving of application fees, as-of-right permissions that incentivize non-residential uses and grant programs for redevelopment that incorporates non-residential uses. • Potential to integrate diverse institutional and community-oriented uses at-grade of new, higher density developments (and incentives, such as GFA exclusions). 	<ul style="list-style-type: none"> • Typically, it is more difficult for independent businesses to lease space in mixed-use buildings due to the pro-forma requirements and the lack of covenant strength on behalf of the businesses.
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	<ul style="list-style-type: none">• Given proximity to Block Line PMTSA, identify opportunities for further integration and strengthening connections to/through both areas.• Identification of City-owned land (or lands owned by public agencies) for potential mixed-use development projects and other public uses that support a mixed-use environment. Additional municipal investment to provide community amenities, outdoor public amenity areas / gathering spaces.• Policies to acquire a connected network of public park / open space that functions as gathering spaces and linear connections throughout the PMTSA, including to commercial developments, community facilities and surrounding neighbourhoods.• Policies that create a consistent streetwall, and animated and engaging streets and public spaces through ground floor commercial uses in strategic areas and along key streets/nodes.	
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Sportsworld		
	Helpful to achieving the objective	Harmful to achieving the objective
Internal origin (attributes of the District)	<p>Strengths</p> <ul style="list-style-type: none"> • There is potential for King St. E. frontage for future ground floor commercial space. • Land consolidation for mixed-use may be easier than other PMTSAs. • Large lots create a public realm that is not engaging or walkable. • Expansive surface parking areas that existing non-residential uses currently rely on. • Affordable restaurants with no time limits (i.e. Tim Hortons, McDonald's). • Some specialized food stores that carry international food items (i.e. Asian Food Land) and wholesale supermarket (i.e. Costco). • Grand River located adjacent to southern PMTSA boundary (offering natural environmental features). 	<p>Weaknesses</p> <ul style="list-style-type: none"> • The surrounding area represents a suburban context presenting a challenge for ground floor commercial which generally requires pedestrian traffic. • There is limited permeability with the surrounding residential neighbourhoods to facilitate additional support for ground floor commercial. • The surrounding population is highly dependent on vehicles for commuting to work. Mixed-use developments have several friction points when it comes to vehicular access. • There are several large format anchor national chains which typically make intensification / redevelopments complicated due to redevelopment clauses in leases. Furthermore, even without redevelopment clauses, large anchor tenants are difficult to accommodate in mixed-use developments. • Given the types of tenants and their size, there is potential for a reduction in commercial space and employment in intensification / redevelopment scenarios. • Over 53.3% of households have a household income of \$200,000 or more. Demand for ground floor commercial space may not originate from the surrounding area. • Low existing population in the PMTSA and surrounding area. • Limited greenspace/open space or outdoor amenity areas required for a truly transit-oriented/walkable community to support ground floor commercial space.

		<ul style="list-style-type: none"> • Lack of existing community facilities and infrastructure to support residential development. • The area is auto-oriented, with the vast majority of land covered by non-permeable pavement (such as surface parking lots) and a lack of existing green infrastructure (such as green roofs). • Affordability concerns from a housing perspective, as majority of housing stock is low density residential (including estate lot subdivisions) in proximity to the golf club located south of the PMTSA area.
External origin (attributes of the Environment)	<p>Opportunities</p> <ul style="list-style-type: none"> • Subject to a comprehensive proactive City-led planning process. • Ample surface parking areas allow for mixed-use infill development (where appropriate). • Offering financial incentives for mixed-use buildings that incorporate non-residential uses at grade. This can include a Community Improvement Plan (CIP) focused on non-residential uses or mixed-use development and offer incentives such as development charge deferrals or reductions, waiving of application fees, as-of-right permissions that incentivize non-residential uses and grant programs for redevelopment that incorporates non-residential uses. • Potential to integrate diverse institutional and community uses at-grade of new, higher density developments (and incentives, such as GFA exclusions). • Opportunities for additional dwelling units on large residential lots to encourage infill rental housing options / aging-in-place in proximity to transit and non-residential uses. 	<p>Threats/Challenges</p> <ul style="list-style-type: none"> • The push for residential density may come at the expense of commercial space. • Commercial space is still viewed as an after thought in mixed-use residential oriented buildings. • The Kitchener market has yet to reach a point where commercial uses have no option but to locate in mixed-use buildings. • Consumers have access to several 'easier' options for shopping with surface parking and ease of access versus mixed-use developments. • Generally, the retail market is difficult with e-commerce and the requirement for experiences over transactions. • Typically, it is more difficult for independent businesses to lease space in mixed-use buildings due to the pro-forma requirements and the lack of covenant strength on behalf of the businesses.

	<ul style="list-style-type: none"> • Policies/regulations to create a permeable system of streets and blocks, resulting in a more walkable environment. Redevelopment of the area can result in new greenspace/open space. • Identification of City-owned land (or lands owned by public agencies) for potential mixed-use development projects and other public uses that support a mixed-use environment. Additional municipal investment to provide community amenities, outdoor public amenity areas / gathering spaces. • Policies to acquire a connected network of public park / opens pace that functions as gathering spaces and linear connections throughout the PMTSA, including to commercial developments, community facilities and surrounding neighbourhoods. • Policies that create a consistent streetwall, and animated and engaging streets and public spaces through ground floor commercial / institutional uses in strategic areas and along key streets/nodes. 	
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2.3 SWOT Analysis General Summary

Overall, the commercial components of mixed-use developments represent a challenge from a leasing perspective. These challenges are identified in the Appendix A report attached to this report. Block Line, Fairway, and Sportsworld present similar challenges. With respect to the viability of commercial development in mixed-use buildings, our professional opinion is as follows:

- Block Line will likely struggle to achieve a robust ground floor commercial program based on its location and proximity to Fairway.
- Fairway will likely have a viable commercial program in mixed-use buildings, however there will likely be a reduction in the existing amount of commercial space in intensification scenarios.
- Given its isolated location, the viability of the commercial program in mixed-use buildings in Sportsworld will be challenging without a comprehensive master plan.

- Overall, Fairway followed by Sportsworld likely provide the best options for achieving City planning objectives.

From an employment perspective, the implication is that the City's employment forecasts will be difficult to achieve, and the metroeconomics forecasts, which are higher than the City's, will potentially be out of reach.

Appendix A – Existing and Planned Market Review

City of Kitchener

Growing Together East - Market Analysis Study

Phase 1: Existing and Planned Market Review (Appendix A)

February 4, 2025

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1 Introduction

Tate Research (“TR”) is pleased to present this Growing Together East Market Study – Existing and Planned Market Review for Block Line, Fairway and Sportsworld Protected Major Transit Station Areas (PMTSAs). This Phase 1 report provides the market analysis foundation upon which the subsequent Phase 2 commercial policy recommendations are formulated.

1.1 Background

Growing Together East will add additional housing around transit stations that will support Kitchener’s growth and provide housing for all. Often the goal of providing housing results in challenges for existing uses such as retail and other forms of commercial as they may be diminished through development/redevelopment. In addition, the resulting residential development, often in the form of mixed-use high density residential, presents several challenges when trying to accommodate non-residential uses and maintain an employment and/or commercial function that allows for residents to live, work and play within a walkable community. This Phase 1 report provides the market analysis foundation upon which the subsequent Phase 2 commercial policy recommendations are formulated.

1.2 Scope of Work

In order to conduct this Existing and Planned Market Review, TR has conducted the following:

- Chapter 2 – An analysis of the commercial considerations in mixed-use developments.
- Chapter 3 – An analysis of Block Line’s current non-residential function and the requirements for future population related space to accommodate future population growth.
- Chapter 4 – An analysis of Fairway’s current non-residential function and the requirements for future population related space to accommodate future population growth.
- Chapter 5 – An analysis of Sportsworld’s current non-residential function and the requirements for future population related space to accommodate future population growth.

1.3 Analysis Methodology

It is expected that most if not all new non-residential space in the PMTSAs will be accommodated in mixed-use developments. In a housing first environment, the land economics are not favourable for building single use commercial buildings.

With respect to the type of non-residential space, it is assumed that the majority of future non-residential space in mixed-use developments in the PMTSAs will be population related space (i.e. retail and service space). This is based on our understanding that these areas are not likely to see new major professional office space in the near term, given their location and the post COVID-19 challenges with respect to current office vacancies. The other factor is that there are very few examples of mixed-use buildings with employment uses (i.e. light manufacturing, life sciences, professional offices etc.) and therefore, by default the uses within mixed-use buildings are population related retail and service space.

Given this context, this report highlights the existing retail and service space, future demand for retail and service space and the ability of the PMTSAs to accommodate this type of commercial in the future within mixed-use buildings. As part of this analysis, TR also examined the resulting employment generated by the retail and commercial space in the PMTSAs.

For the purpose of this analysis, TR has been directed to use 2041 as the horizon year. We recognize that development will continue well beyond 2041 however we also recognize that the mixed-use environment is evolving and therefore there may be new opportunities post 2041 for a different set of uses within mixed-use buildings. The following methodology was adopted for all three PMTSAs:

Inventory and Categorization of Non-Residential Space

In order to assess the current function of non-residential space, TR conducted an inventory within each of the PMTSAs. The following methodology was used:

- In October 2024, TR conducted an on-site inventory within the three PMTSAs under study: Block Line, Fairway, and Sportsworld.
- The City of Kitchener provided a building boundary layer in ArcGIS. TR first extracted building boundaries using Business Analyst ArcGIS, and then focused on identifying and calculating the number of businesses and the size (in square footage) of the building boundaries within these areas. TR verified the building footprints and where required, TR measured square footage in person. As part of the inventory process, TR noted and categorized the businesses operating within each PMTSA.

- After the data on the number of businesses and their respective sizes was collected, TR categorized the businesses into NAICS¹ sectors and subsectors which were used for subsequent analyses.
- TR also examined the retail and service space separate from the other non-residential space. For this analysis we used NAICS classifications grouped into TR categories.

Future Demand Analysis

The RFP required an assessment of demand for future population related space. For this analysis, TR utilized a per capita analysis. A per capita analysis is typically used to assess future demand in greenfield planning areas and is used for planning purposes as opposed to detailed quantification of market demand and impact.

The standard methodology applies a square foot ratio to the forecast population resulting in the amount of space required. There are a number of adjustments that can be made to the assessment as follows:

- The square foot ratios can be specific to certain retail and service uses or more general to encompass all commercial space.
- The square foot ratios can be adjusted to account for future retail trends.
- Depending on the location of the area being studied and the surrounding commercial context, adjustments can be made to account for residents from other areas shopping in the study area (known as inflow) or commercial space outside of the study area serving study area residents (known as outflow).

Employment Forecasts

The RFP required an assessment of employment. TR estimated the employment levels within each NAICS subsector. In addition, TR also examined the resulting population related employment in 2041. To estimate the overall employment within each area the following methodology was used:

- TR applied Floor Space per Worker (FSW) ratios to the NAICS subsectors. There are a number of sources for floor space per worker ratios, however TR has found that the most comprehensive source is the City of Toronto document: Profile TO, Floor Space per Worker Ratios, January 2024. To ensure alignment

¹ The North American Industry Classification System (NAICS) is an industry classification system developed by the statistical agencies of Canada, Mexico and the United States. Created against the background of the North American Free Trade Agreement, it is designed to provide common definitions of the industrial structure of the three countries and a common statistical framework to facilitate the analysis of the three economies.

with the methodology and categorization of businesses within the ProfileTO document, TR first adjusted the NAICS sector and subsector categorizations to match those in the Profile TO document. After this alignment, the estimated number of employees for each business was calculated by dividing the square footage of the business by the corresponding FSW ratio.

1.4 Basic Assumptions

This report and its recommendations should be reviewed considering the basic assumptions, which are outlined below:

- This report utilizes primary and secondary data sources as well as information provided by the City of Kitchener. We strive to ensure the secondary data used is accurate, however, we cannot guarantee the validity of the methodology and therefore cannot guarantee the accuracy of these secondary data sources. The Consultant Team reserves the right to adjust the recommendations of this report should new secondary data sources be revealed;
- The directions and recommendations provided in this report are contextualized in the current local and macro economic conditions. Should these conditions change the Consultant Team reserves the right to adjust the recommendations of this report; and,
- This report is intended for the uses outlined in the mandate. No parts of this report may be replicated or used for uses other than that stated in the mandate without the written consent of TR.

2 Considerations for Commercial Development in Mixed-Use Buildings

Mixed-use developments are at the forefront of urban development. At its most basic description, mixed-use developments comprise different land uses within a vertical or horizontal plan. As an example, a vertical mixed-use building could include retail on the ground level and office, hotel or residential uses in the floors above. Vertical mixed-use is primarily located in urban centres and around transit nodes. Horizontal mixed-use could include different single-use buildings within the same property or node.

The City of Kitchener through its Strategic Growth Area designations is progressive with respect to the assumption of future growth through intensification and mixed-use. Mixed-use development in Kitchener is in its infancy. However, going forward as the economics and market forces align, we anticipate an acceleration of mixed-use development which will require policy adjustments to ensure the commercial environment remains viable and does not get eroded.

This section of the report examines the main challenges for mixed-use development from the commercial perspective.

2.1 Not All Mixed-Use Sites are Appropriate for Retail

Mixed-use developments generally occur in a range of different geographic contexts each with varying retail prospects:

- **Single or Limited Building Infill** – Many mixed-use buildings are single building infill developments located along commercial main streets and arterials. In these instances, retail on the ground floor is often required by the municipal authority and is desired to maintain the commercial primacy of the street level as well as support other factors such as sidewalk animation. In many of these scenarios, pedestrian traffic levels are appropriate to advance ground floor commercial.
- **Multi-Building Master Planned Infill / Redevelopment** – These larger mixed-use master planned developments (i.e. 10+ buildings) in urban areas are often the redevelopment of assembled brownfield and greyfield sites. Ground floor retail commercial space is typically required since providing ground floor residential facing onto higher traffic streets is not ideal.

These projects typically include internal streets to create permeability with the surrounding urban fabric. In these instances, one of the goals of the retail

commercial component is to create a continuation of the commercial streets through the development, as well as create ground floor animation.

The retail in these developments is primarily intended to serve the residents of the master plan, which can be as high as 10,000 persons. However, support by the pass-through pedestrian and / or vehicular traffic is also required. In many cases, the pass-through traffic does not materialize to the extent required to support the full range of planned retail commercial space. Furthermore, in many instances the basic requirements for successful retail commercial operations such as visibility and pedestrian traffic are not sufficient to support the viability of the retail space.

- **Greenfield Single / Multiple Building Development** – Mixed-use buildings are also developed in greenfield areas, often to ensure density targets are achieved. In many instances, the surrounding demand context is not conducive to the ground floor retail primarily as the basic requirements for successful retail commercial operations such as visibility and pass by traffic are not present.

This section has dealt with vertical mixed use developments. While there are horizontal mixed-use developments (i.e. different uses on a property that are not vertically integrated), these are typically found in more suburban contexts where the land economics are more favourable. In the PMTSA context, greenfield and intensification land is viewed through a residential development lens and therefore the land costs reflect this and buildings single (or 2 storey) retail developments are not economically feasible. There may be horizontal mixed-use developments in the interim as phased developments will add residential developments to larger land parcels that currently have commercial on them.

2.1.1 The Retailer Perspective

Retailers typically prefer standardized formats and modules. From a retailer perspective, there are several challenges associated with vertical mixed-use formats. These challenges include potential second floor locations, multi-floor retail units, parking and loading restrictions as well as accessibility considerations. Drive-thru permissions and the provision of 'click and collect' services are increasingly important to certain retailers and other uses such as restaurants. These services are often difficult or not possible to provide in mixed-use developments. Generally, Canadian retailers have yet to fully embrace the challenges of mixed-use developments.

Retail units in mixed-use buildings require the same attributes as typical retail whether it be on main street, strip plazas, power centres or shopping centres. Pedestrian traffic, known as footfall density, and/or vehicular traffic is critical. This traffic is primarily generated by the surrounding residential density and the daytime population.

2.1.2 The Developer Perspective

In most mixed-use developments, the retail commercial component is a small portion of the overall project in terms of scale and financial implications, both from a cost and revenue perspective. Retail commercial components may conflict with enjoyment of residential units by adding noise, traffic, nuisances, parking congestion, and other factors.

On the other hand, retail commercial uses in mixed-use developments provide service to the residents in and near the building and from the developer's perspective, can make residential units more attractive to lease / sell. Developers and planners are rightfully concerned about the creation of unsuccessful retail commercial units that are difficult to lease, remain vacant for long periods of time, or result in uneconomic rents and / or undesirable tenancies.

To summarize, while there are many positive impacts of retail commercial development in mixed-use buildings, there are potential downsides to retail commercial development, if it is not implemented correctly. This risk is particularly relevant given that retail commercial development is not considered appropriate in all locations.

To mitigate this risk, many jurisdictions are being more prescriptive on where retail should be required both geographically but also specifically within buildings (i.e. only on arterial frontages).

2.1.3 The Consumer / Tenant Perspective

The consumer / tenant perspective in mixed use development is varied and is influenced by the market positioning of the development and the surrounding commercial environment. While the idyllic concept is for residents of a mixed-use building to be able to go downstairs to get a coffee, buy groceries or meet friends in restaurant, the reality of conflicting uses is heightened within these types of environments. There are challenges around noise, access and smells associated with many ground floor uses, particularly in the food and beverage sectors.

From the consumer perspective, retail commercial uses in mixed-use developments need to present a frictionless experience with respect to shopping carts and vehicle loading as well as pedestrian access. Retailers have spent millions of dollars and hundreds of hours researching the ideal in-store format, whether it be aisle width, lighting, merchandising, length of the check-out, etc. However, within mixed-use developments, there is the additional issue of how to get consumers into the building either through parking garages or, if on upper levels, via escalators. The level of research is still in its infancy and as more mixed-use developments occur, consumers will become more accustomed to shopping within these types of formats.

Implication: *When requiring mixed-use development with ground (or second / third floor) commercial, the location of these developments takes on an added importance. Successful ground floor retail commercial space results in several economic, community and health benefits. However, the opposite is also true, where unsuccessful retail commercial space could result in negative implications. Furthermore, the interaction between the consumer and retailer cannot be taken for granted and additional considerations will have to be given with respect to design and access.*

2.2 Providing Flexibility to Accommodate Trends and Alternative Ground Floor Activation

The challenges with retail commercial in mixed-use developments are often further compounded by the constantly changing retail environment. Some of these factors are outlined below.

2.2.1 Tenanting Factors

In major urban centres, there will be instances where demand, in terms of population levels and retail expenditure potential may be present, but appropriate tenants are not available or cannot be accommodated in the proposed mixed-use development. Simply put, there are not enough national chain drug stores, LCBO's and banks to tenant all of the proposed mixed-use developments. Landlords of the ground floor commercial components are required to consider independent and smaller "mom and pop" tenants for their commercial spaces. This in turn impacts the rents that can be realised which must be reflected in the development proforma.

Independent tenants typically do not have the financial means or timing to allow for lengthy buildouts and large capital expenditures for internal design. Another aspect of the move towards more independent tenants is that lease terms are becoming shorter as retailers and developers are recognizing the rapidly evolving market. Shorter lease terms mean that there is less incentive for landlords to provide comprehensive tenant improvements. This means that when designing retail space in new mixed-use developments, consideration should be given to ensuring that the space is as flexible as possible to accommodate a wide array of retailers and allow for transition of uses with minimal capital expenditures.

2.2.2 Interim Uses

It is our experience that the amount of retail space supported by the on-site residents of a mixed-use development is typically overstated. Furthermore, demand generated solely by proximity to transit is also typically overstated. The market support for the commercial space must extend well beyond the immediately adjacent demand generators.

If market demand to support traditional types of retail is not present, which is the case in many non-main street infill mixed-use developments, consideration should be given to interim uses that allow for transition to retail uses when demand materializes.

The genesis of the saying “retail follows the rooftops” is from traditional suburban green field development. In these developments, the last portion of a typical subdivision to be developed is the neighbourhood retail plaza, which occurs when the housing is completed and the market demand for the retail space exists.

In multi-building mixed-use developments, the retail commercial space is often required in the initial phases of development. As such, demand lags behind the offering of ground floor retail space. Often interim uses that can be converted to commercial when demand materializes may be appropriate.

Therefore, in the interim, there needs to be innovative thinking of how to tenant the ground floor and provide animation while recognizing that demand for retail space may not be fully present. Options for the ground floor could include, but are not limited to, the following:

- **On-line Pop up** – Pop-ups are short term, low budget uses that can provide space for on-line retailers, typically independent artisans, who are looking to establish a bricks & mortar presence. Most successful online retailers will eventually want a physical store front. Many of these retailers already have a loyal following and therefore do not want or need to lease high rent space on high profile main streets. These uses can be broader than typical retail and have been very successful with artisanal food.
- **Incubator** – Similar to the pop-up, this space would be occupied on a short term basis by budding entrepreneurs looking to test concepts. A contest could be held by the developer or the City with the hope is that one of the concepts converts to a permanent tenant.
- **Non retail store fronts / interactive art installations** – At a minimum, store frontages / windows should not be left vacant with only “for lease” signs. Local art could be displayed in the windows while waiting to lease.
- **Community** – There are several community uses such as non-profit spaces, community centres, temporary public engagement spaces etc., that could help further activate ground floor space in the interim while also providing a community benefit.
- **Live Work Option** – There are live work options which start off as residential and then can convert to a range of retail commercial uses including uses such as maker spaces.

- **Office Uses** – There is the potential for boutique office space that can evolve to retail as market drives up rent.

While active commercial uses are the best way to promote ground floor activation, there are other options such as ground floor residential with patios or walk-up town homes to increase variety and influence the streetscape. These uses also provide animation and in many cases are preferred to “inactive” commercial uses.

Implication: *The City should be prepared to accept that some locations which are presently viable for higher density residential development are still 10 to 15 years away from possessing the demand characteristics for viable retail.*

In the past when a residential subdivision was being developed, the corner commercial site of 2 – 10 acres would be left vacant for years while the neighbourhood was built out. That option does not exist in mixed-use developments. This situation results in a challenge for the City, - should the development of ground floor retail be required knowing that it is not currently viable or should the opportunity for ground floor retail be forgone, perhaps for the life of the building.

The answer may lie in a comprehensive set of interim use precedents in terms of built form and design guidelines that allow for the transition to commercial when the market is sufficient to support the commercial component.

2.3 Maintaining the Retail Function

Both Fairway and Sportsworld PMTSAs have significant retail space in traditional low density retail formats with surface parking. The surface parking lots represent residential development opportunities and over time the retail centres themselves will become targets of redevelopment for residential development.

The combination of the accelerated population growth, housing market conditions and the presence of many commercial developments at major intersections will lead to an increasing amount of redevelopment opportunity within the PMTSAs.

These new residents will require retail commercial space. A modern, livable community will require retail commercial space within walking distance of many residents. Given the economics that favour residential versus commercial, there is significant pressure to reduce the amount of commercial space in redevelopment scenarios. This pressure is also evident in greenfield areas, such as secondary plans, where there is pressure to redesignate commercial designations in favour of residential.

Implication: *Unless protected by planning policies, the existing retail commercial function of many commercial areas will be eroded through redevelopment under current market conditions.*

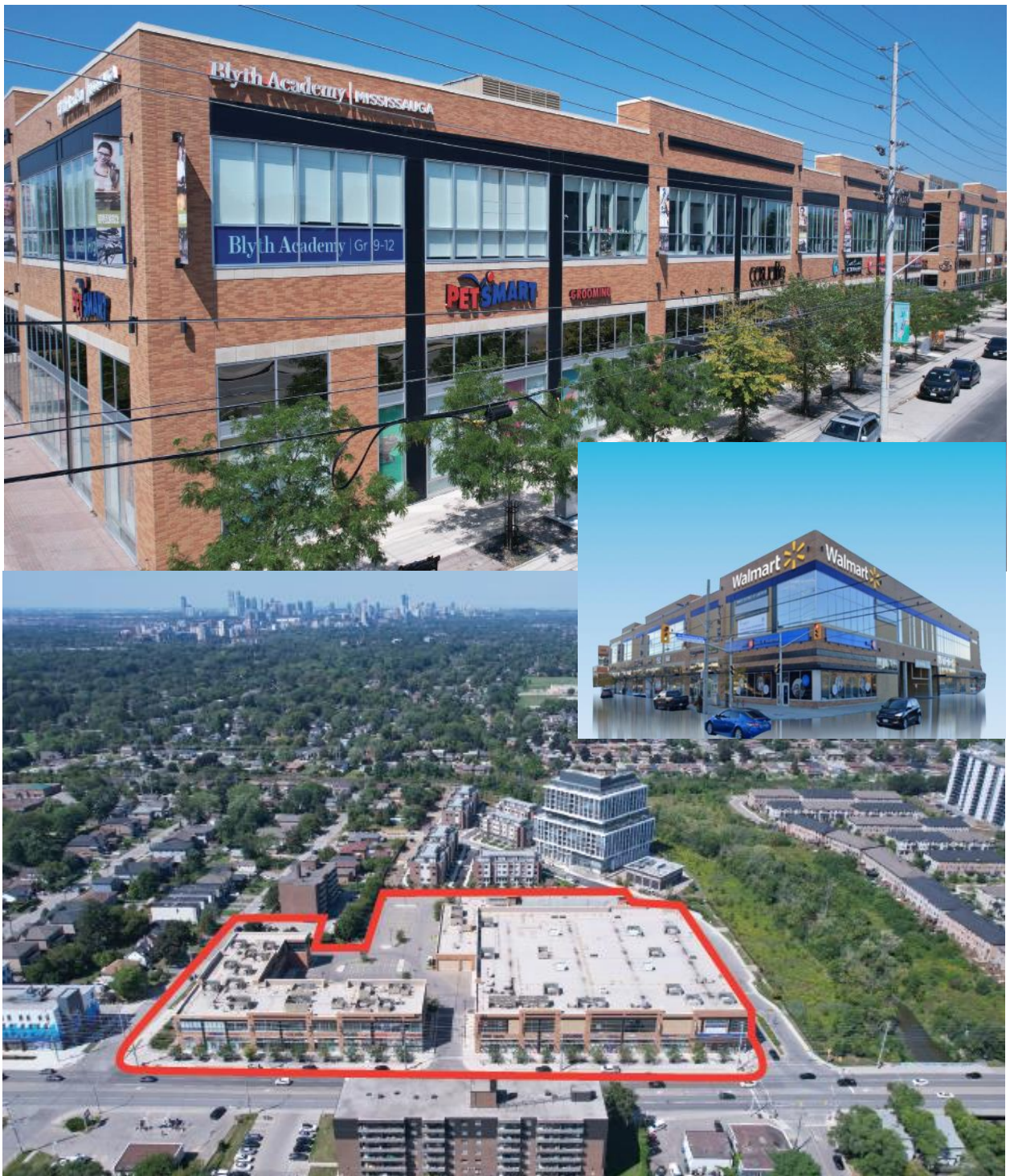
2.4 Examples of Larger Format Non-Residential Developments in Mixed-Use

In areas such as the GTA, accommodating larger format supermarkets or other retailers in mixed-use developments is not unusual. Early mixed-use developments started with supermarkets and now include all types of retailers. However, despite the normalized environment, there are still examples of developments where the final commercial result takes longer than normal. This section provides some examples of mixed-use developments that have been successful and others that have encountered challenges.

Implication: *There are a number of 'externalities' that influence commercial development in mixed-use developments. How the development is leased is based on a number of factors including but not limited to, the vision and proforma of the developer and who ultimately owns the ground floor. Most national chain retailers have proto-type stores. Mixed-use developments present a challenge to developing new stores as no two developments are the same.*

Many large retailers own their land and therefore are in control of development. In situations where the retailer is a tenant, most if not all large format retailers have strict lease language to protect the attributes of their shopping centre as its retail environment, its customer traffic and flow, parking spaces, and the visibility of the retailer store. The retailer bargains with its landlord for contractual protections against significant changes to the retail centre. These protections include no build areas where the retailer's consent is required for any construction, parking ratios which require the landlord to provide a minimum number of parking spaces and restrictions on the types of tenants that may lease space within the shopping centre. The retailer also bargains for restrictions upon the landlord's ability to redevelop the shopping centre for non retail uses.

