

CITY OF HAMILTON

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Planning Division

TO: Chair and Members Planning Committee	WARD(S) AFFECTED: WARD 11
COMMITTEE DATE: December 3, 2013	
SUBJECT/REPORT NO: Application for an Amendment to Stoney Creek Zoning By-law No. 3692-92, for Lands Located at 1310 South Service Road, 400 Winona Road, and 395 Fifty Road, in the Former City of Stoney Creek (PED13205) (Ward 11)	
SUBMITTED BY: Joe-Anne Priel Acting General Manager Planning and Economic Development Department	PREPARED BY: Peter De Iulio (905) 546-2424 Ext. 1345
SIGNATURE:	

RECOMMENDATION

That approval be given to **Zoning Application ZAC-13-019, by Penady (Stoney Creek) Ltd., Applicant**, for a further modification to the Community Shopping Centre (Holding) "SC2-4(H)" Zone, for the lands located at 1310 South Service Road, 400 Winona Road, and 395 Fifty Road, as shown on Appendix "A" to Report PED13205, on the following basis:

- (a) That the draft By-law, attached as Appendix "B" to Report PED13205, which has been prepared in a form satisfactory to the City Solicitor, be enacted by City Council;
- (b) That the amending By-law be added to Schedule "A", Map No. 9, of Stoney Creek Zoning By-law No. 3692-92;
- (c) That the proposed change in zoning is in conformity with the Urban Hamilton Official Plan.

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EXECUTIVE SUMMARY

Penady (Stoney Creek) Ltd. has submitted an application to amend the Stoney Creek Zoning By-law for their land holdings at the south-west quadrant of Fifty Road and the South Service Road. The purpose of the application is to permit additional service commercial uses and a Warehouse Membership Club, for their proposed commercial development on 17.86 ha. (44 ac.) of land. In addition, a request has also been made for a reduction in the required landscape strip for a portion of the property, fronting onto Service Road.

The main issues in reviewing this application are market impact and traffic.

The proposal has merit and can be supported, as the application is consistent with the Provincial Policy Statement, and conforms to the Growth Plan for the Greater Golden Horseshoe and the Urban Hamilton Official Plan.

The proposed development is compatible with and complementary to the existing development in the immediate area, provides for the development of a complete community by providing additional shopping opportunities, and making efficient use of a vacant parcel of land with existing infrastructure within the urban boundary and, as such, represents good planning

Alternatives for Consideration - See Page 23.

FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)

Financial: N/A.

Staffing: N/A.

Legal: As required by the Planning Act, Council shall hold at least one (1) Public Meeting to consider an application for an amendment to the Zoning By-law.

HISTORICAL BACKGROUND (Chronology of events)

Proposal:

The applicant has applied to include additional uses within the previously approved Commercial Zone on the property. In particular, the applicant has requested the following uses:

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- Warehouse Membership Club;
- Personal Service Shop;
- Animal Hospital or Shelter;
- Boarding Kennel;
- Commercial School; and,
- Post Office.

To accommodate the proposed Warehouse Membership Club, the applicant is proposing a corresponding decrease in ancillary retail uses on site. The breakdown of uses, compared to the initial proposal, is summarized in the chart below:

Use	Original (SQ.FT.)	Current (SQ.FT.)
Warehouse Membership Club	0	155,500
Department Store	150,487	106,500
Ancillary/Other Retail	275,763	131,500
Service	16,710	50,000
Total	442,960	443,500

Previous Applications (ROPA-05-04 / OPA-05-20 / ZAC-05-111):

Applications for an amendment to the Hamilton-Wentworth Official Plan, City of Stoney Creek Official Plan, and City of Stoney Creek Zoning By-law No. 3692-92 were submitted in October 2005, to permit a large-scale commercial development. On August 13, 2009, Council adopted Amendment No. 36 to the Hamilton-Wentworth Official Plan and Amendment No. 150 to the City of Stoney Creek Official Plan (By-law No. 09-183). In addition, By-law No. 09-184 was passed to amend City of Stoney Creek Zoning By-law No. 3692-92. The amendments were appealed to the Ontario Municipal Board (OMB), however, the applicant and appellants resolved the issues and the appeals were withdrawn.

Current Applications (DA-13-019 / SC/B-13:77 / SC/B-13:78):

An application for Site Plan approval was submitted on February 25, 2013, and considered by the Development Review Committee on March 20, 2013 (see Appendix "C"). Approval of the application was not given due to zoning, traffic, servicing (stormwater), and urban design issues.

Consent applications to sever the proposed Wal-Mart and Costco parcels were considered by the Committee of Adjustment on November 7, 2013. The applications were supported by staff and approved by the Committee. The consents will be final and binding on December 5, 2013, if no appeals are received.

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Chronology:

- June 27, 2013: Application deemed complete.
- July 5, 2013: Application circulated to internal departments and external agencies.
- July 10, 2013: Notice of Complete Application and Preliminary Circulation sent to 64 landowners within 120m of the subject property.
- July 15, 2013: Three Public Notice signs erected on each road frontage of the property.
- November 15, 2013: Notice of Public Meeting given in accordance with the Planning Act.

Details of Submitted Application:

Location: 1310 South Service Road, 400 Winona Road, and 395 Fifty Road (see Appendix "A")

Owner/Applicant: Penady (Stoney Creek) Ltd.

Agent: MacNaughton Hermson Britton Clarkson Planning Limited (c/o David McKay)

Property Description:

<u>Lot Frontage:</u>	48.9 m. (160 ft.) along Fifty Road.
	621.4 m. (2,038 ft.) along South Service Road.
	368.3 m. (1,208 ft.) along Service Road.
	98.99 m. (324.8 ft.) along Winona Road.
<u>Lot Depth:</u>	727.79 m. (2,388 ft.) East/West (CN rail line).
	336.44 m. (1,104 ft.) North/South.
<u>Lot Area:</u>	17.86 ha. (44 ac.).

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Servicing: Existing municipal water on Winona Access Road.

Future municipal sanitary sewers.

Future storm sewers.

EXISTING LAND USE AND ZONING:

	<u>Existing Land Use</u>	<u>Existing Zoning</u>
<u>Subject Lands:</u>	Vacant and Truck Stop (Stop 50)	Community Shopping Centre (Holding) "SC2-4(H)" Zone
<u>Surrounding Land Uses:</u>		
North	QEW	General Agricultural "A1" Zone, Rural Commercial "C6-026" Zone, Residential Multiple "RM2-173" Zone, Residential "R4-173(B) Zone, Institutional "I-173" Zone, and Open Space "OS2" Zone
South	Rail Line and Hydro Towers	Agricultural "AS" Zone
East	Vacant	Agricultural "AS" Zone
West	Vacant (ORC Lands), Winona Equipment (Vacant), Single Detached Dwellings	Agricultural "AS" Zone and Special Purpose Industrial (Holding) "MSP(H)" Zone

POLICY IMPLICATIONS/LEGISLATED REQUIREMENTS

Provincial Policy Statement:

The application has been reviewed with respect to the Provincial Policy Statement (PPS). Staff recognizes that the application is consistent with the policies that promote

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healthy, liveable, and safe communities by accommodating an appropriate range and mix of residential, employment (including industrial, commercial, and institutional uses), recreational, and open space uses to meet long-term needs (Policy 1.1.1b)), focus growth in Settlement Areas (Policy 1.1.3.1), and promote economic development and competitiveness by providing for an appropriate range and mix of residential, employment (including industrial, commercial, and institutional uses) to meet long-term needs (Policy 1.3.1a).

Policy 3.2.2 states that contaminated sites shall be remediated, as necessary, prior to any activity of the site associated with the proposed use, such that there will be no adverse effects. Due to the existing gas bar use of a portion of the site, a Record of Site Condition (RSC) will be required as a condition of approval. The RSC shall be to the satisfaction of the MOE and the City of Hamilton. This requirement was included in the “Holding” provision, and has been satisfied for the majority of the property, except the former Stop 50 property.

Policy 2.6.2 outlines that development and site alteration may be permitted on lands containing archaeological resources or areas of archaeological potential if significant archaeological resources have been conserved by removal and documentation, or preservation on site. Where significant archaeological resources must be preserved on site, only development and site alteration which maintain the heritage integrity of the site may be permitted. As a portion of the subject property is located within an area of archaeological potential, an Archaeological Assessment of the property will be required, and this requirement was included in the “Holding” provision, but has been satisfied.

Growth Plan for the Greater Golden Horseshoe (Places to Grow):

The application conforms with the Guiding Principles of the Plan through a planned and managed growth that supports a strong and competitive economy, while protecting, conserving, enhancing, and wisely using the valuable natural resources of land, air, and water for current and future generations, optimizing the use of existing and new infrastructure to support growth that is in a compact, efficient form, and establishing a compact, vibrant, and complete community (Section 1.2.2), and the Managing Growth policies of the Plan by encouraging complete communities with a diverse mix of land uses, a range and mix of employment and housing types, high quality public open space ,and easy access to local stores and services (Section 2.2.2h)).

