

# Commercial and Employment Land Needs Study

## Base31 Area Concept Plan

### Prince Edward County

September 13, 2023

Prepared for: PEC Community Partners Inc.

Prepared by: Tate Economic Research Inc.



PEC Community Partners Inc.  
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September 13, 2023

Re: Commercial and Employment Land Needs Study  
Picton, Prince Edward County, ON

Dear PEC Community Partners:

Tate Economic Research Inc. is pleased to provide this Commercial and Employment Land Needs Study for the Base31 Area Concept Plan in the community of Picton, in Prince Edward County. This report examines the amount of commercial and employment land warranted within the Base31 Area Concept Plan.

Thank you for the opportunity to conduct this assignment on your behalf and we look forward to discussing the results with you.

Yours truly,

TATE ECONOMIC RESEARCH INC.



James Tate  
President



Sameer Patel  
Vice President

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# 1 Summary & Recommendations

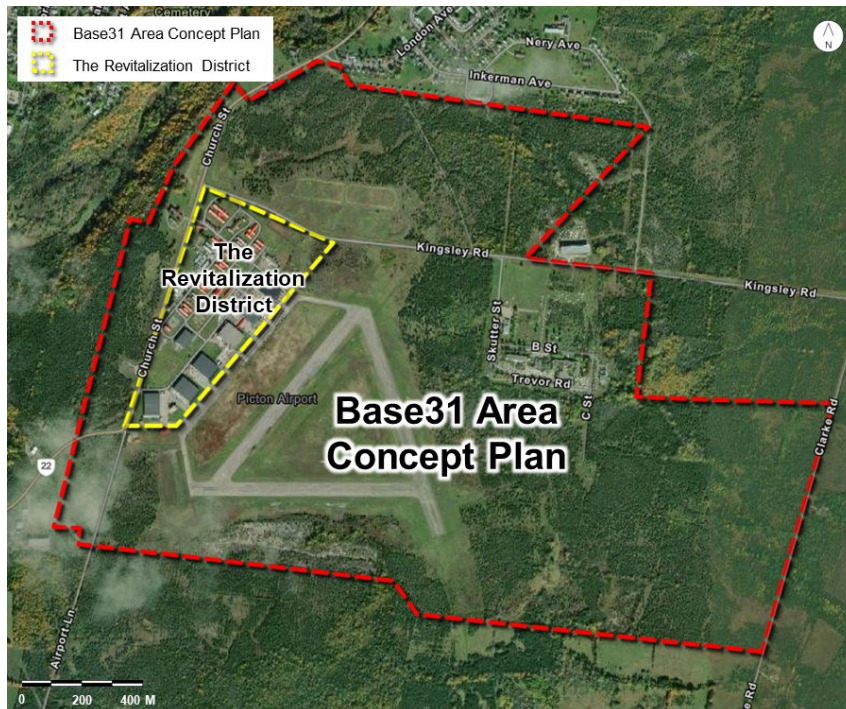
This section summarizes the research, analysis, and recommendations presented in this report. The remaining sections provide a more detailed review of these recommendations and their inputs.

## 1.1 Introduction

Tate Economic Research Inc. (“TER”) was retained by PEC Community Partners Inc. (“PEC Community Partners”) to conduct a Commercial and Employment Land Needs Study for the proposed Base31 Area Concept Plan (“Site”).

The Site totals approximately 750 acres and is located in the community of Picton, in Prince Edward County (“County”), Ontario. A portion of the Site operated as a WWII air training base from 1940 until 1969 when it was decommissioned. It then transitioned into the Loch-Sloy Business Park and

**Figure 1-1: Base31 Area Concept Plan Framework**



Source: Tate Economic Research Inc.; Basemap: ESRI ArcGIS.

operated as such until it was acquired by PEC Community Partners in 2021. It has been renamed Base31.

The majority of the Site is vacant. A 70 acre portion of the Site is partially occupied by over 40 former barracks, mess halls, hangars and administrative buildings. This portion of the Site is referred to as “The Revitalization District”. Many of the buildings are planned to be retained as part of the proposed development. Presently, some of these buildings have been retained and converted to accommodate a range of commercial and industrial tenants, as well as spaces for makers, artists, and galleries.

In the longer term, the Site will be master planned for a wide range of uses, including commercial and employment components that are the subject of this study.

As a component of the development approvals process, County staff has requested a Commercial and Employment Land Needs Study. This Commercial and Employment Land Needs Study identifies the amount of commercial and employment land that should be planned for the Base31 Area Concept Plan.

TER prepared a Terms of Reference for the Commercial and Employment Land Needs Study, dated September 13, 2022 (“TOR”). The TOR was approved by County staff and is included as Appendix A of this report. The mandate of this report is to address overall needs for commercial and employment land at the Site and in the community of Picton overall.

## 1.2 Development Concept

The Base31 Area Concept Plan is envisioned as a dynamic collection of villages with a mix of uses, including, but not limited to, retail, restaurants, places to work and create, parks, trails, a full complement of community amenities, and a range of housing.

Many of the historic military buildings in The Revitalization District will be retained and rejuvenated, occupied by a mix of commercial, employment, and cultural uses. The Revitalization District is envisioned to be the commercial hub of the Base31 Area Concept Plan. Programming of The Revitalization District has been initiated and it will continue to host festivals, public art, concerts, and art galleries and other events.

The redevelopment of the Site will occur in phases, over time. When complete, the Base31 Area Concept Plan will include approximately 7,500 residential units, comprising a mix of low, medium and high density housing forms. These units equate to approximately 18,150 residents at build-out. The actual build-out population may change as the application progresses.

**Figure 1-2: Base31 Area Concept Plan Framework**



Source: Sasaki and PEC Community Partners.

## 1.3 Summary of Findings

The findings of the background research and analysis are summarized as follows:

### 1.3.1 Official Plan Summary

The Base31 Area Concept Plan site is designated “Heights Development Area” in the Picton Urban Centre Secondary Plan (“Picton SP”). The Heights Development Area designation permits a wide range of uses and encourages the development of the lands into a complete community. The Picton SP requires an Area Concept Plan be developed to provide direction in terms of land use, design, servicing, and the configuration of the road and active transportation networks.

This report recognizes the existing land use planning framework within the Picton SP, including the objectives of the Mixed Use Areas and Employment Area designations. However, the recommendations of this report are not constrained

to existing land use designations. As discussed later in this report, it may be appropriate to establish a land use designation specific to the Base31 Area Concept Plan.

### 1.3.2 Location and Access

The Base31 Area Concept Plan is located in southeast Picton, primarily within the urban boundary. Furthermore, the Base31 Area Concept Plan is located adjacent to the Macaulay Mountain Conservation Area.

The Base31 Area Concept Plan will have a comprehensive transportation network. The vehicle and pedestrian network will function to connect residents on the eastern portion of the Site to Church Street / County Road 22, the primary north-south road, and The Revitalization District.

### 1.3.3 Competitive Environment

There is approximately 739,000 square feet of existing retail and service commercial space in Picton. Customer research indicated that this space serves local residents and the broader community. Furthermore, there is a considerable tourism component, which increases in the summer months.

A wide selection of retailers and service providers are represented in Picton. The retail structure ranges from large format national tenants such as Canadian Tire and three supermarkets, to independent boutiques and restaurants.

Employment uses in Picton are primarily light industrial and office based businesses. There are limited heavy industrial or manufacturing uses. There has been a range of employment uses constructed in Picton over the past decade, including utilities, offices, and self storage.

### 1.3.4 Vacant Land Assessment

Overall, there is approximately 43 acres of vacant commercial land<sup>1</sup> and 36 acres of vacant employment land in Picton. This vacant land totals 79 acres, excluding lands within the Base31 Area Concept Plan.

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<sup>1</sup> In this report, the figures referring to commercial and employment land supply and demand refer to 'net' or 'developable' land, unless otherwise specified.

### 1.3.5 Market Demand Analysis

Overall, the market demand analysis presented in this report indicates a requirement for 49 acres of commercial land and 79 acres of employment land in Picton at build-out. This total includes demand generated by the development of the Site, as well as in other parts of Picton.

Similarly, there is warranted demand for 22 acres of commercial land and 47 acres of employment land in the Base31 Area Concept Plan. There is forecast demand for 27 acres of commercial land and 32 acres of employment land elsewhere in Picton. These figures combine to result in overall demand for 128 acres of commercial and employment land.

The Revitalization District includes 70 gross acres of land. Aside from The Revitalization District, there are 43 acres of vacant commercial land and 32 acres of vacant employment land in Picton. This vacant land totals 145 acres. As such, there is a surplus forecast in the amount of commercial and employment land warranted in Picton. Furthermore, it is noted that this vacant land total does not account for intensification opportunities, which would increase the ability of existing designated lands to absorb future commercial and employment demand.

It is noted that these land requirements incorporates coverage ratios which are applied to warranted square footage. These coverage ratios can vary considerably, based on the types of commercial and employment uses developed. The ratios assumed by TER are based on more intensive coverage than currently exists in Picton. It is assumed that the commercial and employment uses developed in the Base31 Area Concept Plan will be in a more urbanized form than has historically been developed in Picton.

**Figure 1-3: Commercial and Employment Land Needs Summary at Build-out (Net Acres)**

	Commercial	Employment	Total
<b><u>Warranted Commercial and Employment Land</u></b>			
Warranted Land in Base31 Area Concept Plan	22	47	69
Warranted Land in Other Picton	27	32	59
<b>Total Warranted Land in Picton</b>	<b>49</b>	<b>79</b>	<b>128</b>
<b><u>Land Needs Analysis</u></b>			
Land Supply			
The Revitalization District			70
Other Picton Vacant Designated Land	43	32	75
<b>Total Land Supply</b>			<b>145</b>
<b>Residual Commercial and Employment Land</b>			<b>17</b>

Source: Tate Economic Research Inc.

It is also noted that the land needs analysis is directly influenced by the anticipated unit counts, which contribute to population levels. If the forecast population levels are not realized, there will be less demand for commercial and employment land.

## 1.4 Strategic Recommendations

Based on the research and analysis summarized in this report, TER provides the following recommendations:

- It is recommended that The Revitalization District be planned as a mixed-use district that emphasizes non-residential uses and provides the opportunity for residential uses. This strategy will promote a vibrant mixed-use node with synergies between the various components.
- The market demand analysis indicates a requirement for approximately 22 acres of commercial land and 47 acres of employment land within the Base31 Area Concept Plan at build-out. As such, total commercial and employment land warranted is 69 acres at Base31 Area Concept Plan.
- The Revitalization District is approximately 70 gross acres and is contemplated as a mixed-use area with a wide variety of uses, including commercial, employment and residential. It is anticipated that The Revitalization District can accommodate much of the required 69 acres of commercial and employment land.
- It is noted that this land needs analysis incorporates the coverage ratios forecast in the TER analysis. These forecasts represent more intensive development than typically exists in Picton, which is reflective of the modern mixed-use format of the Base31 Area Concept Plan.
- The analysis in this report forecasts commercial and employment demand in terms of land area. However, the analysis is ultimately based on forecast number of jobs and associated floorspace. Overall, the analysis indicates that Base31 Area Concept residents will support approximately 1.2 million square feet of employment floor space in Picton at build-out. In addition, they support 340,000 square feet of commercial space at the Base31 Area Concept at build-out. If commercial and employment uses are developed in a higher density format, such as a multi-storey office building, the associated land needs may decrease. Conversely, if lower intensity development occurs, land needs may increase.

- The Base31 Area Concept Plan will include a focus on walkability. Figure 1-4, below, indicates an approximate 10 and 15 minute walk from the centre of The Revitalization District. This map indicates that the majority of the Base31 Area Concept Plan is within walking distance of The Revitalization District.
- The Revitalization District is currently occupied by historic buildings which total nearly 500,000 square feet of ground floor area. These buildings, after restoration and modernization, can absorb a portion of forecast commercial and employment demand.
- The Revitalization District has the capacity to accommodate the warranted commercial and employment demand in the short to medium (interim) period. At full build-out, depending on coverage and density, there may be an opportunity for the warranted commercial or employment uses to be fully accommodated in the Revitalization District.

**Figure 1-4: The Revitalization District Walkability**



Source: Sasaki and PEC Community Partners, annotated by Tate Economic Research Inc.

- TER recommends that the longer term opportunity for commercial and employment uses, as well as the most appropriate locations for such uses, may require further investigation and a greater understanding of the anticipated phasing of development that will evolve as this long term project unfolds.
- TER recommends that planning permissions for The Revitalization District permit mixed-use development, including residential and non-residential uses. Planning permissions should relate to “non-residential floorspace”, as opposed to more prescriptive and / or restrictive uses. The non-residential category allows for greater flexibility as the community matures. It can include a range of retail, service, employment, entertainment and institutional uses, as dictated by market conditions and local resident needs. Allowing for flexibility in terms of uses is critical to the success of phased developments, particularly in projects that will be developed over a longer time period, such as Base31 Area Concept Plan.

# 2 Study Approach & Assumptions

This section outlines our approach and assumptions used when conducting this assignment.