The District at Lakeview (501 Lakeshore Road East, Mississauga) – this is an example of a big box store, Walmart, on the second floor of a horizontally developed mixed-use site. In 2025, Walmart will open a 95,000 square foot supercentre on the second floor of the two-storey commercial development. It should be noted that Walmart was envisioned as the anchor tenant when this development was conceived in 2011. When the development opened in 2016 it opened without the Walmart. For a multitude of market and retailer reasons Walmart did not occupy the space. By the time Walmart opens in 2025, the space would have remained vacant for 9 years. It is not known whether Walmart controlled the space since 2016 and therefore it was not being actively marketed for lease for other uses.



Westboro Connection (315 McCrae Avenue, Ottawa) – this is an example of an urban supermarket in a suburban context. This was Farm Boys first urban concept store. This store is 20,000 square feet and located on the ground floor of a 19 storey mixed-use residential building and an adjacent office building. The store has some surface parking in front of the store and there is also underground parking. The ground floor location and surface parking mean the Farm Boy still operates similar to a traditional supermarket.



Source: Westboro Connection; Google Streetview

Emerald Park (9 Bogert Avenue, Toronto) – this is an example of the challenges with build to suit large format stores in mixed-use buildings. Most mixed-use buildings if they want to accommodate large format retailers such as supermarkets have to design for those uses at the outset. Emerald Park condos is one such development which was developed with a Metro supermarket deal in place. When the condominium opened in 2015 Metro decided it did not want to open a supermarket in the location. After sitting vacant for 6 years, Metro opened its discount banner, Food Basics, in 2021. The Food Basics is located on the second floor and is approximately 18,000 square feet.



Source: Emerald Park; Google Streetview

The Rise (485 W 8th Street, Vancouver) – this is an example of accommodating large format retail within a mixed-use building. The rise is an urban infill residential over retail building located next to downtown Vancouver. The retail component consists of an 80,000 square foot Home Depot a 61,000 square foot Winners / Home Sense a 44,000 square foot Save-on-Food supermarket and various smaller retail tenants. Above these stores are 92 live work townhouse is arranged around a rooftop courtyard and garden. The development was completed in 2008.

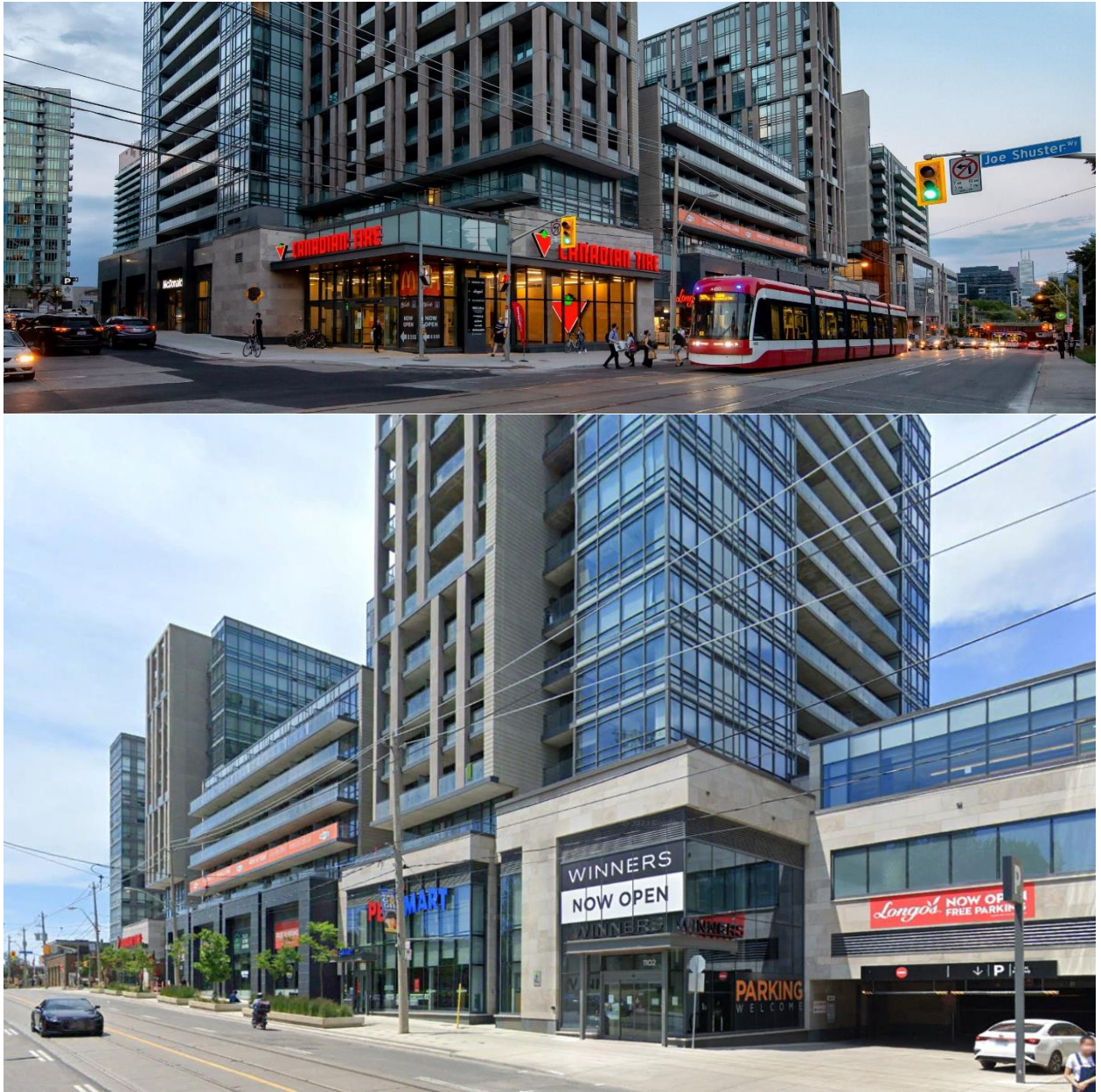


SITE CROSS SECTION



Source: The Rise, ULI Case Studies

King High Line (1100 King Street West, Toronto) – this is an example of a high-density mixed-use development with two build to suit anchors, Canadian Tire and Longo's. At the base of the 506 luxury rental units, the retail component consists of 160,000 square feet of space that is anchored by Longo's, Shopper Drug Mart, Winners, WeWork, McDonald's, Kids & Company, and Canadian Tire.



Source: King Highline; First Capital Website. Google Streetview

Sugar Wharf New Podium School (55 Lakeshore Boulevard East, Toronto) – this is an example of a Toronto District School Board elementary school in a high-density mixed-use building. The TDSB is building an elementary school in the Block 4 of the Menkes' mixed-use development in the Sugar Wharf community. The school is planned to accommodate 455 students from JK to Grade 8. The school will be located on the 3rd floor of the condo podium with exclusive use of an active playground on the third-floor rooftop and shared access to a playground at the adjacent city park.

In planning for an elementary school, multiple potential locations and approaches were considered by the TDSB. The traditional land acquisition model for TDSB has been a stand alone building on 3-acre parcel of land. With rising real estate prices and scarcity of large parcels in the area, it was extremely difficult for TDSB to acquire adequate land to accommodate a traditional standalone building in the Lower Yonge Precinct. After these considerations, an alternative approach of forming a partnership with an existing developer to build a school in a podium of the building, with access to playground space in the podium and city park, became a sensible approach.

In 2021, the ministry provided funding for a new Jk-8 school with 455 pupil places at Lower Yonge Precinct, now known as Sugar Wharf Public School. It is expected the school will open in the Fall of 2029.



Source: TDSB Website

3 Block Line Existing Conditions and Future Requirements

This section of the report examines the characteristics and future demand prospects for non-residential space in Block Line.

3.1 Existing Non-Residential Inventory

Figures 3-1 to 3-3 on the following pages illustrate the existing non-residential space in Block Line. The following observations are made with respect to the non-residential space:

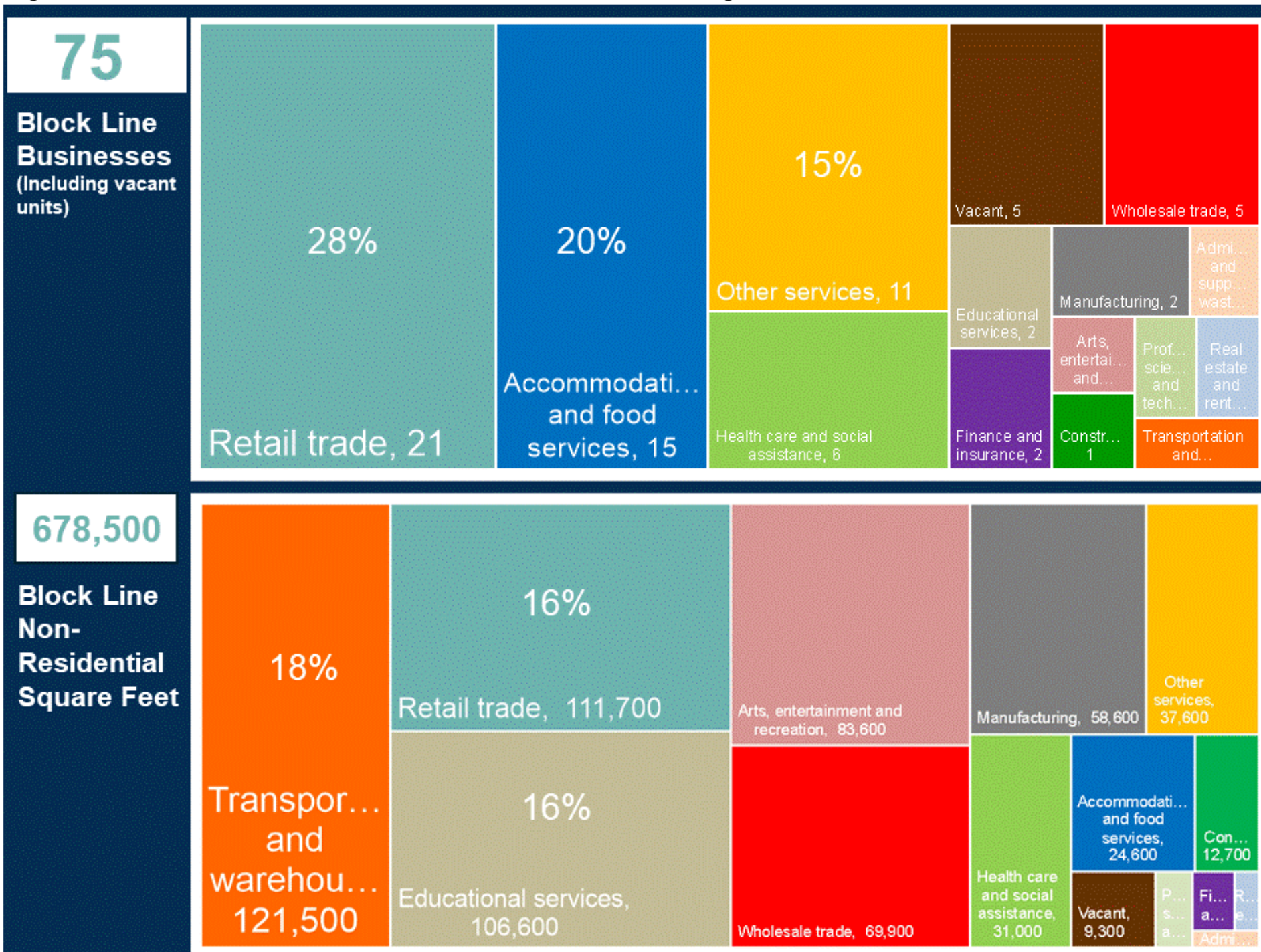
- There are 75 businesses accounting for approximately 678,500 square feet of space.
- There is a wide variety of businesses. Just under half of the square feet is retail and service space which serves the daily and weekly needs of the surrounding population.
- There are a number of businesses such as transportation and warehousing and wholesale trade that require significant floor area.
- The businesses are dispersed with the two main concentrations at the north and south ends of Courtland Avenue East.
- The majority of businesses are located in single storey commercial building with surface parking.

3.2 Population Related Inventory

Figure 3-4 examines the retail and service space in Block Line. This space can also be generally defined as population related space with the exception that it does not include larger institutional uses such as hospitals and schools. The following observations are made with respect to Figure 3-4:

- Generally, retail and service space per capita is approximately 45 – 55 square feet in larger cities such as Kitchener. Per capita ratios will change in sub-areas depending on the function they serve.
- It should be noted that the current Block Line boundary is not a “Trade Area” for the retail and service space and the population is only 4,700. Therefore, the per capita ratio provides a general assessment of the space and should not be used to assess whether the area is over or underserved.

Figure 3-1: Block Line Non-Residential Function based on NAICS Categories



Source: Tate Research based on an inventory and site inspections completed by TR conducted in October 2024. The inventory is categorized by 2 Digit NAICS Sectors

Figure 3-2: Block Line Non-Residential Function based on NAICS Categories

Detailed Non-Residential Context

Block Line

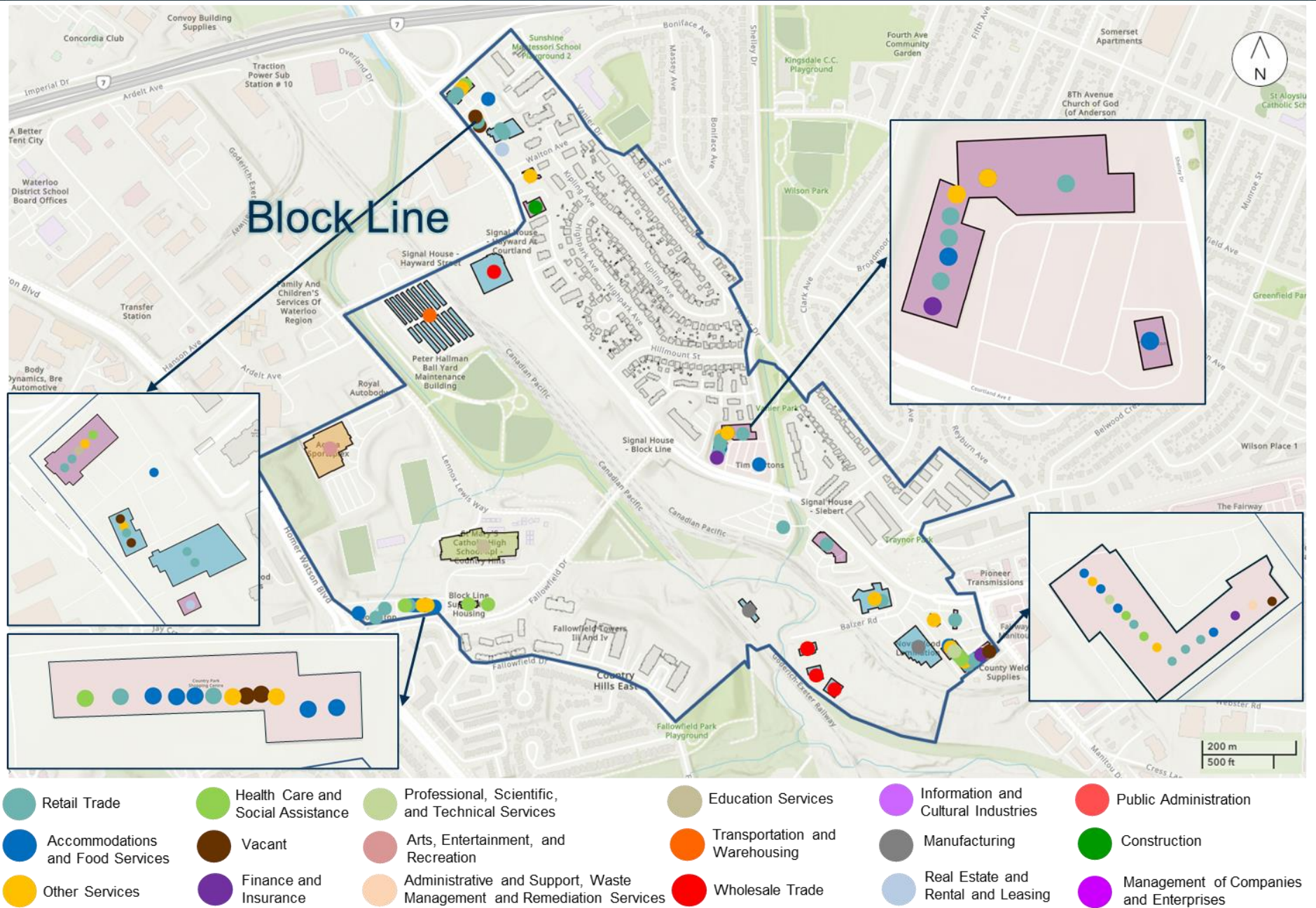
NAICS Sector	NAICS Subsector	Businesses	Square Feet	Employment
Accommodation and food services	Food services and drinking places	15	24,600	228
Administrative and support, waste management and remediation services	Administrative and support services	1	1,600	5
Arts, entertainment and recreation	Amusement, gambling and recreation industries	1	83,600	139
Construction	Heavy and civil engineering construction	1	12,700	12
Educational services	Educational services	2	106,600	104
Finance and insurance	Credit intermediation and related activities	1	1,600	7
	Insurance carriers and related activities	1	2,000	9
Health care and social assistance	Ambulatory health care services	3	5,000	14
	Social assistance	3	26,000	47
Manufacturing	Fabricated metal product manufacturing	1	9,200	10
	Wood product manufacturing	1	49,400	54
Other services	Personal and laundry services	6	7,400	33
	Repair and maintenance	5	30,200	122
Professional, scientific and technical services	Professional, scientific and technical services	1	4,100	18
Real estate and rental and leasing	Rental and leasing services	1	2,100	4
	Food and beverage retailers	5	17,900	79
	Furniture, home furnishings, electronics and appliances retailers	3	30,400	135
Retail trade	Gasoline stations and fuel vendors	2	5,000	20
	Health and personal care retailers	4	6,300	28
	Motor vehicle and parts dealers	3	30,400	65
	Sporting goods, hobby, musical instrument, book, and miscellaneous retailers	4	21,700	96
Transportation and warehousing	Warehousing and storage	1	121,500	22
Vacant	Vacant	5	9,300	0
Wholesale trade	Machinery, equipment and supplies merchant wholesalers	1	49,900	53
	Miscellaneous merchant wholesalers	4	20,000	21
Grand Total		75	678,500	1,323



Source: Tate Research based on an inventory and site inspections completed by TR conducted in October 2024. The inventory is categorized by 2 Digit NAICS Sectors and 3 digit NAICS Subsectors

Figure 3-3: Block Line Non-Residential Function based on NAICS Categories

Block Line Inventory Map



Source: Tate Research based on an inventory and site inspections completed by TR conducted in October 2024. The inventory is categorized by 2 Digit NAICS Sectors

Figure 3-4: Block Line Non-Residential Function based on NAICS Categories

62.5 Square Feet Per Capita

3.1% Vacancy Rate

Block Line Population Related Commercial Inventory and Square Feet Per Capita

Block Line Population = 4,700	Block Line (sq. ft.)		Square Feet Per Capita
Food & Beverage Retail (FBR)			
Supermarkets & Grocery Stores	0	0.0%	n.a.
Convenience & Specialty Food Stores	17,900	5.9%	3.8
Beer, Wine & Liquor	0	0.0%	n.a.
Food & Beverage Retail (FBR)	17,900	5.9%	3.8
Non-Food & Beverage Retail (NFBR)			
Department Stores	0	0.0%	n.a.
General Merchandise	0	0.0%	n.a.
Clothing, Shoes & Accessories	0	0.0%	n.a.
Furniture, Home Furnishings & Electronics	80,300	26.5%	17.1
Pharmacies & Personal Care Stores	6,300	2.1%	1.3
Building & Outdoor Home Supplies	0	0.0%	n.a.
Miscellaneous Retailers	21,700	7.2%	4.6
Automotive	3,200	1.1%	0.7
Subtotal Non-Food & Beverage Retail (NFBR)	111,500	36.8%	23.7
Total FBR & NFBR	129,400	42.7%	27.5
Service Space			
Food Services & Drinking Places	24,600	8.1%	5.2
Personal Care & Laundry Services	7,400	2.4%	1.6
Financial, Insurance, Legal & Real Estate Services	3,600	1.2%	0.8
Health Care & Social Assistance Services	31,000	10.2%	6.6
Entertainment & Recreation Services	85,800	28.3%	18.3
Other Services	11,900	3.9%	2.5
Subtotal Service Space	164,300	54.2%	35.0
Total Occupied Retail & Service Space	293,700	96.9%	62.5
Vacant	9,300	3.1%	
Total Population Related Commercial Space	303,000		



Source: Tate Research based on an inventory and site inspections completed by TR conducted in October 2024. The inventory is categorized using TR categories based on NAICS codes. Rounded to the nearest 100 square feet. Photographs from TR site visits and Google Maps Street View.

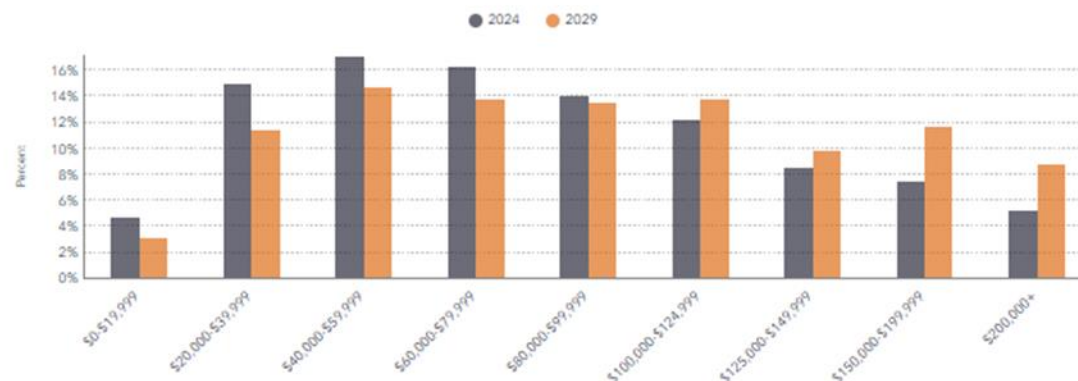
Figure 3-5: Block Line & Surrounding Socio-Economic Characteristics

Block Line & Surrounding Socio-Economic Characteristics

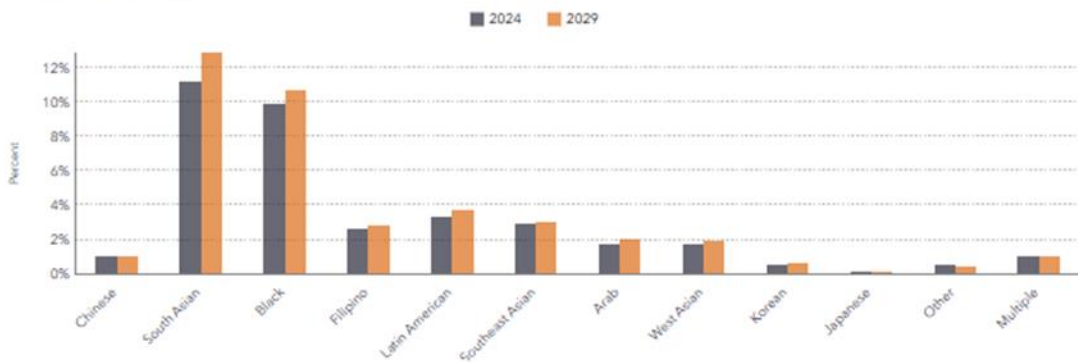
2024 Indicators (compared to **Kitchener**)



Household Income



Visible Minority



Source: Tate Research based on ArcGIS Business Analyst 2024 data.

- The retail and service per capita ratio in Block Line is 62.5 square feet. Of this per capita, approximately 18 square feet per capita consists of the Axtiva Sportsplex.
- Retail space accounts for 42.7% of the overall space with Service space accounting for 54.2%. The low retail ratio indicates that local residents shop elsewhere for destination retail goods, most likely in the neighbouring Fairway MTSA.
- In addition, the distribution of the per capita space illustrates that residents of Block Line have to fulfill a number of their daily and weekly retail and services in areas other than Block Line. For example, there is no supermarket in Block Line.
- Typical vacancy rates are between 5.0 – 7.5%. Block Line has a vacancy rate of 3.1% which is indicative of a potential under supply of commercial space.

3.3 Surrounding Socio-Economic Characteristics

Figure 3-5 summarises the socio-economic characteristics of Block Line and the surrounding area which is delineated by a 10-minute walk time. The following observations are made with respect to Figure 3-5:

- Block Line has smaller households, and the median age of residents is older than the City of Kitchener baseline.
- The medium income is less than the City of Kitchener median income.

3.4 2041 Population Related Market Demand Forecasts

This section of the report examines the retail and service requirements for the residents of Block Line based on a 2041 population estimate provided by the City.

The general per capita demand analysis methodology is summarized on Section 1.3 of this report. For the purpose of the Block Line per capita demand analysis the following assumptions are made and can be cross referenced to Figure 3-6:

- (A) - The 2041 Block Line population is forecast to be 11,500 persons. This represents a growth of 6,800 persons over the estimated 2024 population of 4,700. The 2041 population forms the basis of the per capita analysis
- (B) - TR has assumed a retail and service square foot per capita of 52.2.² This is based on our experience in various markets around the country. This per capita assumes a balanced market that serves the daily and weekly needs of the

² This per capita figure will fluctuate based on inputs such as e-commerce which will impact the amount of physical space required.

surrounding residents. This per capita does not account for regional draws such as enclosed shopping malls.

- (C) – Warranted Space 2041 – This is the amount of retail and service space that can be supported by the 2041 population. This analysis makes the simplifying assumption that inflow=outflow, meaning that there are persons living beyond Block Line that will support space within Block Line and conversely Block Line residents will shop at stores and services outside Block Line.
- (D) – Existing Space 2024 – This is the amount of existing space in Block Line.
- (E) – Residual Demand 2041 – This is the residual demand required to achieve the 52.2 square feet per capita target.
- (F) – Viability for the Area's Context – Based on the surrounding non-residential function, TR has assessed whether there is an opportunity for the uses.
- (G) – This is the TR estimate of the amount of commercial space that could be accommodated in Block Line to support the population growth.

Figure 3-6: Block Line Per Capita Analysis - 2041

(A) Block Line Population 2041 Population		11,500				
	(B)	(C)	(D)	(E)	(F)	(G)
	Per Capita (sq. ft./capita)	Warranted Space (2041)	Existing Space (2024)	Residual Demand (2041)	Viability for the Area's Context	Residual Viable Demand
<i>Square Feet</i>						
Food & Beverage Retail (FBR)	5.9	67,900	17,900	50,000		51,400
Supermarkets & Grocery Stores	3.6	41,700	0	41,700	yes	41,700
Convenience & Specialty Food Stores	1.4	16,500	17,900	-1,400	n/a	0
Beer, Wine & Liquor	0.8	9,700	0	9,700	yes	9,700
Non-Food & Beverage Retail (NFBR)	24.3	279,000	111,500	167,500		119,400
Department Stores	4.4	50,000	0	50,000	no	0
General Merchandise	3.4	39,300	0	39,300	yes	39,300
Clothing, Shoes & Accessories	3.0	34,700	0	34,700	no	0
Furniture, Home Furnishings & Electronics	3.6	41,100	80,300	-39,200	n/a	0
Pharmacies & Personal Care Stores	1.3	14,500	6,300	8,200	yes	8,200
Building & Outdoor Home Supplies	4.4	50,800	-	50,800	yes	50,800
Miscellaneous Retailers	3.7	42,800	21,700	21,100	yes	21,100
Automotive	0.5	5,800	3,200	2,600	no	0
Total FBR & NFBR	30.2	346,900	129,400	217,500		170,800
Service Space	22.0	253,000	164,300	88,700		121,100
Food Services & Drinking Places	5.2	59,700	24,600	35,100	yes	35,100
Personal Care & Laundry Services	2.5	29,000	7,400	21,600	yes	21,600
Financial, Insurance, Legal & Real Estate Services	2.9	33,800	3,600	30,200	yes	30,200
Health Care & Social Assistance Services	3.7	42,200	31,000	11,200	yes	11,200
Entertainment & Recreation Services	4.6	53,400	85,800	-32,400	n/a	0
Other Services	3.0	34,900	11,900	23,000	yes	23,000
Total Retail & Service Space	52.2	599,900	293,700	306,200		291,900

Source: Tate Research.

Based on a 2041 population forecast of 11,500 persons, TR estimates that an additional 291,900 square feet of retail and service is supportable in Block Line. It should be noted that there are a multitude of factors that will impact the delivery of this space as outlined in Section 2 of this report.