Based on the foregoing, the proposal conforms to the policies of the Growth Plan for the Greater Golden Horseshoe (Places to Grow).

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Urban Hamilton Official Plan:

The subject lands are designated “Neighbourhoods” on Schedule “E” - Urban Structure, “District Commercial” on Schedule “E-1” - Urban Land Use Designations, and “Area Specific USC-3, Parcel B-1” on Map SC-2 - Area Specific Policies.

The “District Commercial” policies are found in Chapter E of the Plan and include:

“4.7 District Commercial Designation

Areas designated “District Commercial” are intended to provide retail and service commercial uses to the immediate neighbourhood. “District Commercial” areas shall contain a range of retail shops and services that cater primarily to the weekly and daily shopping needs of residents in the surrounding neighbourhoods. These retail shops and services may currently be clustered in plaza forms, but new areas or expansions and redevelopment of existing areas can create an improved street presence by bringing the stores up to the edge of the street.

Function

4.7.1 The range of retail uses are intended to serve the daily and weekly shopping needs of residents in the surrounding neighbourhoods. The “District Commercial” areas shall also serve as a focus for the adjacent neighbourhood(s) by creating a sense of place.

Permitted Uses

4.7.2 The following uses shall be permitted on lands designated “District Commercial” on Schedule E-1 - Urban Land Use Designations:

- a) commercial uses including retail stores, personal services, financial establishments, live-work units, restaurants, including gas bars, car washes, and service stations;
- b) offices, provided they are located above the first storey;
- c) residential uses, provided they are located above the first storey of a mixed-use building; and,
- d) accessory uses.

Prohibited Uses

- 4.7.3** Notwithstanding Policy E.4.7.2, the following uses shall be prohibited on lands designated “District Commercial” on Schedule E-1 - Urban Land Use Designations:
- a) vehicle dealerships;
 - b) garden centres as a primary use; and,
 - c) a single use over 10,000 sq. m. in floor area.

Scale

- 4.7.4** The specific permitted heights and densities shall depend on the area, and may be further refined through detailed Secondary Plans or the Zoning By-law.
- 4.7.5** The built form may include stand-alone stores, multiple unit commercial buildings, or live-work buildings.
- 4.7.6** The preferred location of a new “District Commercial” designated area is at the intersection of a collector road and a major or minor arterial road.
- 4.7.7** The maximum amount of retail and service commercial floor space permitted in an area designated “District Commercial” shall be 25,000 sq. m.
- 4.7.8** Office uses on the same lot shall not exceed 2,000 sq. m.
- 4.7.9** Although residential development is permitted and encouraged, it is not the intent of the Plan for the “District Commercial” designated areas to lose the planned retail and service commercial function set out in this Plan.

Design

- 4.7.10** Areas designated “District Commercial” shall be planned and designed to be integrated with and easily accessible from the surrounding neighbourhood by a range of transportation modes, including the automobile, transit, and active transportation.
- 4.7.11** In new areas designated “District Commercial”, or for additions or redevelopments of existing “District Commercial” designated areas, smaller

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retail buildings shall be located up to the street to create a strong pedestrian orientation, particularly along adjoining collector roads.

- 4.7.12** Where buildings are located up to the street, in accordance with Policy E.4.7.11, the principal entrances shall face the public street providing direct access from the sidewalk. The windows and signage shall also face the street, and buildings should have a consistent minimal setback.
- 4.7.13** No parking, driveways, lanes, stacking lanes, or aisles should be permitted between buildings and the public sidewalk except as provided for in Policy E.4.7.16.
- 4.7.14** Drive-throughs, car washes, service stations, and gas bars shall be permitted provided they meet the requirements of Policy E.4.7.13 and are located away from the pedestrian- oriented area identified in Policy E.4.7.11.
- 4.7.15** Parking lots abutting the street shall be screened with low walls, and/or landscape materials to provide a sense of enclosure along the setback line.
- 4.7.16** Single use stores greater than 5,000 sq. m. may be situated in the interior or at the rear of the site with smaller foot print buildings located close to the street. Alternatively, larger stores could be located up to the streetline along an arterial road or along a collector road provided in the latter situation they are lined with smaller stores, multiple entrances, or other similar means to animate the streetscape along the collector road.
- 4.7.17** On-street parking may be permitted along adjacent collector roads and contribute to the required parking.”

With respect to 4.7.7, staff notes the following policy:

- “4.2.9** Notwithstanding Policies E.4.2.3 and E.4.2.6, four major commercial areas currently exist in the City of Hamilton that exceed 25,000 sq. m. of retail and commercial service space, but are not anticipated to evolve into mixed-use areas during the life of this Plan. These four areas are not identified as Urban Nodes or Urban Corridors, are within the Neighbourhood element of the Urban Structure on Schedule E - Urban Structure, are designated “District Commercial” on Schedule E-1 - Urban Land Use Designations, and have area or site-specific requirements contained in Volume 3. The amount or type of retail uses in these locations shall not be expanded without an amendment to the Urban Structure. The four major commercial areas are located:

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- a) in the area of Garner Road, Shaver Road, McClure Road, and Wilson Street West (part of Duff's Corners);
- b) in the area east of Highway 6, the Niagara Escarpment, the pipeline easement, and Borer's Creek (part of Clappison's Corners);
- c) in the area, south of the QEW, west of Fifty Road, north of the CNR Railway and east of Winona Road; and,
- d) at 480 and 500 Centennial Parkway North, and 20 Warrington Street."

As noted in the above policy, the subject lands are identified as one of the four major commercial areas and are subject to the Area Specific Policies below:

"Parcel B-1

- b) In addition to Policy 1.0 above, the lands identified as Parcel B-1 in Area Specific USC-3 on Map SC-2 shall be developed as a mixed-use centre, including a range of commercial uses.
 - i) In addition to Policy E.4.7.2 - District Commercial of Volume 1, the following uses shall be permitted:
 - 1. one department store;
 - 2. arts and cultural uses;
 - 3. entertainment uses;
 - 4. free standing offices; and,
 - 5. an inter-regional multi modal transportation terminal.
 - ii) Notwithstanding Policy E.4.7.2 c) - District Commercial of Volume 1, no residential uses shall be permitted.
 - iii) Notwithstanding E.4.7.3 c) and E.4.7.7 - District Commercial of Volume 1, the maximum gross leasable floor area of all commercial development for the site shall be 41,200 sq. m., excluding any building area associated with the inter-regional, multi modal transportation terminal subject to the following:

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1. The maximum amount of gross floor area permitted for one department store shall be 17,000 [Mod 97(a)] sq. m., of which a maximum gross floor area of 4,180 sq. m. for the sale and display of food shall be permitted. [Mod 97(b)]
 2. The maximum amount of gross leasable floor area of all professional or business office buildings shall not exceed 10,000 sq. m.
 3. An individual free standing office building shall not exceed 2,000 sq. m.
- iv) Development of an inter-regional multi modal transportation terminal shall be developed, in accordance with Section C.4.4 - Public Transit Network of Volume 1.

Urban Design:

- v) Prior to development of lands identified as Parcel B-1 in Area Specific USC-3 on Map SC-2, the proponent shall complete Urban Design Guidelines for development of the site, to the satisfaction of the City, in accordance with Section B.3.3 - Urban Design Policies, E.4.7.11 - District Commercial, and Policies USC-3 1.1 b) vi) - viii) below.
- vi) In addition to Section B.3.3 - Urban Design Policies, the following urban design principles shall apply to lands identified as Parcel B-1:
1. A mixture of uses and the location of the site along a major highway and at the head of an arterial road provide an opportunity for a transit supportive development.
 2. The urban form shall be compatible with the adjacent neighbourhoods and employment land uses.
 3. The proposed development shall function as a community focal point. The unique location of the site shall provide a gateway into the City, which is of high quality of design. Gateways shall promote a sense of arrival and facilitate connectivity, orientation, and 'way finding' to, and within, the site for both vehicles and pedestrians.
 4. A strong development image with an internal circulation system shall be applied. This circulation system shall include an internal

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pedestrian-friendly 'central street', which is a central gathering and focal point for the development.

5. Parcel B-1 shall be developed with a comprehensive pedestrian system for the entire site that links buildings to the central street, transit node, and adjacent neighbourhoods, with sidewalks on streets, pathways, trails, and/or pedestrian walkways.
- vii) In addition to Section B.3.3 - Urban Design Policies of Volume 1, buildings located along South Service Road and Winona Road shall:
1. Create a positive community image through the coordinated use of high quality paving materials, wide sidewalks, street furniture, pedestrian-scale lighting and signage, and enhanced landscaping.
 2. Locate drive-through stacking lanes toward the side or rear of buildings. Stacking lanes shall not face the public street.
- viii) In addition to Section B.3.3 - Urban Design Policies of Volume 1, buildings located along the 'central street' shall:
1. Incorporate buildings which address both sides of the street line in a prominent fashion to create a pleasant and attractive pedestrian experience and facilitate interaction between different activities.
 2. Encourage incorporation of design features such as varied roof lines, building fenestration, and canopies on all façades of buildings.
 3. Encourage on-street parking to provide the 'look and feel' of a public street while supporting pedestrian-friendly urban design principles.
 4. Buildings on the interior 'central street' shall be located to achieve the appearance of wide boulevards of comprising sidewalks and landscaping areas, yet create the spatial definition and a sense of enclosure that encourages a pedestrian-oriented street.