## 2.1 Study Approach

A Terms of Reference (“TOR”) was prepared and submitted to the County prior to initiation of this study. The TOR was approved by the County and is attached as Appendix A to this report. The following scope of work was undertaken by TER in preparation of this report:

- Review of Official Plan policies;
- Location and access assessment;
- Review of development concept;
- Inventory of commercial and employment space;
- Inventory of commercial and employment land; and,
- Commercial and Employment Market demand assessment.

## 2.2 Commercial and Employment Definition

This study examines the demand for commercial and employment space warranted by future residents of the Base31 Area Concept Plan. Figure 2-1, on the following page, lists the types of uses that have been included in the commercial and employment categories.

**Figure 2-1: Commercial and Employment Definitions**

Commercial		Employment	
NAICS	Category	NAICS	Category
44-45	Retail Trade	22	Utilities
51	Information and Cultural Industries	23	Construction
52	Finance and Insurance	31-33	Manufacturing
53	Real Estate and Rental and Leasing	41	Wholesale Trade
71	Arts, Entertainment and Recreation	48-49	Transportation and Warehousing
72	Accommodation and Food Services	56	Administrative and Support
81	Other Services	54	Professional, Scientific and Technical Services
		55	Management of Companies and Enterprises

Source: Tate Economic Research Inc.

The employment analysed in this report does not examine Primary Industry Employment. Primary Industry Employment relates to the following two categories: “Agriculture, Forestry, Fishing and Hunting” and “Mining and Oil and Gas Extraction”.

Furthermore, this report acknowledges that a portion of institutional space, including Educational Services, Health Care and Social Assistance, and Public Administration may be located on both commercial and employment lands.

## 2.3 Basic Assumptions and Use of Report

The report and its recommendations should be reviewed in light of the basic assumptions, which are outlined below:

- Development projects, especially large-scale development such as the one examined in this report, typically occur over a long period of time. In some cases, concept to buildout can take 10 to 15 years or even longer. The commercial market is in a constant state of change and market conditions may change as the development progresses. Therefore, the background and recommendations of this report should be read in the context of the prevailing trends at the time it was written. TER reserves the right to adjust the recommendations in the future should market conditions deem it necessary;
- One of the primary drivers of commercial and employment demand is population growth. This TER analysis reflects our assumptions regarding the anticipated residential density for the Base31 Area Concept Plan, provided by PEC Community Partners, and population forecasts prepared for the County. It is assumed these forecasts will be reasonably accurate;

- It is also noted that the land needs analysis is directly influenced by the anticipated unit counts, which contribute to population levels. If the forecast population levels are not realized, there will be less demand for commercial and employment land; and,
- This report is intended for the uses outlined in the TOR. No parts of this report may be replicated or used for uses other than that stated in the TOR without the written consent of TER.

This report and its recommendations should be reviewed considering these basic assumptions.

# 3 Official Plan Context

This section of the report examines commercial and employment policies within the County's Official Plan, and other policies relating to the Base31 Area Concept Plan.

## 3.1 Prince Edward County Official Plan

The majority of the Base31 Area Concept Plan is located within the urban boundary of Picton, which is referred to in the Official Plan as the Urban Centre of Picton. The easternmost portion of the Site is located outside of the Urban Centre of Picton. There are other Urban Centres in the County, including Wellington and Rossmore. Section 4.1.1 Objective 4 of the Official Plan states:

*Accommodate a mixture of land uses that establish each Urban Centre as a complete community that is unique, affordable, sustainable, vibrant and healthy. Each Urban Centre will include a mix of housing types, employment areas, institutions, places to shop, schools, health care facilities, community services, community gardens and urban agriculture, and opportunities for recreation.*

Furthermore, Objective 7 of the Official Plan states:

*Ensure Urban Centres are the primary locations for community facilities and services that serve the resident population from across the County, as well as businesses and tourists.*

There are Secondary Plans for the Urban Centres of Picton, Wellington and Rossmore which provide detailed planning policies.

## 3.2 Picton Urban Centre Secondary Plan

The Base31 Area Concept Plan is located within the Picton Urban Centre Secondary Plan ("Picton SP"). The Picton SP addresses the entire Urban Centre of Picton. It guides the growth and development of Picton and includes growth scenarios and land use policies.

### 3.2.1 Heights Development Area

The Site is designated Heights Development Area in the Picton SP. The purpose of the Heights Development Area designation is to: "manage and accommodate

future development on the large blocks of mostly undeveloped lands in the Heights area of Picton-Hallowell.”

The policies within the Heights Development Area provide general direction for the future of the area. Prior to development with the Heights Development Area, an Area Concept Plan is required and will provide direction in terms of land use, design, servicing and transportation network. This TER report is being prepared as input into an Area Concept Plan.

The Heights Development Area is envisioned as follows:

*The policies of the Heights Development Area recognize the historic use of the area for employment, aviation, and aviation related activities, but also recognize the potential for the area to become a more integral part of Town development with a range of residential, employment, institutional, recreation, tourism and other uses.*

The Heights Development Area designation permits a wide range of residential and non-residential uses. One of the guiding policies is to “Support a diverse range of commercial, employment, tourism, and creative rural economic uses that meet local and regional needs and foster economic development.”

The permitted commercial and employment uses, include but are not limited to: warehousing and storage, light manufacturing, research and development, office, tourism service, entertainment, and arts and culture. Home-based business and neighbourhood-serving convenience retail are also permitted. Community-scale commercial uses should have direct access to a collector street.

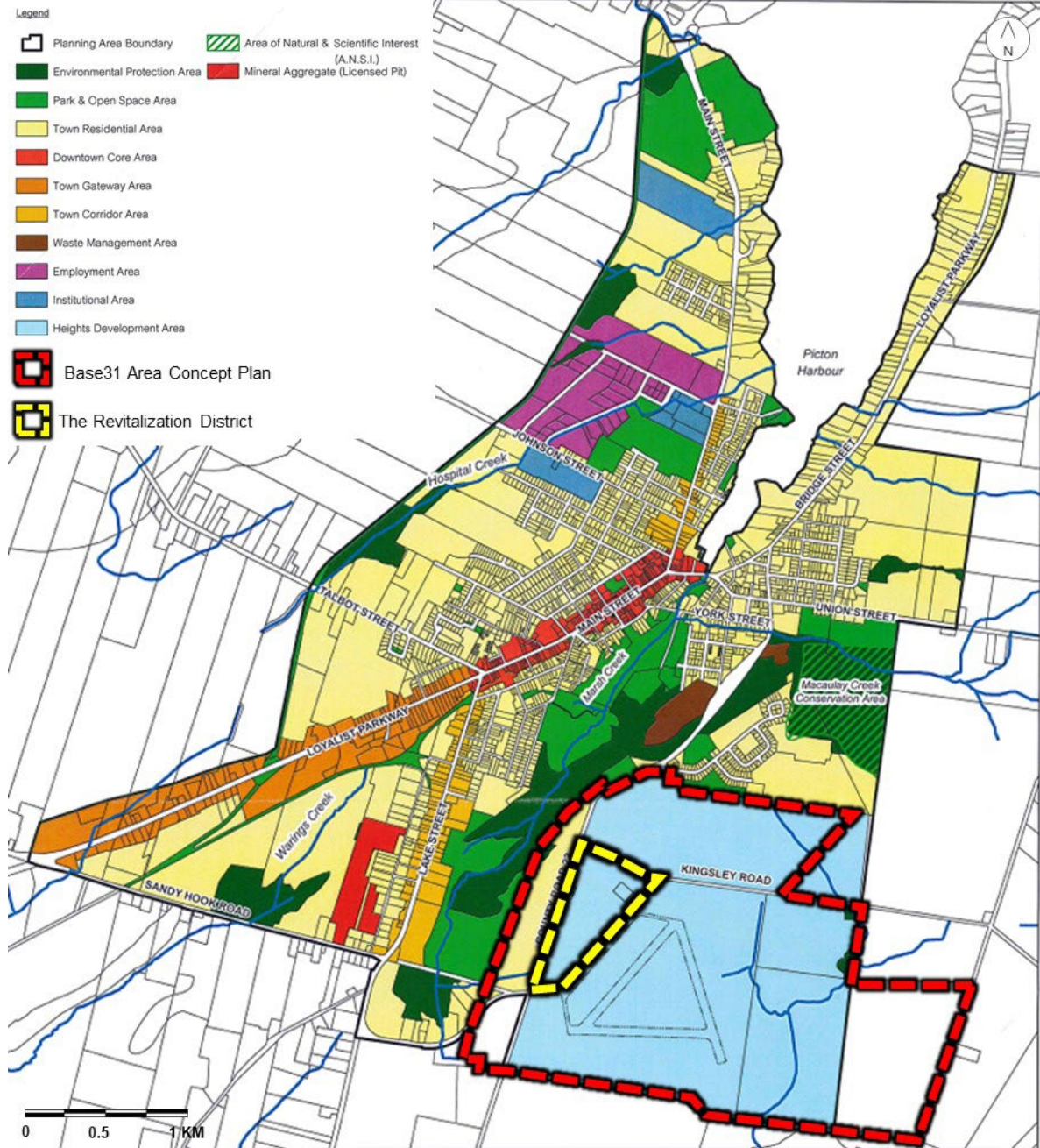
In terms of employment uses, Section 2.6 Implementing Policies states:

- 1. Recognize that the focus for the employment development in Picton-Hallowell is in the Employment Area and that the Heights Development Area provides additional opportunities for economic development.*

The Employment Area is indicated in purple in Figure 3-1 and described in greater detail in Section 3.4 of this report.

Furthermore, institutional uses such as hospitals, clinics and treatment facilities, educational facilities, government offices, and other government institutions are permitted.

**Figure 3-1: Picton Land Use**



Source: Picton Urban Centre, Schedule A: Secondary Plan Land Use Map, annotated by Tate Economic Research Inc.

### 3.2.2 Mixed Use Area

The Picton SP indicates that commercial uses and employment uses are permitted within Mixed Use Areas. They are also permitted in Town Residential Areas and Employment Areas, as outlined further below in Section 3.3 and 3.4.

Section 2.5 of the Picton SP states: “The policies of mixed use areas are intended to preserve and enhance the quality of place by ensuring that Picton-Hallowell provides a range of convenient services for its residents and visitors in commercial areas that are compatible with surrounding neighbourhoods and of high quality design.” Mixed Use Areas permit residential uses, a range of retail and service commercial uses, as well as employment uses such as business, office, tourism, and creative rural economy uses. There are three specific land use areas within the Mixed Use Areas designation.

These areas are summarized below:

- **Downtown Core Area:** This designation permits a mix of residential and non-residential uses and encourages intensification and high density residential uses. In terms of non-residential uses, the designation permits a range of commercial, employment, and institutional uses to serve residents and visitors in a pedestrian-oriented main street format. Permitted uses include, but are not limited to, retail, personal service, business service, tourism service, office, arts and entertainment, workshops, restaurant, museum, library, park and open space.
- **Town Gateway Area:** The primary gateway to Picton-Hallowell, development is generally intended to accommodate local and region serving commercial uses which require large buildings, lots, and off-street parking. This designation permits a mix of residential and non-residential uses. In terms of non-residential uses, permitted uses include, but are not limited to, retail, personal service, business service, tourism service, office, auto and equipment related sales and service, and parks and open space. Intensive industrial uses are encouraged to locate in designated Employment Areas.
- **Town Corridor Area:** These areas are intended to remain primarily residential in nature. However, the Picton SP recognizes there is potential for the redevelopment of some commercial properties to more compatible uses and the conversion of some residential properties to mixed-use. This designation permits a range of commercial and employment uses intended

to serve residents and visitors in a setting that does not reflect the traditional main street style of development typical in the Downtown Core Area. The majority of businesses are home based or located in converted dwellings, however, some may require a larger building or off-street parking. Permitted uses include, but are not limited to, personal service, business service, tourism service, office, parks and open space. Auto and equipment related sales and service and industrial uses are discouraged.

### 3.3 Town Residential Area

The Town Residential Area manages growth in the residential neighbourhoods of Picton. In addition to residential uses, this designation permits neighbourhood-scale non-residential uses intended to serve the local neighbourhood, including institutional uses, home-based businesses, and convenience retail. Section 2.4.1 of the Picton SP states:

- 4. Permit a mix of neighbourhood-scale community uses in new neighbourhood development, including schools, places of worship, libraries, community centres, parks, and day cares. Neighbourhood-scale commercial uses are also permitted, including home-based business and neighbourhood-serving convenience retail. Neighbourhood-scale community and commercial uses should ideally have direct access to a collector street.*

### 3.4 Employment Area

The Employment Area designation is intended to manage growth in employment development in Picton. The Employment Area designation accommodates commercial, industrial, manufacturing, and creative rural economic uses that typically require a larger building, lot, or outdoor storage than is appropriate for Mixed Use Areas.

There is one Employment Area in the Picton urban area, as outlined in Section 2.7 of the Picton SP, which states:

*The Employment Area is located along McFarland Drive to cluster like uses and to maximize the efficient use of land and municipal infrastructure. It is anticipated that some lands within the Heights Development Area may be designated for employment in future based on master planning that will determine the suitability, extent, and serviceability of such uses.*

The goals of the Employment Area designation are stated in Section 2.7. They include supporting a diverse range of commercial and industrial uses, protect and preserve employment lands, encourage employment development that is located with like uses, ensuring compatibility with surrounding uses, and ensuring employment development contributes to the image and character of Picton.