Furthermore, given Block Lines's location adjacent to Fairway, there is the potential for a portion of this demand to be served by existing and future retail in Fairway. As an example, there is demand for a supermarket in Block Line, however there are two supermarkets in Fairway, Food Basics and Farm Boy and the Walmart Supercentre which currently serve Block Line. A future supermarket operator may wish to wait beyond 2041 when there is additional population growth and locating in a mixed-use building is more typical in this market.

3.5 Block Line Existing Conditions and Future Requirements Summary

Block Line represents a suburban vehicular oriented context. Given the dispersed nature of the current retail context, it may be challenging to deliver the warranted demand in a mixed-use format.

4 Fairway Existing Conditions and Future Requirements

This section of the report examines the characteristics and future demand prospects for non-residential space in Fairway.

4.1 Existing Non-Residential Inventory

Figure 4-1 to 4-3 on the following pages illustrates the existing non-residential space in Fairway. The following observations are made with respect to the non-residential space:

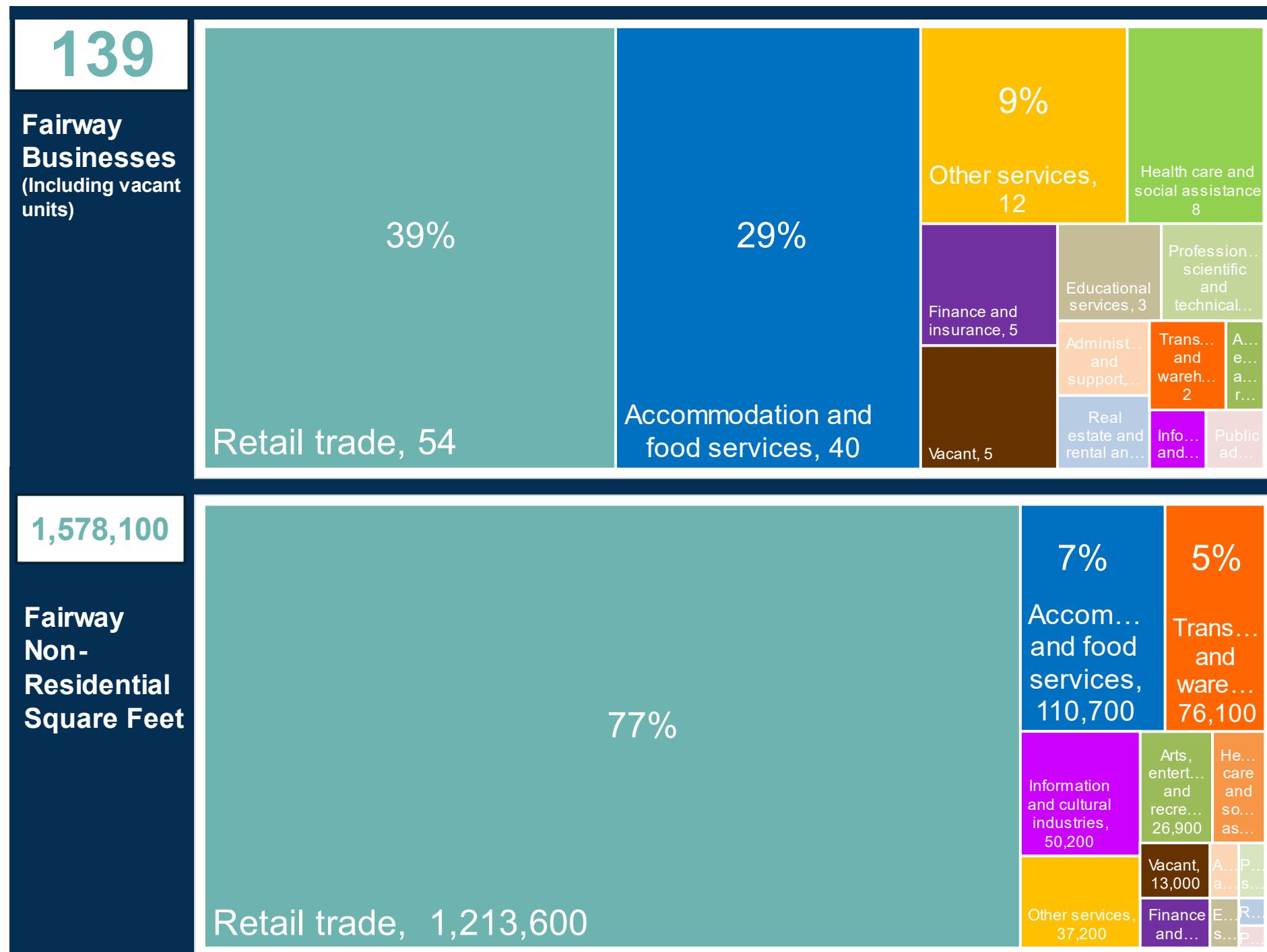
- There are 139 businesses accounting for approximately 1,578,100 square feet of space.
- The majority of non-residential space consists of retail and service space comprised of CF Fairway Mall and other typical traditional single story retail space serviced by surface parking.
- The existence of a Fairway Mall, which is a regional mall, results in a significant amount of customer traffic from a broader area which benefits the surrounding retail and service space.
- There are a number of space extensive businesses such as Canadian Tire, Leon's, Best Buy and Food Basics.

4.2 Population Related Inventory

Figure 4-4 examines the retail and service space in Fairway. This space can also be generally defined as population related space with the exception that it does not include larger institutional uses such as hospitals and schools. The following observations are made with respect to Figure 4-4:

- Generally, retail and service space per capita is approximately 45 – 55 square feet in larger cities such as Kitchener. Per capita ratios will change in sub-areas depending on the function they serve.

Figure 4-1: Fairway Non-Residential Function based on NAICS Categories



Source: Tate Research based on an inventory and site inspections completed by TR conducted in October 2024. The inventory is categorized by 2 Digit NAICS Sectors

Figure 4-2: Fairway Non-Residential Function based on NAICS Categories

Detailed Non-Residential Context

Fairway

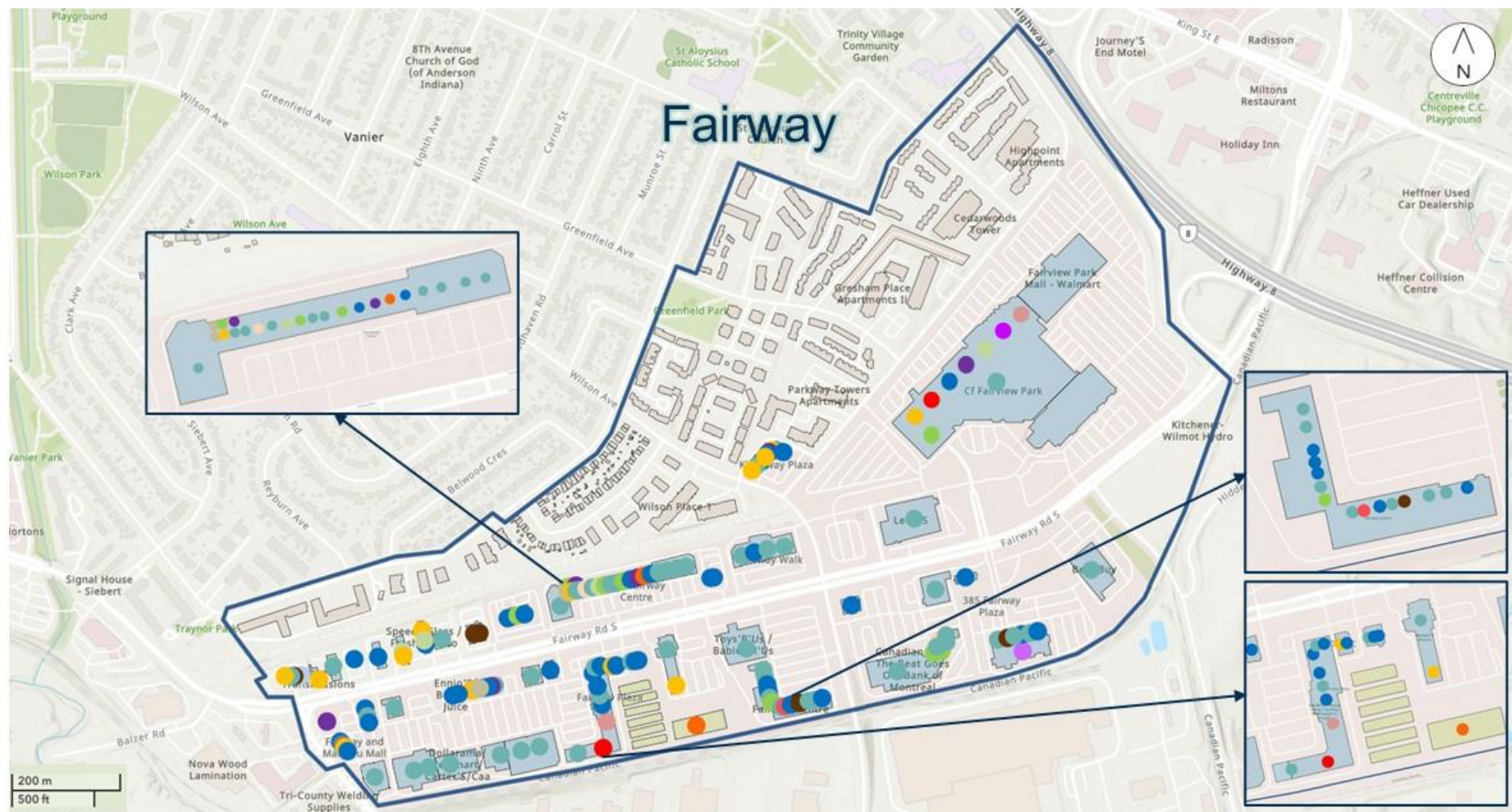
NAICS Sector	NAICS Subsector	Businesses	Square Feet	Employment
Accommodation and food services	Food services and drinking places	40	110,700	1,017
Administrative and support, waste management and remediation services	Administrative and support services	2	5,200	19
Arts, entertainment and recreation	Amusement, gambling and recreation industries	1	26,900	45
Educational services	Educational services	3	4,700	5
Finance and insurance	Credit intermediation and related activities	4	9,500	42
Health care and social assistance	Insurance carriers and related activities	1	2,200	10
Information and cultural industries	Ambulatory health care services	8	19,500	53
Other services	Motion picture and sound recording industries	1	50,200	83
Professional, scientific and technical services	Personal and laundry services	7	10,100	45
Public administration	Repair and maintenance	5	27,100	109
Real estate and rental and leasing	Professional, scientific and technical services	3	4,900	18
	Federal government public administration	1	2,000	6
	Rental and leasing services	2	2,400	5
	Building material and garden equipment and supplies dealers	2	10,400	46
	Clothing, clothing accessories, shoes, jewelry, luggage and leather goods retailers	8	681,800	2,945
	Food and beverage retailers	8	93,000	302
	Furniture, home furnishings, electronics and appliances retailers	9	171,600	385
	General merchandise retailers	3	74,200	159
	Health and personal care retailers	4	13,800	61
	Motor vehicle and parts dealers	5	23,800	72
	Sporting goods, hobby, musical instrument, book, and miscellaneous retailers	15	145,000	539
	Couriers and messengers	1	1,500	9
	Warehousing and storage	1	74,600	13
Transportation and warehousing	Vacant	5	13,000	0
Vacant				
Grand Total		139	1,578,100	5,988



Source: Tate Research based on an inventory and site inspections completed by TR conducted in October 2024. The inventory is categorized by 2 Digit NAICS Sectors and 3 digit NAICS Subsectors

Figure 4-3: Fairway Non-Residential Function based on NAICS Categories

Fairway Inventory Map



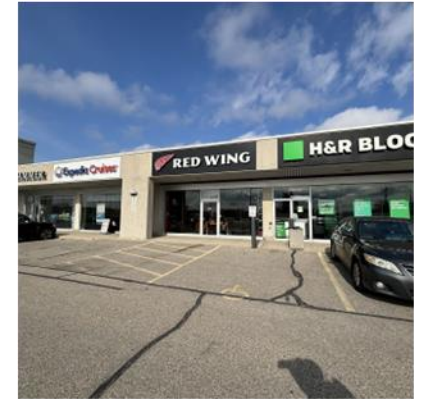
Source: Tate Research based on an inventory and site inspections completed by TR conducted in October 2024. The inventory is categorized by 2 Digit NAICS Sectors

Figure 4-4: Fairway Non-Residential Function based on NAICS Categories



Fairway Population Related Commercial Inventory and Square Feet Per Capita

Fairway Population = 6,900	Fairway (sq. ft.)		Square Feet Per Capita
Food & Beverage Retail (FBR)			
Supermarkets & Grocery Stores	63,000	4.3%	9.1
Convenience & Specialty Food Stores	19,900	1.4%	2.9
Beer, Wine & Liquor	10,100	0.7%	1.5
Food & Beverage Retail (FBR)	93,000	6.3%	13.5
Non-Food & Beverage Retail (NFBR)			
Department Stores	0	0.0%	n.a.
General Merchandise	74,200	5.1%	10.75
Clothing, Shoes & Accessories	681,800	46.5%	98.81
Furniture, Home Furnishings & Electronics	171,600	11.7%	24.9
Pharmacies & Personal Care Stores	13,800	0.9%	2.0
Building & Outdoor Home Supplies	10,400	0.7%	1.51
Miscellaneous Retailers	145,000	9.9%	21.0
Automotive	12,400	0.8%	1.8
Subtotal Non-Food & Beverage Retail (NFBR)	1,109,200	75.7%	160.8
Total FBR & NFBR	1,202,200	82.0%	174.2
Service Space			
Food Services & Drinking Places	110,700	7.6%	16.0
Personal Care & Laundry Services	10,100	0.7%	1.5
Financial, Insurance, Legal & Real Estate Services	15,400	1.1%	2.2
Health Care & Social Assistance Services	19,500	1.3%	2.8
Entertainment & Recreation Services	77,100	5.3%	11.2
Other Services	17,500	1.2%	2.5
Subtotal Service Space	250,300	17.1%	36.3
Total Occupied Retail & Service Space	1,452,500	99.1%	210.5
Vacant	13,000	0.9%	
Total Population Related Commercial Space	1,465,500		



Source: Tate Research based on an inventory and site inspections completed by TR conducted in October 2024. The inventory is categorized using TR categories based on NAICS codes. Rounded to the nearest 100 square feet. Photographs from TR site visits and Google Maps Street View.

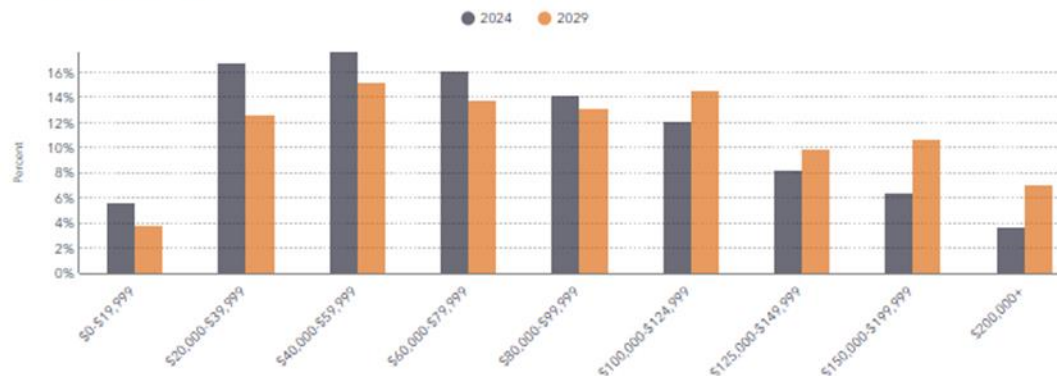
Figure 4-5: Fairway & Surrounding Socio-Economic Characteristics

Fairway & Surrounding Socio-Economic Characteristics

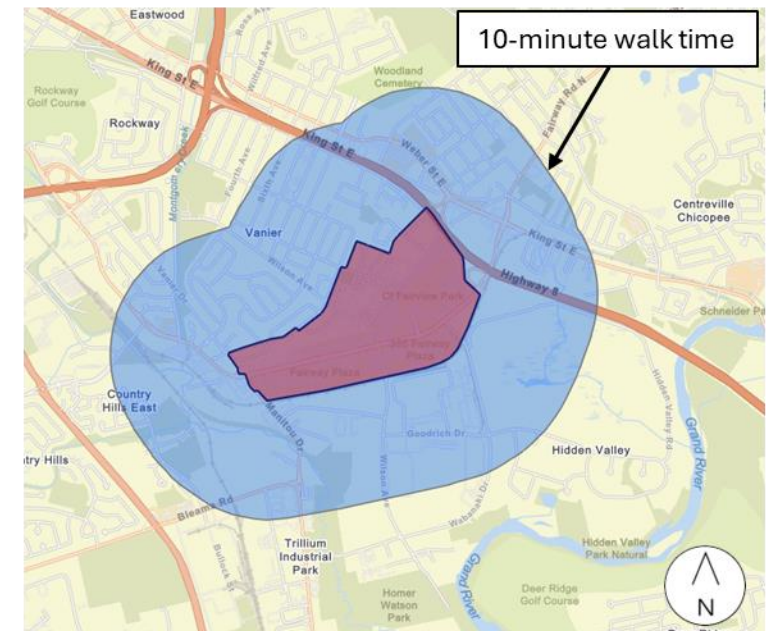
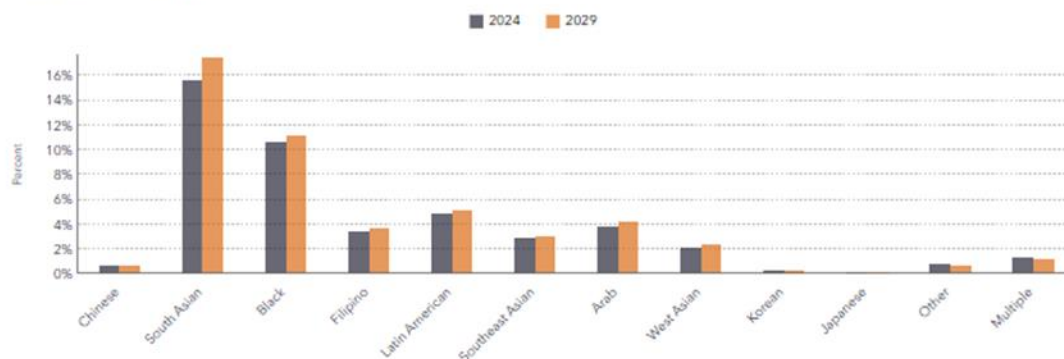
2024 Indicators (compared to **Kitchener**)



Household Income



Visible Minority



Source: Tate Research based on ArcGIS Business Analyst 2024 data.

- The high 210.5 square feet per capita is a function of the regional uses and the fact that the trade area population for these uses extends well beyond the boundary of the Fairway PMTSA.
- Retail space accounts for 82.0% of the overall space with Service space only accounting for 17.1%. The high retail to service ratio suggests a regional destination draw and conversely that local services are lacking.
- Typical vacancy rates are between 5.0 – 7.5%. Fairway has a vacancy rate of 0.9% which is indicative of a potential under supply of commercial space.

4.3 Surrounding Socio-Economic Characteristics

Figure 4-5 summarises the socio-economic characteristics of Fairway and the surrounding area which is delineated by a 10-minute walk time. The following observations are made with respect to Figure 4-5:

- Fairway has smaller households, and the median age of residents is younger than the City of Kitchener baseline.
- The medium income is less than the City of Kitchener median income.
- The proportion of the population that identifies as a visible minority is significantly higher than the City as a whole.

4.4 2041 Population Related Market Demand Forecasts

This section of the report examines the retail and service requirements for the residents of Fairway based on a 2041 population estimate provided by the City.

The general per capita demand analysis methodology is summarized on Section 1.3 of this report. For the purpose of the Fairway per capita demand analysis the following assumptions are made and can be cross references to Figure 4-6:

- (A) - The 2041 Fairway population is forecast to be 12,100 persons. This represents a growth of 5,200 persons over the estimated 2024 population of 6,900. The 2041 population forms the basis of the per capita analysis.
- (B) - TR has assumed a retail and service square foot per capita of 52.2.³ This is based on our experience in various markets around the country. This per capita assumes a balanced market that serves the daily and weekly needs of the surrounding residents. This per capita does not account for regional draws such as enclosed shopping malls.

³ This per capita figure will fluctuate based on inputs such as e-commerce which will impact the amount of physical space required.

- (C) – Warranted Space 2041 – This is the amount of retail and service space that can be supported by the 2041 population. This analysis makes the simplifying assumption that inflow=outflow, meaning that there are persons living beyond Fairway that will support space within Fairway and conversely Fairway residents will shop at stores and services outside Fairway.
- (D) – Existing Space 2024 – This is the amount of existing space in Fairway.
- (E) – Residual Demand 2041 – This is the residual demand required to achieve the 52.2 square feet per capita target.
- (F) – Viability for the Area's Context – Based on the surrounding non-residential function, TR has assessed whether there is an opportunity for the uses.
- (G) – This is the TR estimate of the amount of commercial space that could be accommodated in Fairway to support the population growth.

Figure 4-6: Fairway Per Capita Analysis - 2041

(A) Fairway Population 2041 Population		12,100				
	(B)	(C)	(D)	(E)	(F)	(G)
	Per Capita (sq. ft./capita)	Warranted Space (2041)	Existing Space (2024)	Residual Demand (2041)	Viability for the Area's Context	Residual Viable Demand
<i>Square Feet</i>						
Food & Beverage Retail (FBR)	5.9	71,400	93,000	100		100
Supermarkets & Grocery Stores	3.6	43,800	63,000	negative	n/a	0
Convenience & Specialty Food Stores	1.4	17,400	19,900	negative	n/a	0
Beer, Wine & Liquor	0.8	10,200	10,100	100	yes	100
Non-Food & Beverage Retail (NFBR)	24.3	293,700	1,109,200	97,200		44,500
Department Stores	4.4	52,700	0	52,700	no	0
General Merchandise	3.4	41,300	74,200	negative	n/a	0
Clothing, Shoes & Accessories	3.0	36,500	681,800	negative	n/a	0
Furniture, Home Furnishings & Electronics	3.6	43,300	171,600	negative	n/a	0
Pharmacies & Personal Care Stores	1.3	15,200	13,800	1,400	yes	1,400
Building & Outdoor Home Supplies	4.4	53,500	10,400	43,100	yes	43,100
Miscellaneous Retailers	3.7	45,100	145,000	negative	n/a	0
Automotive	0.5	6,100	12,400	negative	n/a	0
Total FBR & NFBR	30.2	365,100	1,202,200	97,300		44,600
Service Space	22.0	266,200	250,300	84,700		84,700
Food Services & Drinking Places	5.2	62,800	110,700	negative	n/a	0
Personal Care & Laundry Services	2.5	30,600	10,100	20,500	yes	20,500
Financial, Insurance, Legal & Real Estate Services	2.9	35,500	15,400	20,100	yes	20,100
Health Care & Social Assistance Services	3.7	44,400	19,500	24,900	yes	24,900
Entertainment & Recreation Services	4.6	56,200	77,100	negative	n/a	0
Other Services	3.0	36,700	17,500	19,200	yes	19,200
Total Retail & Service Space	52.2	631,300	1,452,500	182,000		129,300

Source: Tate Research.

Based on a 2041 population forecast of 12,100 persons, TR estimates that Fairway residents could support approximately 129,300 square feet of additional retail and service space. The majority of the required retail and service space will be in the service categories which typically cater to a more local area and population. This is expected as the majority of Fairway space is regional and retail oriented. Service retailers typically locate in more neighbourhood-oriented contexts. It should be noted that there are a multitude of factors that will impact the delivery of this space as outlined in Section 2 of this report.

4.5 Fairway Existing Conditions and Future Requirements

Fairway represents a suburban vehicular oriented context. Given the big box and plaza format of the current retail context, delivering retail in mixed-use formats will require significant coordination and cooperation from large anchor tenants. However, these same conditions will allow for larger multi building developments which will allow for a more nuanced approach to where retail can be developed.

As noted in previous sections of this report, in the interim, there will be instances of horizontal mixed-use, when residential is developed on some of the larger parcels that contain retail. This horizontal mixed-use condition may exist until leases on large anchor stores expire and vertical mixes-use becomes feasible.

5 Sportsworld Existing Conditions and Future Requirements

This section of the report examines the characteristics and future demand prospects for non-residential space in Sportsworld.

5.1 Existing Non-Residential Inventory

Figure 5-1 to 5-3 on the following pages illustrates the existing non-residential space in Sportsworld. The following observations are made with respect to the non-residential space:

- There are 134 businesses accounting for approximately 1,457,400 square feet of space.
- There is a wide variety of businesses. Approximately 39% of square feet is Retail Trade, approximately 17% of square feet is Finance and insurance, and approximately 11% of square feet is Accommodation and food services.
- In addition to space extensive retail uses, there are also a number of office buildings.
- The businesses are mostly concentrated at Sportsworld Crossing and Deer Ridge Centre.
- The majority of business are located in multi-storey office buildings and commercial buildings with surface parking.

5.2 Population Retailed Inventory

Figure 5-4 examines the retail and service space in Sportsworld. This space can also be generally defined as population related space with the exception that it does not include larger institutional uses such as hospitals and schools.