Energy and Environment:

- ix) Prior to development of lands identified as Parcel B-1 in Area Specific USC-3 on Map SC-2, the proponent shall submit Energy and Environment Design Development Guidelines for development of the site,

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to the satisfaction of the City, in accordance with Section B.3.7 Energy and Environmental Design of Volume 1.”

Based on the foregoing, the proposal conforms with the policies of the Urban Hamilton Official Plan as the proposed uses are similar to, and complement, the existing approved uses for the site, and the floor space for the development will not exceed the maximum permitted in the Special Policy Area. Staff note that the Site Plan that has been submitted addresses the design principles, and the holding provisions are being cleared.

Proposed Fruitland-Winona Secondary Plan:

The Secondary Plan was considered at the November 19, 2013, Planning Committee meeting. However, the By-law to adopt the Plan will be considered at the December 11, 2013, Council Meeting. The lands are proposed to be designated “District Commercial - Area Specific Policy - Area G” on Map B.7.4-1 - Fruitland-Winona Secondary Plan Land Use Plan. The proposed site-specific policies are essentially the same as the policies noted above for Area Specific USC-3, but also address the proposed Warehouse Membership Club that is subject to this application.

Based on the foregoing, the proposal conforms with the policies of the Council-adopted Fruitland-Winona Secondary Plan.

RELEVANT CONSULTATION

The following Departments and agencies had no comments or concerns:

- Taxation Division, Corporate Services Department.

Corporate Assets and Strategic Planning Division (Public Works Department)

advises that this property is ineligible for weekly collection of garbage, recycling, organics, as well as leaf yard waste through the City of Hamilton, as indicated by the City’s Solid Waste Management By-law No. 09-067. Collection of garbage, recycling, organics, and yard waste must be provided through a Private Waste Hauler(s). Recycling is strongly encouraged. With respect to road programming, any future development on the subject lands will be subject to further review.

Geomatics and Corridor Management Section, Engineering Services Division, (Public Works Department)

advises that the provision of vehicular movement to and from Winona Road and the Service Road at the west portion of the subject lands has been an on-going discussion item between the Applicant, Councillor, residents, and staff. Winona Road is considered a Collector road that provides vehicular access from

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south of Hwy. 8, over the Queen Elizabeth Way (QEW), to Lake Ontario. A Collector road can accommodate 24 hour traffic volumes in the range of 5,000-8,000 vehicles. Sidewalks are provided south of the rail line, and the majority of the development frontage is residential. The development of the subject lands for commercial purposes will result in increased vehicular traffic on Winona Road not originally planned for in the earlier Stoney Creek Urban Boundary Expansion (SCUBE) Transportation Master Plan.

It is acknowledged that traffic volumes will increase on Winona Road generated by the commercial development, however, it is anticipated that volumes will not exceed the upper limit of the Collector road classification. Therefore, there is not a technical justification to require restricted turning movements at Winona Road at the Service Road.

Through public input, Councillor input, and staff review, it has been identified that efforts should be made to reduce the impact of traffic on the residential property owners. It has been recommended to the Applicant that modifications to traffic flow be considered at the intersection. Modifications could comprise of physical intersection design that would permit partial access, but not full access. The intent is to reduce the traffic flow on Winona Road destined to and from the site, and also to reduce the traffic flow through the neighbourhood to the north of the QEW that provides a road connection to the North Service Road. There are three private driveways available to South Service Road for access; one will be controlled by a traffic signal. There is also the municipal intersection of South Service Road at the Service Road that will provide site access.

The Applicants have discussed the potential to fund the installation of traffic calming measures for Winona Road, rather than turning movement restrictions at the intersection with the Service Road. The intent of the traffic calming is to make Winona Road, between Barton Street and Lido Drive/Liuna Court north of the QEW, a less desirable route for through traffic. The installation of speed hump cushions has been considered, a newer design that slows passenger vehicles, but allows easier passage for larger emergency service vehicles. These devices are currently under construction on Second Road West in Ward 9.

The provision of speed cushion traffic calming is one option to consider for Winona Road, however, there is opportunity to address the roadway on a broader scale through a more intense streetscape plan. The pavement width of Winona Road, north of Barton Street, is wide, and may permit the installation of a landscaped median island. A similar landscape median could be considered at the Service Road. Enhanced tree plantings in boulevards and bump out curbs at intersections would provide a neighbourhood enhancement. Although potential design features have not been discussed at a detailed level, there is opportunity to pursue an overall calming treatment.

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In lieu of the Applicant accepting restrictive turning movements at Winona Road at the Service Road, we recommend that the Applicant agree to fund and install significant traffic calming measures on Winona Road from Barton Street northerly to Lido Drive/Liuna Court. The traffic calming measures should be implemented through a comprehensive review of the pavement width, boulevard and potential median island landscaping, speed cushion design, etc.

Site related conditions related to the Costco development:

Staff are working with the Applicant and have confirmed the driveway locations on South Service Road. Discussions regarding roadway design elements to accommodate the estimated traffic flow and proposed site driveways are approaching a detail level. We note for the information of Committee that the second driveway west of Fifty Road will be signalized. It is our expectation that the signalized driveway will be considered the main site entrance, and designed accordingly with gateway features.

1. The plan submitted with this application does not illustrate recent modifications previously considered by staff and the Applicant. We advise that staff have reviewed a 'T' intersection design on the Service Road at the main east-west driveway that fronts the Costco site (Building E). The 'T' intersection is an accepted design. However, we provide the recommendation that the offset main aisle way that leads into the gas pump stacking area and parking lot should be shifted westerly so that it aligns with the 'T' intersection to form the south leg. As illustrated on the submitted plan, it is considered a conflict point for smooth and safe traffic flow at the intersection and on the site.
2. Truck loading is proposed in front of the Costco store within the pedestrian and vehicle corridor for Costco and Wal-Mart. This truck area is not considered appropriate from a vulnerable user safety perspective, as both stores will generate pedestrian flow across the loading bays. We recommend that the truck loading entry area be modified to the east or south side of the building.
3. Further to the comments regarding traffic flow on Winona Road, we recommend that the future marketing and website information for the overall commercial site not include Winona Road as an illustrated route. Roadways such as the QEW, South Service Road, and Fifty Road should be identified as preferred routes.

The following are comments pertaining to the exterior road works:

At the signalized driveway to the site on South Service Road (per standard practice and the Transportation Association of Canada Guidelines), we do not want interference from vehicles turning into/out of parking aisles for a distance of 30m back from the signalized

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intersection. This area, referred to as the Clear Throat Area, is reserved for driveway function only, and not turning movement access into parking aisles. Details regarding aisle closures within the driveway will be confirmed at the Site Plan stage.

The municipal sidewalks should be illustrated on Fifty Road and on Winona Road, reaching south to the railway tracks and to the north over the QEW, per the OMB resolution with the residents and interest groups. The Public Works Department will be reviewing the northerly connection for pedestrian access.

We advise that the construction of a pedestrian sidewalk on Fifty Road and on Winona Road must be co-ordinated with the review of the CN railway crossing. Any signage or equipment upgrades required for the safety of pedestrians crossing the rail line must be considered by the Applicant and City.

An External Works Agreement will be required with the City at the Site Plan stage for the required road work on the municipal roadways. The works will include:

- Traffic signal installation at South Service Road at Fifty Road;
- Traffic signal installation on South Service Road at the second driveway west of Fifty Road;
- Railway interconnect with the CN crossing gate system and the new traffic signal at Fifty Road and South Service Road;
- Provision of a communication network between the two new traffic signals on South Service Road;
- Widening of Fifty Road to provide additional driving and turning lanes north and south of South Service Road, Ministry of Transportation Ontario (MTO) also approval required);
- Widening of South Service Road, east and west of Fifty Road. Widening to include the addition of dual eastbound left turn lanes on the west leg, and widening of the east leg to provide proper lane alignment;
- Construction of new municipal sidewalks on Fifty Road and on Winona Road through the property limits;
- Construction or provision of funds for sidewalks on Fifty Road and on Winona Road from the site to North Service Road;

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- Design and installation of municipal street lighting to provide required lighting levels for the pedestrian sidewalks on Fifty Road and on Winona Road;
- Widening of South Service Road to provide westbound left turn lanes at the full moves driveways and at the Service Road;
- Widening of the Service Road at South Service Road to provide northbound left and right turn lanes;
- Modifications on the Service Road to provide a 'T' intersection and incorporate the Costco gas bar entrance/exit; and,
- Potential for traffic calming features on Winona Road, between Barton Street and Lido Drive/Liuna Court.