The Employment Area designation permits a range of industrial uses, as well as convenience retail uses to meet the daily needs of local workers, including convenience retail, take-out restaurant, daycare and ATMs.

Section 2.7 states that Council shall: “Provide sufficient employment-designated land to meet the ongoing need for commercial and industrial space and services that can be supported by local residents, businesses, and workers.”

### 3.5 Official Plan Context

The Site is primarily designated Heights Development Area in the Picton SP (recognizing that some lands extend beyond the Picton Urban Core). The Heights Development Area designation permits a wide range of uses and encourages the development of the lands into a complete community. The Picton SP requires an Area Concept Plan be developed to provide direction in terms of land use, design, servicing, and the configuration of the road and active transportation networks.

This TER report recognizes the existing land use planning framework within the Picton SP, including the objectives of the Mixed Use Areas and Employment Area designations. However, the recommendations of this report are not constrained to the existing land use designations. As discussed later in this report, it may be appropriate to establish a land use designation specific to the Base31 Area Concept Plan for commercial and employment uses.

# 4 Location and Access

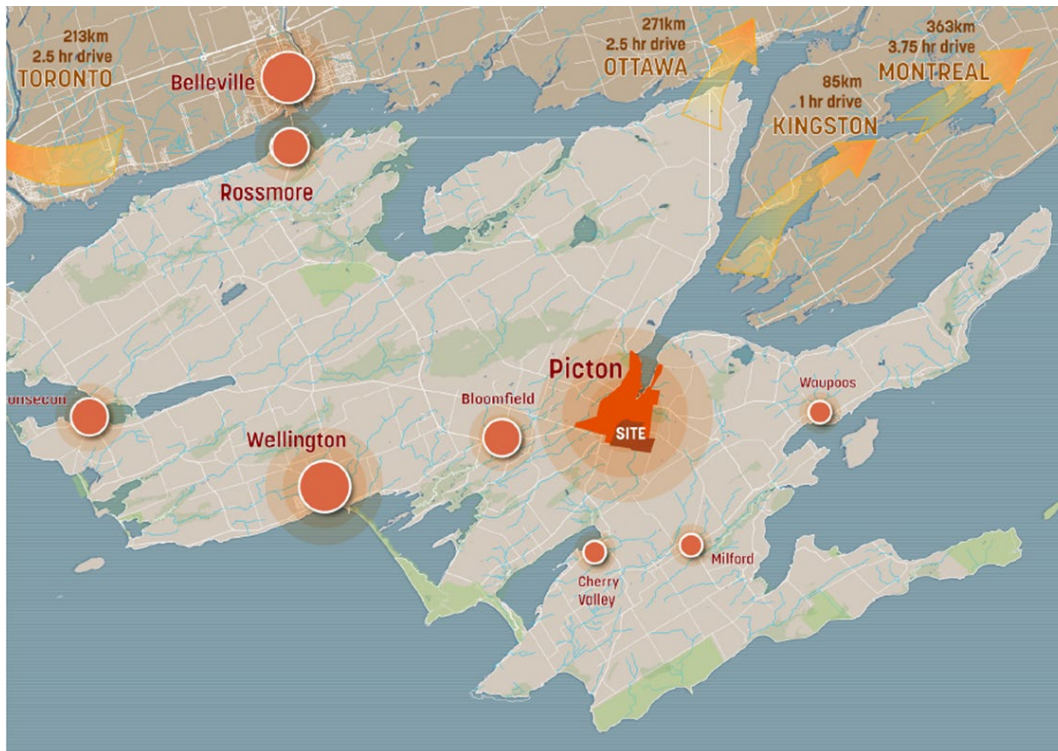
From the perspective of market demand for commercial and employment uses, it is essential to review the Base31 Area Concept Plan in terms of its local and regional accessibility, visibility, and surrounding land uses. It is the purpose of this section of the report to comment on the suitability of the Base31 Area Concept Plan from the perspective of market demand for commercial and employment uses.

## 4.1 Macro Location Characteristics

The Base31 Area Concept Plan is located in the community of Picton. With a population of approximately 7,200 persons, Picton is the largest community in the County.

The County is a 1,050 square kilometre island, situated on Lake Ontario, approximately 200 kilometres east of Toronto. It has a population of approximately 26,100 persons and is largely rural in nature. It also has the

**Figure 4-1: Macro Location**



Source: Sasaki PEC Community Partners, annotated by Tate Economic Research Inc.

fastest growing wine and craft beer region in Ontario. The County has a strong tourism function and seasonal population driven by its access to nature, rural character, and weather. The local economy is characterized by small companies within the hospitality and tourism and agricultural sectors. Furthermore, trades and professional services are growing in demand.

Picton is centrally located in the County, approximately 35 kilometres south of Belleville. It is centered around a historic main street that leads to Picton Harbour. It is known for its heritage, local stores and restaurants, greenspace and entertainment uses, such as the Regent Theatre.

**Figure 4-2: Picton Downtown and Harbour**



Source: Sasaki PEC Community Partners.

## 4.2 Picton Location Context

Figure 4-3 indicates the location of the Base31 Area Concept Plan within the context of Picton. Picton is centered along Loyalist Parkway / Picton Main Street which includes large format retail, a historic main street, and a range of uses including institutional and recreational uses.

The Base31 Area Concept Plan is located in southeast Picton. It is bordered by green space and agricultural uses to the east, south, and west. There is residential development to the north of the Base31 Area Concept Plan.

**Figure 4-3: Base31 Area Concept Plan Location**



Source: Tate Economic Research Inc.; Basemap: ESRI ArcGIS.

A unique locational attribute of the area is the Macaulay Mountain Conservation Area, which includes a steep escarpment overlooking downtown Picton. The Base31 Area Concept Plan is located atop the escarpment.

Travelling to Picton from the south and west, visitors and residents typically use Loyalist Parkway, which is the primary thoroughfare through Picton, as well as Lake Street. The Base31 Area Concept Plan will be primarily accessed from Church Street/County Road 22, which is classified as a 2 lane Collector Road. South of the Base31 Area Concept Plan, Church Street “forks”, travelling west and connecting with Lake Street, with Airport Lane continuing to the south. Airport Lane is currently an unpaved two lane road.

**Figure 4-4: Airport Lane / Church Street**



Source: Tate Economic Research Inc.; Looking south on Church Street. Image: Google Street View.

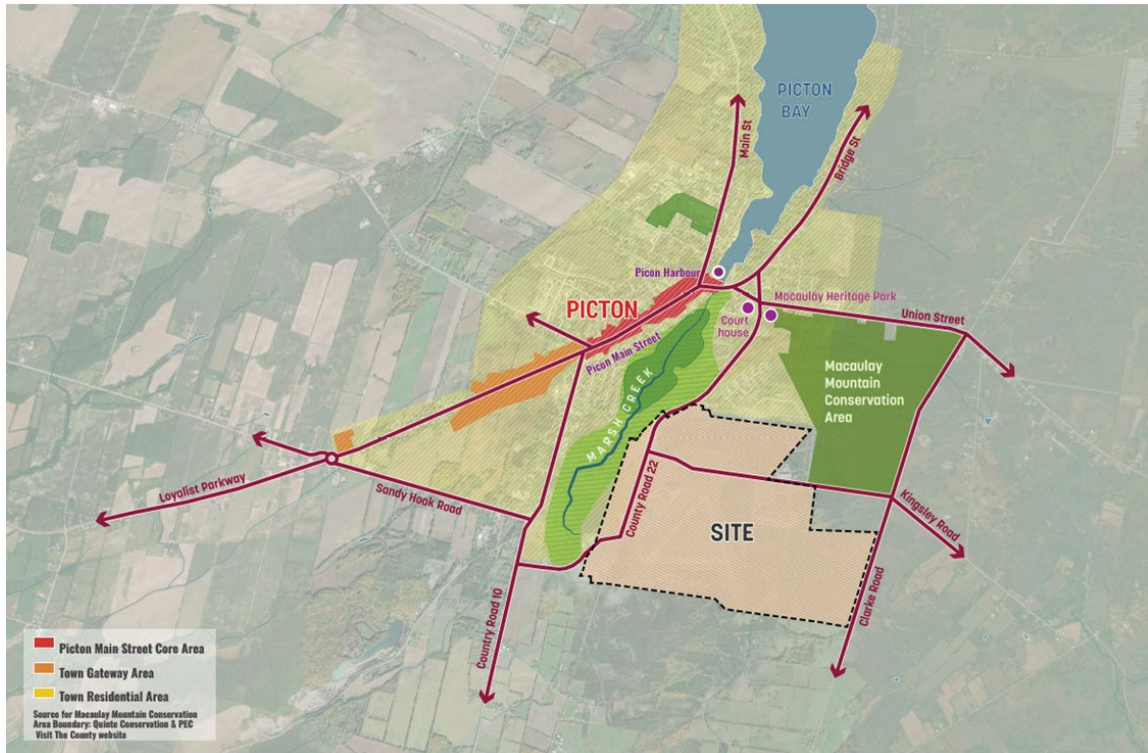
### 4.3 Development Concept Access

Figure 4-5, on the following page, indicates the illustrative framework for the Base31 Area Concept Plan and its access characteristics, which are summarized below:

- Church Street/County Road 22 is a north-south Collector Road that intersects the western portion of the Site. Church Street will be the primary road used to access the Base31 Area Concept Plan. It will connect future residents and employees to the existing community of Picton within a 5 minute drive, as well as the broader region;
- The proposed concept plan includes a ring road centered around The Revitalization District. This ring road will be the primary vehicle connection for the various phases of the development. It will connect to local streets, as well as three primary east-west roads that will connect to neighbourhoods in the eastern portion of the development. This includes the existing Kingsley Road;
- The east-west roads connect to Clarke Road to the east. Clarke Road is a two lane road that primarily connects to agricultural uses in the surrounding area. It can be characterized as a rural road with low traffic volumes based on its current state; and,

- The proposed concept plan includes an extensive pedestrian and active transit network.

**Figure 4-5: Development Concept Access**



Source: Sasaki PEC Community Partners, annotated by Tate Economic Research Inc.

#### 4.4 Location and Access Summary

The Base31 Area Concept Plan is located in southeast Picton. The Site is located adjacent to the Macaulay Mountain Conservation Area and is elevated above the Downtown Core Area and other parts of Picton.

The Base31 Area Concept Plan will have a comprehensive transportation network. The planned vehicle and pedestrian network will connect residents on the eastern portion of the site to Church Street, the primary north-south road, and The Revitalization District.

# 5 Competitive Environment

This section of the report examines the existing commercial and employment space in Picton. This provides insight into the existing and future service levels of residents, as well as potential market opportunities.

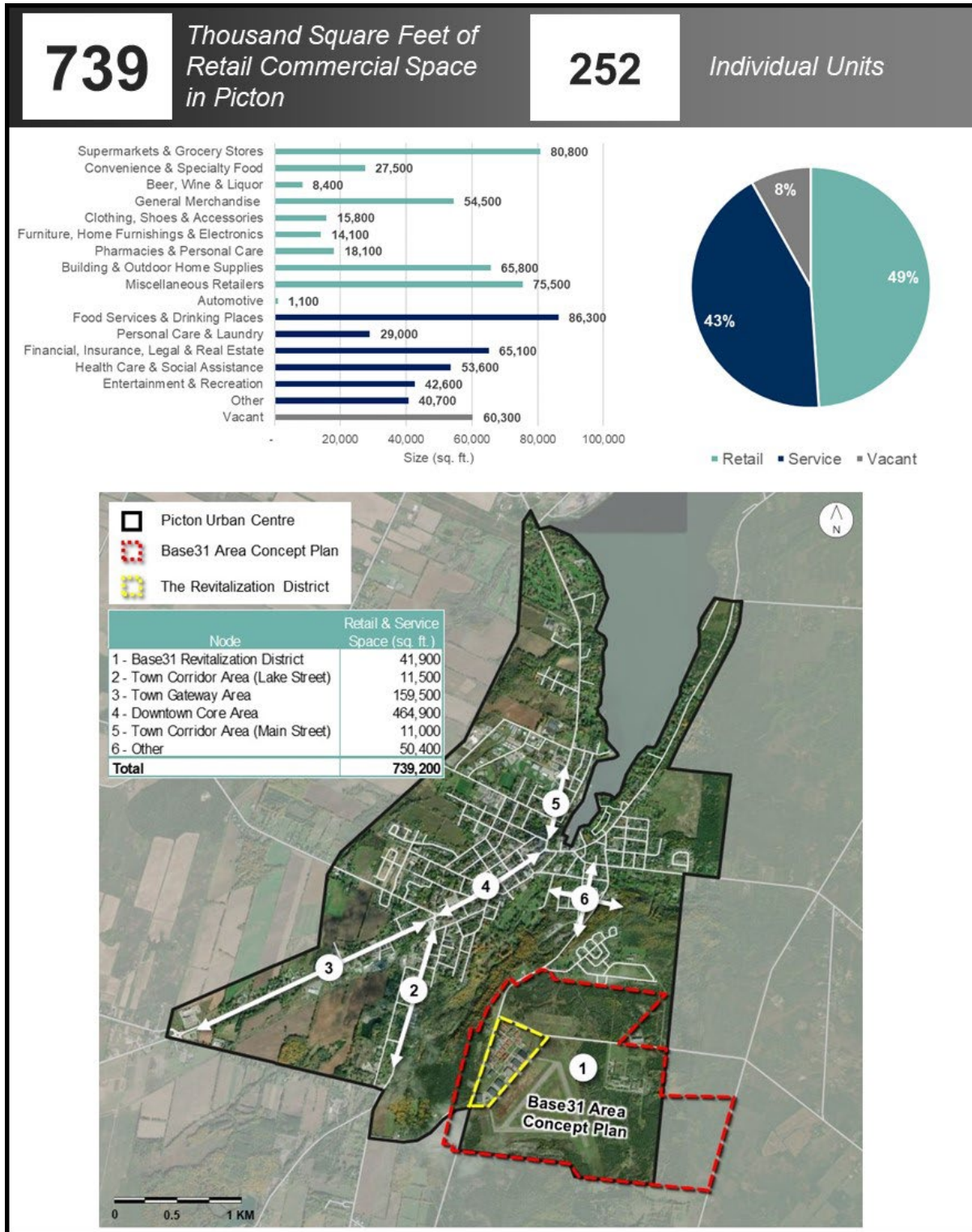
It is important to understand the surrounding competitive environment and the existing service levels of residents. In November of 2022, TER conducted an inventory of all commercial and employment land uses in Picton. This inventory included all retail, service, and vacant space as well as all users on designated and zoned Employment Area lands in Picton.