Figure 5-1: Sportsworld Non-Residential Function based on NAICS Categories



Source: Tate Research based on an inventory and site inspections completed by TR conducted in October 2024. The inventory is categorized by 2 Digit NAICS Sectors

Figure 5-2: Sportsworld Non-Residential Function based on NAICS Categories

Detailed Non-Residential Context

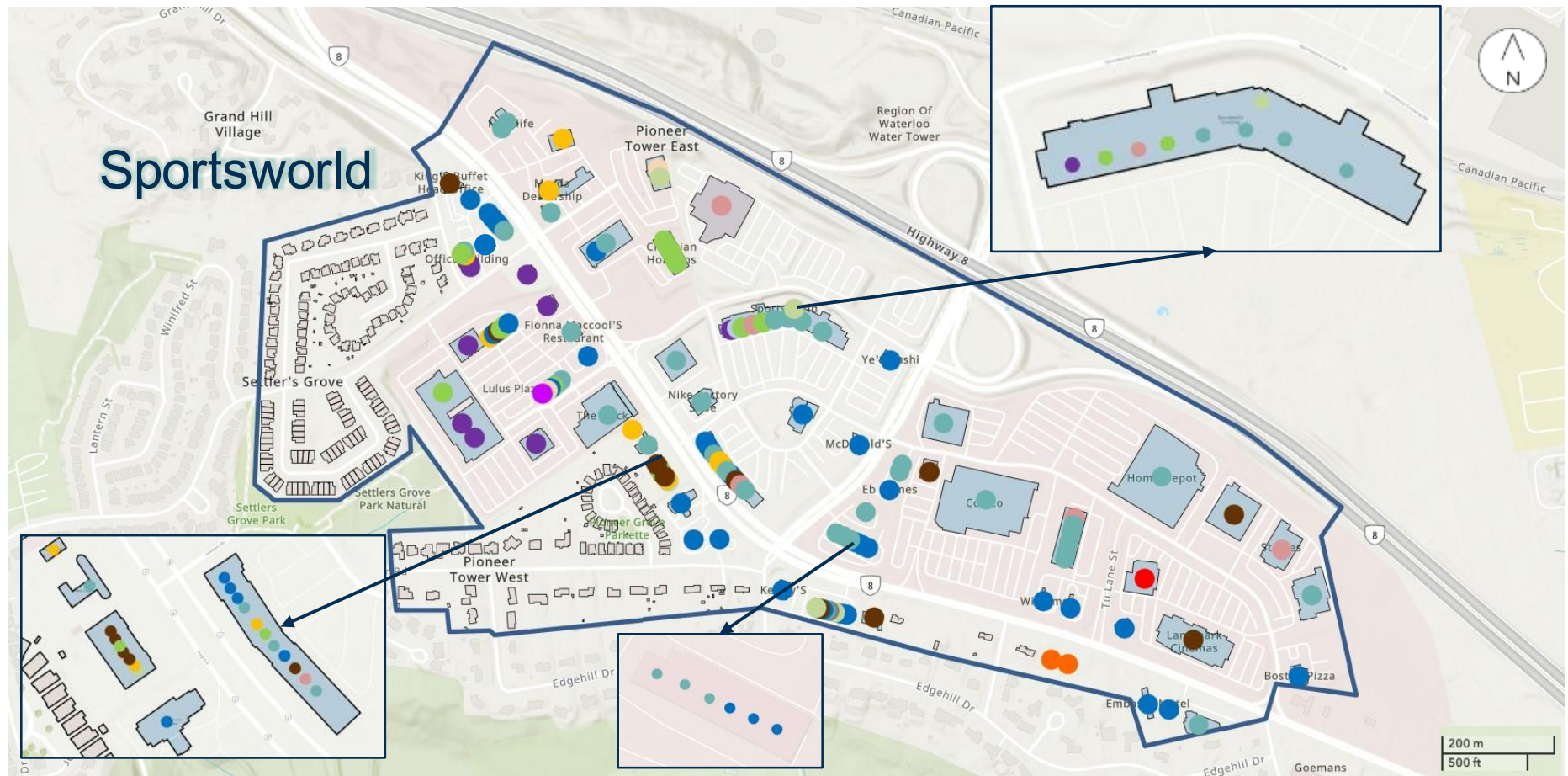
Sportsworld					
NAICS Sector	NAICS Subsector	Businesses	Square Feet	Employment	
Accommodation and food services	Accommodation services	3	55,100	97	
	Food services and drinking places	32	110,700	1,025	
Administrative and support, waste management and remediation services	Administrative and support services	1	1,500	5	
	Waste management and remediation services	1	9,700	31	
Arts, entertainment and recreation	Amusement, gambling and recreation industries	5	100,700	167	
	Credit intermediation and related activities	3	17,100	76	
Finance and insurance	Insurance carriers and related activities	2	2,000	9	
	Securities, commodity contracts, and other financial investment and related activities	4	232,000	744	
Health care and social assistance	Ambulatory health care services	9	23,100	63	
	Social assistance	4	47,600	145	
Management of companies and enterprises	Management of companies and enterprises	1	1,500	5	
Manufacturing	Beverage and tobacco product manufacturing	1	1,700	2	
	Personal and laundry services	4	6,000	27	
Other services	Repair and maintenance	3	28,900	117	
Professional, scientific and technical services	Professional, scientific and technical services	5	90,200	297	
Real estate and rental and leasing	Real estate	1	2,600	12	
	Building material and garden equipment and supplies dealers	3	139,000	276	
	Clothing, clothing accessories, shoes, jewelry, luggage and leather goods retailers	4	26,200	116	
	Food and beverage retailers	5	14,600	65	
	Furniture, home furnishings, electronics and appliances retailers	12	154,000	568	
Retail trade	Gasoline stations and fuel vendors	2	3,000	12	
	General merchandise retailers	1	131,500	250	
	Health and personal care retailers	3	3,800	15	
	Motor vehicle and parts dealers	4	23,500	56	
	Sporting goods, hobby, musical instrument, book, and miscellaneous retailers	5	75,200	238	
	Truck transportation	1	1,700	11	
Transportation and warehousing	Warehousing and storage	1	2,700	0	
Vacant	Vacant	13	127,800	0	
Wholesale trade	Miscellaneous merchant wholesalers	1	24,000	25	
Grand Total		134	1,457,400	4,450	



Source: Tate Research based on an inventory and site inspections completed by TR conducted in October 2024. The inventory is categorized by 2 Digit NAICS Sectors and 3 digit NAICS Subsectors

Figure 5-3: Sportsworld Non-Residential Function based on NAICS Categories

Sportsworld Inventory Map



Source: Tate Research based on an inventory and site inspections completed by TR conducted in October 2024. The inventory is categorized by 2 Digit NAICS Sectors

Figure 5-4: Sportsworld Non-Residential Function based on NAICS Categories

731.2 Square Feet Per Capita

12.7% Vacancy Rate

Sportsworld Population Related Commercial Inventory and Square Feet Per Capita

Sportworld Population = 1,200	Sportsworld (sq. ft.)		Square Feet Per Capita
Food & Beverage Retail (FBR)			
Supermarkets & Grocery Stores	0	0.0%	n.a.
Convenience & Specialty Food Stores	10,700	1.1%	8.9
Beer, Wine & Liquor	5,600	0.6%	4.67
Food & Beverage Retail (FBR)	16,300	1.6%	13.6
Non-Food & Beverage Retail (NFBR)			
Department Stores	0	0.0%	n.a.
General Merchandise	131,500	13.1%	109.58
Clothing, Shoes & Accessories	37,900	3.8%	31.58
Furniture, Home Furnishings & Electronics	154,000	15.3%	128.3
Pharmacies & Personal Care Stores	3,800	0.4%	3.2
Building & Outdoor Home Supplies	139,000	13.8%	115.83
Miscellaneous Retailers	63,500	6.3%	52.9
Automotive	9,000	0.9%	7.5
Subtotal Non-Food & Beverage Retail (NFBR)	538,700	53.6%	448.9
Total FBR & NFBR	555,000	55.2%	462.5
Service Space			
Food Services & Drinking Places	110,700	11.0%	92.3
Personal Care & Laundry Services	6,000	0.6%	5.0
Financial, Insurance, Legal & Real Estate Services	21,700	2.2%	18.1
Health Care & Social Assistance Services	32,600	3.2%	27.2
Entertainment & Recreation Services	100,700	10.0%	83.9
Other Services	50,700	5.0%	42.3
Subtotal Service Space	322,400	32.1%	268.7
Total Occupied Retail & Service Space	877,400	87.3%	731.2
Vacant	127,800	12.7%	
Total Population Related Commercial Space	1,005,200		



Source: Tate Research based on an inventory and site inspections completed by TR conducted in October 2024. The inventory is categorized using TR categories based on NAICS codes. Rounded to the nearest 100 square feet.

Figure 5-5: Sportsworld & Surrounding Socio-Economic Characteristics

Sportsworld & Surrounding Socio-Economic Characteristics

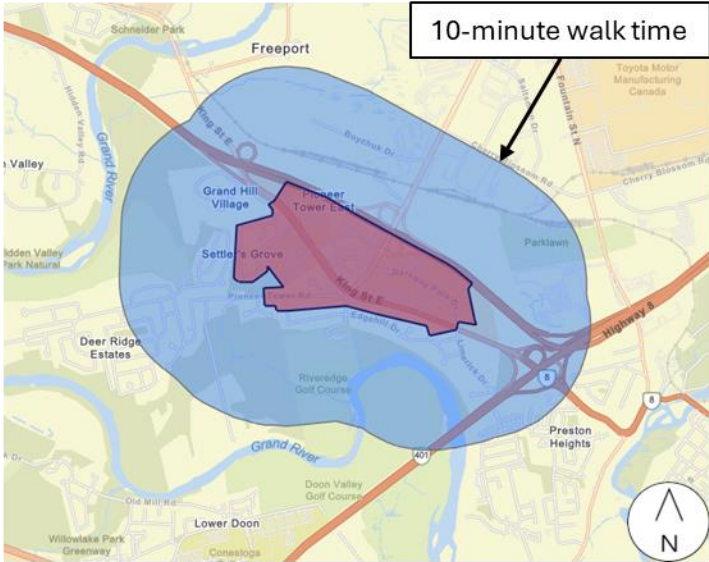
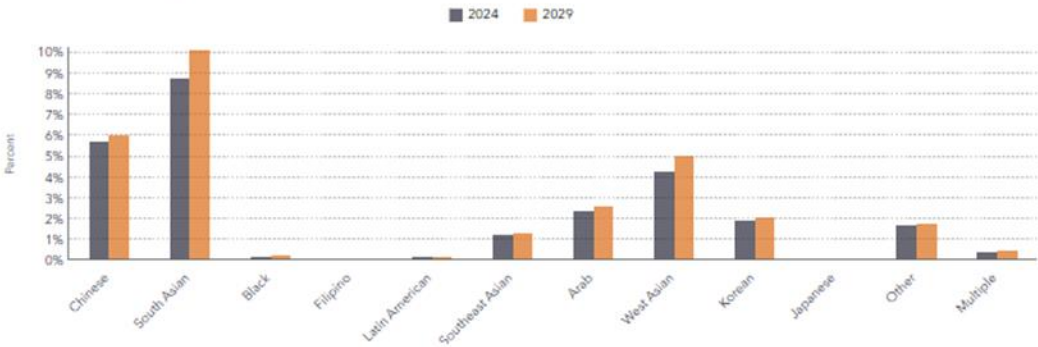
2024 Indicators (compared to **Kitchener**)



Household Income



Visible Minority



Source: Tate Research based on ArcGIS Business Analyst 2024 data.

The following observations are made with respect to Figure 5-4:

- Generally, retail and service space per capita is approximately 45 – 55 square feet in larger cities such as Kitchener. Per capita ratios will change in sub-areas depending on the function they serve.
- The high 731.2 square feet per capita is a function of the regional uses and the fact that the trade area population for these uses extends well beyond the boundary of the Sportsworld PMTSA. Specifically, the Costco has a regional draw.
- The distribution of the per capita space illustrates that residents of Sportsworld can fulfill most of their daily and weekly retail and services within Sportsworld. It should be noted that currently there are no supermarkets in Sportsworld (beyond the grocery function of the Costco).

Typical vacancy rates are between 5.0 – 7.5%. Sportsworld has a vacancy rate of 12.7% which is indicative of an oversupply of commercial space.

5.3 Surrounding Socio-Economic Characteristics

Figure 5-5 summarises the socio-economic characteristics of Sportsworld and the surrounding area which is delineated by a 10-minute walk time. The following observations are made with respect to Figure 5-5:

- Sportsworld has larger households, and the median age of residents is older than the City of Kitchener baseline.
- The medium income is significantly more than the City of Kitchener median income.

5.4 2041 Population Related Market Demand Forecasts

This section of the report examines the retail and service requirements for the residents of Sportsworld based on a 2041 population estimate provided by the City.

The general per capita demand analysis methodology is summarized on Section 1.3 of this report. For the purpose of the Sportsworld per capita demand analysis the following assumptions are made and can be cross references to Figure 5-6:

- (A) - The 2041 Sportsworld is forecast to be 4,800 persons. This represents a growth of 3,600 persons over the estimated 2024 population of 1,200. The 2041 population forms the basis of the per capita analysis

- (B) - TR has assumed a retail and service square foot per capita of 52.2.⁴ This is based on our experience in various markets around the country. This per capita assumes a balanced market that serves the daily and weekly needs of the surrounding residents. This per capita does not account for regional draws such as enclosed shopping malls.
- (C) – Warranted Space 2041 – This is the amount of retail and service space that can be supported by the 2041 population. This analysis makes the simplifying assumption that inflow=outflow, meaning that there are persons living beyond Sportsworld that will support space within Sportsworld and conversely Sportsworld residents will shop at stores and services outside Sportsworld.

Figure 5-6: Sportsworld Per Capita Analysis - 2041

(A) Sportsworld Population 2041 Population		4,800				
	(B)	(C)	(D)	(E)	(F)	(G)
	Per Capita (sq. ft./capita)	Warranted Space (2041)	Existing Space (2024)	Residual Demand (2041)	Viability for the Area's Context	Residual Viable Demand
<i>Square Feet</i>						
Food & Beverage Retail (FBR)	5.9	28,300	16,300	17,400		17,400
Supermarkets & Grocery Stores	3.6	17,400	0	17,400	yes	17,400
Convenience & Specialty Food Stores	1.4	6,900	10,700	negative	n/a	0
Beer, Wine & Liquor	0.8	4,000	5,600	negative	n/a	0
Non-Food & Beverage Retail (NFBR)	24.3	116,500	538,700	23,100		2,200
Department Stores	4.4	20,900	0	20,900	no	0
General Merchandise	3.4	16,400	131,500	negative	n/a	0
Clothing, Shoes & Accessories	3.0	14,500	37,900	negative	n/a	0
Furniture, Home Furnishings & Electronics	3.6	17,200	154,000	negative	n/a	0
Pharmacies & Personal Care Stores	1.3	6,000	3,800	2,200	yes	2,200
Building & Outdoor Home Supplies	4.4	21,200	139,000	negative	n/a	0
Miscellaneous Retailers	3.7	17,900	63,500	negative	n/a	0
Automotive	0.5	2,400	9,000	negative	n/a	0
Total FBR & NFBR	30.2	144,800	555,000	40,500		19,600
Service Space	22.0	105,500	322,400	6,100		6,100
Food Services & Drinking Places	5.2	24,900	110,700	negative	n/a	0
Personal Care & Laundry Services	2.5	12,100	6,000	6,100	yes	6,100
Financial, Insurance, Legal & Real Estate Services	2.9	14,100	21,700	negative	n/a	0
Health Care & Social Assistance Services	3.7	17,600	32,600	negative	n/a	0
Entertainment & Recreation Services	4.6	22,300	100,700	negative	n/a	0
Other Services	3.0	14,500	50,700	negative	n/a	0
Total Retail & Service Space	52.2	250,300	877,400	46,600		25,700

Source: Tate Research.

⁴ This per capita figure will fluctuate based on inputs such as e-commerce which will impact the amount of physical space required

- (D) – Existing Space 2024 – This is the amount of existing space in Sportsworld.
- (E) – Residual Demand 2041 – This is the residual demand required to achieve the 52.2 square feet per capita target.
- (F) – Viability for the Area’s Context – Based on the surrounding non-residential function, TR has assessed whether there is an opportunity for the uses.
- (G) – This is the TR estimate of the amount of commercial space that could be accommodated in Sportsworld to support the population growth.

Based on a 2041 population forecast of 4,800 persons, TR estimates that Sportsworld requires approximately 25,700 square feet of additional retail and service space. It should be noted that there are a multitude of factors that will impact the delivery of this space as outlined in Section 2 of this report.

5.5 Sportsworld Existing Conditions and Future Requirements

Sportsworld represents a suburban vehicular oriented context. Given the big box and plaza format of the current retail context, delivering retail in mixed-use formats will require significant coordination and cooperation from large anchor tenants. However, these same conditions will allow for larger multi building developments which will allow for a more nuanced approach to where retail can be developed.

Appendix B – Peer Review of the City's Population Related Jobs Forecast

Three Study Areas in Kitchener

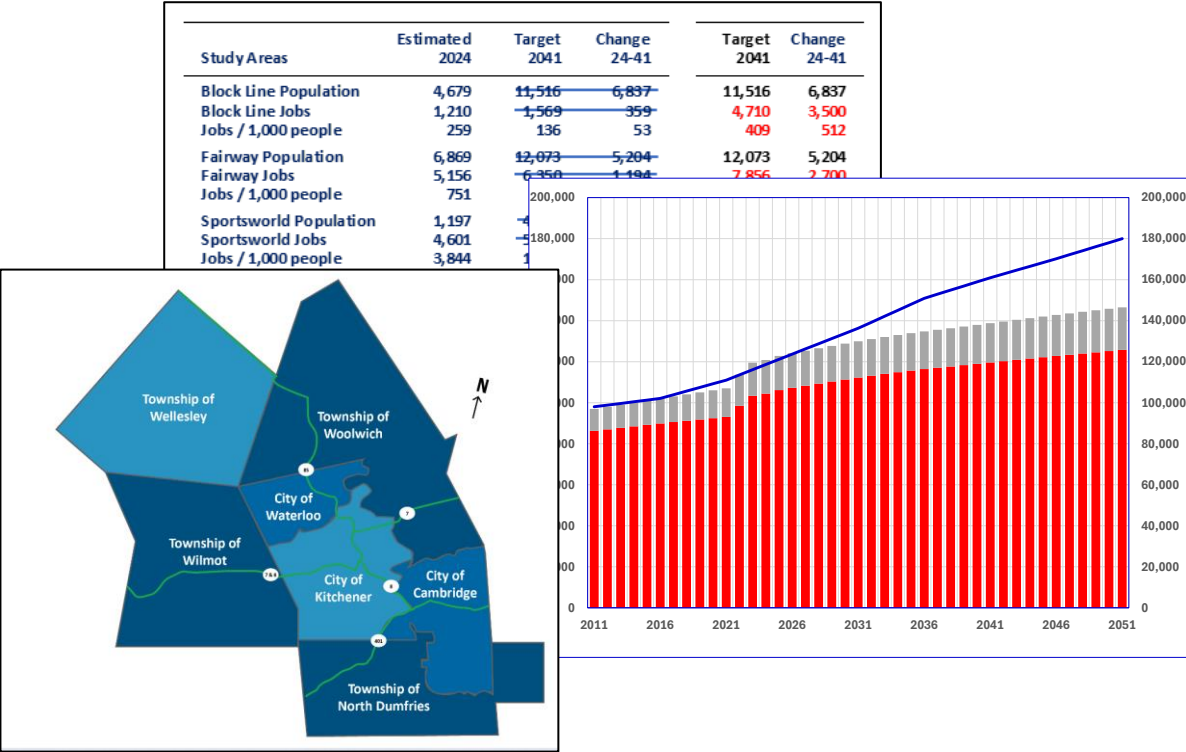
Population and Employment Projections

Final Assessment

prepared for



prepared by



November 2024

Our Assignment

Peer review the City's population-related jobs within the Study Areas

Examine the inputs used to determine the population-related jobs within the Study Areas

Note:

The City did not describe the “inputs” it considered in generating the the population and job allocations to each Study Area

To evaluate the City's allocation of jobs to the Study Areas we need to:

- **understand Kitchener's role within the KCW CMA**
- **consider the SA allocations against the backdrop of projections for the City as a whole**

Regional Economic Growth Drivers

Economic base industries typically drive overall growth

- Agriculture, mining and manufacturing (traditional drivers)
- Exportable services (education, health, finance, business services)
- Tourism services (retail, food, accommodation, recreation)
- Government services (federal, provincial, defense)

Without economic base growth, overall growth typically will not occur

Commuters and retirees can also drive population growth

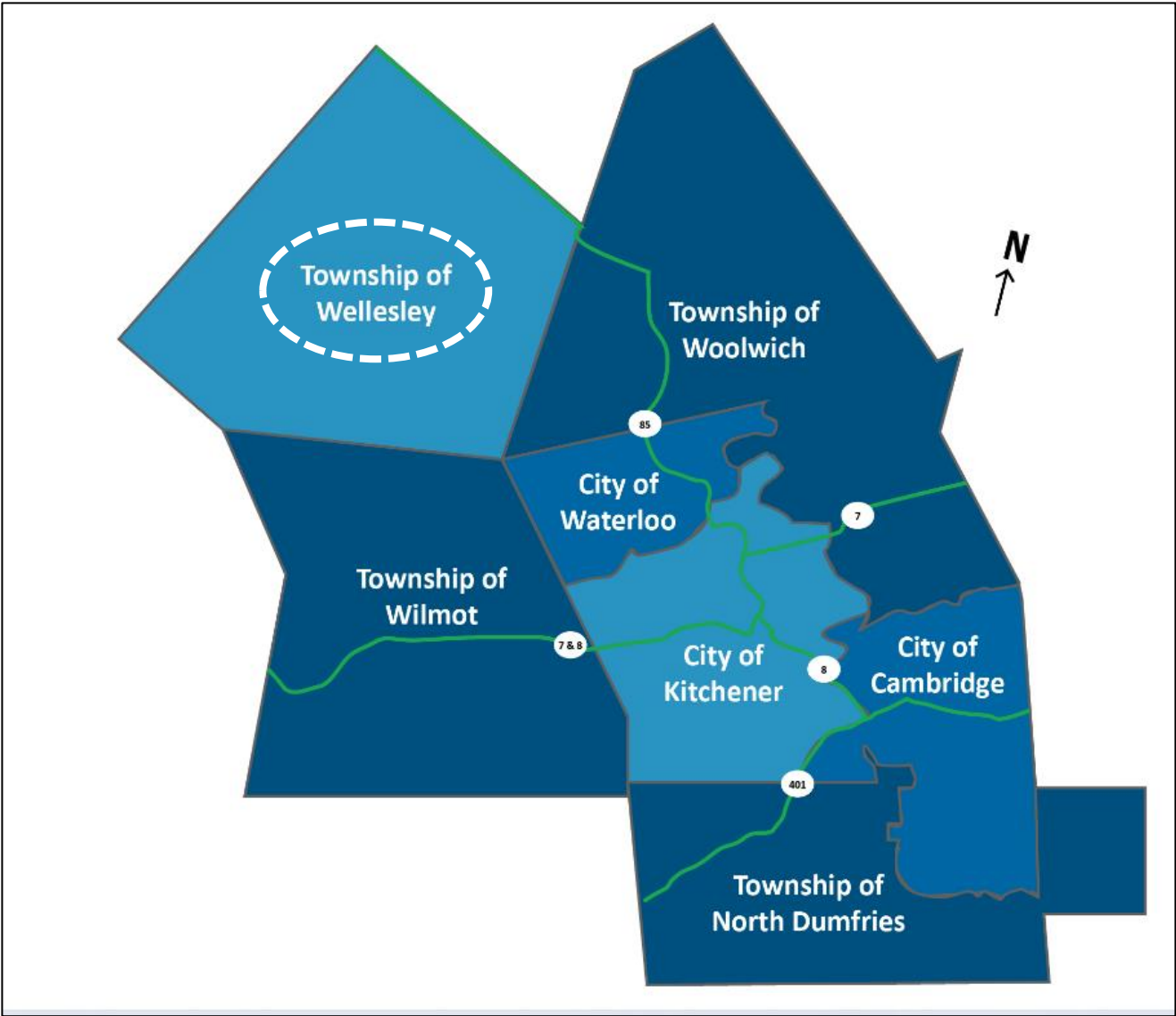
Our Regional Projections System

Economic growth drives labour requirements

Labour requirements drive population growth

**Economic growth and population growth drive the need for
residential, commercial, industrial and institutional space**

Waterloo Region and the Kitchener-Cambridge-Waterloo CMA



Post-Censal Populations as of 2023

Area	Population	Area	Population
Waterloo Region	675,227	KCW CMA	662,937
North Dumfries	12,132	North Dumfries	12,132
Cambridge	156,318	Cambridge	156,318
Kitchener	300,892	Kitchener	300,892
Waterloo	139,696	Waterloo	139,696
Wilmot	23,066	Wilmot	23,066
Wellesley	12,290		
Woolwich	30,833	Woolwich	30,833

The Region and the CMA are basically the same
Wellesley is in the region but not in the CMA

CMA's are agglomerations of contiguous CSD's with a core municipality of 100,000+ population

The core and its suburbs are economically and socially interdependent

The Region of Waterloo is a political concept
The KCW CMA is an economic concept

Decomposition of Jobs in Waterloo Region by Area

	Kitch.	Water.	Camb.	Other	Region
Total Population	256,885	121,436	138,479	138,479	655,279
Total Jobs	93,185	56,615	66,290	34,485	250,575
Economic Base Jobs	12,453	19,405	23,519	9,990	65,367
EB / 1,000 People	48	160	170	72	100
Community Base Jobs	80,732	37,210	42,771	24,495	185,208
CB / 1,000 People	314	306	309	177	283

Kitchener accommodates the most people and the most jobs
 Cambridge and Waterloo account for most of the Economic Base jobs

Community Base jobs follow the population

CB job/people ratio is consistent across the major three centres

Kitchener's main role within the CMA is as an accommodator of people (many of them out-commuters) and of population-related (CB) jobs

**Jobs by place-of-work
in Kitchener**

89,915 in 2016

93,195 in 2021

**Employed residents
of Kitchener**

121,190 in 2016

124,325 in 2021

**Kitchener is a
net exporter of
20,000+ workers
each day**

Commuter Flows To and From Kitchener in 2016

To Kitchener from		From Kitchener to	
Total	82,510	Total	101,400
Kitchener	48,890	Kitchener	48,890
Waterloo	12,055	Waterloo	21,250
Cambridge	6,620	Cambridge	11,650
Wilmot	2,355	Guelph	5,690
Guelph	2,010	Woolwich	3,185
Woolwich	1,790	North Dumfries	1,395
North Dumfries	750	Mississauga	1,310
Wellesley	685	Wilmot	1,250
Hamilton	655	Toronto	1,005
Brant	565	Hamilton	550
Woodstock	555	Stratford	545
Centre Wellington	495	Milton	490
Toronto	425	Brampton	375
All other	4,660	All other	3,815

The External Environment

Trump's election raises serious uncertainty about the short-term outlook

- almost 80 percent of Canada's exports are US bound
- our economies are significantly integrated through trade
- US corporations will demand US concessions to Canada

10 to 20 percent US tariffs on US imports would result in significant increases in prices paid by Americans in the short term

The impacts on the supply chain and on US consumer real incomes together would result in a US recession in the short term

The proposed massive deportation of immigrants would reduce the supply of workers making the US recession even worse