MTO approval will also be required for portions of the above noted road upgrades.

The Applicant is advised that the dedication of additional lands beyond the standard approved ultimate right-of-way may be necessary to facilitate the required road network upgrades determined through the Traffic Impact Study (TIS) approval process. Potential daylight triangle land dedications above standard dimensions may also be necessary.

The Applicant is advised that there is the potential for a grade separated road/rail crossing on Fifty Road at the existing CN railway crossing. The City, in protecting for this potential future project, will not permit vehicular driveway access to Fifty Road from the subject lands.

Strategic Planning (Public Work Department) recommends following the Urban Hamilton Official Plan with respect to road widenings (Fifty Road at 26.213m and South Service Road at 36.576m), and the recommendations of the SCUBE Transportation Master Plan. They also advise that the City is undergoing a Pedestrian Master Plan, and this development needs to provide appropriate pedestrian amenities from the City's rights-of-way to building access points to encourage walking, consider the needs of pedestrians with disabilities (i.e. Accessibility for Ontarians with Disabilities Act regulations and barrier-free designs), and the sidewalks along the rights-of-way and through the site are required to be a minimum 1.5 m. wide. Transportation Demand Management (TDM) initiatives (i.e. adequate cycling facilities and convenient bike parking, including secured spaces) should be considered. In addition, Transit Oriented Development (TOD) Guidelines should be followed. Finally, car share opportunities should be considered.

SUBJECT: Application for an Amendment to Stoney Creek Zoning By-law No. 3692-92, for Lands Located at 1310 South Service Road, 400 Winona Road, and 395 Fifty Road, in the Former City of Stoney Creek (PED13205) (Ward 11) - Page 18 of 23

Bell Canada requests the following conditions:

1. The Owner shall agree in the Agreement, in words satisfactory to Bell Canada, to grant Bell Canada any easements that may be required for telecommunication services. Easements may be required, subject to final servicing decisions. In the event of any conflict with existing Bell Canada facilities or easements, the owner/developer shall be responsible for the relocation of such facilities or easements.
2. Bell Canada requires one or more conduit or conduits of sufficient size from each unit to the room(s) in which the telecommunication facilities are situated, and one or more conduits from the room(s) in which the telecommunication facilities are located to the street line.

If there are any conflicts with existing Bell Canada facilities or easements, the Owner/Developer shall be responsible for re-arrangements or relocations.

Hamilton Municipal Parking System has no concerns with the application, as long as it does not preclude the applicant from meeting the parking requirements in the Zoning By-law.

Public Consultation:

In accordance with the new provisions of the Planning Act and the Council-approved Public Participation Policy, Notice of Complete Application and Preliminary Circulation was sent to 64 property owners within 120 m. of the subject lands on July 10, 2013, and Public Notice signs were posted on the property on July 15, 2013. No letters or e-mails have been received.

The Notice of Public Meeting was also circulated in accordance with the provisions of the Planning Act.

ANALYSIS / RATIONALE FOR RECOMMENDATION

1. The application has merit and can be supported for the following reasons:
 - (i) It is consistent with the Provincial Policy Statement, and conforms with Places to Grow.
 - (ii) It conforms to the Urban Hamilton Official Plan and Council-adopted Fruitland-Winona Secondary Plan.

SUBJECT: Application for an Amendment to Stoney Creek Zoning By-law No. 3692-92, for Lands Located at 1310 South Service Road, 400 Winona Road, and 395 Fifty Road, in the Former City of Stoney Creek (PED13205) (Ward 11) - Page 19 of 23

- (iii) The proposed development is considered to be compatible with the existing and planned development in the immediate area.
2. The applicant has requested changes to the existing site-specific Community Shopping Centre (Holding) “SC2-4(H)” Zone in Stoney Creek Zoning By-law No. 3692-92 to include the following uses:
- Wholesale Membership Club;
 - Personal Service Shop;
 - Animal Hospital or Shelter;
 - Boarding Kennel;
 - Commercial School; and,
 - Post Office.

To ensure the proposed wholesale membership club would not have an impact on the retail market in the area, a “Warehouse Membership Club Market Demand and Impact Analysis, dated May 2013, was prepared by Tate Economic Research Inc., and was peer reviewed by a third party, Robin Dee & Associates, to verify its conclusions. While the application was submitted before the Urban Hamilton Official Plan came into effect in August, the study generally meets the intent of Policy F.3.2.7 with respect to the submission of a Commercial Needs and Impact Assessment. Staff note that unlike the Market Demand and Impact Analysis submitted with the initial applications to establish the commercial uses on the property, the current study was only required to justify the Warehouse Membership Club. The Analysis and Review indicate:

“that there is market support without the risk of negative impacts on the existing Other Non Food Oriented Retail retailers and supermarkets in the Primary Zone (see Appendix “D”) sufficient to pose a risk of closures. Therefore, no adverse impact on the planned function of the Primary Zone retail structure is anticipated.” The conclusions of the Market Demand and Impact Analysis and the Peer Review are attached as Appendices “E” and “F”, respectively.

With respect to the other uses requested, a commercial school is already permitted in the parent Community Shopping Centre “SC2” Zone, while a personal service shop is permitted in the “District Commercial” designation, therefore, the zoning is implementing the Official Plan policy. The animal hospital or shelter and boarding kennel are typically a component of the large format pet stores, while the post office is usually an outlet in a retail store (i.e. Shoppers Drug Mart). Either as a component or as a stand-alone operation, these uses are considered appropriate for the proposed development and will not undermine the planned function of the area.

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In addition, the applicant has requested a modification to the required landscape strip adjacent to a street. The requested reduction is from 5 m. to 3 m. for the southerly 78 m. of the north/south leg of Service Road (the Service Road connects Winona Road and the South Service Road). This is required to accommodate adequate parking on the proposed “Warehouse Membership Club” portion of the site, which will be a separate parcel upon the finalization of one of the consent items conditionally approved by the Committee of Adjustment on November 7, 2013 (File SC/B-13:77). Staff are of the opinion that the reduction is minor and appropriate, since landscaping will be provided, a minimum width of 3 m. is sufficient for both trees and shrubs, and it is in a location that has not been identified as a “gateway” to the development.

3. When the initial applications were approved in 2009, a “Holding” provision was placed on the property to address the following:
 - “(a) Submission and approval of Urban Design Guidelines, to the satisfaction of the Director of Planning;
 - (b) Completion of the Stoney Creek Transit Hub Feasibility Study, to the satisfaction of the Director of Strategic and Environmental Planning;
 - (c) Completion and implementation of a stormwater management study detailing requirements for quality and quantity control in accordance with the SCUBE Subwatershed Study and Parcel A and B Master Drainage Plan, to the satisfaction of the Directors of Development Engineering, and Strategic and Environmental Planning, and the Ontario Ministry of Transportation;
 - (d) Approval and implementation of the Traffic Impact Study submitted by Delcan, dated April 2009, by the Manager of Traffic Engineering and Operations, Public Works Department, and the Ontario Ministry of Transportation;
 - (e) That the owner/applicant shall submit a signed Record of Site Condition (RSC) to the City of Hamilton and the Ministry of the Environment (MOE). This RSC must be to the satisfaction of the City of Hamilton, including an acknowledgement of receipt of the RSC by the MOE, and submission of the City of Hamilton’s current RSC administration fee;
 - (f) That Sustainability Design Elements/Guidelines be prepared, submitted, and agreements implemented, to the satisfaction of Director of Planning; and,

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- (g) That the owner/applicant shall conduct an archaeological assessment of the entire development property and mitigate, through preservation and resource removal and documentation, adverse impacts to any significant archaeological resources found. No demolition, grading, or soil disturbances shall take place on the subject property prior to the approval of the Director of Planning and the Ministry of Culture, confirming that all archaeological resource concerns have met licensing and resource conservation requirements.”

Conditions (b), (c), (e) and (g) have been satisfied, except (e) still needs to be satisfied for the former Stop 50 lands. Condition (d) is close to being cleared to the City’s satisfaction. However, as per Council direction in April 2006, the removal of the “Holding” provision has been delegated to the Director of Planning once the conditions have been met and the applicant/owner submits a request, with appropriate fee, to remove the “Holding” provision, unless the Ward Councillor has requested that a staff report proceed to the Planning Committee, for its consideration. An application to remove the “Holding” provision has not been submitted and, as a result, will be required prior to development.

4. With respect to traffic, a revised Traffic Impact Study, dated July 2012, and supplementary information dated March 19, 2013, was prepared by Delcan. These documents identified the anticipated traffic volumes for the proposed development, the appropriateness (location) and types (full or restricted movements) of the proposed accesses to the site, and design of the proposed road/intersection improvements on the South Service Road, Fifty Road, Winona Road, and Winona Access Road.