## 5.1 Inventory of Retail and Service Commercial Space

Figure 5-1, on the following page, summarizes the characteristics of the existing retail and service commercial space in Picton:

- Overall, there is approximately 739,000 square feet of retail, service, and vacant space in Picton. The majority (63%) of space is located within the Downtown Core Area;
- Food & Beverage Retail represents 16% of the total space. This category includes three full sized supermarkets (Metro, No Frills, Foodland), a range of convenience stores, bakeries, butchers, and other food stores, as well as an LCBO and Beer Store;
- Non-Food & Beverage Retail represents 33% of the total space. This category includes national retailers such as Home Hardware, Canadian Tire, and Giant Tiger, and a wide range of independent businesses. With the exception of major uses such as department stores and warehouse clubs, all categories of Non-Food & Beverage Retail are represented in the market;

**Figure 5-1: Picton Commercial Space**



Source: Tate Economic Research Inc.; Basemap: ESRI ArcGIS.

- Service Space represents 43% of the total commercial space. All service categories are represented in the market. There is a significant Food Services & Drinking Places component, as this category represents 86,300 square feet, accounting for the largest share of Service Space. It is followed by Financial, Insurance, Legal & Real Estate Services, and Health Care & Social Assistance Services;
- There is approximately 60,300 square feet of vacant space in Picton. This represents a vacancy rate of 8.2% which is above a balanced range of 5.0 – 7.5%;
- There is approximately 41,900 square feet of occupied space in The Revitalization District. This space is located within historic buildings, including hangars and barracks. Existing tenants include a variety of retail and service uses, including multiple art galleries, escape room, yoga, and furniture stores; and,
- The majority of vacant space is located in the Downtown Core Area (37,200 square feet) and within The Revitalization District (20,600 square feet). However, The Revitalization District is occupied with heritage buildings and as such, does not reflect typical vacant commercial units.

Picton is currently home to approximately 7,200 permanent residents. Based on a total of 739,000 square feet of retail commercial space, there is approximately 103 square feet of retail commercial space per capita in Picton. This is more than double the typical ratio for a community. The large amount of retail commercial space in Picton is supported by its regional draw and tourism function. This function is examined in greater detail in Section 7 of this report.

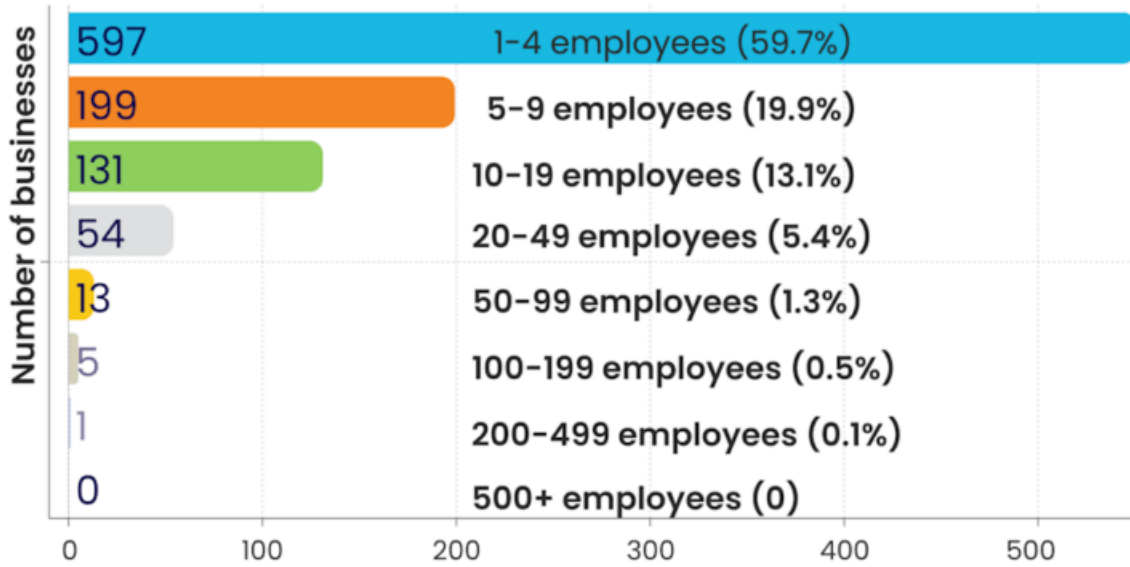
## 5.2 Local Employment Market

Statistics Canada data indicates that, as of June 2022, there were approximately 1,000 businesses with employees operating in Prince Edward County. As indicated in Figure 5-2, nearly 60% of these businesses have fewer than 5 employees (micro businesses) and 99% have fewer than 100 employees (small businesses). There are only six businesses with more than 100 employees.

The top three industries in the County by number of businesses are Construction (16%), Health Care & Social Assistance (12%), and Agriculture, Forestry, Fishing, and Hunting (10%).

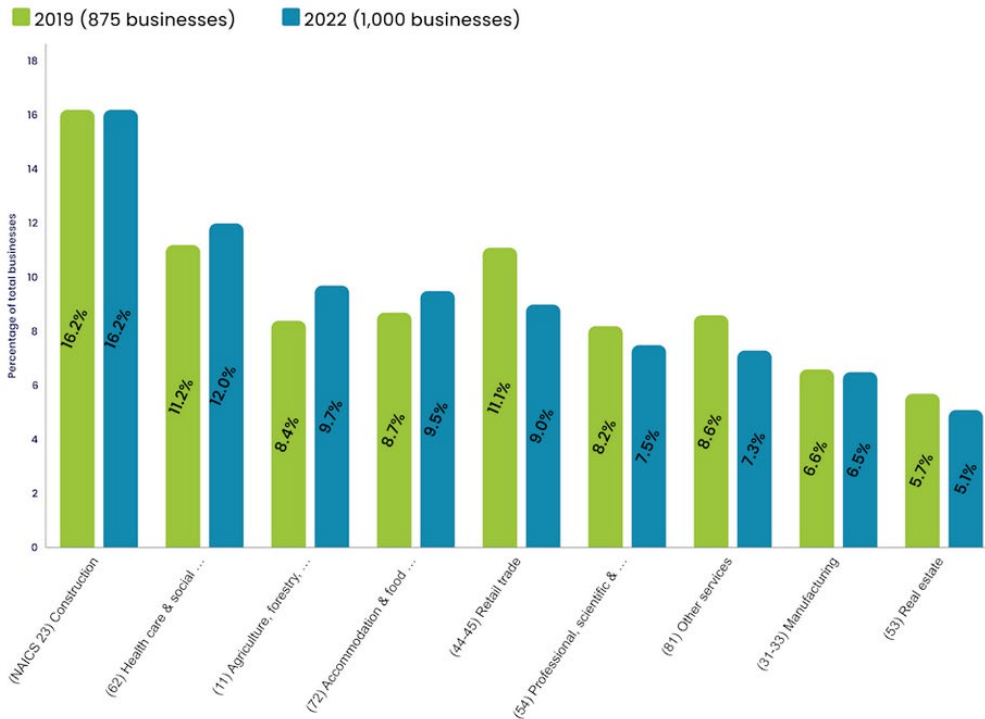
There are employment uses dispersed throughout the County, primarily in agriculture (including wineries), resource extraction and processing, and tourism. Picton represents the largest concentration of employment uses in the County.

**Figure 5-2: Prince Edward County Businesses by Number of Employees**



Source: Prince Edward County's Vital Signs, based on Statistics Canada.

**Figure 5-3: Prince Edward County Businesses by Category**



Source: Prince Edward County's Vital Signs, based on Statistics Canada.

The employment lands in Picton are concentrated in the Picton Industrial Park. The Picton Industrial Park is located in the northern portion of Picton. It comprises approximately 110 acres and is indicated in Figure 5-4, below.

Recent development in the Picton Industrial Park includes the Hydro One Operations Centre at 11 McDonald Drive, Desjardins Insurance office at 42 McDonald Drive, Welch LLP at 38 McDonald Drive, fire hall at 8 McDonald Drive, and Quinte Mini Storage at 42 McDonald Drive.

**Figure 5-4: Picton Industrial Park**



Source: Tate Economic Research Inc.; Basemap: Google Earth.

### 5.3 Competitive Environment Summary

There is approximately 739,000 square feet of commercial space in Picton. This space serves local residents and the broader community. The market is well served with a variety of retail and service tenants represented. This retail selection includes large format national tenants such as Canadian Tire and three supermarkets and also includes a wide range of independent boutiques. As such, the future residents of Base31 Area Concept Plan are anticipated to conduct a significant portion of their shopping at existing and future commercial in the Mixed Use Areas, including the Town Corridor Area, Town Gateway Area and Downtown Core Area.

Employment uses in Picton are primarily represented by light industrial and office uses. There are limited heavy industrial or manufacturing uses. There has been a range of employment uses constructed in Picton over the past decade, including utilities, offices, and self storage.

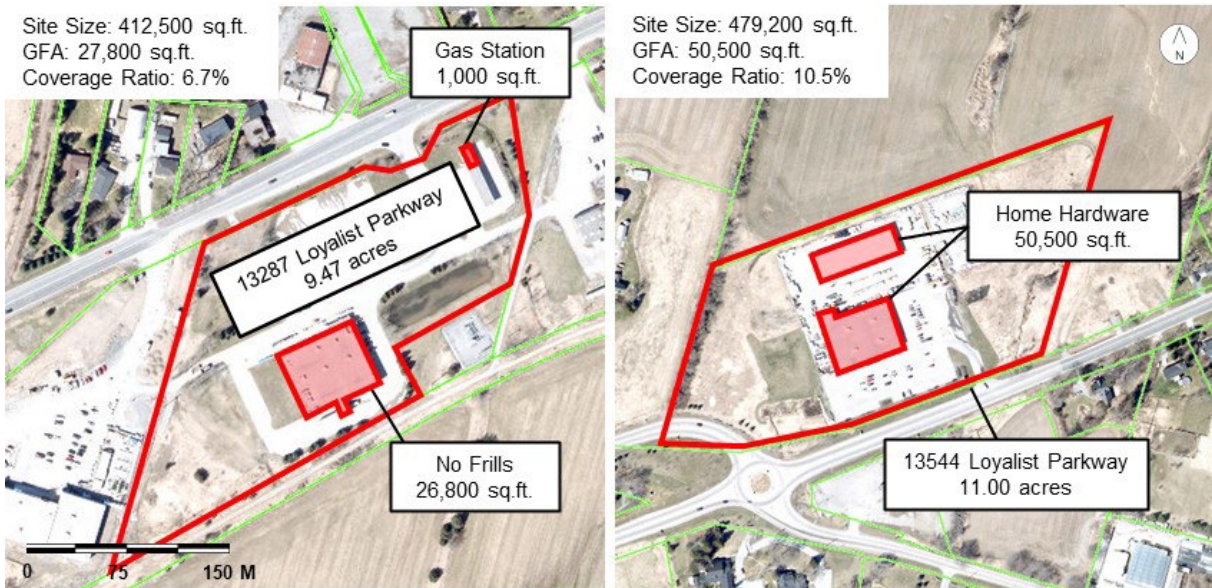
# 6 Vacant Land Assessment

This section of the report identifies the amount and location of vacant commercial and employment land in Picton. It is important to note that not all employment and commercial sites will be suitable locations for development, due to constraints such as location, zoning, parcel size, etc. However, for the purposes of this analysis, the overall quantum of vacant commercial and employment land has been considered.