The External Environment

Canada's real GDP, jobs and inflation would be impacted in the short term

The impacts are unavoidable but unquantifiable with any accuracy

The "short term" is at least two, possibly three, years long

The longer-term US outlook should not change much

The US economy will grow but at a gradually decelerating rate

The Canadian economy will follow suit

The External Environment

Canada's Baby Boomers will be retiring through to the mid-2030s

Canada's immigration needs to remain high through until then --

to backfill the retiring Boomers -- then it can gradually decline

Canada's population growth near term will be higher than average,

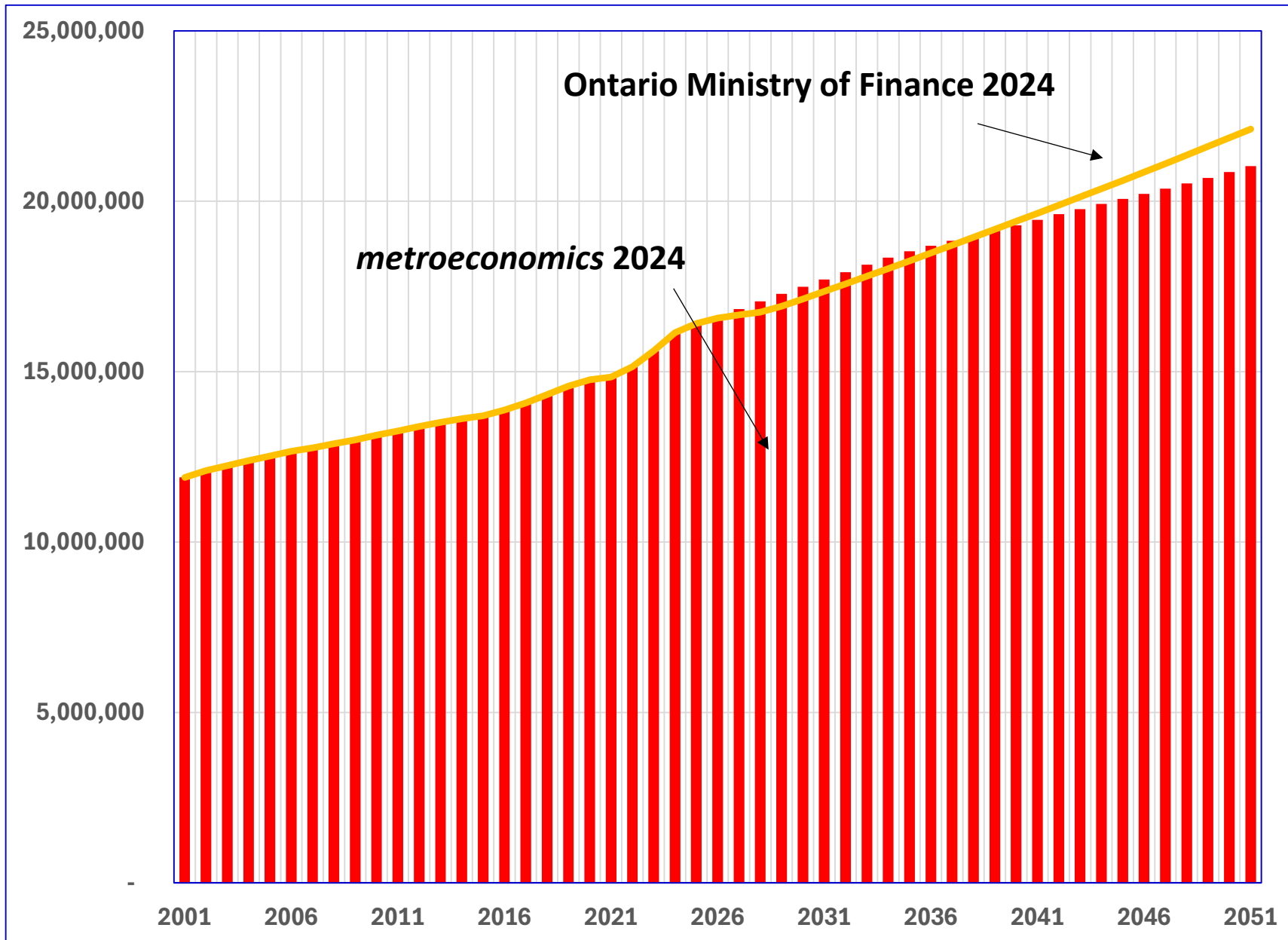
then it will gradually slow down

This phenomenon will occur throughout Canada

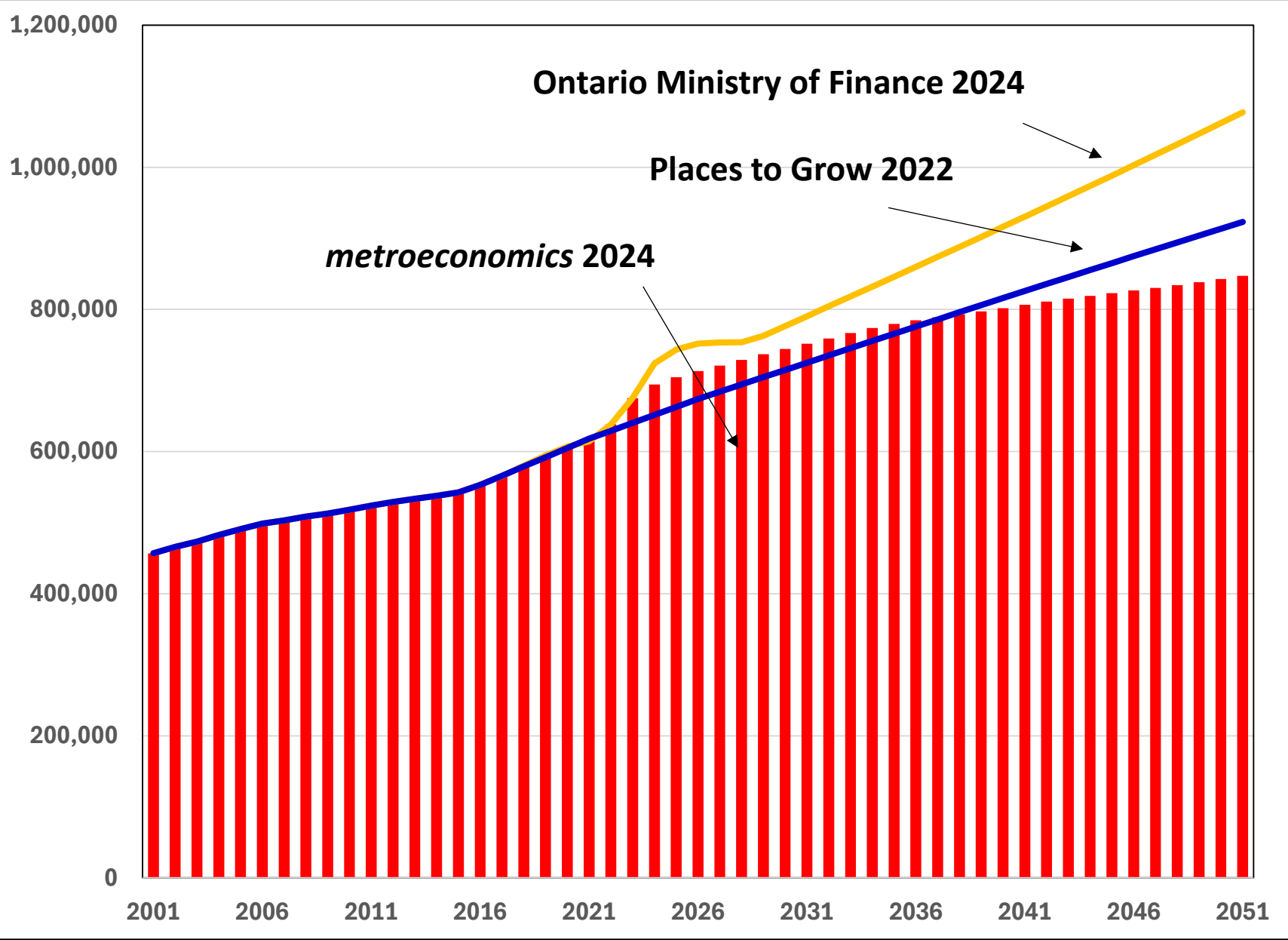
Regional growth rates vary across Canada depending on their potential

for attracting Economic Base activities

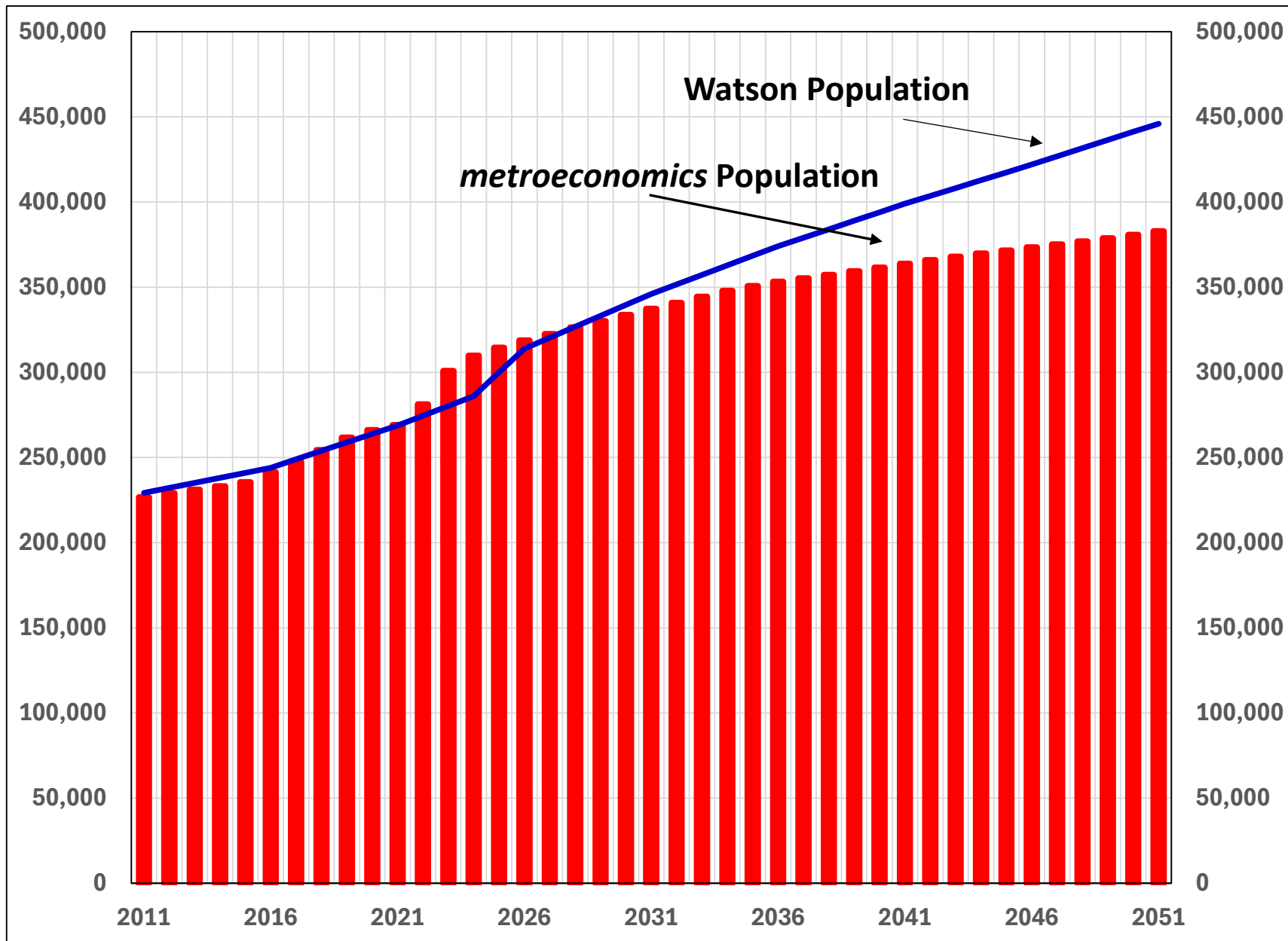
The KCW CMA faces above average growth potential within Canada



Ontario Comparison	
Population Growth 2021 to 2051	
Ontario Finance	7.2 million
<i>metroeconomics</i>	6.2 million



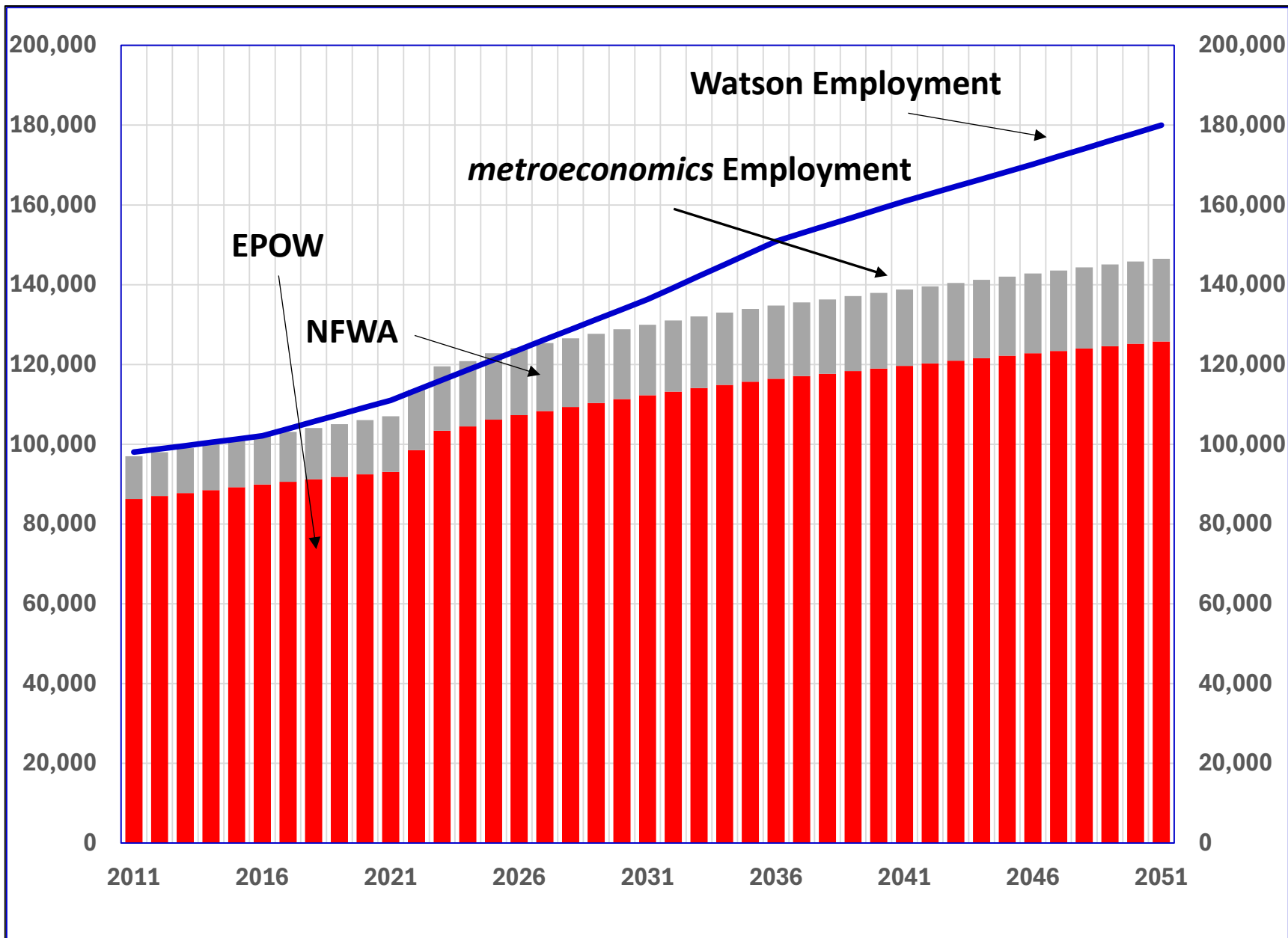
Waterloo Region Comparison	
Population Growth 2021 to 2051	
Ontario Finance	463,000
Places to Grow	305,000
metroeconomies	233,000



City of Kitchener Comparison

Population Growth 2021 to 2051

Watson	177,000
<i>metroec</i>	114,000



City of Kitchener Projection Comparison

Employment Growth 2021 to 2051

Watson	69,000
metroec	39,000

Jobs by Place-of-Work by Industry in Kitchener in 2021

metroeconomics Allocation by Likely Land-Use Type

	Total	Major Office	Emp. Land	Pop. Rel'd
Total	93,185	13,445	21,110	58,630
Agriculture, other primary	405		405	
Mining, oil and gas	55		55	
Utilities	530		530	
Construction	3,875		3,875	
Manufacturing	9,580		9,580	
Wholesale trade	3,385		3,385	
Retail trade	10,275			10,275
Transportation, warehousing	3,280		3,280	
Information, culture	3,430			3,430
Finance, insurance	6,955	3,478		3,478
Real estate and rental and leasing	1,685	843		843
Professional, scientific, technical services	10,860	5,430		5,430
Management of companies and enterprises	400	200		200
Administrative and support, waste management services	3,320	1,660		1,660
Education	9,330			9,330
Health, social services	14,045			14,045
Arts, entertainment, recreation	1,010			1,010
Accommodation, food	4,205			4,205
Other services	2,890			2,890
Government	3,670	1,835		1,835

Watson & Associates 2021

Total Employment 111,000

Major Office 14,400

Employment Land 30,700

Population Related 65,900

Total Jobs in Kitchener

Watson 111,000

Statistics Canada 93,185

**Watson includes
jobs with no fixed
workplace address
(NFWA)**

Study Areas Population and Jobs Estimated 2024 Targeted 2041

Study Areas	Estimated 2024	Target 2041	Change 24-41
Block Line Population	4,679	11,516	6,837
Block Line Jobs	1,210	1,569	359
Jobs / 1,000 people	259	136	53
Fairway Population	6,869	12,073	5,204
Fairway Jobs	5,156	6,350	1,194
Jobs / 1,000 people	751	526	229
Sportsworld Population	1,197	4,784	3,587
Sportsworld Jobs	4,601	5,382	781
Jobs / 1,000 people	3,844	1,125	218
All three			
Population	12,745	28,373	15,628
Jobs	10,967	13,301	2,334
Jobs / 1,000 people	860	469	149

Study Areas City of Kitchener's Targeted Growth 2024 to 2041

Population 15,628
Jobs 2,334
Jobs / 1,000 149

Study Areas and City Population and Jobs Estimated 2024 Targeted 2041

Areas	Estimated 2024	Target 2041	Change 24-41
All three			
Population	12,745	28,373	15,628
Jobs	10,967	13,301	2,334
Jobs / 1,000 people	860	469	149
<i>metroeconomics</i>			
Population Kitchener	309,800	363,800	54,000
Jobs Kitchener	107,100	129,100	22,000
Jobs / 1,000 people	346	355	407
Community Base Jobs	68,200	83,900	15,700
Jobs / 1,000 people	220	231	291
Watson			
Population Kitchener	286,000	399,000	113,000
Jobs Kitchener	118,620	160,900	42,280
Jobs / 1,000 people	415	403	374
Community Base Jobs	72,620	102,300	29,680
Jobs / 1,000 people	254	256	263

Study Areas Targeted Growth 2024 to 2041

Population 15,628
Jobs 2,344
Jobs / 1,000 149

Kitchener Projected Growth 2023 to 2038

metroeconomics
Population 54,000
CB Jobs 22,000
CB Jobs / 1,000 291

Watson
Population 113,000
CB Jobs 42,280
Jobs / 1,000 263

Preliminary Conclusions

The City's allocation of people to the three Study Areas accounts for a significant portion of the projected growth in population city-wide

The City's allocation of jobs to the three Study Areas accounts for only a small portion of the projected growth in jobs city-wide

The very high current 860 jobs/1,000 ratio across the three SAs today is part of today's City-wide 346 (*metroec*) to 415 (Watson) ratio

The City needs to allocate 8,000 new jobs to the three SAs in total to meet the needs of the 20,000 new people

Study Areas Population and Jobs Estimated 2024 Targeted 2041

Study Areas	Estimated 2024	Target 2041	Change 24-41	Target 2041	Change 24-41
Block Line Population	4,679	11,516	6,837	11,516	6,837
Block Line Jobs	1,210	1,569	359	4,710	3,500
Jobs / 1,000 people	259	136	53	409	512
Fairway Population	6,869	12,073	5,204	12,073	5,204
Fairway Jobs	5,156	6,350	1,194	7,856	2,700
Jobs / 1,000 people	751	526	229	651	519
Sportsworld Population	1,197	4,784	3,587	4,784	3,587
Sportsworld Jobs	4,601	5,382	781	6,401	1,800
Jobs / 1,000 people	3,844	1,125	218	1,338	502
All three					
Population	12,745	28,373	15,628	28,373	15,628
Jobs	10,967	13,301	2,334	18,967	8,000
Jobs / 1,000 people	860	469	149	668	512

Job Growth in Kitchener 2024 to 2041 by Industry

The table on the following page indicates the gains projected in the City's total employment between 2024 and 2041 by industry

Most gains are in community base (population serving) industries

The table is provided as an indication of the type of jobs that need to be accommodated over the next 17 years City-wide and in the three selected SAs

The 7 industries cited in the text box together account for 20,880 of the projected overall city-wide increase of 22,060

Health care and professional, scientific and technical (business) services together account for almost 13,000 new jobs over that span

City of Kitchener Total EPOW by Industry

Estimated 2024 Projected 2041

	2024	2041	24-41
Total EPOW	107,110	129,170	22,060
Agriculture, etc.	460	410	-50
Mining, oil and gas	60	70	10
Utilities	540	570	30
Construction	4,480	4,880	400
Manufacturing	9,860	9,300	-560
Wholesale trade	3,590	3,880	290
Retail trade	10,860	11,740	880
Transportation, warehousing	4,070	4,670	600
Information, culture	3,990	3,880	-110
Finance, insurance	8,040	10,630	2,590
Real estate, leasing	1,940	2,540	600
Professional, scientific, technical services	13,240	19,530	6,290
Management services	440	500	60
Administrative support, waste management	3,650	4,080	430
Education	10,600	13,320	2,720
Health, social services	17,030	23,670	6,640
Arts, entertainment, recreation	1,200	1,230	30
Accommodation, food	5,170	5,400	230
Other services	3,400	3,220	-180
Government	4,490	5,650	1,160

City-Wide Employment Gains 2024 to 2041

Total 22,060

Health care 6,640

PST services 6,290

Education 2,720

Finance, insurance 2,590

Government 1,160

Retail trade 880

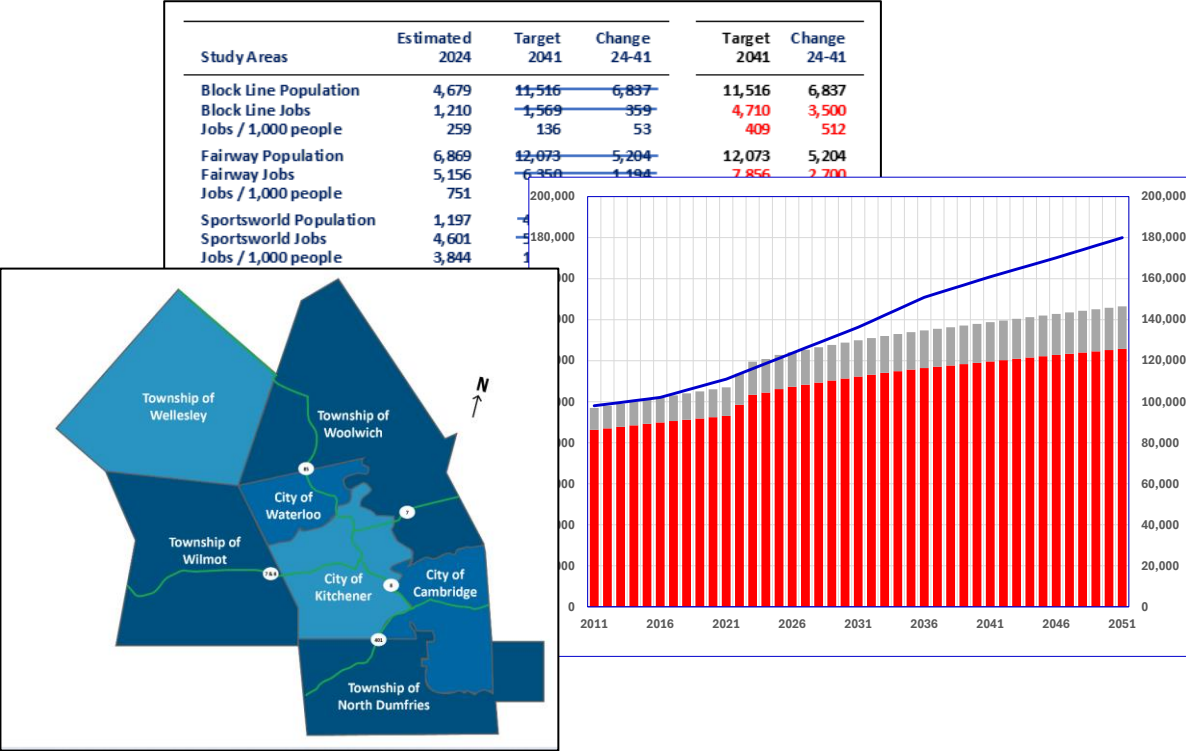
Real estate 600

Sum of above 7 20,880

prepared for



prepared by



Appendix C – Planning Related Background Review

City of Kitchener

Growing Together East – Market Analysis Study

Phase 1: Background Review (Appendix C)

February 2025

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Attachment

Attachment 1: Summary - Community Representative Interviews

1 Introduction

The City of Kitchener is undertaking the final phase of *Growing Together – Growing Together East* to update the planning framework for the Block Line, Fairway and Sportsworld Protected Major Transit Station Areas (PMTSAs). As part of this undertaking, the City has appointed Tate Research, Sajecki Planning, metroeconomics and Divercities Advisory to prepare a Market Analysis Study to evaluate commercial and employment conditions and recommend policy directions for the three PMTSAs to optimize their non-residential components.

The purpose of this Background Review is to analyze the existing planning and policy framework and key reference documents to provide an in-depth understanding of existing and planned conditions including the potential to achieve City, Regional and Provincial objectives and targets related to PMTSA redevelopment.

It also summarizes relevant findings from development applications over the past five years to analyze commercial trends and understand non-residential and employment needs. It includes a best practice review of comparable PMTSAs with existing employment areas transitioning to mixed use, transit supportive communities.

Attachment 1 of this Background Review includes a summary of key findings from Phase 1 interviews with community representatives and collaborators.

1.1 Site and Surroundings

1.1.1 Block Line

The Block Line PMTSA is located north of the Balzer Greenway Natural Area and is roughly bound by Homer Watson Boulevard to the west, Vanier Drive (including portions east of Vanier Drive) to the east and Walton Avenue to the north (*Figure 1*). It has an area of approximately 121.48 hectares. It is primarily characterized by residential uses east of the ION Light Rail Transit (LRT) corridor, with some commercial uses north of Courtland Avenue East and west of Shelley Drive and industrial uses east of Courtland Avenue East and south of Walton Avenue. West of the ION LRT is the Schneider Creek corridor. This area is primarily characterized by industrial uses, with two major institutional uses (Activa Sportsplex and St. Mary's High School). Four residential towers are located along Fallowfield Drive. The PMTSA is located adjacent to the Regional Employment Area delineated through Regional Official Plan Amendment 6 (ROPA 6).

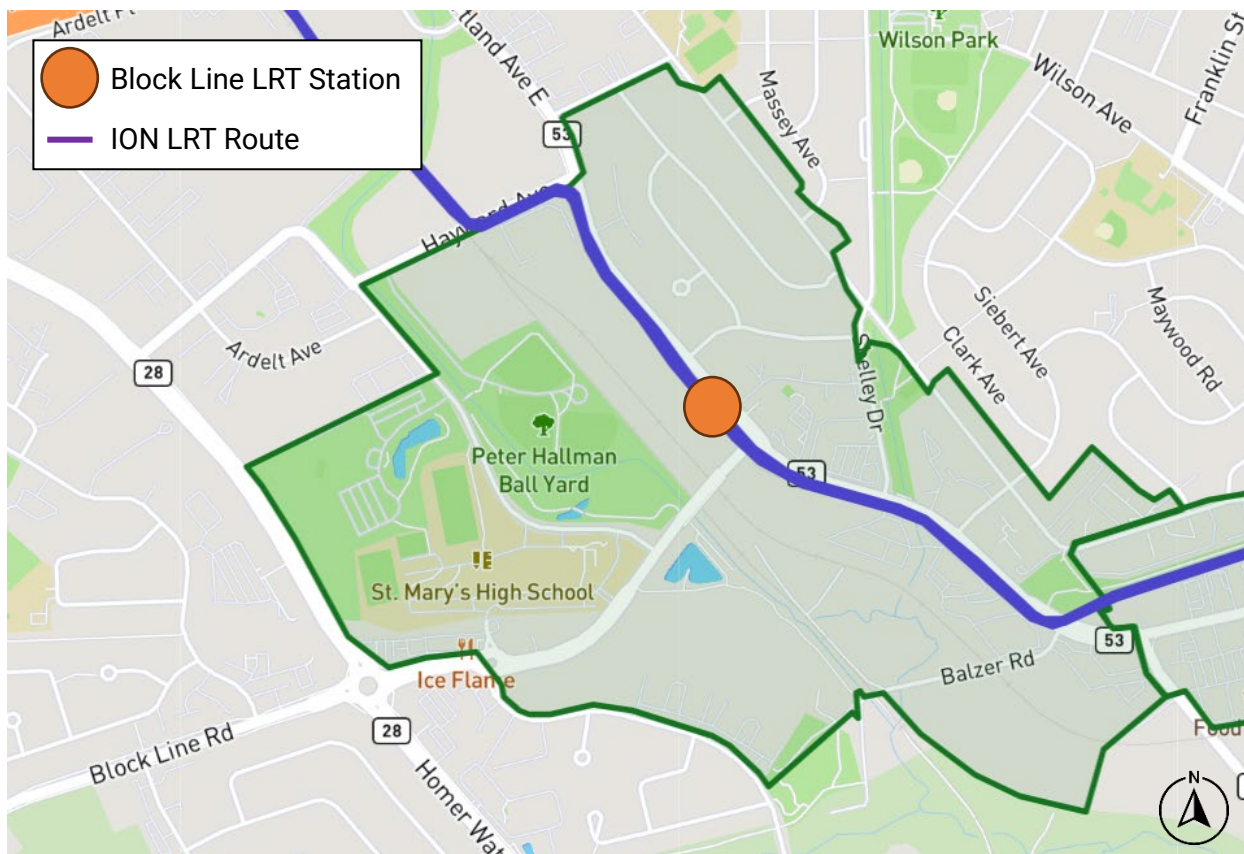


Figure 1: Block Line PMTSA Boundary (Source: Engage Region of Waterloo)

1.1.2 Fairway

The Fairway PMTSA is bound by the CN Rail corridor to the south, Traynor Avenue to the north, Highway 8 to the east and the southeast boundary of the Block Line PMTSA (*Figure 2*). It has an area of approximately 107.28 hectares and is characterized by a variety of residential uses north of the ION LRT corridor and Kingsway Drive, including detached dwellings, townhouses and residential apartments. The lands south of Kingsway Drive are predominantly characterized by large format commercial and retail uses, including Fairview Park Mall. South of the CN Rail corridor (outside the PMTSA) are industrial uses within the Regional Employment Area.