While the details of the improvements have not been finalized, City staff are in general agreement with the location, types, and proposed road improvements. Staff are satisfied that these details can be finalized as part of the Site Plan Control application.

5. With respect to servicing, staff notes that Phase 3 - Implementation of the SCUBE Subwatershed Study has been completed by the City. This Study has provided recommendations in regard to the stormwater management requirements for the subject lands, identified as a part of Parcel ‘B’ in SCUBE East that shall be implemented under the future Site Plan Control application. Therefore, a requirement for lifting the ‘H’ provision identified in Section 2(c) of By-law No.09-184 has been satisfied.

The applicant has submitted a Functional Servicing Report and Stormwater Management Report for Winona Crossing, dated January 2013, by A.J. Clarke &

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Associates Ltd., and a Traffic Impact Study, dated July 2012, and subsequent Addendum, dated March 19, 2013, by Delcan, in support of the proposed Zoning By-law Amendment. These documents have identified the need for municipal works within the existing right-of-way, to support this proposal, that include but are not limited to pavement widening, installation of traffic signals, traffic calming measures, sidewalk installation, extension of the sanitary sewer and watermain to service the subject as well the external lands, etc. The completion of the required works within the existing right-of-way requires the owner to enter into an external works agreement with the City.

Sanitary Servicing – There is no existing sanitary sewer adjacent to the subject lands at this time. There is an existing 1200mm dia. trunk sanitary sewer at the intersection of Oriole Avenue and South Service Road that shall be extended to Fifty Road as part of the servicing works for the subject lands. The FSR has recommended a 600mm dia. sanitary sewer, while the Infrastructure Planning Department has recommended a 750mm dia. sewer. The size and alignment of the proposed sanitary sewer is subject to a detailed design study by the applicant. The owner will be required to enter into an External Works Agreement with the City to facilitate installation of the sanitary sewer.

Watermains – The FSR has identified that a new municipal watermain shall be constructed from Winona Road to Fifty Road, as a part of the servicing works for the subject lands, in accordance with the servicing strategy for this area. A watermain hydraulic analysis is required to be completed by the applicant as a part of detailed Engineering design for servicing of the subject lands. The owner will be required to enter into an External Works Agreement with the City to facilitate installation of the proposed watermain.

Storm Water Management – The City has identified capacity constraints in the existing storm sewer system downstream of the site. The applicant will be required to demonstrate that there is no negative impact from the proposed development on the existing storm sewer system downstream of the site, under the future site plan control application for the subject lands.

Roadworks – A 1.5m wide concrete sidewalk c/w street lights, is required to be installed by the applicant within the existing Right of Way adjacent to the subject lands, to provide for a pedestrian connection between Winona Road and Fifty Road. The owner will be required to enter into an External Works Agreement with the City to facilitate installation of the concrete sidewalk and street lights.

Review of the detailed design of the proposed municipal infrastructure works, as well the on-site stormwater management plan, will be undertaken to determine

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compliance with the recommendations of SCUBE - East Study at the Site Plan Control stage.

ALTERNATIVES FOR CONSIDERATION

If the application is not approved, the lands can be developed in accordance with the existing zoning, which permits a broad range of commercial uses subject to the removal of the Holding 'H' provision.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN:

Strategic Priority #1:

A Prosperous and Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

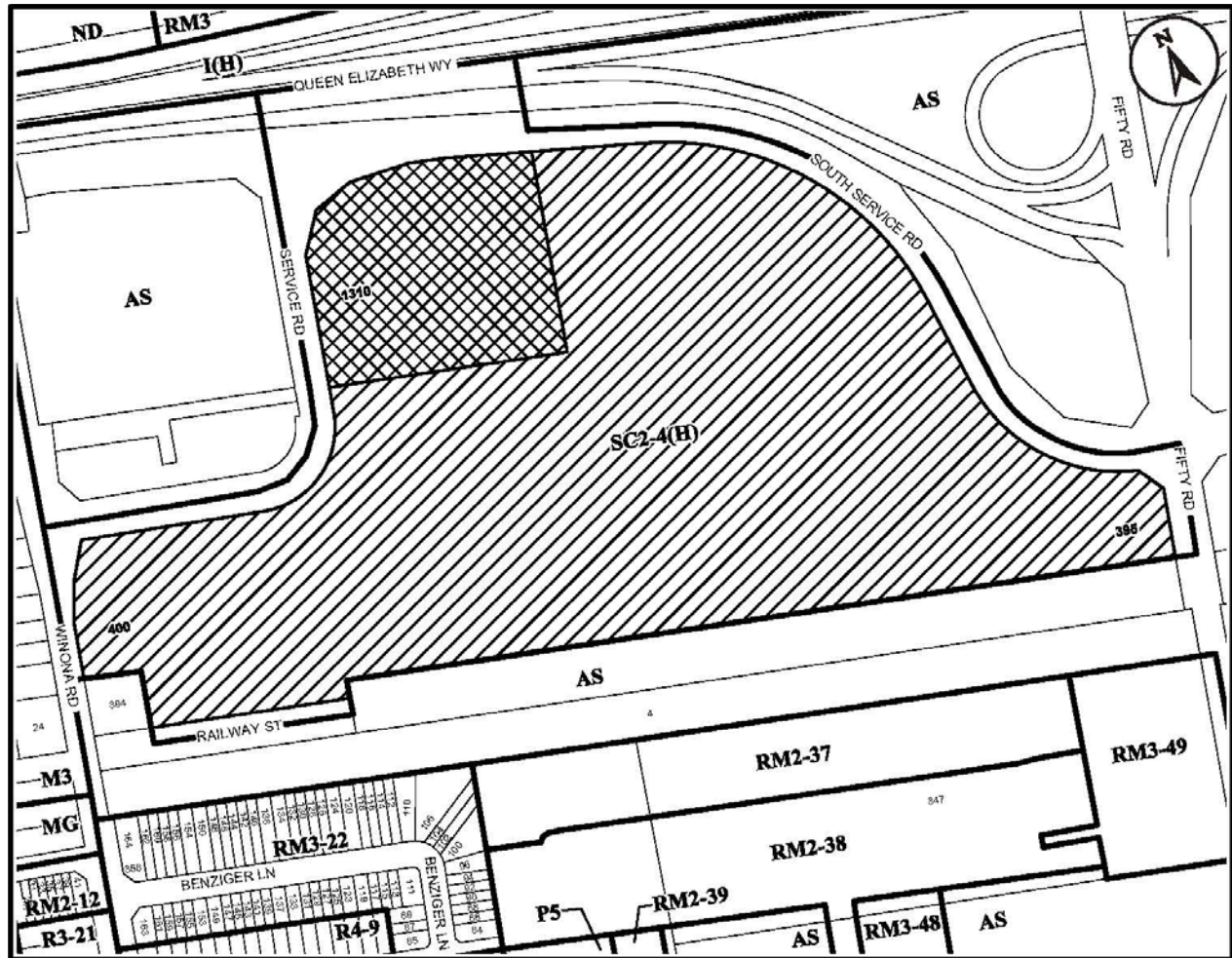
Strategic Objective:

- 1.1 Continue to grow the non-residential tax base.
- 1.7 This is a large-scale commercial development that will contribute to the non-residential tax base.

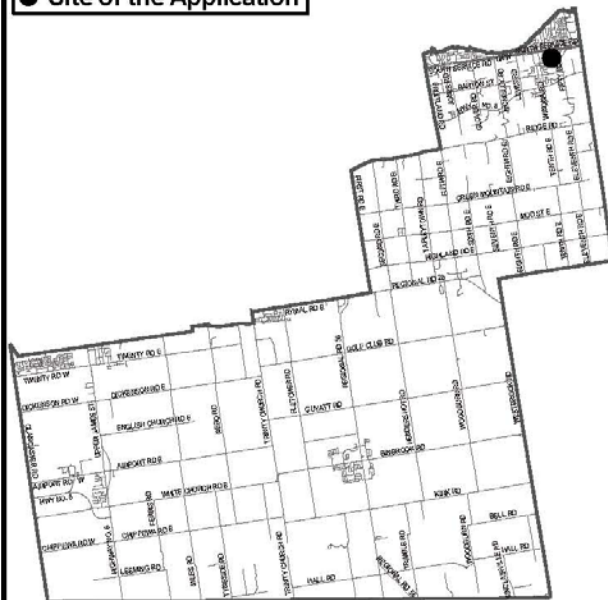
APPENDICES / SCHEDULES

- Appendix "A": Location Map
- Appendix "B": Proposed Zoning By-law Amendment
- Appendix "C": Proposed Site Plan
- Appendix "D": Market Demand and Impact Analysis Study Area Map
- Appendix "E": Excerpts from Market Demand and Impact Analysis
- Appendix "F": Excerpts from Market Demand and Impact Analysis Peer Review

:PJD
Attachs. (6)



● Site of the Application



Ward 11 Key Map

N.T.S.