## 6.1 Commercial Land Inventory

The inventory of commercial land is based on the Prince Edward County Public GIS Viewer, supplemented with site inspections conducted by TER, and includes sites within Commercial Zones (CC, CG, CL, CH, TC, TPC). The following points summarize the assessment of commercial land in Picton:

- Overall, there is approximately 229 acres of zoned commercial land in Picton;
- Approximately 43 acres, or 20%, of the commercial land supply in Picton is vacant. Vacant commercial parcels are distributed throughout Picton. The majority of vacant commercial parcels are less than 1 acre in size;
- The majority of vacant commercial land in Picton is comprised of a single site: 469 Picton Main Street. This site is 36 acres and is zoned Tourist Commercial; and,
- There are existing occupied commercial sites with intensification and redevelopment potential. This includes sites occupied with residential and rural uses that can be redeveloped for commercial uses in the future. Furthermore, there are occupied commercial sites with low coverage ratios that can be intensified with additional space. This includes sites such as No Frills, at 13287 Loyalist Parkway which has a 6.7% coverage ratio, and Home Hardware, at 13544 Loyalist Parkway which has a 10.5% coverage ratio. These levels compare to the recently completed Foodland anchored centre which has a coverage ratio of 22.9%. It is noted that more urbanized developments have higher coverage ratios.

**Figure 6-1: Intensification Potential Example**

Source: Tate Economic Research Inc.; Basemap: ESRI ArcGIS.

## 6.2 Employment Land Inventory

As with the commercial land inventory, the inventory of employment land is based on the Prince Edward County Public GIS Viewer, supplemented with site inspections conducted by TER, and includes sites within Industrial Zones (MG, MH, MR, MX, MD). The inventory of employment land is summarized as follows:

- Excluding any zoned employment land in the Base31 Area Concept Plan, there is approximately 110 acres of employment land in Picton. The majority of this land (76 acres) is located within the Picton Industrial Park;
- Approximately 36 acres of the employment land in Picton is vacant, representing approximately 33%. Nearly all of this vacant land is located within the Picton Industrial Park;
- There are 14 vacant parcels, ranging in size from 0.3 acres to 18.9 acres with an average size of 2.6 acres; and,
- Regarding occupied employment sites, the average building size is 9,800 square feet and the average lot size is 1.2 acres. This equates to a coverage ratio of 19%. This ratio is considered low relative to a standard industrial coverage ratio of approximately 30% to 35%. This low ratio indicates the potential for intensification of existing employment sites.

### 6.3 The Revitalization District

The Revitalization District represents approximately 70 gross acres of land within the Base31 Area Concept Plan. The Revitalization District includes a range of historic buildings, such as former barracks and hangars. There is approximately 41,900 square feet of existing commercial uses operating in The Revitalization District. In addition, it also includes limited employment uses. As such, TER has made the simplifying assumption that, for the purposes of this analysis, The Revitalization District is considered as vacant. This assumption recognizes that there is considerable opportunity for commercial and employment uses on these currently underutilized lands.

### 6.4 Vacant Land Assessment Summary

Overall, there is approximately 36 net acres of vacant employment land and 43 net acres of vacant commercial land in Picton. In addition, The Revitalization District in the Base31 Area Concept Plan includes 70 gross acres of land. Furthermore, there is intensification potential on existing occupied employment and commercial sites.

# 7 Mobility Data Analysis

This section of the report examines the customer draw of existing retail and service commercial areas in Picton. This analysis provides insight into local customer shopping patterns, community service levels, and inflow and outflow of expenditures.

This analysis utilizes mobility data obtained from Near Intelligence. Near Intelligence collects anonymized permission based data from location enabled smartphones. Each smartphone has a common evening location which is used as a proxy for a visitors place of residence. TER has removed visitors who live or work within the area of study. TER has examined data from January 1, 2022 to March 31, 2023. This date range allows us to examine seasonal trends.

TER has examined mobility data for two areas:

- Downtown Core Area: North side of Picton Main Street between Ross Street and Paul Street; and,
- No Frills at 13311 Loyalist Parkway and Canadian Tire at 13321 Loyalist Parkway.

## 7.1 Picton Visitor Draw

Figure 7-1, on the following page, examines the visitor draw of the two areas and is summarized as follows:

### Downtown Core Area

- Overall, two-thirds of visitors live in the County. Of these, 60% live in Picton and 40% live elsewhere in the County;
- Approximately 10% of visitors live in the municipalities surrounding the County, including Belleville, Quinte West, and Kingston; and,
- Nearly a quarter of visitors live beyond the County and surrounding municipalities. Half of these come from the Greater Toronto Area.

## No Frills and Canadian Tire

- Overall, 80% of visitors live in the County. Of these, approximately 30% live in Picton and 70% live elsewhere in the County;
- Approximately 5% of visitors live in the municipalities surrounding the County, including Belleville, Quinte West, and Kingston; and,
- Approximately 15% of visitors live beyond the County and surrounding municipalities. Half of these come from the Greater Toronto Area.

Overall, this analysis indicates that commercial space in Picton has a regional draw. The Downtown Core Area and the No Frills and Canadian Tire area attract customers from throughout the County. However, the Downtown Core Area receives a significant amount of customer support from within Picton whereas No Frills and Canadian Tire receive a significant amount of customer support from elsewhere in the County.

**Figure 7-1: Picton Visitor Draw**

	DOWNTOWN CORE AREA	NO FRILLS / CANADIAN TIRE
	Draw	Draw
<b>Prince Edward County</b>	<b>66.2%</b>	<b>80.3%</b>
Picton Urban Centre	40.2%	26.2%
Other Prince Edward County	26.0%	54.1%
<b>Surrounding Municipalities</b>	<b>9.9%</b>	<b>6.1%</b>
Belleville	2.2%	1.7%
Quinte West	1.5%	3.7%
Kingston	6.1%	0.7%
<b>Other</b>	<b>24.0%</b>	<b>13.5%</b>
City of Toronto	8.6%	2.7%
Other Greater Toronto Area	3.5%	4.5%
Ottawa	1.4%	0.7%
Gatineau	0.8%	0.0%
Montreal	0.7%	0.3%
Other	8.9%	6.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Tate Economic Research Inc. based on mobility data collected between January 1, 2022 and March 31, 2023. Sample Size: Downtown Core Area = 3,749 , No Frills / Canadian Tire = 1,496.

This analysis also demonstrates the tourism function of Picton. The Downtown Core Area has a stronger tourism function than No Frills and Canadian Tire, which is reflective of its historic main street and local businesses.

## 7.2 Seasonality and Tourism

Figure 7-2, below, examines how the visitor draw of the two areas changes in summer and winter. This analysis is summarized below:

- On an annualized basis, approximately 35% of visitors to the Downtown Core Area live beyond the County. In the summer, this figure increases to 40%, and in the winter, this figure decreases to 32%. This change demonstrates a greater inflow of visitors from beyond the County in the summer relative to the winter; and,
- Overall, approximately 20% of visitors to No Frills and Canadian Tire live beyond the County. This figure does not vary significantly by season. This pattern is indicative of the function of No Frills and Canadian Tire in serving residents within the County.

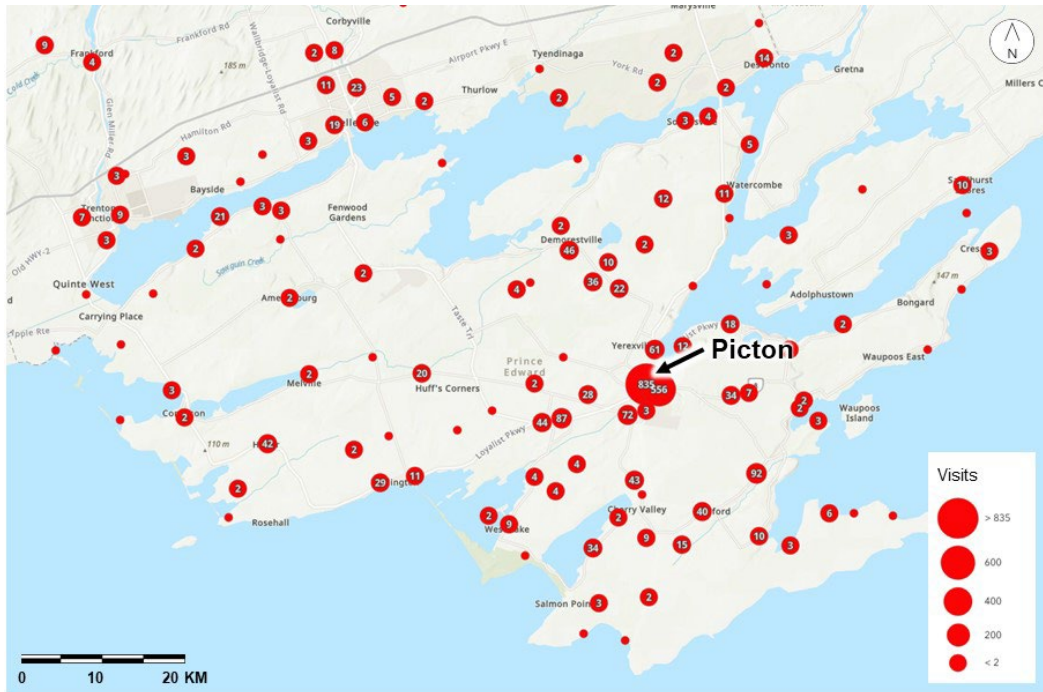
**Figure 7-2: Picton Seasonal Visitor Draw**

	DOWNTOWN CORE AREA		NO FRILLS / CANADIAN TIRE	
	Summer Draw	Winter Draw	Summer Draw	Winter Draw
<b>Prince Edward County</b>	<b>60%</b>	<b>68%</b>	<b>78%</b>	<b>79%</b>
Picton Urban Centre	36%	35%	20%	28%
Other Prince Edward County	24%	33%	59%	51%
<b>Outside of Prince Edward County</b>	<b>40%</b>	<b>32%</b>	<b>22%</b>	<b>21%</b>
City of Toronto	9%	11%	5%	4%
Other Greater Toronto Area	4%	3%	4%	6%
Other	27%	18%	12%	11%

Source: Tate Economic Research Inc. based on mobility data collected between January 1, 2022 and March 31, 2023. Sample Size: Downtown Core Area = 3,749 , No Frills / Canadian Tire = 1,496.

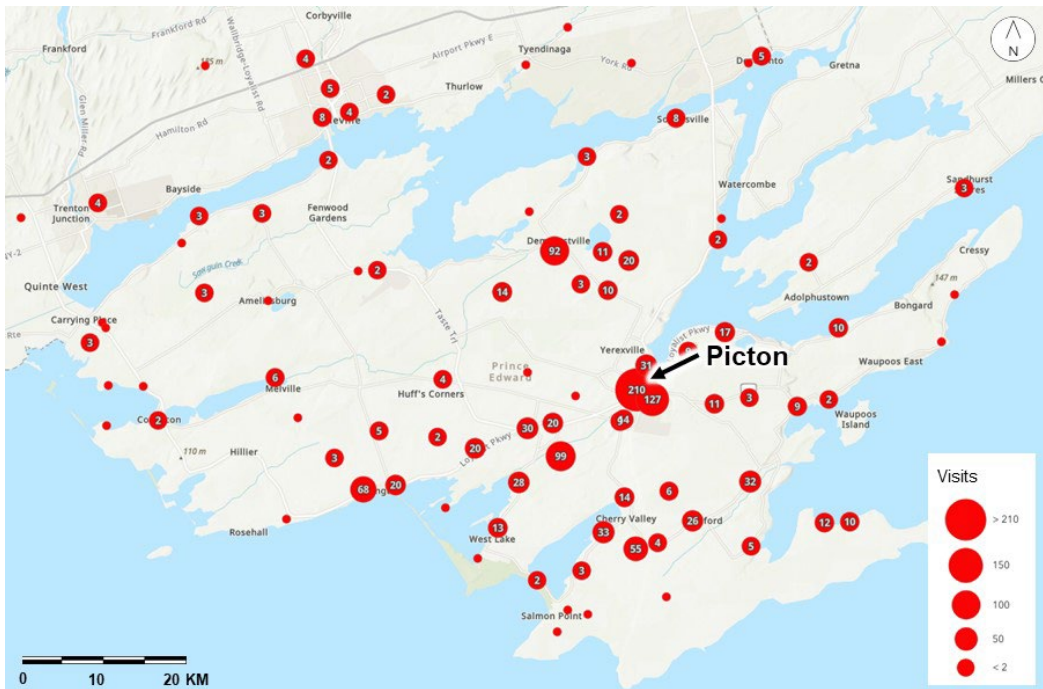
Figures 7-3 and 7-4, on the following page, indicate the spatial distribution of visitors to the Downtown Core Area and No Frills and Canadian Tire. These figures demonstrate the regional draw of the commercial space in Picton, with visitors originating from throughout the County and in the broader surrounding region. Furthermore, there is a contingent of visitors who live throughout Ontario, and specifically, in the Greater Toronto Area.

**Figure 7-3: Visitor Draw – North side of Picton Main Street between Ross Street and Paul Street**



Source: Tate Economic Research Inc. based on mobility data collected between January 1, 2022 and March 31, 2023.