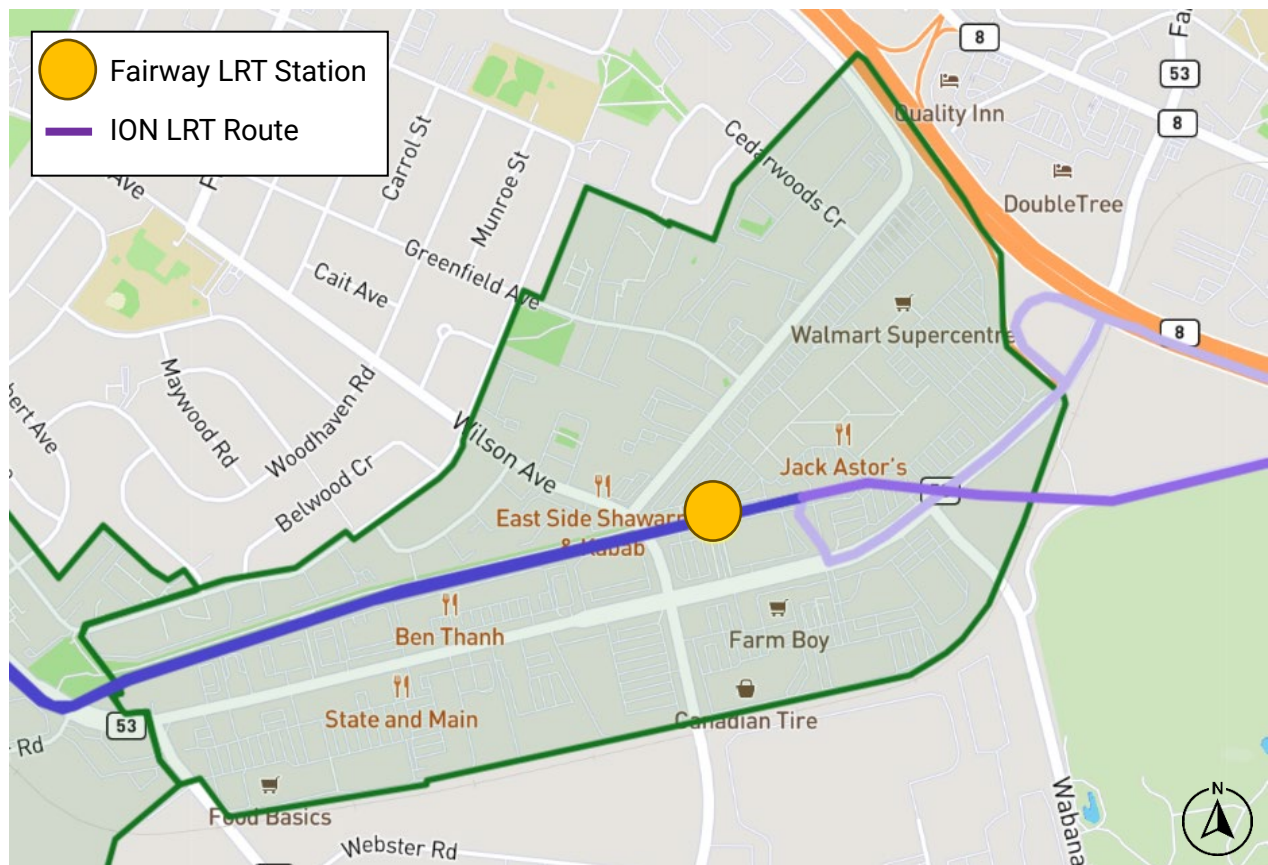


Figure 2: Fairway PMTSA Boundary (Source: Engage Region of Waterloo)

1.1.3 Sportsworld

The Sportsworld PMTSA is southeast of the Block Line and Fairway PMTSAs. It is bound by Highway 8 to the north and includes portions south of King Street East and has an area of approximately 99.60 hectares (*Figure 3*). It is characterized by large format commercial uses north of King Street East, with some residential mixed-use redevelopment underway. South of King Street East, lands are characterized by commercial and office uses fronting onto King Street East as well as residential uses.

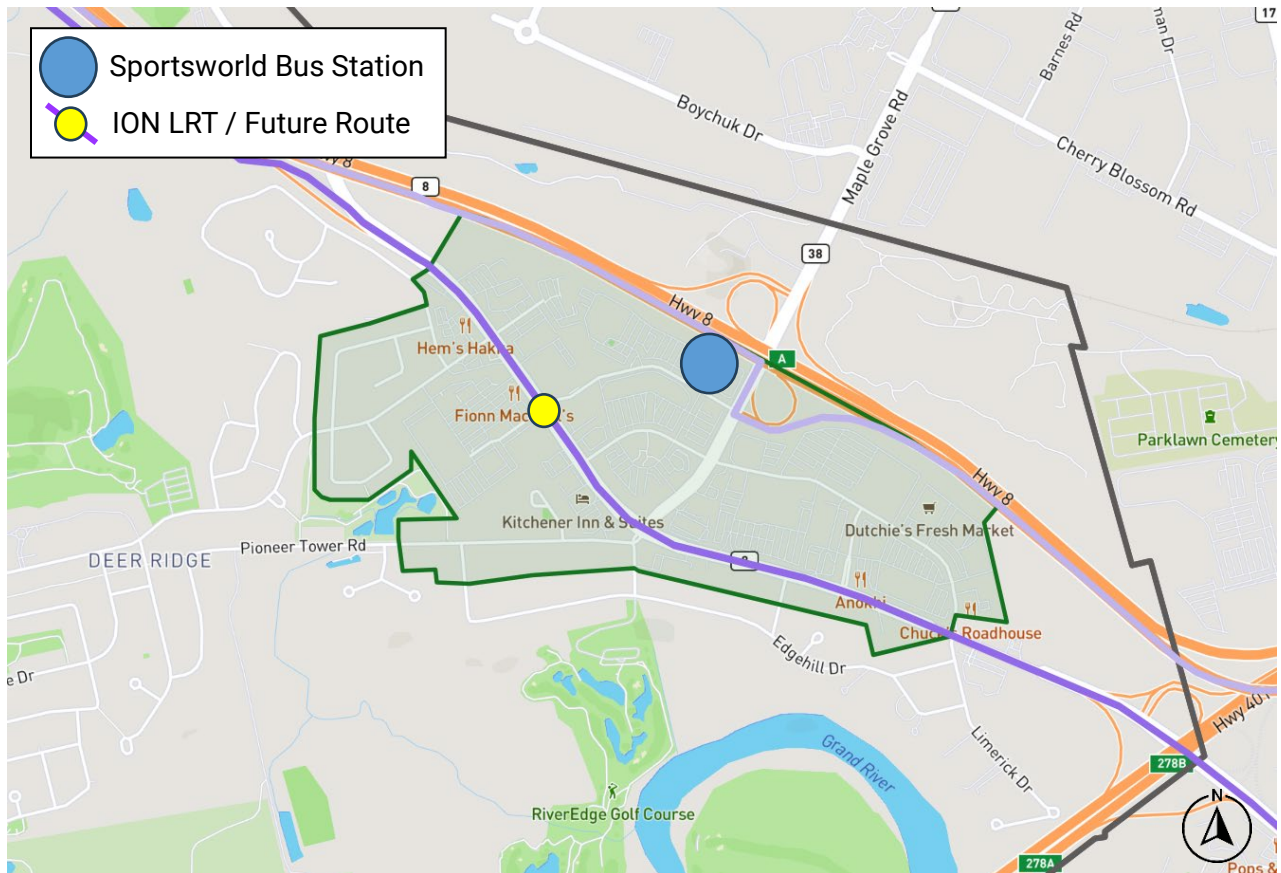


Figure 3: Sportsworld PMTSA Boundary (Source: Engage Region of Waterloo)

2 Policy and Regulatory Context

This Section highlights provincial, regional and municipal planning policies for consideration for the three PMTSAs. The following sub-sections discuss relevant sections of the Provincial Planning Statement 2024 (PPS, 2024) (and the former Provincial Policy Statement 2020 and Growth Plan for the Greater Golden Horseshoe 2019), the Region of Waterloo Official Plan and the City of Kitchener Official Plan and Zoning By-law.

2.1 Planning Act

The Planning Act R.S.O. 1990, c. P.13 (*Planning Act*) is provincial legislation that establishes procedural rules for land use planning in Ontario. It enables municipalities to control land use and provides the tools, processes and mechanisms to exercise this control.

Bill 97 amended the *Planning Act* definition of "area of employment" to exclude commercial and institutional uses (except for uses associated with manufacturing, research and development,

warehousing, and goods movement), which came into effect on October 20, 2024. The new definition is consistent with the employment areas definition in the PPS 2024.

Section 28(2) of the *Planning Act* permits municipalities to designate Community Improvement Areas through the Official Plan and Section 28(4) permit the adoption of a Community Improvement Plan (CIP) to revitalize, redesign or redevelop specific areas to meet specific community improvement goals. It includes loans, grants and programs and allows municipalities to:

- a) *acquire land within the community improvement project area;*
- b) *hold land acquired before or after the passing of the by-law within the community improvement project area; and*
- c) *clear, grade or otherwise prepare the land for community improvement (Section 28(3)).*

Section 37 of the *Planning Act* outlines policies related to Community Benefits Charges (CBCs), and grants municipalities the right to enact a by-law requiring development or redevelopment of land to contribute to the payment for the capital costs of facilities, services and other related items required in an area.

Section 38 of the *Planning Act* outlines permissions for temporary use provisions, allowing municipalities to temporarily permit uses that are otherwise not permitted in the zoning by-law. This can include seasonal uses, such as farmer's markets or food trucks within parking lots or other underutilized lots temporarily.

2.2 Provincial Planning Statement 2024

The PPS, 2024 sets forth a streamlined land use planning framework that replaces the Provincial Policy Statement 2020 and the Growth Plan for the Greater Golden Horseshoe (2019), as amended in 2020 (Growth Plan).

Consistent with the *Planning Act*, the PPS, 2024 defines Employment Areas as:

*...areas designated in an official plan for clusters of business and economic activities including manufacturing, research and development in connection with manufacturing, warehousing, goods movement, associated retail and office, and ancillary facilities. An employment area also includes areas of land described by subsection 1(1.1) of the *Planning Act*. Uses that are excluded from employment areas are institutional and commercial, including retail and office not associated with the primary employment use listed above (emphasis added).*

Some employment-designated lands in the City of Kitchener may not meet this new definition and therefore may not be considered protected employment areas.

The PPS, 2024 encourages the development of a range and mix of housing densities by establishing minimum housing targets, promoting an efficient use of land and resources, requiring transit supportive development and permitting and facilitating all types of housing options and all residential intensification including the redevelopment of existing underutilized commercial and institutional sites, such as shopping malls and plazas (2.2.1).

Section 2.4.1 of PPS, 2024 outlines general policies for Strategic Growth Areas (SGAs), which will be the focus for future growth and development. Municipalities are encouraged to focus investment

for infrastructure and public facilities in SGA, encourage complete communities and a compact built form and support mixed-use redevelopment, including residential development, on commercial and retail lands, such as underutilized shopping malls and plazas (2.4.3).

The PPS, 2024 directs growth and intensification to areas around transit stations and encourages a mix of residential and non-residential land uses and a compact built form that contribute to the creation of complete communities (2.8.1.1). It sets a minimum density target of 160 people and jobs per hectare for MTSAs served by LRT or Bus Rapid Transit (BRT) (2.4.2.2). Municipalities are encouraged to meet these minimum density targets by promoting appropriate land uses and built forms and supporting the redevelopment of underutilized sites.

To meet recent market trends and promote efficient land use, the PPS, 2024 encourages locating industrial, manufacturing and small-scale warehousing uses in strategic growth areas and other mixed use areas, provided there are no potential adverse impacts on surrounding sensitive uses (2.8.1.2). It encourages locating major office and institutional development to MTSAs and strategic growth areas (2.8.1.4).

Policies regarding land use compatibility are outlined in Section 3.5 that protect the long-term operational and economic viability of major facilities and encourage avoiding or minimizing and mitigating adverse impacts on sensitive land uses in terms of the environment, public health, and safety (3.5.1). Policy 3.5.2 states that the planning and development of proposed sensitive land adjacent to existing or planned industrial, manufacturing or other major facilities only be permitted if potential adverse impacts to both uses are minimized and mitigated.

2.3 D-Series Provincial Guidelines

The Ministry of the Environment, Conservation and Parks has developed environmental land use planning guides, including the D-series Guidelines (D-1 to D-6) that outline considerations and requirements for industrial land uses, sensitive lands, sewage and water services, and private wells. They recommend separation distances and other control measures to minimize or mitigate potentially adverse impacts between major facilities and sensitive land uses.

Section 2.3.2 of the D-1 Guide states that the guidelines do not apply to new development in compliance with existing municipal Official Plans and Zoning By-laws (except for plans of subdivision and condominium and severances). In cases where new development does not comply with municipal policies and regulations Ministry staff may require studies as per Guideline D-6 (Compatibility Between Industrial Facilities and Sensitive Land Uses), Sections 4.6 – Studies and 4.7 – Mitigation.

2.4 Regional Official Plan 2031

The Regional Official Plan 2031 (ROP) was adopted by Regional Council in June 2009 through By-law No. 09-025 and approved with modifications by the Ministry of Municipal Affairs and Housing (MMAH) in December 2010. Subsequently, the ROP was appealed to the Ontario Municipal Board (now the Ontario Land Tribunal), which granted partial approval in June 2015 with certain parts deferred for further consideration.

The ROP sets the land use planning framework for the Region of Waterloo to 2051. It was recently amended by Amendment No. 6 (ROPA 6), which plans for growth and development in the Region to the year 2051. Relevant ROPA 6 policies are discussed under Subsection 2.3.1.

Chapter 4 of the ROP outlines policies to support the business community in the Region, including:

- Ensure provision of required transportation infrastructure (4.1);
- Facilitate reurbanization of lands for employment uses through enhanced development review processes, financial incentive programs and the provision of infrastructure (4.A.8);
- Support the planning and building of a range of housing, in terms of type and affordability (4.C.5); and,
- Discourage new and existing businesses that use large quantities of water and/or discharge large amounts of wastewater from locating or expanding in the Region (4.D.3).

2.4.1 Region of Waterloo Official Plan Amendment 6 (2022)

ROPA 6 was adopted by Regional Council on in August 2022 and approved with modifications by the MMAH in April 2023, replacing Chapters 1 and 2 and Section 3A of the ROP. It also revises the Glossary of Terms and replaces Maps 1, 2 and 3A to 3E.

One of the objectives of ROPA 6 is to drive economic development in the Region by protecting employment lands through a new Employment Areas designation, support a compact built form and intensification for employment uses and connect existing office parks to active transportation modes.

Table 1 of ROPA 6 outlines a population forecast of 409,200 people and an employment forecast of 170, 500 jobs in Kitchener by 2051. Major Transit Station Areas (MTSAs) are identified in Map 2 of the ROPA and delineated on Figures 4a to 9d. Table 2 of ROPA 6 identifies a minimum density target of 160 persons and jobs per hectare in the Sportsworld and Fairway PMTSAs, and a reduced minimum density target of 80 persons and jobs per hectare for the Block Line PMTSA due to development constraints. Policies state that these targets are minimum and municipalities are encouraged to go beyond these targets consistent with regional policies and where appropriate.

ROPA 6 encourages a compact urban form that optimizes transportation infrastructure to support the development of complete, walkable neighbourhoods. It supports intensification in strategic areas, introduction of alternative development standards (2.D.2.2.e) and protection of existing significant employment uses (2.D.2.2.g). MTSAs should be planned to support diverse uses (2.D.3.3.c) that reflect their unique local context, including a range of food destinations, local services and amenities (2.D.6.c). ROPA 6 emphasizes opportunities for an enhanced public realm and spaces that facilitate social interaction within MTSAs (2.D.6.d).

Land use compatibility policies are outlined in section 2.I.1, emphasizing the protection of public health and safety and the long-term viability of major employment facilities (2.I.1.1). Where it is not possible to avoid adverse impacts on employment and sensitive land uses, the Region and municipalities will protect the long-term viability of existing employment uses and permit sensitive land uses if the following are demonstrated as per Policy 2.I.1.2:

- *there is an identified need for the proposed use;*
- *alternative locations for the proposed use have been evaluated and there are no reasonable alternative locations;*
- *adverse effects to the proposed sensitive land use are minimized and mitigated; and,*
- *potential impacts to industrial, manufacturing or other uses are minimized and mitigated.*

ROPA 6 also encourages municipalities to establish Community Permit Planning System areas in their official plan (3.A.21).

2.5 City of Kitchener Official Plan (2014)

The City of Kitchener Official Plan (OP) was approved, with modifications, in November 2014 by the Region of Waterloo to guide growth and development in the City to the year 2031.

Protected Major Transit Station Areas (PMTSAs) are Intensification Areas (identified on Map 2) focused around key transit stations. Policies of the OP encourage a mix of uses and transit-supportive densities, identifying minimum density targets consistent with ROPA 6.

Policies regarding retention and economic diversification are outlined in Section 5, in which it is noted that the Fairway MTSA is intended to intensify over time and include a broader range of uses (5.C.1.10).

Kitchener's diverse economic base will be strengthened through the development of its strategic growth areas, including MTSA's in which a variety of employment uses will be encouraged, including office, institutional, commercial activity and technology-based businesses (5.C.1.8). Creative and cultural industries are a key sector for Kitchener's economy (5.C.1.12). Lands designated Commercial, Commercial Campus and Mixed Use will support various commercial uses and may intensify to provide a broader range of uses (5.C.1.9).

Transition between various uses will be planned according to the Provincial Land Use Compatibility Guidelines (6.C.3.1) and separation distances between industrial and sensitive uses (6.C.3.5).

The OP aims to encourage a development and street pattern whereby the maximum walking distance to a transit stop does not exceed 450 metres for 95% of residences, places of employment and community facilities (13.C.3.2).

Transit-oriented development policies are outlined in Section 13.C.3, encouraging greater densities near transit to support ridership and support a walkable environment. Consistent with provincial and regional policies, the OP encourages compact built forms and a mix of uses, providing access to a range of services and amenities that contribute to a complete community.

The OP outlines land use designations that currently apply to the three PMTSAs. Draft land use designations for the PMTSAs have been determined through the Growing Together East Project and are outlined in Section 4.

2.5.1 Kitchener 2051

The new Official Plan for Kitchener (Kitchener 2051) is underway to update existing OP policies in accordance with new provincial and regional policies and guide growth and development to 2051. The project was launched in July 2024 and is currently in its Phase 1, with a focus on technical studies, establishing a community working group and conducting community engagement to provide an opportunity to learn about the project and develop "big ideas" or "big moves" to inform the next steps. Key focus areas for Kitchener 2051 include:

- *Housing supply, choice and affordability;*
- *Energy transition and climate change;*
- *Complete walkable communities;*

- Sustainable, safe, and equitable transportation;
- Parks, open spaces and community infrastructure;
- How and where we grow, and what is needed to support that growth, and;
- Creating an economically-thriving city;
- Equity in the Official Plan process, in the policies that result, and the usability of the Official Plan.

Kitchener 2051 is anticipated to be presented in Council in 2026 for a decision.

2.6 City of Kitchener Growing Together West (2024)

Approved in March 2024, the Growing Together West Plan amends the Kitchener OP and Zoning By-law to outline a policy framework for seven of the City's PMTSAs.

The Official Plan Amendment (OPA) introduces three land use designations for PMTSAs – Strategic Areas A, B and C and applies policies pertaining to intensification, transit-oriented development, complete communities and the public realm in the Urban Growth Centre (Downtown) to PMTSAs as well in Part D Section 15 of the OP.

The purpose of the Strategic Growth Areas designations is to provide opportunities for all housing types and a range of employment and recreational uses to contribute to the creation of complete communities. PMTSAs are to provide opportunities for high-density major employment (15.D.2.3) and a location for new major office and major institutional developments. The City anticipates that major existing industrial uses will eventually relocate from MTSA's and encourages development with sensitive uses to proactively engage with industrial stakeholders to mitigate potential conflicts (15.D.2.15).

An overview of the key policies introduced through the Strategic Growth Areas are outlined in *Table 1*. Kitchener currently has two zoning by-laws: Zoning By-law 85-1 and Zoning By-law 2019-051. These By-laws have not been consolidated with the Growing Together Zoning By-law Amendments (ZBAs) from March 2024 as they remain under appeal.

The proposed Growing Together West Plan ZBA introduces:

- A full range of building types, including missing middle forms
- No floor space ratio maximums
- No parking minimums and parking maximums
- Requirements for a minimum amount of affordable housing units through Inclusionary zoning
- A full mix of uses, including new uses, such as Creative Products Manufacturing
- Flexible built form regulations, including a zone without height limits

Table 1: Overview of Strategic Growth Areas.

Strategic Growth Area	Overview of Relevant Policies
Strategic Growth Area A	<ul style="list-style-type: none"> • Range of low and medium density residential housing types, and non-residential uses where compatible • Maximum height of 8 storeys • Minimum Floor Space Ratio of 0.6

Strategic Growth Area B	<ul style="list-style-type: none"> • Range of medium and high-density residential housing types, and non-residential uses where compatible • Serve as a transition between Low Rise Residential Uses (Strategic Growth Area A) and medium and high density uses (Strategic Growth Area C) • Maximum height of 25 storeys • Minimum Floor Space Ratio of 1.0
Strategic Growth Area C	<ul style="list-style-type: none"> • Centrally located within Intensification Areas and/or represent redevelopment opportunities at higher density • No maximum building height • Minimum Floor Space Ratio of 2.0

3 Non-Residential Development Activity

3.1 Development Applications

The City of Kitchener provided data on approved and active development applications over the last five years. This data set was filtered for applications within the Block Line, Fairway and Sportsworld PMTSAs. There has been minimal activity in the three PMTSAs, with no active or approved applications in the Sportsworld PMTSA. Development Applications are outlined in *Table 2*.

Table 2: Development activity in the PMTSAs over the past 5 years (date: January 2020 - September 2024).

Address / PMTSA	Type	Description	Status	Application #
808-836 Courtland Ave E <i>Block Line</i>	OPA/ZBA	To permit three towers, ranging between 22 and 30 storeys, including 977 dwelling units and 532.1 m ² of commercial space at-grade. A Floor Space Ratio of 7.0 is proposed. A total of 509 parking spaces and 733 bicycle parking spaces.	Under Review	OPA24/011/C/AP and ZBA24/023/C/AP
1050-1064 Courtland Ave and 440-470 Shelley Dr		As part of the Waterloo Region Housing Master Plan*, the two properties received Regional Council approval to allow the redevelopment of the site to include 192 units. The contract for consultant services was award in June 2024, to undertake the technical design process. Construction is anticipated to commence in Fall 2026.	Approved	
117-133 Vanier Dr <i>Block Line</i>	SPA	To permit a 3.5-storey, 36-unit stacked townhouse development.	N/A	SP21/079/V/AP
225 Fairway Rd S <i>Fairway</i>	ZBA	To remove special use regulations from the C-8 zone.	On Hold	ZC04/19/F/DR

2960 Kingsway Dr Fairway	ZBA	To permit the addition of new residential, commercial, office and institutional uses.	On Hold	ZBA19/008/ K/KA
Notes <i>The timelines of applications are as follows: Official Plan Amendments: July 27, 2020 - May 28, 2024; Zoning Bylaw Amendments: October 11, 2002 - August 13, 2024; Site Plan Applications: February 13, 2020 - September 19, 2024; Subdivisions: February 12, 2004 - February 16, 2023. *Note that as part of the Waterloos Region Housing Master Plan, a property located ~200 m from the Block Line PMTSA boundaries, 82 Wilson Ave, will be redeveloped to include a new affordable housing development including 48 one-bedroom units that will serve seniors in the community. The development is currently under construction.</i>				

Applications for the Block Line PMTSA include an OPA and ZBA for a high-density mixed-use development, including commercial uses and a SPA for a medium-density residential development. For the Fairway PMTSA, applications include ZBAs to remove site-specific special use regulations from the Commercial Campus zone from By-law 94-184 and to add new residential and employment uses.

4 Growing Together East - Draft Policies and Regulations

Draft land use and zoning maps for the Growing Together East project were published in November 2024. The Strategic Growth Area A, B and C designations are proposed for the Block Line, Fairway and Sportsworld PMTSAs. Additional designations include Institutional, Open Space and Floodway. *Figures 4-5* illustrate the draft land use designations for the PMTSAs. Descriptions of the land use designations are outlined in *Table 3*. *Figures 6-7* illustrate the draft zoning regulations and *Table 4* outlines the zone descriptions.

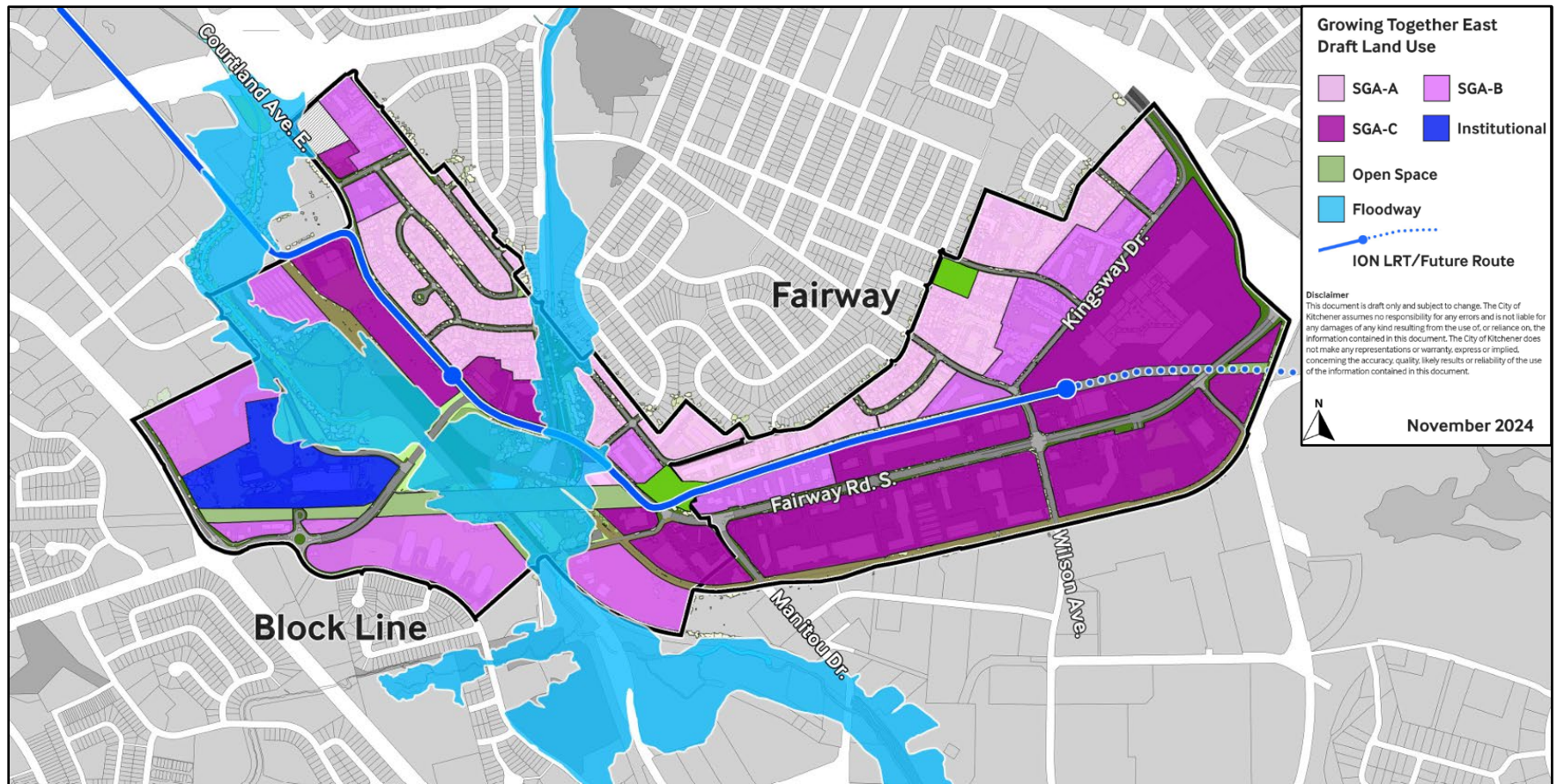


Figure 4: Proposed Land Uses for the Block Line and Fairway PMTSAs (Source: City of Kitchener).

Much of the Block Line PMTSA is within the Floodway. An Institutional designation is proposed to the south west of the Floodway area, surrounded by Open Space and SGA B. The rest of the PMTSA is a mix of SGA C, SGA B, SGA A and Open Space.

Most of the Fairway PMTSA is proposed to be designated SGA C south of the LRT, while SGA B serves as a transition to SGA A north of the LRT. It includes some pockets of spaces designated Open Space.