Location Map



Hamilton

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

File Name/Number:
ZAC-13-019

Date:
July 3, 2013

Appendix "A"

Scale:
N.T.S.

Planner/Technician:
PD/AL

Subject Property

395 Fifty Road, 400 Winona Road &
1310 South Service Road



Block 1 - Change in Zoning from Community Shopping Centre (Holding) "SC2-4(H)" Zone to the Community Shopping Centre "SC2-4" Zone



Block 2 - Modification to the Community Shopping Centre (Holding) "SC2-4(H)" Zone

Authority: Item [REDACTED]
Planning Committee
Report [REDACTED] (PED13205)
CM: [REDACTED]

Bill No.

CITY OF HAMILTON

BY-LAW NO. [REDACTED]

**To Amend Zoning By-law No. 3692-92 (Stoney Creek)
Respecting Lands located at 1310 South Service Road, 400 Winona Road, and
395 Fifty Road**

WHEREAS the City of Hamilton Act, 1999, Statutes of Ontario, 1999 Chap.14, Sch. C. did incorporate, as of January 1st, 2001, the municipality "City of Hamilton";

AND WHEREAS the City of Hamilton is the successor to certain area municipalities, including the former area municipality known as "The Corporation of the City of Stoney Creek" and is the successor to the former Regional Municipality, namely, The Regional Municipality of Hamilton-Wentworth;

AND WHEREAS the City of Hamilton Act, 1999 provides that the Zoning By-laws of the former area municipalities continue in force in the City of Hamilton until subsequently amended or repealed by the Council of the City of Hamilton;

AND WHEREAS Zoning By-law No. 3692-92 (Stoney Creek) was enacted on the 8th day of December, 1992, and approved by the Ontario Municipal Board on the 31st day of May, 1994;

AND WHEREAS the Council of the City of Hamilton, in adopting Item [REDACTED] of Report 13-[REDACTED] of the Planning Committee, at its meeting held on the [REDACTED] day of [REDACTED], 2013, recommended that Zoning By-law No. 3692-92 (Stoney Creek), be amended as hereinafter provided;

AND WHEREAS this By-law is in conformity with the Urban Hamilton Official Plan, approved by the Minister under the Planning Act on March 16, 2011;

NOW THEREFORE the Council of the City of Hamilton enacts as follows:

1. That Sub-section 8.10.6, "Special Exemptions" of Section 8.10, Community Shopping Centre "SC2" Zone, of Zoning By-law No. 3692-92, be amended by further modifying the "SC2-4(H)" provisions, as follows:

"SC2-4(H) 1310 South Service Road, 400 Winona Road, and 395 Fifty Road, Schedule "A", Map No. 9

In addition to the uses permitted in Sub-section 8.10.2 of the Community Shopping Centre "SC2" Zone, the following uses shall also be permitted on those lands zoned "SC2-4(H)" by this By-law:

Warehouse Membership Club;
Personal Service Shop;
Animal Hospital or Shelter;
Kennel - Boarding; and,
Post Office.

For the purposes of this By-law, a "Warehouse Membership Club" shall be defined as a building or part of a building with a minimum gross floor area of 4,645 sq. m. in which there is integrated storage and sale of a wide range of food and non-food products, and which includes some or all of the following ancillary and/or accessory sales and services: outdoor display, tire installation and sales, restaurant, motor vehicle repair garage, gas bar, car washing establishment, propane dispensing, seasonal garden centre including outdoor storage, hearing aid clinic, medical clinic, pharmacy, personal service shops, and photo print centre.

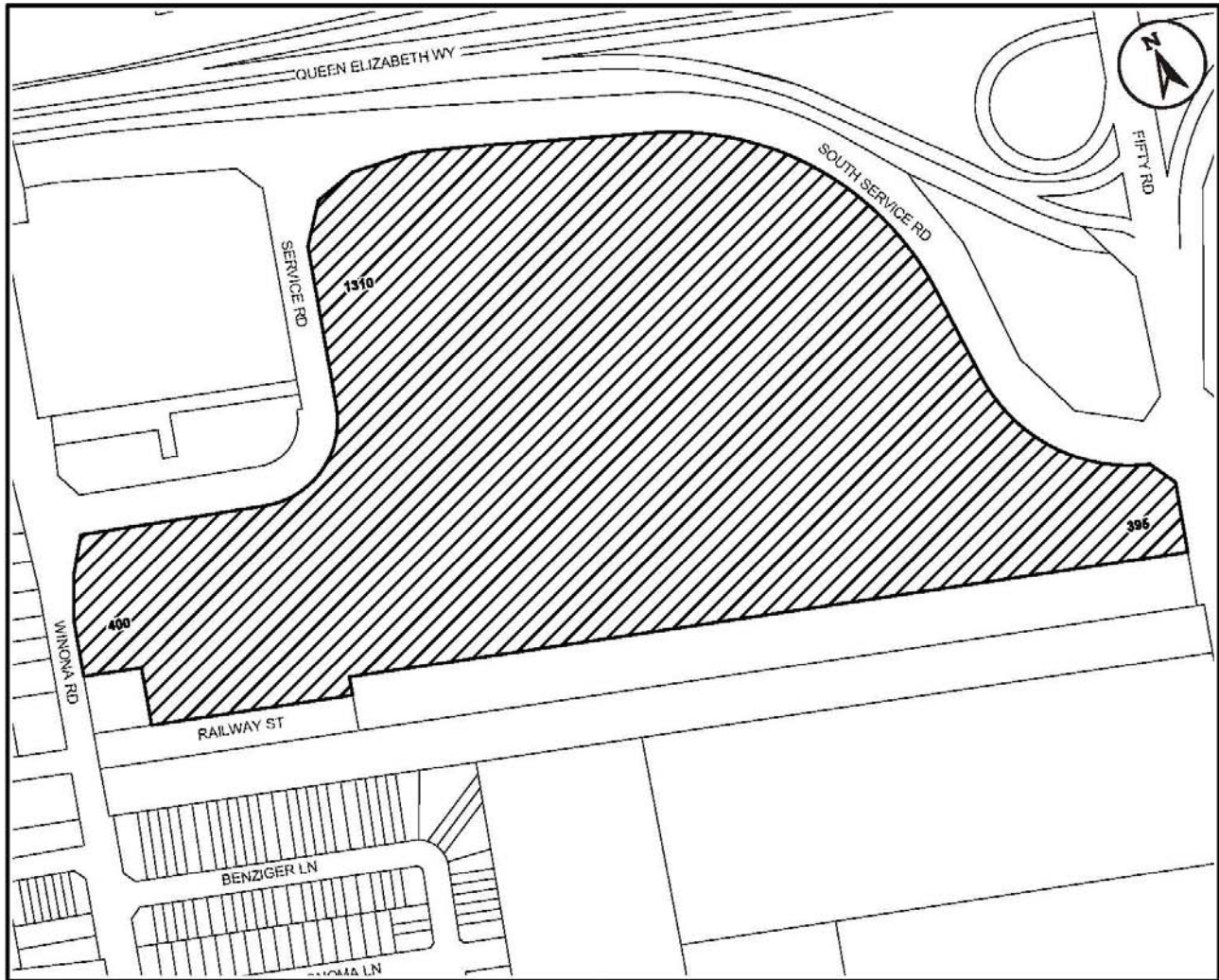
Notwithstanding Subsection 8.10.3 (j) 1., the landscape strip adjacent to the north/south alignment of Service Road shall be a minimum of 3m for the southerly 78m.

2. That no building or structure shall be erected, altered, extended or enlarged, nor shall any building or structure or part thereof be used, nor shall any land be used, except in accordance with the Community Shopping Centre "SC2" and "SC2-4" Zone provisions, subject to the special provisions referred to in Section 1.
3. That the Clerk is hereby authorized and directed to proceed with the giving of notice of the passing of this By-law, in accordance with the Planning Act.

PASSED and ENACTED this [REDACTED] day of [REDACTED], 2013.