**Figure 7-4: Visitor Draw – No Frills and Canadian Tire**



Source: Tate Economic Research Inc. based on mobility data collected between January 1, 2022 and March 31, 2023.

### 7.3 Mobility Data Analysis Summary

The analysis of mobility data indicates that the commercial structure of Picton serves residents within Picton, the County, and beyond. Picton has a regional draw which supports the amount and diversity of retail commercial space. Furthermore, Picton has a seasonal tourism function that attracts visitors in the summer months. This information is recognized in the commercial land needs analysis, which is presented in Section 8.

# 8 Market Demand Analysis

This section of the report quantifies the demand for commercial and employment land that will be generated by future residents of Picton, including those in the Base31 Area Concept Plan. The demand for commercial space has been examined in two phases: interim (9,075 residents) and build-out (18,150 residents). Due to the long term nature of development projects such as the one examined in this report, TER has not associated a specific year with the interim and build-out phases. The build-out phase refers to the project at completion and the interim phase refers to the project at 50% of its build-out population. It is also noted that the land needs analysis is directly influenced by the anticipated unit counts, which contribute to population levels. If the forecast population levels are not realized, there will be less demand for commercial and employment land.

TER's market demand analysis is undertaken separately for commercial and employment lands. The forecasts incorporate the land needs analyses contained in a recent report prepared for the County. More specifically, the 2023 Development Charges Background Study, prepared by Watson & Associates Economists Ltd. ("DCBS") includes forecasts of commercial and employment floorspace in the County, and Picton specifically.

The anticipated Base31 Area Concept Plan population and employment growth is not included in the DCBS. Instead, the DCBS relates to the currently planned development in Picton. As such, TER has prepared forecasts for the Site, and determined overall land needs in Picton by combining the TER forecasts with those presented in the DCBS for the balance of Picton. The balance of Picton is referred to as "Other Picton" in this analysis.

The methodology used to forecast commercial and employment land needs is summarized as follows:

- Commercial Land Needs Analysis for the Site: TER has used a per capita methodology to forecast the amount of commercial space and associated land required by future Base31 Area Concept Plan residents.
- Commercial Land Needs Analysis for Other Picton: TER has adopted the DCBS floorspace forecast and adjusted the forecasts to reflect the definition of "commercial" used in this report.

- Employment Land Needs Analysis for the Site: TER has forecast the amount of employment land supported by Base31 Area Concept Plan residents using the DCBS methodology. This methodology uses population levels and activity rates to forecast jobs, then converts these jobs into warranted floorspace and land requirements.
- Employment Land Needs Analysis for Other Picton: TER has adopted the DCBS floorspace forecast and adjusted the forecasts to reflect the definition of “employment” used in this report. This step quantifies employment land warranted in Other Picton by existing planned growth.

## 8.1 Commercial Land Needs Analysis

This section of the report quantifies the commercial land needs for Picton.

### 8.1.1 Commercial Land Needs Analysis for the Site

When conducting a commercial market demand assessment for a planned, but undeveloped community, such as the Base31 Area Concept Plan, it is typical industry practice to utilize a per capita demand analysis. A per capita demand analysis provides a general assessment of the amount of commercial space that is required to serve a future population.

There are a number of factors that can influence the analysis, some of which are indicated below:

- The square foot per capita ratios can be specific to certain retail and service uses or more general to encompass all commercial space;
- The square foot per capita ratios can be adjusted to account for future retail trends, such as e-commerce and smaller store sizes; and,
- Depending on the location of the area being studied and the surrounding commercial context, adjustments can be made to account for inflow and outflow of dollars.

Figure 8-1, on the following page, indicates the per capita demand analysis for the Base31 Area Concept Plan.

**Figure 8-1: Base31 Area Concept Plan Warranted Commercial Land**

INTERIM DEMAND FOR COMMERCIAL SPACE (9,075 RESIDENTS)														
				Space Supported by Base31 Area Concept Plan Residents in Picton			Total Retail Commercial Space Supported Onsite				Total Space Required Elsewhere in Picton			
	Standard Per Capita <sup>(1)</sup>	Future Per Capita <sup>(1)</sup>	Population	Total Demand (sq.ft.)	Picton Share (%) <sup>(2)</sup>	Picton Share (sq.ft.)	Share (%) <sup>(3)</sup>	Share (sq.ft.)	Net Inflow <sup>(4)</sup>	Total Amount Warranted (sq.ft.)	Other Picton Share (%) <sup>(3)</sup>	Other Picton Share (sq.ft.)	Absorbed by Existing Stores <sup>(5)</sup>	Additional Space Warranted
Food & Beverage Retail	5	4	9,075	36,300	75%	27,200	50%	13,600	30%	19,400	50%	13,600	25%	10,200
Non-Food & Beverage Retail	20	15	9,075	136,125	40%	54,500	50%	27,300	35%	42,000	50%	27,300	25%	20,500
Service Space	20	17	9,075	154,275	65%	100,300	50%	50,200	40%	83,700	50%	50,200	25%	37,700
<b>Total Retail &amp; Service</b>	<b>45</b>	<b>36</b>	<b>9,075</b>	<b>326,700</b>		<b>182,000</b>		<b>91,100</b>		<b>145,100</b>		<b>91,100</b>		<b>68,400</b>
<b>Commercial Land Required <sup>(6)</sup></b>														
Coverage Ratio														
Low											25%			25%
Medium											30%			30%
High											35%			35%
Required Land (Net Acres)														
Low Coverage											13.3			6.3
Medium Coverage											11.1			5.2
High Coverage											9.5			4.5
BUILD-OUT DEMAND FOR COMMERCIAL SPACE (18,150 RESIDENTS)														
				Space Supported by Base31 Area Concept Plan Residents in Picton			Total Retail Commercial Space Supported Onsite				Total Space Required Elsewhere in Picton			
	Standard Per Capita <sup>(1)</sup>	Future Per Capita <sup>(1)</sup>	Population	Total Demand (sq.ft.)	Picton Share (%) <sup>(2)</sup>	Picton Share (sq.ft.)	Share (%) <sup>(3)</sup>	Share (sq.ft.)	Net Inflow <sup>(4)</sup>	Total Amount Warranted (sq.ft.)	Other Picton Share (%) <sup>(3)</sup>	Other Picton Share (sq.ft.)	Absorbed by Existing Stores <sup>(5)</sup>	Additional Space Warranted
Food & Beverage Retail	5	4	18,150	72,600	80%	58,100	50%	29,100	30%	41,600	50%	29,100	25%	21,800
Non-Food & Beverage Retail	20	15	18,150	272,250	50%	136,100	50%	68,100	35%	104,800	50%	68,100	25%	51,100
Service Space	20	17	18,150	308,550	75%	231,400	50%	115,700	40%	192,800	50%	115,700	25%	86,800
<b>Total Retail &amp; Service</b>	<b>45</b>	<b>36</b>	<b>18,150</b>	<b>653,400</b>		<b>425,600</b>		<b>212,900</b>		<b>339,200</b>		<b>212,900</b>		<b>159,700</b>
<b>Commercial Land Required <sup>(6)</sup></b>														
Coverage Ratio														
Low											25%			25%
Medium											30%			30%
High											35%			35%
Required Land (Net Acres)														
Low Coverage											31.1			14.7
Medium Coverage											26.0			12.2
High Coverage											22.2			10.5

Source: Tate Economic Research Inc.

- <sup>1)</sup> Based on industry standards, TER professional experiences, and inventories of commercial space conducted by TER in markets throughout the Province and Country. Space per capita is forecast to decline in the future as a result of trends occurring in the retail industry resulting in less commercial space required per capita.
- <sup>2)</sup> Estimate based on our understanding of consumer shopping patterns, the local market, and location and type of commercial facilities in the broader region.
- <sup>3)</sup> Estimate based on the location of the Base31 Area Concept Plan, mobility data presented in Section 7, and inventory of commercial space in Picton presented in Section 6.
- <sup>4)</sup> Net inflow account for inflow and outflow of expenditures. Estimate based on the mobility data presented in Section 7 and our understanding of the local tourism market.
- <sup>5)</sup> A portion of future Base31 Area Concept Plan residents will shop at existing retail and service businesses in Picton. These expenditures will be absorbed by existing stores, increasing their sales performance. Estimate is based on the quantum and type of stores existing in the market and the professional experience of TER.
- <sup>6)</sup> Based on existing and forecast industry standard coverage ratio for commercial space. The Interim coverage ratio reflects the existing conditions in Picton, where the recently completed Foodland anchored plaza is 23% coverage.

This analysis, for the forecast conditions at build-out, is summarized below:

- TER has utilized per capita ratios that are based on our compilation of various inventories conducted over many years. Based on the longer term build-out of the Base31 Area Concept Plan, TER has adjusted the per capita ratio to account for retail trends that are resulting in less commercial space required per capita;
- Overall, at build-out, Base31 Area Concept Plan residents are forecast to support approximately 653,400 square feet of commercial space;
- TER forecasts that 425,600 square feet of the demand generated by future Base31 Area Concept Plan residents will be accommodated in Picton, including the Site and the defined Other Picton. This distribution recognizes that a portion of this demand will be accommodated elsewhere in the County, in the broader region and beyond. As such, the analysis recognizes that future residents are forecast to generally maintain current shopping patterns, including shopping at commercial nodes in the broader region, such as Belleville;
- TER estimates that future Site residents will support approximately 50% of this space, or 212,900 square feet of commercial space, locally in the Base31 Area Concept Plan. As noted previously, the future residents of Base31 Area Concept Plan are anticipated to conduct a portion of their shopping at existing and future commercial in the Mixed Use Areas, including the Town Corridor Area, Town Gateway Area and Downtown Core Area. Therefore, a portion of the commercial space warranted by Site residents is forecast to be absorbed by existing and future locations in Other Picton;
- As indicated by the mobility data presented in Section 7, Picton experiences significant inflow of expenditures as a result of its regional draw and tourism function. This inflow represents expenditures from elsewhere in the County, and beyond, including tourism, and will support additional commercial space on the Site;
- After accounting for inflow, there is demand for approximately 339,200 square feet of commercial space in the Base31 Area Concept Plan. This commercial space would require approximately 22.2 acres of land at build-out;

- This analysis recognizes that a portion of future Base31 Area Concept Plan residents will shop at existing commercial businesses in Picton. These expenditures will be absorbed by existing stores, increasing their sales performance. As such, the remaining 212,900 square feet of local demand is forecast to be absorbed by existing commercial uses and vacant commercial lands in Other Picton; and,
- After accounting for demand absorbed by existing commercial uses, there remains forecast demand for 159,700 square feet of commercial space warranted by future Base31 Area Concept Plan residents on vacant commercial land in Other Picton. This demand equates to a requirement of 10.5 acres of vacant commercial land in Other Picton at build-out.

### 8.1.2 Commercial Land Needs Analysis for Other Picton

The commercial land needs analysis for Other Picton is based on the forecasts presented in the DCBS, adjusted to reflect the TER definition of commercial space. In this analysis, TER has assumed that the DCBS forecast year of 2033 will approximately coincide with the “interim” study period. Furthermore, it has been assumed that the DCBS forecast year of 2043 will approximately coincide with the “build-out” study period.

The commercial floor space and land needs forecast for Other Picton is indicated in Figure 8-2 and summarized below:

- The DCBS forecasts future floorspace requirements for the following categories: Primary, Industrial, Commercial, and Institutional. It then converts the warranted floorspace into land requirements. TER has excluded the Primary sector from this analysis, as it includes farming and cannabis growing operations and related employment, which is not considered directly relevant to land needs in the urbanized area of Picton;
- The DCBS Commercial category includes businesses that can be considered as suitable for locations on employment land, such as Professional, Scientific and Technical Services and Information and Cultural Industries. As such, TER has attributed a portion of commercial demand to the employment land needs analysis, which follows in Section 8.2;
- Furthermore, TER has attributed a portion of Institutional demand to the commercial category. The Institutional category includes Educational Services, Health Care and Social Assistance, and Public Administration. It

is anticipated that a portion of these uses will be located in commercial buildings, on commercial land;

- Based on the DCBS analysis, adjusted by TER to reflect the definitions outlined above, there is demand generated by Other Picton residents for 145,300 square feet of commercial space in 2033, increasing to 252,000 square feet by 2043. As stated previously, for the purpose of this analysis, we have assumed that 2033 approximates the interim period and 2043 approximates build-out;
- Based on standard existing and forecast coverage ratios, this floorspace demand equates to demand for 16.5 acres of commercial land by 2043. TER has assumed that this demand will be met by the increase in commercial space in Other Picton, and does not directly impact the demand for commercial space at the Site, although Other Picton residents are recognized as 'inflow' in the TER analysis.

**Figure 8-2: Other Picton Warranted Commercial Land**

	2033	2043
<b><u>Watson Warranted Space (sq.ft.)</u></b> <sup>(1)</sup>		
Industrial	169,100	280,400
Commercial	156,500	255,700
Institutional	80,500	189,600
<b><u>TER Warranted Commercial Space (sq.ft.)</u></b> <sup>(2)</sup>	<b>145,300</b>	<b>252,000</b>
<b><u>Land Requirement</u></b>		
Coverage Ratio <sup>(3)</sup>		
Low	25%	25%
Medium	30%	30%
High	35%	35%
Required Land (Net Acres)		
Low Coverage	13.3	23.1
Medium Coverage	11.1	19.3
High Coverage	9.5	16.5

Source: Tate Economic Research Inc.