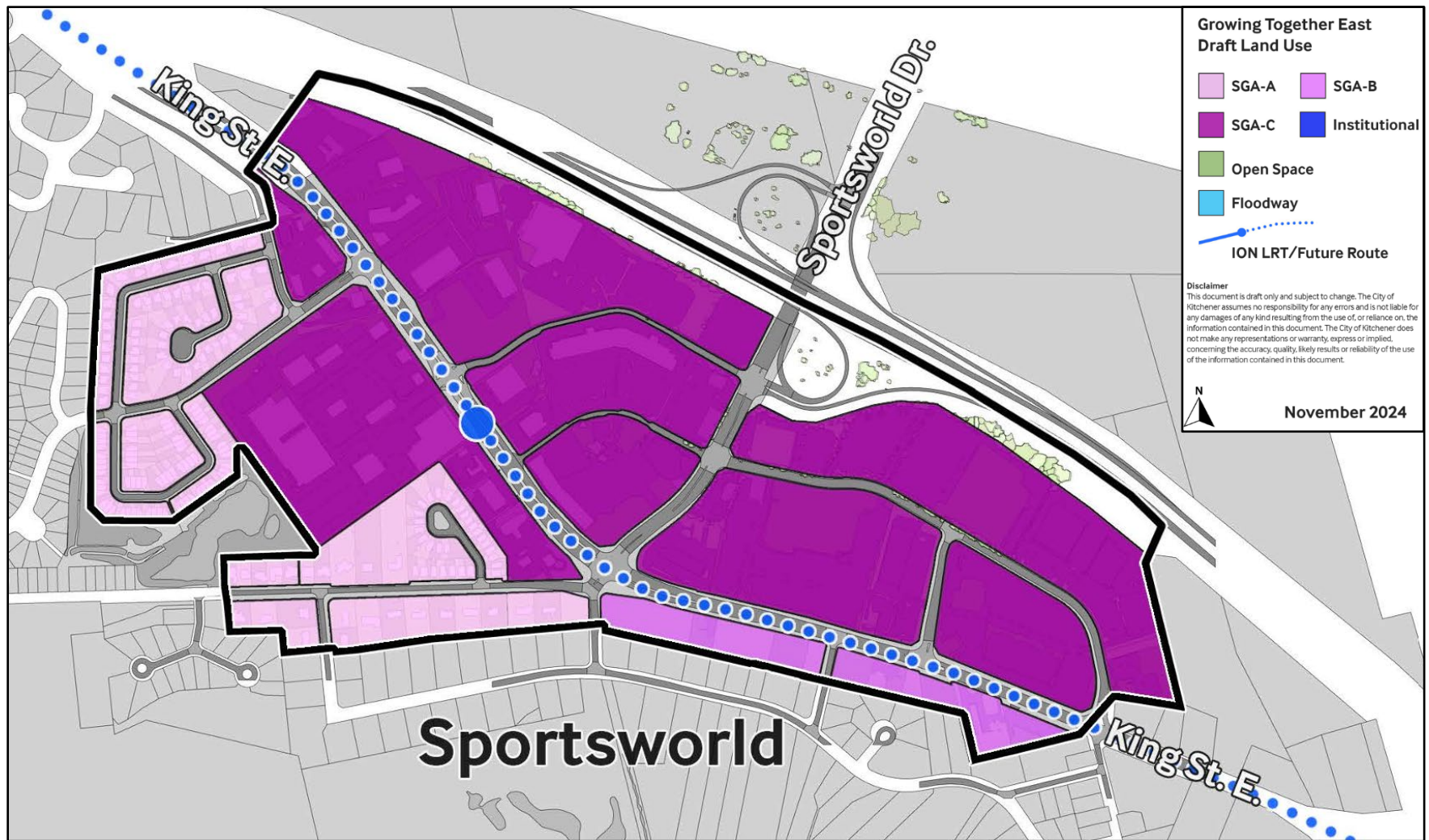


Figure 5: Proposed Land Uses for the Sportsworld PMTSA (Source: City of Kitchener).

Majority of the Sportsworld PMTSA is proposed to be designated SGA C, with some portions southwest of the LRT and Sportsworld Drive designated SGA A and southeast of the LRT and Sportsworld Drive SGA B.

Table 3: Draft Land Use Designations in the Block Line, Fairway and Sportsworld PMTSAs.

Draft Designation	Purpose / Description
Strategic Growth Area (SGA) A	To accommodate intensification in existing low-density residential neighbourhoods. Anticipated to accommodate infill, missing middle housing and compatible non-residential uses.
Strategic Growth Area (SGA) B	To accommodate significant intensification with building heights between those in SGA A and SGA C, provide transition between low density and medium to high density areas. Implementing zoning may restrict building heights to ensure compatibility with surrounding uses.
Strategic Growth Area (SGA) C	To accommodate significant intensification at high densities. Generally closest to the LRT stations and may require land assembly to facilitate development.
Institutional	Uses that are community-oriented or regional in nature, such as educational facilities, long-term care facilities and social, cultural and administrative facilities. Small-scale institutional uses, such as daycares, libraries and places of worship are also permitted in this designation as well as other designations.
Open Space	To provide a connected network of open spaces and parks, transition between land uses and respect the City's natural and recreational areas not within the Natural Heritage System.

Table 4: Draft Zones in the Block Line, Fairway and Sportsworld PMTSAs.

Draft Zone	Purpose / Description
SGA 1	For missing middle housing and compatible non-residential uses in low-rise forms up to 11 metres in height.
SGA 2	Moderate growth with mix of residential and non-residential uses in mid-rise forms up to 8 storeys.
SGA 3	Mid- and high-rise built forms up to 25 storeys with wide range of residential and non-residential uses.
SGA 4	Mid- and high-rise built forms with wide range of residential and non-residential uses.
INS-2, Major Institutional	All types and intensities of institutional uses.
OSR-1, Recreation	Parks and public recreational uses and facilities.
OSR-2, Open Space – Greenways	Green space and buffers as part of a comprehensive and connected open space network.

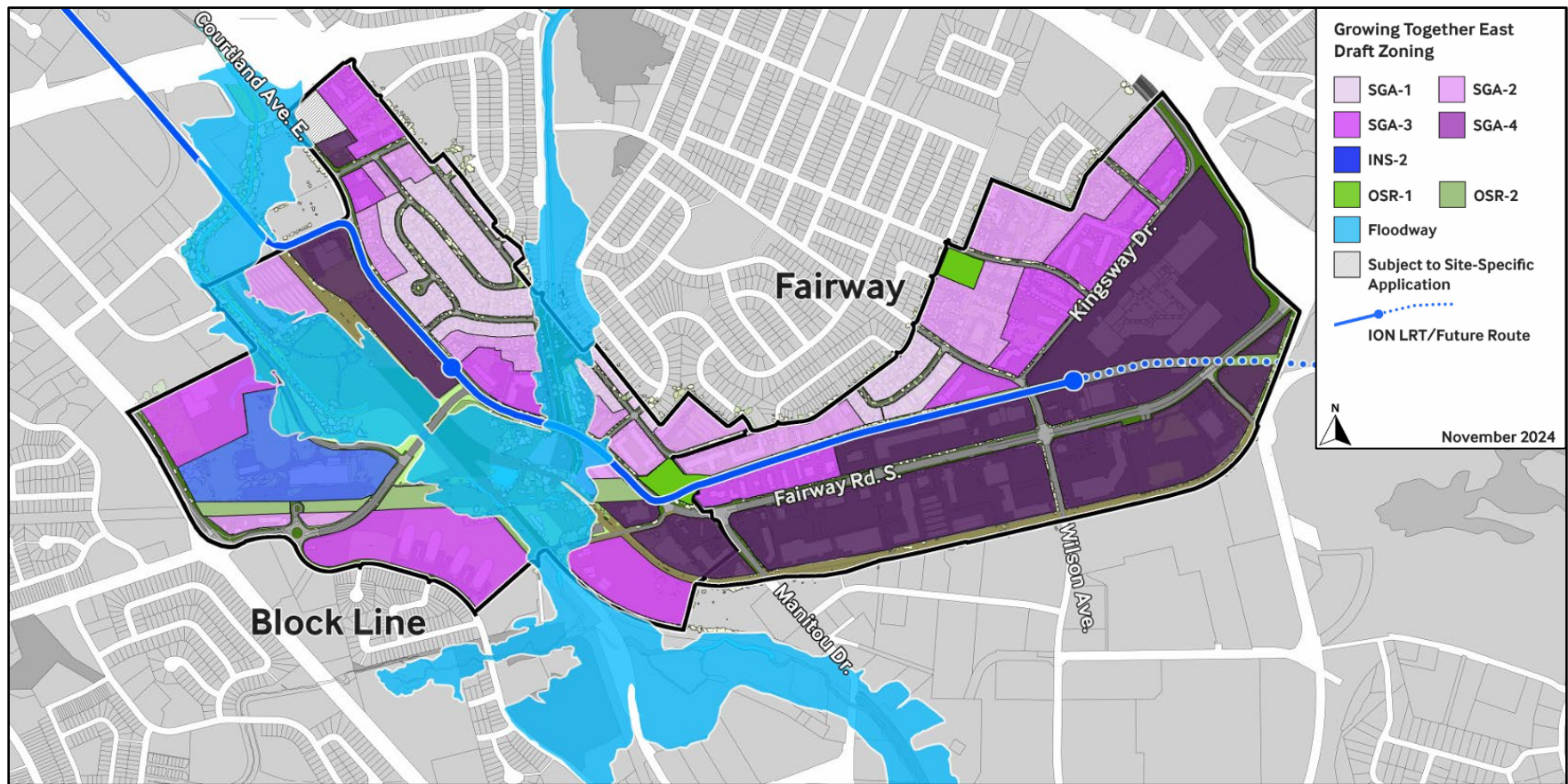


Figure 6: Proposed Zoning for the Block Line and Fairway PMTSAs (Source: City of Kitchener).

Draft zones in the Block Line PMTSA include a mix of SGA-1 and SGA-2 abutting low-density residential areas to the northeast, followed by SGA-3 and SGA-4 zones to the north and closer to the LRT Station stop. Southwest of the Floodway is an INS-2 zone, surrounded by OSR-2, SGA-3 and some portions zoned SGA-2. OSR zones are located around the Floodway between other zones.

In the Fairway PMTSA, the Fairway Mall site is designated SGA-4, along with most of the portions south of the LRT line. To the north of the LRT line, zones are a mix of SGA-1, SGA-2 and SGA-3 and some Open Space areas.

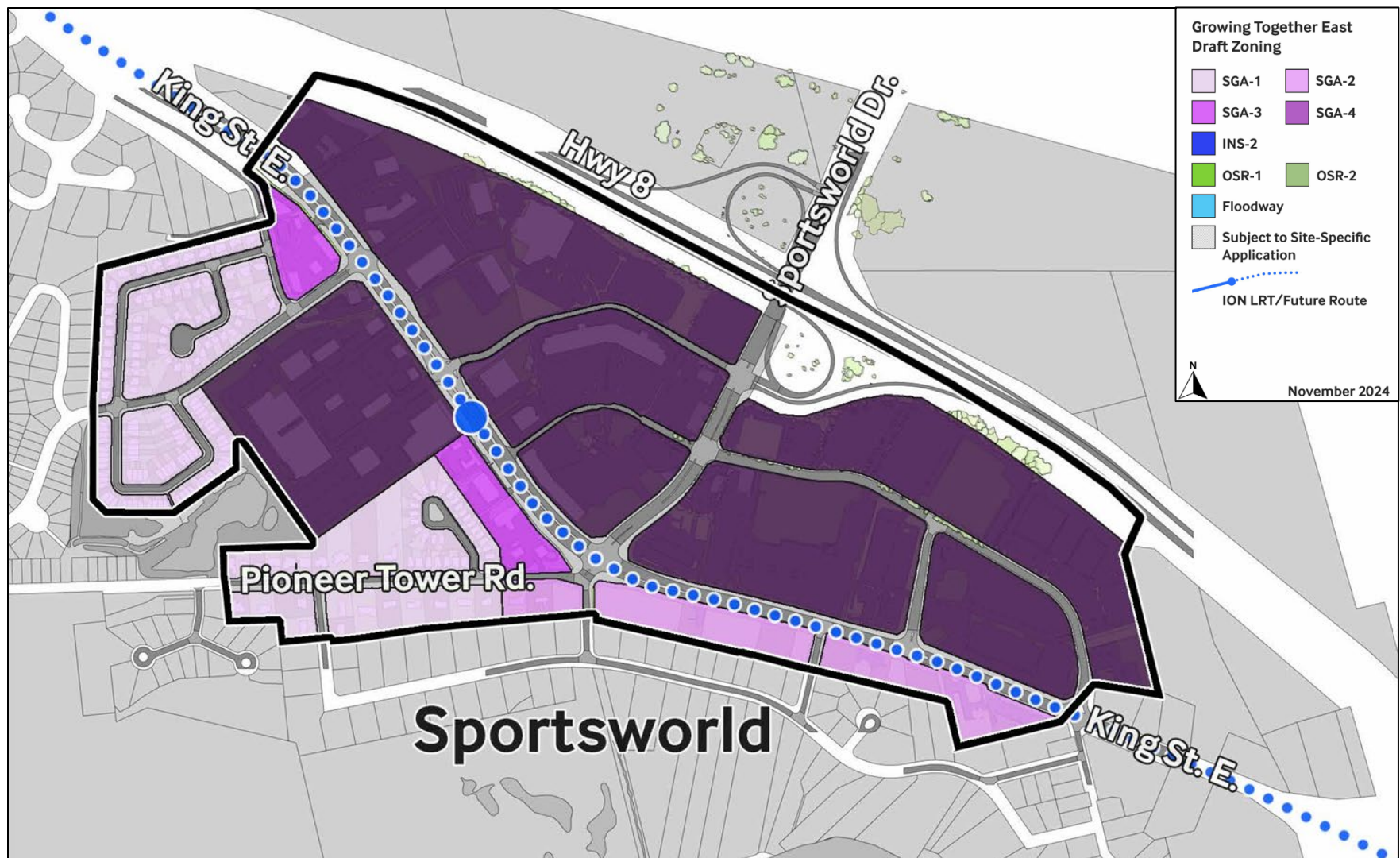


Figure 7: Proposed Zoning for the Sportsworld PMTSA (Source: City of Kitchener).

Draft zones in the Sportsworld PMTSA include SGA-4 east of the LRT line and a mix of SGA-1, SGA-2, SGA-3 and SGA-4 to the west.

5 Best Practices Review

This section presents findings from a municipal scan on commercial-focused studies/initiatives and a best practice and overview of industry trends.

5.1 Municipal Scan

The municipal scan is summarized in Table 5 to review comparable municipalities with PMTSAs in which existing employment areas are transitioning to mixed-use and transit-supportive places.

Table 5: Municipal Scan of Best Practices in MTSA's and Key Takeaways.

Project	Draft Community Planning Permit (CPP) By-law	Commercial Policy Review (as part of the OPR)	Bronte GO MTSA Area Secondary Plan and Official Plan Amendment	Commercial and Employment Area Policy Review (as part of the OPR)	Reimagining the Mall Official Plan Amendment
Municipality	City of Burlington	City of Guelph	Town of Oakville	City of Waterloo	City of Mississauga
Status	Ongoing	Ongoing	Approved in 2022	Completed in 2022	Approved in 2020 (with portions under appeal)
Description	<p>CPP to implement the vision, principles and policies of the Burlington Official Plan and Area Specific Plans for the MTSA's.</p> <p>Objectives are to:</p> <ul style="list-style-type: none">• Implement a land use regulatory framework• Provide greater certainty with regards to development• Streamline development process• Support the development of complete communities with appropriate mix of residential and non-residential uses	<p>As part of the City's Official Plan Review, the Commercial Policy Review considered the following priorities:</p> <ul style="list-style-type: none">• Update the commercial policies to reflect recent changes in the retail market• Ensure the amount, location and type of commercial land designated in Guelph matches the projected growth needs• Address the role, type and amount of commercial space in the Downtown, community mixed-use nodes, intensification corridors and service commercial designations. <p>Consider second storey commercial space in the Downtown, community mixed-use nodes and intensification corridors.</p>	<p>The MTSA is planned to transform from an area dominated by employment and industrial uses to a transit-supportive, mixed use, urban community, which maintains an employment focus. It is expected to transition over time into a vibrant, urban, pedestrian-oriented area, that caters to employees and residents. It will be a focus area for employment growth while introducing compatible mixed-uses, including residential, primarily through mid-rise development.</p> <p>On November 1, 2021, a by-law to adopt Official Plan Amendment 41 (OPA 41) was passed for the Bronte GO MTSA to implement recommendations of the MTSA Study. OPA 41 has been sent to Halton Region for final approval.</p>	<p>As part of the Official Plan Review, the Commercial and Employment Area analysis recommended the following:</p> <ul style="list-style-type: none">• Identifying priority retail streets• Securing minimum 4.5 metre height for ground floor of mixed-use buildings• Greater flexibility for retail uses, such as eliminating (where possible) specific area and retail use type• Consolidating retail land use designations• Prioritizing General Employment Area designation and limiting office area in employment areas• Encourage more office space growth to occur surrounding LRT stations• Permitting institutional uses in mixed-use formats and within employment areas	<p>Provides a framework to guide the long-term intensification of six areas in Mississauga anchored by large-scale indoor shopping malls.</p> <p>Reimagining the Mall aims to guide redevelopment and intensification of mall-based nodes into mixed use, complete communities that provide commercial and retail uses, and community facilities, while supporting multi-modal transportation.</p>
Key Takeaways	<ul style="list-style-type: none">• Institutional uses and Urban Agriculture permitted in all precincts.• Potential requirement of compatibility studies for a complete application.• Minimum number of permitted or discretionary uses identified for specific precincts to increase mix of residential and non-residential uses.	<ul style="list-style-type: none">• Geographic distribution of commercial space• A lack of sufficiently sized parcels to accommodate traditional larger neighbourhood and community functioning retail developments (2.8+ ha)• The potential loss of existing and planned commercial space. Modify policies for select commercial mixed use designation to support	<ul style="list-style-type: none">• A phased approach is used to ensure appropriate transition from employment to residential uses.• Transitions between employment uses and sensitive uses provided through compatible built form, appropriate transition of height, spatial separation and landscape buffering.• A general target proportion of approximately 40 percent residents	<ul style="list-style-type: none">• Focus on enabling flexibility of employment uses• Recommendations to permit large-format uses (such as auto dealerships) to mixed-use developments include permitting such uses in a mixed-use format, but limiting them to strategic locations away from transit corridors	<ul style="list-style-type: none">• Within mixed-use designated areas, retail and service commercial uses are required on at least a portion of the ground floor.• Redevelopment resulting in a loss of retail and service commercial floor space is not permitted unless it is demonstrated that the planned function of the existing non-residential component will be

	<ul style="list-style-type: none">Site-specific provisions for minimum and maximum GFA for office, retail and commercial uses.	<p>intensification and protect existing commercial space and mixed use areas</p> <ul style="list-style-type: none">Designation changes to reconfigure commercial space and increase permissions in select locations <p>Commercial opportunities in Secondary Plan areas and key corridors (i.e., to allow faster development on more conventional retail formats).</p>	<p>and 60 percent jobs is to be achieved across the entire major transit station area.</p> <ul style="list-style-type: none">Expansion of protection to existing industrial uses adjacent to the MTSA aligned with regional policies.Introduction of Transition Districts, o support employment areas evolving to low-rise mixed use areas.<ul style="list-style-type: none">Within Transition Districts, employment, commercial and residential uses are permitted in stand-alone and mixed use buildings.Transition to established residential areas provided through landscape buffering, future road alignments, building placement, and compatible built form.Proposed development abutting existing residential areas outside of the MTSA, is to provide an appropriate transition, including compatible built form (angular plane, massing, height, site layout), appropriate transition of height, spatial separation, road alignment and landscape buffering.	<ul style="list-style-type: none">Expand opportunities for retail by securing at-grade space or creating flexible spaces in commercial-designated areas and along the rapid transit corridor	<p>maintained during and after redevelopment.</p> <ul style="list-style-type: none">Maintenance of the non-residential component includes maintenance of community facilities, gathering spaces and a grocery store within the node.Additionally, concentration of convenient, easily accessible retail and service commercial uses that meet the needs of the local population, and employment opportunities, such as office and institutional jobs, are encouraged.The development of office may be considered for exclusion in the calculation of maximum FSI requirements without an Official Plan amendment.
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5.2 Emerging Trends

The purpose of this section is to highlight emerging trends and potential drivers of change from a mixed use and non-residential perspective, while applying a lens of affordability and equity, to help inform the Growing Together East project.

5.2.1 Multi-use Destinations

Many cities are taking advantage of the opportunity to foster community placemaking by integrating public facilities with mixed-use developments, and moving away from the traditional approach of traditional, stand-alone uses. Community hubs integrate a range of health, social, cultural, recreational and other resources under one roof, which can help foster collaboration among community service providers, reduce administrative duplication, and improve services that are responsive to the community's needs (Government of Ontario, 2024).

The **David Braley Vaughan Metropolitan Centre of Community** is a new state-of-the-art AODA compliant facility located in the heart of Vaughan's new downtown, steps away from the City's first subway station (*Figure 8*). The Centre includes a new recreation venue (with indoor and outdoor areas), music recording studios, teaching kitchens, a library (inclusive of spaces designed for different user groups, innovative technologies, and breakout rooms), and a YMCA (including childcare centre).

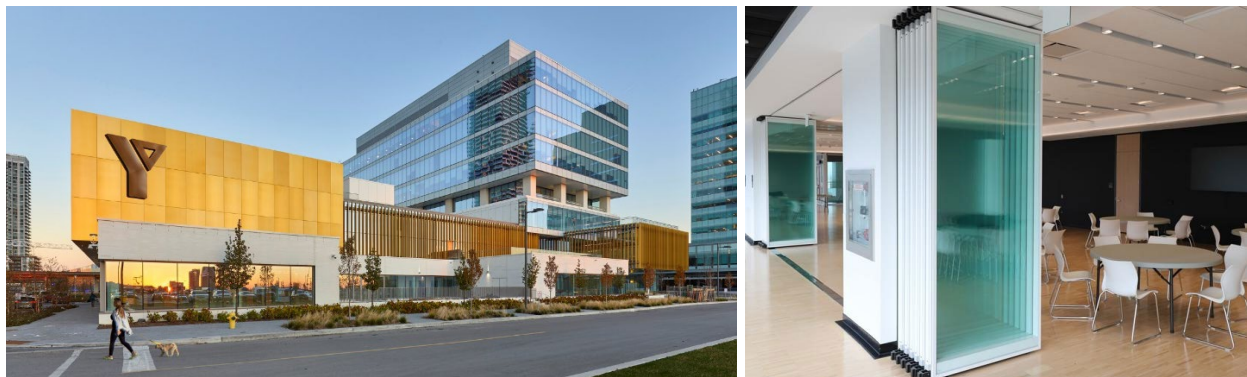


Figure 8: YMCA at the David Braley Vaughan Centre (Top Image Source: Diamond Schmitt, 2023; Bottom Image Source: RJC Engineers, 2024).

The building has also been designed with flexibility in mind, including community rooms with moveable walls, which can adapt with changing programming needs overtime.

Another example is the incorporation of institutional uses into new mixed-use developments. The **Junction Triangle Library** is a Toronto Public Library branch integrated at the base of a new purpose-built rental building (*Figure 9*). The existing library will be relocated and expanded from 3,600 ft² to 10,000 ft² and is designed with creative and diverse programming in mind. The residential building includes a range of amenities, including a café, rooftop community garden, athletic studios, a pet spa, maker community workshop, coworking space, games room and lounge, among other features. Similarly, Oakville Public Library has committed to it's New Central Branch in downtown Oakville, which will occupy over 17,000 ft² of the ground floor of a new 23-storey condo building. **Bathurst College Centre**, located at the intersection of College and Bathurst, is a 146,627 ft² building inclusive of a bank branch, department store, restaurants, and office (including a state-of-the-art Family Health Clinic part of Toronto Western Hospital Family), that are anchored by a grocery store (*Figure 10*).



Figure 9: Junction Triangle Library Concept (Source: TAS/Teeple Architects, 2024).



Figure 10: Bathurst College Centre (Source: Urban Toronto, 2025).



Figure 11: Bathurst College Centre (Source: Urban Toronto, 2025).

Chicago's Independence Library and Apartments blends public libraries and social housing across three buildings (Figure 12). The apartments include a mix of subsidized and market-rate units, and the library acts as an extension of their living room, with spaces designed for all ages and different programming needs.



Figure 12: Chicago's Independence Library and Apartments (Source: James Florio/Supplied, The Globe and Mail 2019).

The **North Toronto Collegiate Institute** at 17-25 Broadway Avenue and 70 Roehampton Avenue is a four-storey secondary school occupying the podium of a residential development, which consists of two 24- and 27 storey towers with 450 dwelling units (*Figure 13*).



Figure 13: North Toronto Collegiate Institute / Republic Condominiums (Source: Adjeleian Allen Rubeli Limited).

The **Downtown Alternative School** at 85 Lower Jarvis Street is a school for children from junior kindergarten to grade six and occupies the 2nd floor of a six-storey mixed-use building. The ground floor of the building includes commercial space, while the upper four levels consist of residential dwellings (*Figure 14*).



Figure 14: Development at 85 Lower Jarvis Street (Source: ACO Toronto).

5.2.2 Co-Locating Industrial Uses

Integrating industrial uses and sensitive land uses in an evolving market can be challenging due to land use compatibility considerations. Recent changes to how employment is defined in the provincial context raises greater uncertainty around protecting existing employment uses and lands, leading to a stronger need for mixed-use development.

An example of a development that has successfully integrated light industrial, retail and residential uses is the Workspaces at Strathcona Village in the City of Vancouver, located at 937-973 East Hastings Street (*Figure 15*). It is a three-tower, 350-unit development with a mix of 280 condos, 70 social housing units, 12,000 square feet of office space, and 60,000 square feet of industrial-retail units. The residential units are above a two-level section containing 18 flexible spaces suitable for light manufacturing and retail sales (*Figure 16*). The industrial-commercial spaces are identified as Production, Distribution, and Repair (PDR) uses in the Zoning By-law. Key elements of the development include:

- Vertical mixing of light industrial uses with residential uses protects compatible employment uses while integrating residential uses, including affordable housing.
- Industrial spaces are designed with large doors and windows that open directly onto the main street. Entrances to the industrial units are safely interspersed with residential entrance lobbies, creating an animated built form facing the main street.
- The CD-1 zoning is specific to this site to accommodate this mixed-use built-form. CD (Comprehensive Development) zones in Vancouver are tailored to the intended form of development.

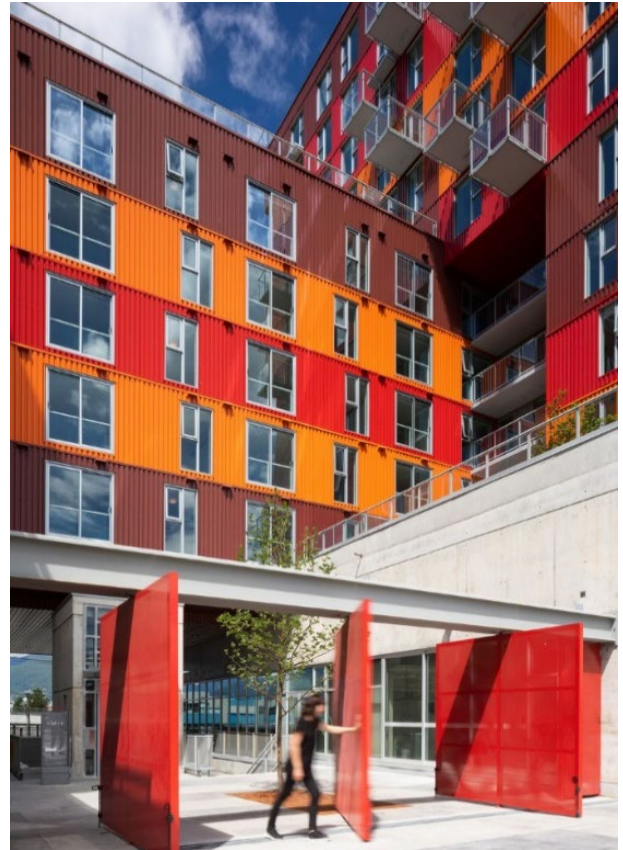


Figure 15: The Workspaces at Strathcona Village (Source: GBL Architects).