R. Bratina
MAYOR

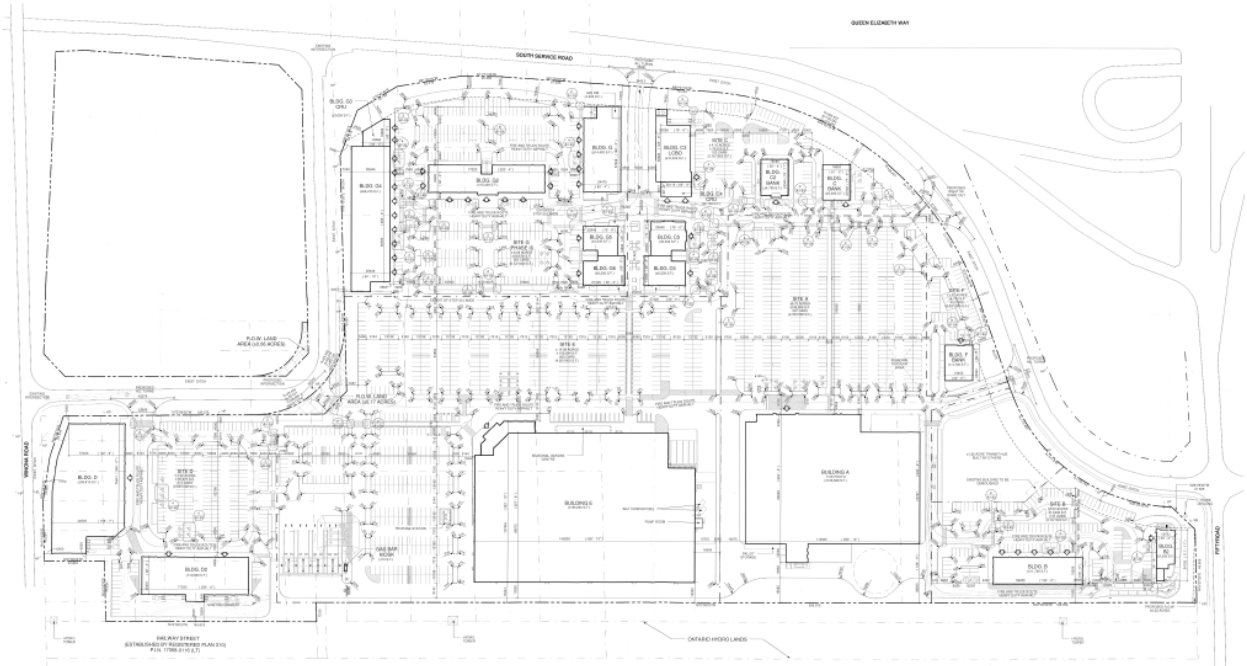
R. Caterini
CLERK



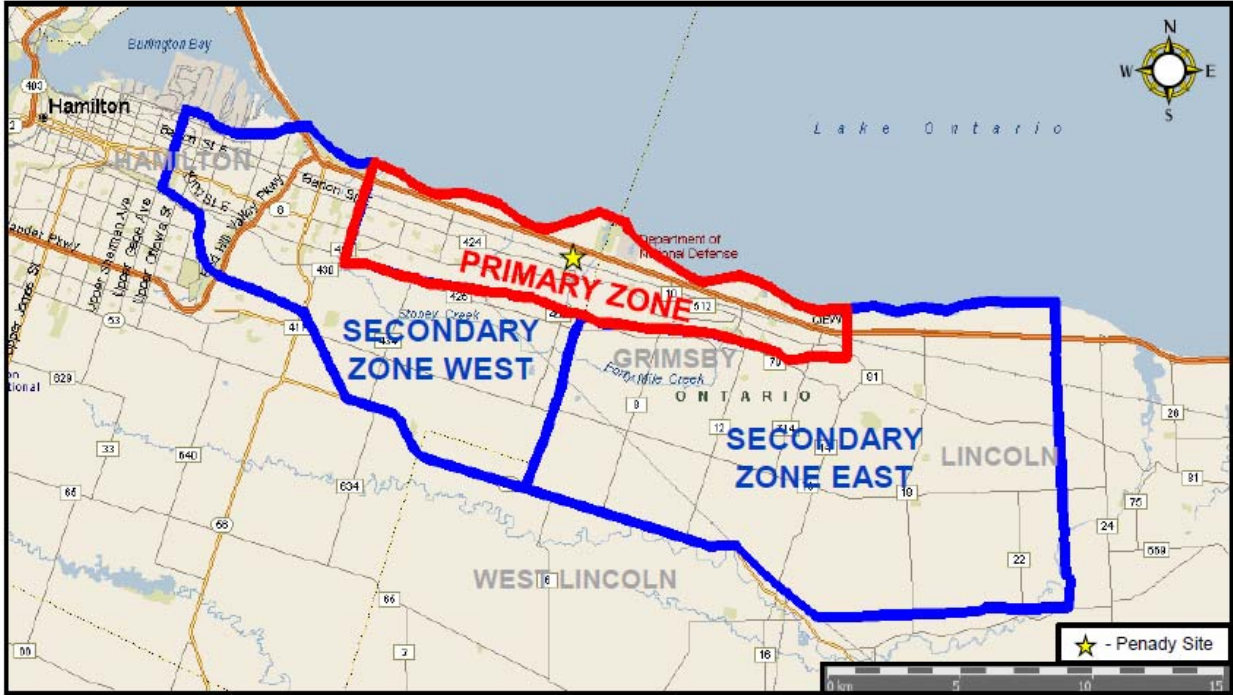
<p>This is Schedule "A" to By-law No. 13-</p> <p>Passed the day of, 2013</p>	<p style="text-align: center;">-----</p> <p style="text-align: center;">Mayor</p> <p style="text-align: center;">-----</p> <p style="text-align: center;">Clerk</p>
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<h2 style="margin: 0;">Schedule "A"</h2> <p style="margin: 10px 0 0 0;">Map Forming Part of By-law No. 13-_____</p> <p style="margin: 10px 0 0 0;">to Amend By-law No. 3692-92</p>	<p>Subject Property</p> <p>395 Fifty Road, 400 Winona Road & 1310 South Service Road</p> <p> Further Modification to the Community Shopping Centre (Holding) "SC2-4(H)" Zone</p>
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Scale: N.T.S.	File Name/Number: ZAC-13-019	
Date: October 24, 2013	Planner/Technician: PD/AL	
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT		



STUDY AREA



Conclusions

The Penady Site is an appropriate location for a WMC.

- The proposed WMC will be easily accessible to the local area residents via Fifty Road as well as from a larger area due to its proximity to the QEW. In addition, secondary access will also be available via Winona Road.
- A department store is also proposed for the Penady Development and therefore the proposed WMC use will be compatible with the overall Penady Development.

The Primary Zone contains approximately 2.34 million square feet of retail and service space. It has a low vacancy rate.

- The Primary Zone consists of a portion of City of Hamilton and the Town of Grimsby. In the Hamilton portion of the Primary Zone, the majority of retail and service space is located along Barton Street and Queenston Road (Highway 8). In the Town of Grimsby portion of the Primary Zone, the majority of retail and service space is located along Main Street in the Downtown District.
- Non Food Oriented Retail (NFOR) accounts for 40.6% (948,800 square feet) and Food Oriented Retail (FOR) accounts for 13.7% (320,500 square feet) of retail and service space.
- Of the NFOR space, furniture and building and outdoor home supply space accounts for 57.8%.
- The vacancy rate in the Primary Zone is 4.4% which is below the accepted range of 5.0% - 7.5%.

Study Area residents currently spent approximately \$63.8 million at WMC's annually.

- TER estimates Primary Zone residents spent approximately \$25.9 million at Costco's in the 2012 base year. The majority (52.8%) of this expenditure occurred at the Costco in Burlington;
- TER estimates Secondary Zone West residents spent approximately \$27.1 million at Costco's in the 2012 base year. The majority (61.9%) of this expenditure occurred at the Costco in Ancaster; and,
- TER estimates Secondary Zone East residents spent approximately \$10.8 million at Costco's in the 2012 base year. The majority (88.2%) of this expenditure occurred at the Costco in St. Catharines.



It is the opinion of TER that there is sufficient demand for a 155,000 square foot WMC at the Penady Development.

- The Study Area contains sufficient population and related WMC expenditure potential to warrant the development of a WMC at the Penady Site.

It is the opinion of TER that the introduction of a 155,000 square foot WMC will not jeopardize the viability of other existing or approved retail centres in the Primary Zone.

- A significant portion of the proposed WMC market demand will come from the recapture of expenditures being spent at Costco’s in Ancaster, Burlington and St. Catharines;
- TER estimates that the proposed WMC will result in transfer of sales from existing Primary Zone supermarkets, however the magnitude of this transfer will not result in the closure of any Primary Zone supermarkets;
- TER estimates that the proposed WMC will result in a shift in expenditures away from other non-food retail stores in the Primary Zone, however the magnitude of this shift in expenditures will not jeopardize the viability of other existing or approved retail centres in the Primary Zone.

Conclusions and Recommendations

Based on the results of this Warehouse Membership Club Market Demand and Impact Analysis, it is the opinion of TER that a WMC is warranted at the Penady Development on the basis of market demand.

Furthermore, it is the opinion of TER the introduction of a WMC at the Penady Development will not jeopardize the viability of other existing or approved retail centres in the Primary Zone.

It is the professional opinion of TER that the 155,000 square foot warehouse membership club being proposed for the Penady Development be approved on the basis of market demand and impact.