<sup>1)</sup> Based on Schedule 10c of the DCBS.

<sup>2)</sup> The TER Warranted Commercial Space category includes 80% of warranted commercial space and 25% of warranted institutional space. This is based on the distribution of jobs within the various categories. 2033:  $(156,500 \times 80\%) + (80,500 \times 20\%) = 145,300$ .

<sup>3)</sup> Based on existing and forecast industry standard coverage ratio for commercial space. Interim coverage ratio of 25% reflects the existing conditions in Picton, where the recently completed Foodland anchored plaza is 23%.

### 8.1.3 Overall Commercial Land Needs

Figure 8-3 indicates the total commercial land required in Picton, including the Base31 Area Concept Plan and Other Picton. Overall, there is demand for 49.2 acres of commercial land in Picton at build-out. This total includes 22.2 acres of

land at the Site and 27.0 acres of land in Other Picton. This 27.0 acres of commercial land required in Other Picton includes 16.5 acres warranted by existing planned growth and 10.5 acres warranted by future Base31 Area Concept Plan residents.

**Figure 8-3: Overall Commercial Land Required in Picton (Including Base31 Area Concept Plan and Other Picton) (Net Acres)**

	Interim	Build-out
<b>Required in Base31 Area Concept Plan</b> <sup>(1)</sup>	<b>13.3</b>	<b>22.2</b>
<b>Required in Other Picton</b>		
Supported in Other Picton by Base31 Area Concept Plan Residents (TER) <sup>(1)</sup>	6.3	10.5
Supported in Picton by Growth (Watson) <sup>(2)</sup>	13.3	16.5
<b>Sub-total Required in Other Picton</b>	<b>19.6</b>	<b>27.0</b>
<b>Total Commercial Land Required in Picton</b>	<b>32.9</b>	<b>49.2</b>

Source: Tate Economic Research Inc.

<sup>1)</sup> Repeated from Figure 8-1.

<sup>2)</sup> Repeated from Figure 8-2.

Figure 8-4, below, indicates the demand for commercial lands relative to existing supply. Currently, there are 42.9 acres of vacant commercial land in Other Picton. Based on a requirement for 27.0 acres of commercial land required in Other Picton, there is a surplus of 15.9 acres of commercial land in Other Picton.

**Figure 8-4: Comparison of Commercial Land Needs and Vacant Land (Net Acres)**

	Interim	Build-out
Picton Vacant Commercial Land <sup>(1)</sup>	42.9	42.9
Commercial Land Required in Other Picton <sup>(2)</sup>	19.6	27.0
<b>Commercial Land Surplus</b>	<b>23.3</b>	<b>15.9</b>

Source: Tate Economic Research Inc.

<sup>1)</sup> Repeated from Section 6.1. A gross to net adjustment is not required as the vacant land supply has been calculated based on individual parcels. It is standard industry practice for commercial development to utilize the entire site as net developable area.

<sup>2)</sup> Repeated from Figure 8-1.

## 8.2 Employment Land Needs Analysis

This section of the report quantifies the employment land needs for Picton, including Other Picton and the Base31 Area Concept Plan.

### 8.2.1 Employment Land Needs Analysis for the Site

Figure 8-5, below, indicates the employment land analysis for the Base31 Area Concept Plan. This analysis is summarized below:

- The TER employment land analysis for the Base31 Area Concept Plan adopts the DCBS methodology. The DCBS forecasts warranted jobs based on population forecasts and activity rates for industrial, commercial, and institutional uses. The resulting number of jobs are converted into warranted floorspace based on industry standard ratios for floorspace per employee. The floorspace requirements are further converted into land needs, based on industry standard coverage ratios;
- The employment forecast summarized in Figure 8-5 includes the DCBS Industrial category, as well as a portion of the Commercial and Institutional

**Figure 8-5: Base31 Area Concept Plan Warranted Employment Land**

	Interim	Build-out
Population	9,075	18,150
<b><u>Job Activity Rate (Watson) <sup>(1)</sup></u></b>		
Industrial	0.051	0.052
Commercial	0.102	0.104
Institutional	0.063	0.068
<b><u>Warranted Jobs (Calculated as Activity Rate x Population)</u></b>		
Industrial	464	946
Commercial	929	1,879
Institutional	567	1,229
<b><u>Square Foot Per Employee (Watson) <sup>(2)</sup></u></b>		
Industrial	800	
Commercial	500	
Institutional	685	
<b><u>Warranted Space (sq.ft.) (Calculated as Warranted Jobs x Sq.ft. Per Employee)</u></b>		
Industrial	371,200	756,800
Commercial	464,500	939,500
Institutional	388,400	841,900
<b><u>TER Warranted Employment Space (sq.ft.) <sup>(3)</sup></u></b>		
	<b>561,200</b>	<b>1,155,200</b>
<b><u>Land Requirement</u></b>		
Coverage Ratio <sup>(4)</sup>		
Low	30%	30%
Medium	35%	35%
High	45%	45%
Required Land (Net Acres)		
Low Coverage	42.9	88.4
Medium Coverage	36.8	75.8
High Coverage	28.6	58.9

Source: Tate Economic Research Inc.

<sup>1)</sup> Based on Schedule 10a of the DCBS.

<sup>2)</sup> Based on Schedule 10b of the DCBS.

<sup>3)</sup> The TER Warranted Employment Space category includes 100% of warranted industrial space, 20% of warranted commercial space and 25% of warranted institutional space. This is based on the distribution of jobs within the various categories. 2033:  $(371,200 * 100\%) + (464,500 * 20\%) + (388,400 * 25\%) = 561,200$ .

<sup>4)</sup> Based on existing and forecast industry standard coverage ratio for employment space. The Interim coverage ratio of 30% reflects an increase above the existing coverage ratio in the Picton Industrial Park which is approximately 19%.

categories. Based on this analysis, future residents of the Base31 Area Concept Plan will generate demand for 1,155,200 square feet of employment space; and,

- Based on standard existing and forecast coverage ratios, this demand equates to 58.9 acres of employment land at build-out.

Figure 8-6, below, indicates the DCBS forecast for employment floor space in Other Picton. This analysis is summarized below:

- Based on the DCBS methodology, population growth in Other Picton will support demand for 220,500 square feet of employment space by 2033, increasing to 378,900 square feet by 2043; and,
- Based on forecast coverage ratios, this floorspace equates to a requirement for 19.3 acres of employment land by 2043.

**Figure 8-6: Other Picton Warranted Employment Land**

	2033	2043
<b><u>Watson Warranted Space (sq.ft.)</u><sup>(1)</sup></b>		
Industrial	169,100	280,400
Commercial	156,500	255,700
Institutional	80,500	189,600
<b><u>TER Warranted Employment Space (sq.ft.)</u><sup>(2)</sup></b>	<b>220,500</b>	<b>378,900</b>
<b><u>Land Requirement</u></b>		
Coverage Ratio <sup>(3)</sup>		
Low	30%	30%
Medium	35%	35%
High	45%	45%
Required Land (Net Acres)		
Low Coverage	16.9	29.0
Medium Coverage	14.5	24.9
High Coverage	11.2	19.3

Source: Tate Economic Research Inc.

<sup>1)</sup> Based on Schedule 10c of the DCBS.

<sup>2)</sup> The TER Warranted Employment Space category includes 100% of warranted industrial space, 20% of warranted commercial space and 25% of warranted institutional space. This is based on the distribution of jobs within the various categories. 2033:  $(169,100 \times 100\%) + (156,500 \times 20\%) + (80,500 \times 20\%) = 220,500$ .

<sup>3)</sup> Based on existing and forecast industry standard coverage ratio for employment space. The Interim coverage ratio of 30% reflects an increase above the existing coverage ratio in the Picton Industrial Park which is approximately 19%.

## 8.2.2 Employment Land Needs Analysis for Other Picton

Figure 8-7 summarizes the employment land needs analysis. Overall, there is demand for 78.3 acres of employment land in Picton at build-out. This total includes 58.9 acres of demand generated by future Base31 Area Concept Plan residents and 19.3 acres of demand generated by future Other Picton residents.

**Figure 8-7: Employment Land Needs: Comparison of Land Needs and Vacant Land (Net Acres)**

	Interim	Build-out
<b><u>Lands Needs</u></b>		
Base31 Area Concept Plan Warranted Employment Land <sup>(1)</sup>	42.9	58.9
Other Picton Warranted Employment Land <sup>(2)</sup>	16.9	19.3
<b>Total Warranted Employment Land</b>	<b>59.8</b>	<b>78.3</b>
<b><u>Land Supply</u></b>		
Picton Vacant Employment Land <sup>(3)</sup>	36.1	36.1
Long-term Land Vacancy <sup>(4)</sup>	12.5%	12.5%
Picton Vacant Employment Land Adjusted for Land Vacancy	31.6	31.6
<b>Residual: Employment Land Required in Base31 Area Concept Plan</b>	<b>-28.3</b>	<b>-46.7</b>

Source: Tate Economic Research Inc.

<sup>1)</sup> Repeated from Figure 8-6.

<sup>2)</sup> Repeated from Figure 8-7.

<sup>3)</sup> Repeated from Section 6.2.

<sup>4)</sup> Long-term land vacancy is a common characteristic experienced in industrial areas and is typically considered necessary for a healthy market. For the purposes of this analysis, an estimate of 12.5% long-term land vacancy has been assumed.

There is 31.6 acres (or 36.1 gross acres) of existing vacant employment land in Picton. Accordingly, there is a deficit of 46.7 acres of employment land in Picton at build-out. This 46.7 acres of employment land could be provided at the Site.

### 8.3 Overall Commercial and Employment Land Needs Analysis

Overall, this analysis indicates that there is forecast demand for 22.2 acres of commercial land and 46.7 acres of employment land in the Base31 Area Concept Plan. The remainder of the demand for commercial and employment space can be accommodated by existing commercial uses, as well as designated vacant commercial and employment land in Other Picton.

It is noted that these land requirements are based on assumptions regarding coverage ratios which are applied to warranted square footage. These coverage ratios can vary considerably, based on the types of commercial and employment uses developed. The ratios assumed by TER are based on more intensive coverage than currently exists in Picton. It is assumed that the commercial and employment uses developed in the Base31 Area Concept Plan will be in a more urban form than has historically been developed.

As such, it could potentially accommodate much of the required commercial and employment land, as discussed in the next section of this report.

# 9 Strategic Recommendations

Based on the background research and analysis provided in this report, TER has provided the following recommendations.

The proposed Base31 Area Concept Plan is centered around The Revitalization District, which comprises approximately 70 gross acres. The Revitalization District is currently occupied by former military offices, hangars, and other buildings. Many of these historic buildings are planned to be retained and revitalized as part of the proposed redevelopment. These buildings total nearly 500,000 square feet of ground floor area and can absorb a considerable portion of forecast commercial and employment demand, after restoration and modernization.

The market demand analysis in the previous section of this report indicates a requirement for approximately 22 acres of commercial land and 47 acres of employment land within the Base31 Area Concept Plan at build-out. It is also noted that if the anticipated build-out population levels are not met, there will be a reduction in warranted commercial and employment land needs.

The Revitalization District has the capacity to accommodate the warranted commercial and employment demand in the short to medium (interim) period. It is recommended that The Revitalization District be planned as a mixed-use district that permits a wide range of residential and non-residential uses. This approach

**Figure 9-1: Commercial and Employment Land Needs Summary at Build-out (Net Acres)**

	Commercial	Employment	Total
<b><u>Warranted Commercial and Employment Land</u></b>			
Warranted Land in Base31 Area Concept Plan	22	47	69
Warranted Land in Other Picton	27	32	59
<b>Total Warranted Land in Picton</b>	<b>49</b>	<b>79</b>	<b>128</b>
<b><u>Land Needs Analysis</u></b>			
Land Supply			
The Revitalization District			70
Other Picton Vacant Designated Land	43	32	75
<b>Total Land Supply</b>			<b>145</b>
<b>Residual Commercial and Employment Land</b>			<b>17</b>

Source: Tate Economic Research Inc.

will promote a vibrant mixed-use node with synergies between the various components. Furthermore, it is noted The Revitalization District is of sufficient scale to accommodate the majority of required commercial and employment land at full build-out, as well as other uses such as residential.

The analysis in this report forecasts commercial and employment demand in terms of land area. This approach is designed to assist in land use planning at a local and county level. However, the analysis is ultimately based on forecast number of jobs and associated floorspace. Overall, the analysis indicates that Base31 Area Concept residents will support approximately 1.2 million square feet of employment floor space in Picton at build-out. In addition, they support 340,000 square feet of commercial space at the Base31 Area Concept at build-out. If commercial and employment uses are developed in a higher density format, such as a multi-storey office building, the associated land needs may decrease. Conversely, if lower intensity development occurs, land needs may increase.