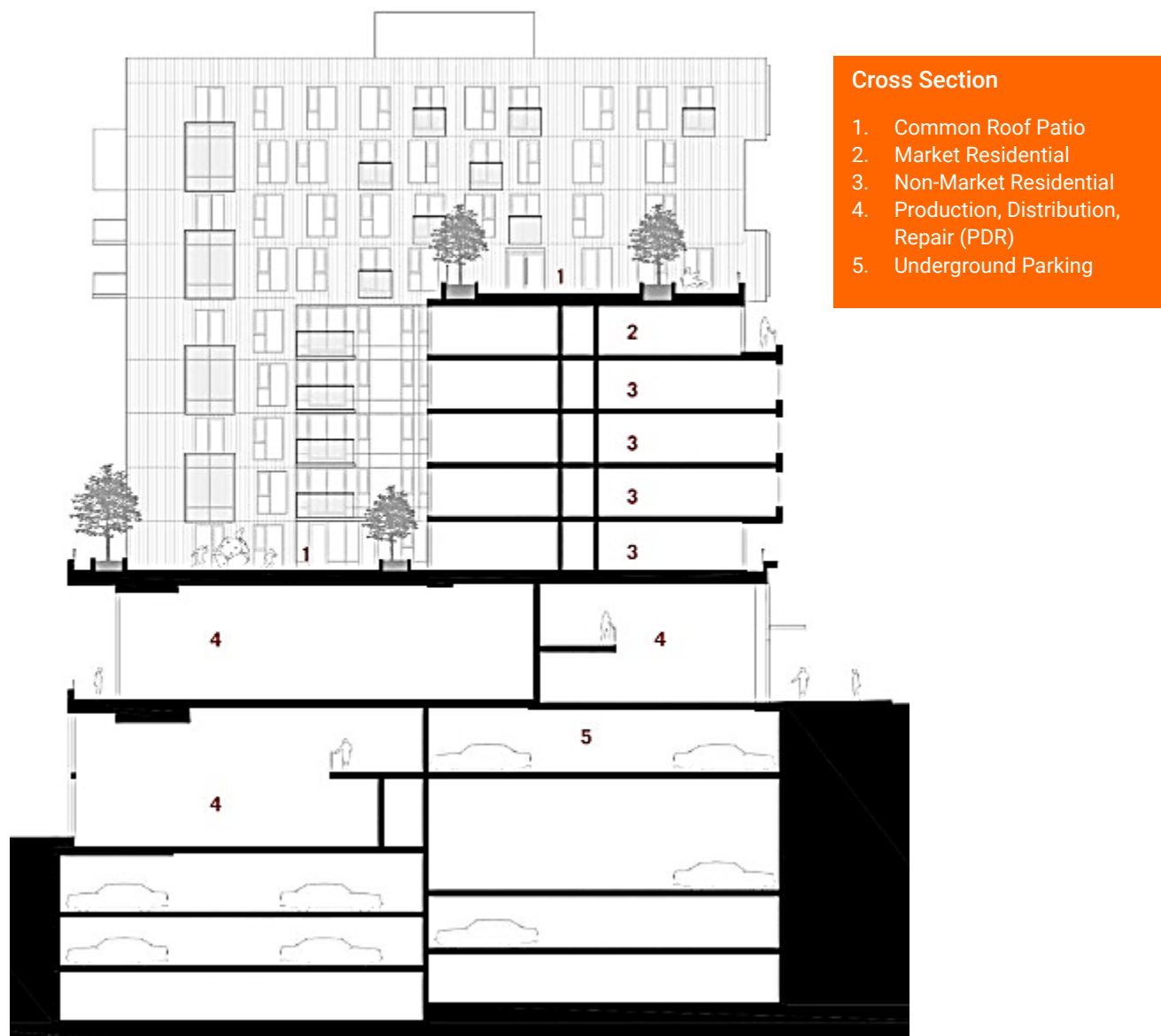


Figure 16: Cross Section of the Workspaces at Strathcona Village (Source: GBL Architects).

This serves as an innovative example of bringing housing and jobs together through integrated typologies. It redefines employment in a mixed-use context by permitting employment uses not typically co-located with sensitive land uses due to stringent municipal policies and regulations and implementing a flexible and creative built form that is functional for a variety of uses. It creates space for employment uses that are small-scale and do not pose significant adverse impacts on their surrounding developments.

5.2.3 People-Friendly Spaces

Applying a human-centered approach when designing the public realm space can create opportunities tailored to the needs of those they serve now and in the future. By prioritizing humans at the centre of the process, positive outcomes can be achieved between human interactions with built form, that promote utility, connection and engagement. People-friendly spaces can create opportunities for community partnerships, including promoting and highlighting local businesses.

A great local example is the transformation of King Street in downtown Kitchener, which has resulted in an improved the streetscape that takes a “pedestrian-first” approach. A range of interventions were implemented including upgraded lighting, sidewalk treatments, unique street furniture, public art, tree plantings, and bioretention systems (and other low impact development features). Removable bollards provide the opportunity to shut down vehicular traffic and create pedestrian-only activities (i.e., street festivals). Partnering with the local Business Improvement Area has enabled coordination and collaboration among business owners.

Human-centered design is an approach that focuses on creating a built environment that is prioritizes the human experience at its core. Understanding how people get around and what draws them to a business or place, can offer critical insight on peoples needs to help design for a better future. For instance, spatial accessibility is an important consideration of people with experience of disability as they often depend on public transit and good quality pedestrian infrastructure to travel within and between communities (Katherin Deturbide, PLAN Magazine, 2023). By extent, this also applies to people without access to a vehicle, such as children, youth or adults (which may be due to individual choice or circumstance). Further, the number of seniors within Kitchener will continue to rise, and policy will need to consider ways to keep seniors independent, healthy and active. According to the Province of Ontario, by 2041, it is estimated that 25% of Ontario’s population will be 65 years or older, who come with different backgrounds, health needs, education, finances, family and social connections. Ensuring greater accessibility for people to access local retail and services will be a critical factor as these PMTSAs grow and change in the future.

A great local example is the transformation of King Street in downtown Kitchener, which has resulted in an improved the streetscape that takes a “pedestrian-first” approach. A range of interventions were implementing including upgraded lighting, sidewalk treatments, unique street furniture, public art, tree plantings, and bioretention (and other low impact development features). Removable bollards provide the opportunity to shut down vehicular traffic and create pedestrian-only activities (i.e., street festivals). Partnering with the local Business Improvement Area has enabled coordination and collaboration among business owners.

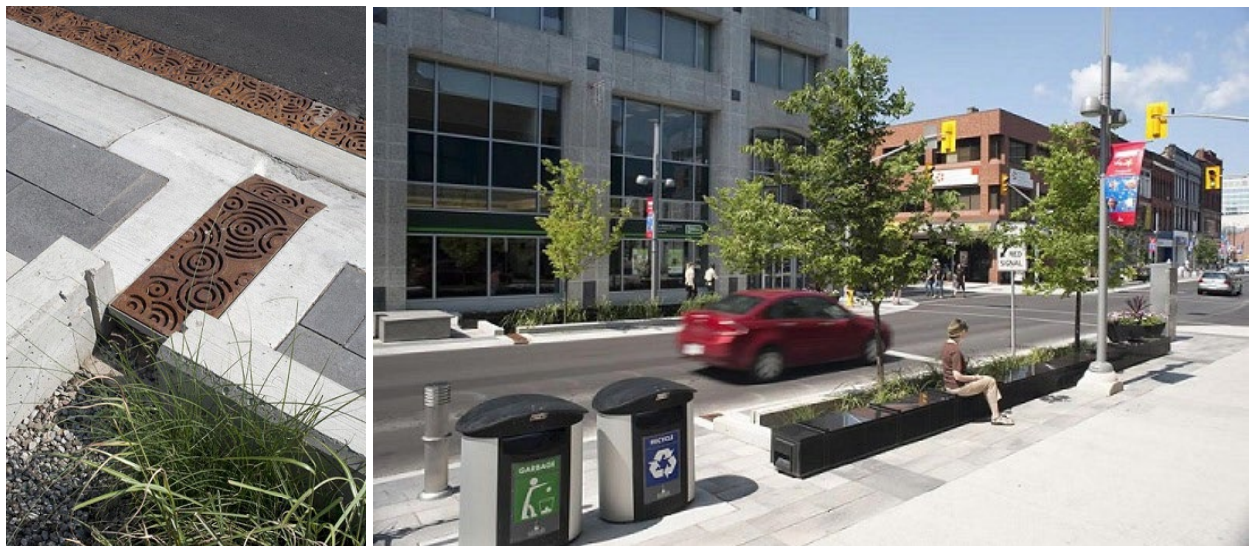


Figure 17: Flexible streets (King Street) in Downtown Kitchener (Source: Engage St. John's, 2015)

In more suburban contexts, there are opportunities to transform parking lots and other under-invested spaces into vibrant, culturally rich places. An example of this could be a farmers market occurring in a parking lot on a rotating basis (i.e., during summer months) or a temporary installation to help “activate” a forgotten corner; bringing new and imaginative ways of enjoying these areas.



Figure 18: ThistlePOPS (The Main 2022 plazaPOPS Site) During Diwali Celebrations in October, 2022 (Photo: Tupac Espinoza, 2022)

An example of an organization dedicated to transforming suburban main streets is plazaPOPs. By partnering with local community groups, landowners and businesses, these temporary “pop-up” areas are designed to activate, excite and engage; offering immense social benefits.

5.2.4 Climate Resilience

The City of Kitchener approved a Corporate Climate Action Plan in April 2019 and the City’s Council unanimously voted to declare a climate emergency in June 2019 to address the alarming rate of climate change and take action to address environmental impacts in the city. The development of the PMTSAs can play a significant role in the implementation of climate resiliency measures, particularly for areas that contain significant environmental features and flood-prone areas such as the Block Line PMTSA, of which a large portion is occupied by a floodplain. The City needs to explore creative ways to incentivize climate resiliency measures and ensure future development is consistent with best practices in sustainable development and design. Recognizing that many existing uses rely on significant levels of surface parking and some future uses may also rely on parking until the PMTSAs transition to transit-supportive, complete communities, policies and regulations should be formed to encourage energy-efficient and “green” parking solutions and support sustainable development and design practices. An example of a policy document rooted in climate resiliency and sustainable development is the City of Toronto’s Downsview Secondary Plan. It outlines policies, encouraging development to:

- Implement environmentally sustainable strategies to reduce Greenhouse Gas (GHG) emissions through District Plans and development applications;
- Incorporate low carbon and renewable energy technologies such as thermal energy (the Secondary Plan encourages this by allowing the use of a mechanical penthouse for other purposes);
- Expand the urban tree canopy by providing sufficient soil volume for large trees, planting trees throughout the site and relocate utilities where needed to support tree growth;
- Incorporate green infrastructure solutions for stormwater management and strategies to conserve and reuse water; and,
- Minimize the amount of parking and the impacts of parking on the public realm.

Policies and regulations for the PMTSAs must also be rooted in a holistic and integrated approach to addressing climate change that results in economic and social well-being for the city.

6 Conclusion and Next Steps

Mixed-use redevelopment, infill in existing urban areas, intensification in strategic locations such as around transit stations and the protection of existing and future employment uses are encouraged in provincial, regional and municipal policies. Policies regarding land use compatibility and transition between employment uses and sensitive uses are broad and encourage municipalities to take measures to ensure compatibility as per the D-series Provincial Guidelines. The recent change in provincial policy to redefine employment uses creates inconsistencies in the municipal definition of employment and may make it challenging to protect existing employment lands, creating a greater need to integrate employment uses in mixed use environments.

Market trends evolve constantly and rapidly, and it can be challenging to predict the future landscape of the three PMTSAs. The Block Line, Fairway and Sportsworld PMTSAs are anchored by significant low-density employment, commercial and retail developments that present opportunities for vertical intensification, requiring a creative, innovative and balanced approach to mixed-use redevelopment. The City of Kitchener must ensure that policies for the PMTSAs remain relevant to a changing landscape and future market trends by taking a flexible approach to developing policies and regulations. Transition policies can address compatibility between various densities and uses as well as flexibility to build in space for future uses that are forecasted for the PMTSAs. The City may also consider planning tools other than the Official Plan and Zoning By-law that support its objectives for the PMTSAs, such as flexible design guidelines, CIPs and CPPS.

As a next step, the consultant team will prepare a SWOT analysis, which will inform recommendations for policies and regulations for the three PMTSAs. We will prepare a table reviewing the draft Growing Together East land use and zoning framework against the Best Practices, Emerging Trends and SWOT analysis within the following policy themes:

- Legislative updates
- Non-residential built forms (standalone vs. mixed-use developments)
- Minimum floor area requirements for non-residential feasibility and long-term viability
- Phasing and implementation
 - Securing commercial needs in early phases of redevelopment
 - Replacement of existing commercial and non-residential uses
 - Continued viability of non-residential uses with the introduction of residential uses

- Requirements for site specific studies such as land use compatibility studies (these will vary by PMTSA character)
- Equity and inclusivity
 - Accessibility
 - Community and cultural needs
 - Community services and facilities

References

Deturbide, K (2023). How far is too far to walk or roll to the store. PLAN Canada Magazine, Winter 2023/24, Vol 63 No 4.

Clark, K (2023). People [using] wheelchairs will not be able to access the sidewalk, let alone the store. PLAN Canada Magazine, Winter 2023/24, Vol 63 No 4.

1 Introduction

1.1 Purpose

The purpose of this document is to provide a summary of the feedback received from interviews with community representatives / collaborators in Phase 1 of the **Growing Together East** project.

1.2 Project Overview

The City of Kitchener is growing, and much of this growth is happening in areas around the ION LRT line. The City's Growing Together focuses on planning for the future growth around its Protected Major Transit Station Areas (PMTSAs), which surround existing and future ION Light Rail Transit (LRT) stops.

The Growing Kitchener East project will create updated plans for three PMTSAs: Block Line, Fairway, and Sportsworld. Plans for the seven other PMTSAs were approved by City Council earlier in 2024 (referred to as Growing Together West). The project involves examining current and future market conditions to inform an updated planning framework that considers the important role of shops and services in the long-term growth of these areas.

1.3 Methodology

1.3.1 Purpose

As part of the project, a series of five, 45-minute interviews were conducted with various community representatives. Interview participants included people who live or work in the three PMTSAs, or who work with people or businesses there. The goal of the interviews was to explore ideas for creating communities that are healthy, fair, and provide opportunities for everyone to feel welcome, safe, and appreciated in these areas.

1.3.2 Interviewee Selection Process

A scan of local organizations and community services was undertaken to create a potential list of interviewees. This list was provided to City staff to ensure coordination among other City projects and initiatives and leveraged City staff and resources, to create a short list of candidates. Collaboration with City staff (including community coordinators, community engagement consultants, and youth services coordinators) occurred to assist with outreach efforts, given pre-existing connections (direct and indirect) with candidates.

1.3.3 Categories and Questions

Table 1 below outlines the key questions presented to interviewees to facilitate the discussions.

Table 1: Overview of Interviewee Questions.

Category	Question
1. About You	<ul style="list-style-type: none">• What communities do you serve or represent?• Are you a resident, employee or volunteer in the local area?
2. Reflections	<i>From the perspective of you / your clients / those you represent,</i> <ul style="list-style-type: none">• Have retail and commercial spaces (such as shops and businesses) changed over time?

	<ul style="list-style-type: none"> • If so, how? What are the impacts?
3. Today	<ul style="list-style-type: none"> • What are some special / popular areas or spaces unique to this area? • What do you like/dislike about these areas? • Where do you like to spend time / visit / shop?
4. Getting Around	<ul style="list-style-type: none"> • How often do you rely on active transportation (walking, rolling, cycling) and/or transit to meet your daily needs? • Any significant gaps or challenges?
5. The Future	<ul style="list-style-type: none"> • How do you want to see these areas grow and change? • How can we create more equitable and inclusive communities?
Additional Comments	<ul style="list-style-type: none"> • Opportunity to share any additional information and ask questions

1.3.4 Interviewers

The interview process was led by two Planners from Sajecki Planning Inc. who are both trained in Foundations in Public Participation from the International Association of Public Participation (IAP2). IAP2 is an association of interdisciplinary professionals whose mission is to advance effective public participation practice and support practitioners. The interviewers worked closely with City staff and Divercities to finalize questions and prepare for the interviews, which occurred virtually.

2 Reporting Back

2.1 Interviewee Profiles

This section provides an overview of the interviewees and summarizes responses and key themes that emerged from these conversations.

Table 1: Overview of Interviewee Profiles.

Interviewee ID	Role in Community	Affiliation	Years in Kitchener
Interviewee 1	Resident (Block Line); High School Student; Volunteer; Employee	<ul style="list-style-type: none"> • Lives in Block Line area • Volunteers at SVP Teens and local thrift store (volunteer) • Works part-time at family-owned sports store 	~17
Interviewee 2	Professor; Resident	<ul style="list-style-type: none"> • Lives in Kitchener • Works at University of Waterloo 	~7
Interviewee 3	Volunteer; Coach; High School Student; Resident	<ul style="list-style-type: none"> • Lives in Kitchener • Volunteers with Kitchener Youth Action Council (KYAC) 	~2
Interviewees 4A & 4B	Community Development Manager Community Centre Program Supervisor	<ul style="list-style-type: none"> • Works at House of Friendship • Works closely with community centres (such as Courtland Shelley, Kingsdale, Centreville Chicopee, Chandler Mowat) 	N/A
Interviewee 5	Community Facilitator; Resident	<ul style="list-style-type: none"> • Lives in Kitchener 	~10

		<ul style="list-style-type: none"> Works at Kingsdale Community Centre (previously worked at Chandler Mowat and Country Hills) 	
Interviewee 6	Customer Service Attendant; College Student; Resident	<ul style="list-style-type: none"> Lives in Kitchener Works at Chandler Mowat Community Centre 	~20

3 Analysis and Findings

3.1 Summary of Key Feedback

Interviewees reflected upon long-term changes to retail and commercial spaces (such as shops and businesses). As described by the respondents, the opportunities and challenges emerging from these changes are summarized in *Table 2* below:

Table 2: Summary of Key Feedback from Interviewees.

Interviewee 1
<p>Past and Present</p> <ul style="list-style-type: none"> Works at local retailer, and notes that online orders have become increasingly central to her responsibilities (i.e., new online order system, many online pick-ups every day). Block Line: <ul style="list-style-type: none"> Lives with parents (immigrated to Canada before she was born) in existing, older apartment building. Retail landscape has largely remained unchanged overtime (no exciting or “trendy” shops or businesses). Most valued spaces include trails, parks, recreational centres and libraries, which are limited within the PMTSAs. <ul style="list-style-type: none"> Local trail system is good but fragmented in certain areas. Fairway: <ul style="list-style-type: none"> Fairview Mall is a valuable space for gathering, especially among youth and teenagers. <p>Getting Around</p> <ul style="list-style-type: none"> The ION is very beneficial, enjoys how service is consistent, reliable and free Wi-Fi. Bus network is extensive, however sometimes late or at-capacity, and cold in the winter. Finds that many adults still heavy rely on vehicles (convenience). Feels unsafe walking along Balzer Road and Courtland Avenue East (no sidewalks or crosswalks), which is close to several parks, stores and plazas. Sportsworld: not very walkable. <p>The Future</p> <ul style="list-style-type: none"> Okay with more density, however, worried about the high cost of new “luxury” developments (smaller units, high rents). Wants to remain in the neighbourhood but is worried about rising costs. Wants to keep old apartments, rent control.
Interviewee 2
<p>Past and Present</p> <ul style="list-style-type: none"> Born and raised in Toronto, moved to Kitchener in 2017. Studied housing over 15 years in Canada and lived and worked in Netherlands.

- Believes current housing supply caters toward market trends than actual housing demands.
- Changes taking place along the ION LRT corridor, including residential and non-residential gentrification and displacement.
- Many examples of existing lower density rental properties in these areas, which provide valuable, rental housing.
- Loss of rental housing, affordable housing, renovictions, which is contributing further to the homelessness crisis (which effects the local economy and surrounding non-residential uses)
- Many retailers are struggling.
- The City's Rental Replacement By-law is a critical initiative / tool.
- Tim Hortons and McDonalds offer valuable, affordable spaces to meet.

Getting Around

- Continuous sidewalks needed (Highland Road serves as a great example of "complete streets")

The Future

- Capitalize on City-owned / publicly-owned lands
 - Strategic use of public land to meet City objectives / goals.
 - City should acquire land around the transit stations (develop strategy).
 - Retain any lands it owns to secure public use over the long-term (do not sell).
- Need stronger measures to protect existing tenants and communities
 - City must continue working closely with affected communities (that are undergoing change).
 - Social Development Centre assists with tenant organizing (important organization).
 - Consider a Tenant Assistance Policy (next step).
 - Recommends mandating 20% affordable behind CMHC median.
 - Example: Burnaby (best tenant assistance policy in Canada).
- Redevelopment context
 - Traynor Vanier is prime real estate (pressures to redevelop).
 - Landowners and developers share the responsibility (as part of selling or redeveloping a property).
 - Underutilized space should be used (i.e., surface parking lots).
 - Must be realistic about what can be expected from retail / commercial space requirements (believes municipalities can encourage but can't require).
 - Need non-market spaces for complete communities to thrive.
 - Seek non-profit partnerships (redevelopments, acquisitions, etc.)

Interviewee 3

Past and Present

- Moved to Kitchener 2 years ago from Guelph and became involved in the community through youth volunteering, coaching.
- Areas have less mom-and-pop shops and more chains.
- Her friends / teens enjoy spending time at bubble tea cafes, the mall, food courts, and popular chain restaurants. Malls are popular because they have everything in one place, which is easier when you don't have access to a car.
- Niche businesses are more popular downtown, so tends to travel there for those types of experiences.

- Not many parks near her, no playgrounds or equipment for kids or adults (at least 30 min walk away).
- Her family does their grocery shopping at an Asian food store and Food Basics.

Getting Around

- ION is efficient, reliable, and feels safe, likes the free wi-fi.
- The PMTSAs are auto-oriented and there is great reliance on cars to get around as buses serve the inner neighbourhoods but are not as convenient and efficient to use as cars.
 - If destination is within a 30 min. walk, will go by foot. If it's within 30 min – 1 hr. walk, will choose bike or drive.
 - Incomplete trails in the area.

The Future

- Something that's very important to her, are opportunities for youth (jobs, internships). Public initiatives should start with kids, because they grow up in that environment and shape it.
- Wants more recreational activities (such as bowling, skating, escape room, small recreational activities, ceramics).
- Parks, libraries, recreational centres, and malls (hang-out, gather) are much needed amenities.
- Wants more places that you can get to by walking, and places you can go study.
 - Example: the library hours are limited (close by 5pm, closed on Sundays). Need free community spaces that are open late and weekends.
- Wants transit to improve over time.

Interviewee 4

Past and Present

- Organization partners with community centres and offers neighbourhood-based programs and services that serve local needs related to food, literacy, mental health and addiction, shelter assistance, leadership, after school, family, seniors, youth, health and lifestyle, cooking, sports, etc.
- Neighbourhood nurse team is an integral program (open door policy) offering triage and connection on-site (resources).
- Malls offer a lot of convenience.
- Food Basics offers international foods, affordable prices.
- Walking track (indoors) behind St. Mary's High School offers a lot of year-round benefits (safe, age friendly, weatherproof) but is challenging to get to (most drive).
- Currently, there is great need for urgent care centres (long wait times, inadequate support).

Getting Around

- Community members rely on good public transit systems, and walking to services, shops and resources.
- Many rely on walking as the primary method of transportation.

The Future

- Spaces for community programming are critical, where people can go and shop, relax (alone or with others) and places that culturally resonate with people.
- Need for space for seniors programming (pickleball, tai chi, and community gardens (major need)).

- Need an increased mix of retail and servicing uses to provide a one-stop-shop (such as medical, dental, and grocery shopping all in one place).
 - City needs partnerships with public health to ensure important spaces are prioritized.
- Design with visible and invisible disabilities in mind.
- Need spaces to gather and connect, including quiet spaces (i.e., for meditation and prayer).
- In redevelopments, consider multi-purpose spaces that meet broader set of needs.
- Goal of reducing barriers to access (physical, social, mental) retail spaces that serve basic needs that are close-by (need to bring resources close to equity deserving folks and newcomers).
 - Example: Go to a language class and pick up groceries.
 - Non-profits should have space in new developments (think about the role in these spaces).
- Need to protect and create new libraries, recreational and community centres as well as accessible programming for all age groups.
- Need to retain / introduce “ethnic” shops and businesses that resonate with people and are culturally relevant (i.e., Food Basics) as many of these types of stores are spread across the region and are critical to people’s cultural identity and sense of belonging.

Interviewee 5

Past and Present

- Commercial uses (including services and programming) are not serving needs of the community – programs are underutilized.
- Many people experience social isolation in the Kingsdale community (north of Block Line PMTSA).
- Community centre is very popular, especially among youth. Food program is also popular.
- Importance of cultural community hang outs (i.e., Tim Hortons)
 - Products are cheaper, and no time limit on staying and visiting
 - Places you can come in and out with no judgment
- Across all three PMTSAs: huge landscape that hosts many different levels of needs, structures and status.

Getting Around

- The community uses bikes a lot.
- Many walk (esp. seniors), however those who have access to a car usually drive in the winter.
- Most people drive to the community centre, however nearby bike lanes are excellent.

The Future

- Develop and implement programming based on community needs (i.e., conducting a community needs assessment).
- Important to consider affordable spaces for people to gather.
- Engage different ethnic communities (many newcomers are hesitant to participate).
- Parks, community and cultural centres, and recreational facilities are valuable assets
- As areas grow and change, cannot lose sight of the importance of greenspace and parks, which offer physical, mental and environmental benefits to communities (connection to nature, children, elders, etc.).
- Engage in more community partnerships to meet common goals. Leverage existing community partnerships in the face of change.

Interviewee 6

Past and Present

- Hasn't seen much of a change in retail uses over time (mostly chains).
- From a youth programming perspective, many different needs when it comes to children and youth.
- A lot of pressure for young people to grow up faster and can create many challenges from a societal perspective. Free programming and activities are critical (to make it accessible for everyone).
- Common complaints from older adults are the housing situation is challenging, and many people struggle to pay bills.
- Common challenges include language barriers, assisting people with printing legal documents, and providing resources they can to people visiting the community centres. Others struggle with addiction.
- Community centre serves as a vital safe place for youth to come when they experience challenges at home.
- Valued spaces include: parks, splashpads, basketball courts, skate park, the mall.

Getting Around

- Community members use transit frequently. Buses are relied heavily upon.
- Bikes are more so used for recreational purposes.
- Many people with cars.

The Future

- Continue engagement with the community on the needs.
- In an ideal situation, people will be able to afford their rent (concern with people having to leave the community as costs rise).
- Consider "free" and/or low-cost activities and spaces for community members to gather, even in the face of change.
- Increase recreational opportunities (emphasize the importance of physical activity on mental health).

3.1.1 Emerging Themes

There are 5 key themes emerging from the interviews that are outlined and summarized below:

1. Residential and Non-residential Affordability

All interviewees highlighted the need to ensure the development of the PMTSAs prioritizes affordability for both residential and non-residential uses. Some interviewees noted ongoing gentrification in the residential and retail sectors and the importance of protecting and preserving existing units that are more affordable from being replaced by luxury real estate.

2. Community Services, Amenities and Programming

The PMTSAs are limited in the community services, amenities and programming they provide. Most facilities that provide these essential community needs are located at a distance and are not as accessible. Interviewees expressed their appreciation for public gathering spaces and quiet spaces including, libraries, fitness and recreational centers, parks and trails and multi-use spaces. Not only do these uses support residential and mixed-use developments, but they also provide essential traffic and movement for retail and service commercial uses.

Community services, amenities and programming should be in accordance with the local context of the PMTSAs and be tailored to the specific needs of the community. Services and amenities should cater to a broad range of demographics and promote inclusivity. There needs to be a greater mix of community services and retail uses to ensure areas are comprehensive and provide full service.

3. Transit and Walkability

While many interviewees who use the ION LRT to get around the city praised it for its convenience and efficiency, they also noted that bus service from the LRT to their neighbourhoods is not as reliable. Individuals still rely on private automobiles to get around since areas not well-served by the LRT are not walkable – particularly citing the Sportsworld PMTSA.

4. Strategic Use of Public Lands

Using existing City-owned lands and acquiring additional lands around the LRT stations to meet social and community development goals was emphasized by some interviewees as a strategic opportunity. The City has the opportunity to build places desirable and beneficial to the public.

5. Public, Private and Non-profit Partnerships

Interviewees stressed the importance of strategic partnerships with the public, private and non-profit sectors to achieve its objectives in terms of social and economic development. This was particularly highlighted to ensure sufficient health infrastructure is made available and that community services and amenities are made accessible.

4 Next Steps

The inputs from this summary will be considered in the SWOT analysis and with key inputs and themes revisited while developing policy directions and recommendations as part of Phase 2.