The Base31 Area Concept Plan will include a focus on walkability. Figure 9-2, below, indicates an approximate 10 and 15 minute walk from the centre of The

**Figure 9-2: The Revitalization District Walkability**



Source: Sasaki and PEC Community Partners, annotated by Tate Economic Research Inc.

Revitalization District. This map indicates that the majority of the Base31 Area Concept Plan is within walking distance of The Revitalization District.

The Revitalization District has the capacity to accommodate the warranted commercial and employment demand in the short to medium (interim) period. At full build-out, depending on coverage and density, there may be an opportunity for the warranted commercial or employment uses to be fully accommodated in the Revitalization District.

TER recommends that the longer term opportunity for commercial and employment uses, as well as the most appropriate locations for such uses, may require further investigation and a greater understanding of the anticipated phasing of development that will evolve as this long term project unfolds.

TER recommends that planning permissions for The Revitalization District provide for mixed-use development, including residential and non-residential uses. Planning permissions should relate to “non-residential floorspace”, as opposed to more prescriptive and / or restrictive uses. The non-residential category allows for greater flexibility as the community matures over time. It can include a range of retail, service, employment, entertainment and institutional uses, as dictated by market conditions and by residents. Allowing for flexibility in terms of uses is critical to the success of phased developments, particularly relevant in projects that will be developed over a longer time period, such as Base31 Area Concept Plan.

# Appendix A – Terms of Reference

This appendix includes the Terms of Reference that were submitted to, and approved by, Prince Edward County.

# **Terms of Reference**

## **Commercial Retail Needs Study**

## **Industrial Land Needs Study**

**Base 31, Picton**

**September 13, 2022**

**Prepared for: Prince Edward County Planning Department**

**Prepared by: Tate Economic Research Inc.**

## 1 Background

PEC Community Partners are the owners of former Loch-Sloy Business Park, an approximately 700-acre property in the community of Picton, in Prince Edward County, Ontario (“Subject Site”). It is the former site of a World War II training base. In the longer term, the Subject Site will serve as home to one of the nation’s largest revitalization projects. It will be master planned for a wide range of uses, including residential and commercial components. Base 31 is a 70 acre portion of the Subject Site that includes approximately 30 businesses operating in heritage buildings that formerly functioned as part of the WWII Training base.

PEC Community Partners has met with representatives of Prince Edward County (“County”) with respect to the County’s requirements for development approvals for the Subject Site. These requirements include the following studies, among others:

- Commercial Retail Needs Study
- Industrial Land Needs Study

Tate Economic Research Inc. (“TER”) has been retained by PEC Community Partners to undertake these studies. TER has conducted a preliminary review of the County Official Plan (“OP”), which is effective as of July 2021. The OP does not provide specific guidance with respect to the County’s requirements for the Commercial Retail and Industrial Land Needs studies.

Prior to the preparation of the required studies, the County has requested that they be provided a Terms of Reference (“TOR”) for each of the studies. This TOR provides an overview of TER’s proposed approach and methodology for conducting the Commercial Retail and Industrial Land Needs Studies.

These studies will provide the County with recommendations related to the amount, type, and location of commercial retail and industrial land that should be planned for the Subject Site. The overall general objective of this exercise is to help ensure that the development of the Subject Site becomes a vibrant and complete community.

## 2 Official Plan Context

The Subject Site is located within the Picton Hollowell Secondary Plan and is designated Heights Development Area. Section 2.6 of the Picton Hollowell Secondary Plan states:

*The policies of the Heights Development Area recognize the historic use of the area for employment, aviation, and aviation related activities, but also recognize the potential for the area to become a more integral part of Town*

*development with a range of residential, employment, institutional, recreation, tourism and other uses.*

The 'Guiding Policies' for the Heights Development Area indicate a wide range of land uses are encouraged, including commercial, employment, tourism, and creative rural economic uses that meet local and regional needs and foster economic development. In addition, a diverse range of housing types at a range of residential densities are encouraged.

The Commercial Retail and Industrial Land Needs Studies will be conducted within the context of the objectives of the Picton Hallowell Secondary Plan and the County Official Plan.

### 3 Vision

Prior to beginning these studies, TER will review the vision and preliminary development concept planned for the PEC lands, with a perspective towards the type of commercial and industrial uses that could be accommodated on this site. This vision will also include an estimate of the build-out population for the Subject Site, as well as anticipated phasing.

Base 31 is undergoing a transformation with respect to the placemaking, public art, events and a wide variety of uses, both currently operating and planned for the future. It is noted that the commercial retail and industrial demand will be influenced by the unique redevelopment opportunities at Base 31. It is anticipated that a portion of the commercial retail and industrial needs may be met by the Base 31 lands.

### 4 Commercial Retail Needs Study TOR

This section outlines the approach and methodology that will be used to conduct the Commercial Retail Needs Study. This TOR is based on TER's understanding of the objectives of the County, our experience conducting similar studies in municipalities throughout Ontario, and our review of concept plans and other background materials.

- a) Location and Access Assessment:** TER will examine the location and access characteristics of the Subject Site, including:
- Macro location context;
  - Surrounding land uses;
  - Existing and future road and transit network; and,
  - Proposed internal street network.

This assessment will assist in determining potential inflow of retail expenditures and the optimal location for commercial retail uses.

- b) Inventory of Picton Commercial Retail Space:** TER will conduct an inventory of all commercial retail space in the community of Picton. This will include the name, address, size, and type of every commercial retail business in Picton.

This assessment will provide insight into existing commercial retail service levels in Picton, including data which can be incorporated into the market demand analysis.

- c) Market Demand Analysis:** TER will conduct a qualitative and quantitative analysis to determine the amount of retail commercial space that should be planned for the Subject Site. This will include two primary components, as summarized below:

- **Local Retail Commercial Demand:** TER will quantify the total amount of retail commercial space that can be supported by future residents of the Subject Site using a per capita methodology. This analysis will forecast demand using existing per capita space ratios for Picton, as well as industry standard per capita space requirements. TER will assess the potential outflow of expenditures to existing retail commercial space in Picton and the surrounding area and will determine the appropriate amount of retail commercial space that should be planned on the Subject Site.
- **Destination Retail Commercial Demand:** It is anticipated that the Subject Site, particularly Base 31, will include destination uses, such as entertainment and tourism. TER will conduct a qualitative assessment of the opportunity for destination type uses on the Subject Site. This may include examining existing destination uses, tourism statistics, and case studies. The influence of the unique destination characteristics of Base 31 will be recognized in our analysis.

- d) Estimated Land Requirement:** TER will convert the warranted commercial retail space into required land area based on industry standard coverage ratios.

- e) Proximity Analysis:** TER will conduct a walking distance analysis to identify optimum locations for commercial retail space from the perspective of serving future residents of the Subject Site.

- f) Recommendations:** TER will provide recommendations related to the quantum and location of commercial retail space for the Subject Site, from the perspective of both market demand and the ability to serve residents. It

is anticipated that the recommendations will reflect the proposed phasing of development.

## 5 Industrial Land Needs Study TOR

This section outlines the approach and methodology that will be used to conduct the Industrial Land Needs Study. Similar to the Retail Commercial Needs study, this TOR is based on TER's understanding of the objectives of the County, our experience conducting similar studies in municipalities throughout Ontario, and our review of concept plans and other background materials.

- a) **Review Development Charges Study:** TER will review the analysis and findings of the County of Prince Edward 2017 Development Charges Background Study, prepared by Watson & Associates Economists Ltd ("Watson Report"). The Watson Report includes population and employment growth forecasts for the County.
- b) **Inventory of Picton Industrial Land:** TER will quantify the amount of occupied and vacant zoned industrial land in Picton using the Prince Edward County Public GIS Viewer database, as well as other sources as appropriate.
- c) **Vacant Industrial Land Assessment:** TER will identify the location, amount, and quality of vacant industrial land in Picton. We will provide higher level commentary on the availability of industrial land in other surrounding areas, including Belleville. This review will assist in understanding potential competition from the perspective of industrial development.
- d) **Industry Trends:** TER will provide commentary on trends in the industrial development market. This commentary may include various factors such as development forms, investment outlooks, site size and design, etc.
- e) **Location and Access Assessment:** TER will examine the location and access characteristics of the Subject Site from the perspective of market demand for industrial uses. This assessment includes major transportation infrastructure such as highway, rail, ports, and air.
- f) **Case Study Analysis:** TER will identify case studies of master planned developments that are similar in terms of market and locational characteristics. This will assist in determining the appropriate quantum of industrial land.
- g) **Industrial Land Needs Demand Analysis:** TER will comment on the amount of industrial space that could be warranted in Picton, and

specifically at the Subject Site. This analysis will recognize the results of the Watson Report and extrapolate these findings under the higher growth scenario that would result from the contemplated development of the Subject Site. This analysis will also recognize the results of the TER Vacant Industrial Land Assessment, outlined above.

- g) Recommendations:** TER will provide recommendations related to the quantum and location of industrial land and / or space that is warranted for the Subject Site, recognizing the market conditions outlined above. It is anticipated that the recommendations will reflect the proposed phasing of development.

## 6 Report Preparation

TER will prepare a report that summarizes our research, analysis, and recommendations with respect to Commercial Retail and Industrial Land Needs on the Subject Site. This report will be suitable for submission to the County.

# Appendix B – Airport Redevelopment Case Studies

This appendix provides a description of airport reuse and redevelopment examples across North America. These case studies may not reflect the locational and market realities of the proposed Base31 Area Concept Plan. However, they are useful to illustrate the potential for the historic hangars, and other facilities, located in The Revitalization District.

## Playa Vista, Los Angeles CA

Playa Vista is a neighbourhood located in west Los Angeles. In the 1940's Howard Hughes bought the land and constructed the Hughes Airport and Hughes Aircraft Company. The Hughes Aircraft Company operated until 1985. The site was vacant until its redevelopment began in 2002. The 460 acre development is almost completely built out and includes over 6,000 residential units and 3 million square feet of commercial space.

The Spruce Goose hangar was constructed in 1943 for the construction of the Hercules IV airplane. The hangar was constructed as a seven storey, 250,000 square foot, wood framed building. The hangar has been used as a film production facility since the 1990s until Google began leasing the facility in 2016. Google redeveloped and expanded the hangar as a four storey, 450,000 square foot office. The project was completed in 2018 and is described as a 'building within a building'. It includes offices, conference rooms, cafes, a fitness centre, and a 250 person event space.



Image of Google Spruce Goose

## The Hangar at Stanley, Aurora CO

Stapleton International Airport was the primary airport servicing Denver from 1929 to 1995 at which point it was replaced by the Denver International Airport. The 4,700 acre site has been redeveloped as a master planned community which comprises 12,000 residential units, 10 million square feet of office space and 3.9 million square feet of retail space.

In 1954, Stanley Aviation constructed a 140,000 square foot manufacturing facility / hangar at Stapleton Airport. Stanley Aviation closed in 2007 and was redeveloped by Flightline Ventures as a multi-tenant market. Construction on the \$20 million USD market commenced in 2015 and now includes over 50 commercial tenants including restaurants, a fitness centre, grocery store and a 40,000 square foot event centre.

### Union Point, Weymouth MA



Image of The Hangar at Stanley

Union Point is a mixed use redevelopment of the former South Weymouth Naval Air Station which operated from 1942 to 1997. LStar

Management acquired the 1,500 acre site in 2015. At build out, the community will include approximately 4,000 residential units and 8 million square feet of commercial space. Currently, there are 1,200 residential units and a 25 acre sports complex completed.



Image of The Hangout at Union Point

There is a 100,000 square foot hangar within the planned Union Point downtown area. The hangar is planned for

commercial uses to integrate with the downtown area. Currently, the hangar remains vacant. LStar Management has opened 'The Hangout', a temporary entertainment space offering retail, food and beverage, and live music. The Hangout consists of storage containers and is located in front of the hangar. The Hangout provides retail and service spaces while permanent spaces are constructed.

### Hangar 2, Denver CO

The Lowry Air Force Base was established in 1937 and closed in 1994 as part of a national downsizing of US armed forces. In 1998 Denver and Aurora City Councils approved the Lowry Community Reuse Plan which was completed in 2009. The Lowry community comprises 1,900 acres and includes 4,500 residential units, 1.8 million square feet of office space and 130,000 square feet of retail.

Hangar 2 was constructed in 1939 to house planes for the Lowry Air Force Base. Hangar 2 was redeveloped in 2015 by Larimar Associates and Hartman Ely Investments converting the 100,000 square foot hangar into a self storage facility and the surrounding area into the 'Lowry Dining District' which includes 25,000 square feet of retail space. The total cost of the redevelopment was \$21.7 million USD.



Image of Hangar 2

### Penn Field, Austin TX

Penn Field is a former World War 1 air based that operated from 1917 to 1919. After 1920 the buildings were converted to a variety of manufacturing uses including automobile and furniture. The 16 acre site was purchased by a group of investors who redeveloped the facility in 2000. Former hangars and barracks were converted into 300,000 square feet of office and retail space. Penn Field has a 95% occupancy rate and houses a variety of tenant types including Clear

Channel Communications Inc., Deep Eddy Vodka, Gibson Guitars and Opal Divine's restaurant.



Image of Penn Field