Robin Dee & Associates

REAL ESTATE COUNSELORS & ECONOMISTS

September 18, 2013

Mr. Peter De Iulio
Senior Project Manager
Development Planning, Heritage and Design (East)
Planning Division
Planning and Economic Development Department
City of Hamilton
71 Main Street West, Fifth Floor
Hamilton, Ontario
L8P 4Y5

Dear Mr. De Iulio: Re: Peer Review
 Warehouse Membership Club
 Market Demand and Impact Analysis
 Stoney Creek, Ontario

As requested, I have reviewed the above-cited market study prepared by Tate Economic Research Inc. (TER) and comment as follows:

1. The Development Proposal

Penady (Stoney Creek) Ltd. (Penady) is seeking to add a warehouse Membership Club (WMC) permission to the existing permitted uses at the proposed retail development at the southwest corner At Queen Elizabeth Way (QEW) and Fifty Road in the City of Hamilton. This retail development project is known as Winona Crossing Shopping Centre.

The current permissions on the Penady site allow 443,500 square feet (41,200 square metres) of retail service space. Penady is not requesting an increase in the total space permitted on site. The TER study examines the market demand and impact of introducing a 155,000 square foot WMC within the following assumed development scenario.

<u>Retail/Service Category</u>	<u>Square Feet</u>
Warehouse Membership Club (WMC)	155,000
Department Store	106,500
Ancillary Retail	131,500
Ancillary Service	<u>50,000</u>
<u>TOTAL PENADY DEVELOPMENT</u>	<u>443,500</u>

2. Scope of the Peer Review

In carrying out the peer review, I have not undertaken any independent survey research of the extent of the defined Study Area (expected area of influence of the proposed WMC anchored project), the shopping patterns in the Study Area, or the amount of existing competitive retail space in the defined Study Area. My approach has been to:

- a) examine the methodology employed in any original research conducted by TER;
- b) examine the general methodology employed in the analysis of the market support base for the proposed development and the specific expected impacts of that expansion;
- c) review key inputs employed in the analysis, such as, Study Area definition, population forecasts, per capita expenditure factors for Non Food Oriented Retail (NFOR) and Food Store Oriented Retail (FOR), shares of NFOR and FOR potentials accruing to WMCs and supermarkets, and Primary Zone (PZ) capture rates;
- d) where necessary, contact TER for clarification and additional explanations concerning the analysis;
- e) test the mathematical accuracy of the TER analysis by simply replicating selected analytical tables in the TER report;
- f) if necessary, in light of findings arising out of tasks a) through e) above, recast the analysis to reflect my own independent assessment of both the market which can be expected in the Study Area to support the proposed WMC and the expected impacts on the existing retail structure.

3. Peer Review Findings.

A. Original Research.

i) Licence Plate Surveys

To assist in delineating the expected area of influence of the proposed WMC at the Penady site, TER conducted licence plate surveys at two existing WMC (Costco) locations, one in Ancaster west of the Penady site and the other in St. Catharines east of the Penady site. Licence plate surveys are commonly used to provide empirical evidence of the area of influence or draw of

a particular retail facility, retail shopping centre/plaza or retail node. With the results of these licence plate surveys at hand, TER defined a Study Area representing the geographic area from which the proposed WMC at the Penady site is expected to draw the majority of its support. The defined Study Area consists of a Primary Zone (PZ) and two Secondary Zones, Secondary Zone West (SZW) and Secondary Zone East (SZE).

TER also conducted licence plate surveys at the four major supermarket locations within the Primary Zone or on the border. This information assisting in estimating the current draws of these stores and their respective market shares.

I believe these various licence plate surveys were conducted according to accepted standard practice and were appropriate research tools to provide guidance for the definition of the Study Area and assessing the current performance of existing major supermarket operations surrounding the Penady site.

ii) Competitive Retail Space Inventory.

In April of this year, TER conducted a full inventory of retail/service space in the Primary Zone and an inventory of all supermarkets throughout the Study Area.

There is some 2.34 million square feet of retail/service space currently operating in the Primary Zone, of which 948,800 square feet (40.6%) pertains to NFOR and 320,500 square feet (13.7%) is occupied by FOR operators.

There are no department stores currently operating in the Primary Zone. The dominant NFOR categories are furniture, Home Furnishings and Electronics (296,100 sq.ft.) and Building & Outdoor Home Supplies (253,200 sq.ft.).

Supermarkets in the Primary Zone currently occupy some 230,000 square feet of space.

TER has identified three retail developments proposed in the Primary Zone totalling some 99,300 square feet of which 21,000 square feet represents the proposed

expansion of the Fortinos supermarket in Fiesta Mall. Additional NFOR space proposed in the Primary Zone amounts to an estimated 45,600 square feet.

I believe this inventory of competitive retail space in the Primary Zone was conducted in accordance with standard practice. It is a critical input in the analysis of the market support available to the proposed WMC at the Penady Site and its expected impacts on the planned function of the surrounding retail structure.

iii) Consumer Telephone Survey

Consumer expenditure surveys of Study Area residents' shopping patterns are valid tools for estimating current capture rates for the various retail categories. (Capture rate is the percentage of available potential in a particular retail category in the Study Area (or division thereof) that is spent by Study Area residents locally in the market under study.

TER commissioned a telephone consumer expenditure survey of 600 residents in the defined Study Area in April of this year. Survey respondents were asked to identify their recent expenditures in all types of NFOR and FOR stores in order to ascertain the current shopping patterns of residents in each zone of the Study Area. The survey results assisted in estimating the PZ current market shares (capture rates) of available NFOR and FOR expenditure potentials and the current sales performance of existing retail operations. These results served as key inputs for market demand and impact analysis.

I believe that the design and conduct of the survey reflect standard practice in the preparation of retail market demand and impact studies.

B. Analysis Methodology

The basic methodology employed in the TER study initially estimates the total NFOR and FOR expenditure potentials available in the Study Area in 2012, the selected base year of the analysis, and in selected future years 2016, 2018, 2021, and 2026. Thereafter, PZ shares of Study Area potentials are estimated followed by estimates of the site shares that are expected to be captured by the Penady project. Addition of inflow sales from non-Study Area residents yields total site sales and an indication of the market support for the project

and its viability. Impact of the project is measured by comparing future sales performance with the Penady project in operation with sales performance in the base year 2012 prior to the entry of the Penady development.

The study approach employed in the TER study conforms generally to standard practice in the conduct of retail market demand and impact studies.

C. Study Inputs

Study inputs include definition of the Study Area, Study Area population forecast, per capita expenditure factors and projected real increases in constant dollars, the split of expenditure potentials amongst constituent retail categories, the Primary Zone capture rates of available expenditure potentials, inflow sales factors, estimated sales performance of proposed space additions in the Primary Zone including the subject site.

As a result of a careful review of these various inputs and a testing of the mathematical accuracy of the analysis by simply replicating the analytical tables in the TER report, I believe the following modifications of inputs in the analysis are worthy of testing:

- i) Real increases over the forecast period in per capita NFOR expenditures in each of the Study Area zones above the base year 2012 level are calculated at 1.5% per annum (not compounded). That rate of increase was common prior to the 2008 financial crisis. Given the economic climate and all the uncertainty that it portends for the future, I believe it is appropriate to modify the usual assumption in a study of this type concerning the expected increase in per capita NFOR expenditure beyond the base year selected for the analysis. Beyond 2012, NFOR per capita expenditures in the Study Area are modified to increase at an annual compound rate of 1.0%. (Table 4 Modified)

Similarly, for the same reason we have modified the annual real increase in FOR per capita expenditure in the Study Area down from 0.5% to 0.25% (Table 5 Modified).

- ii) In Table 6, the WMC shares of NFOR Expenditure Potential are noted to be TER estimates based on results of the in-home consumer telephone survey, an examination of the inventory of competitive space and TER professional

judgement. We have examined the background data and offer alternative WMC share estimates for sensitivity testing. The TER WMC estimates and the RDA alternative estimates are presented in Table 6A attached and incorporated in Table 6 Modified.

- iii) With alternative WMC shares of NFOR selected for testing, the Other NFOR shares of total NFOR Expenditure Potential in Table 7 are affected. The modified Other NFOR shares of total NFOR Expenditure Potential are presented in Table 6A attached and incorporated in Table 7 Modified.
- iv) In Table 8, Supermarket and Grocery Market and Impact Analysis, provision is made for the transfer of Primary Zone supermarket sales to be transferred to the Department Store (Walmart) and the WMC (Costco) at the Penady site. The transfer to the Department Store is estimated at 7.5% and the transfer to the WMC at 10% of Primary Zone supermarket sales. We believe the draw of these two major tenants could be greater than the TER estimates and have inserted the transfer to Department store at 10% and the transfer to the proposed WMC at 12.5% (Table 8 Modified).
- v) In Table D-1, Supermarket Directional Impact Analysis, the base year 2012 distribution of total Primary Zone Sales from Study Area residents is based on in-home consumer telephone results modified by TER. For sensitivity testing purposes, we have used a base year distribution more reflective of the consumer survey results and inserted our best estimate for future years of the expected change in the distribution resulting from the proposed developments of additional food oriented retail space in and on the border of the Primary Zone. (Table D-1 Modified).

D. Study Outputs

The key study outputs are reflected in the following tables;

- i) Table 6: WMC Market Demand and Impact Analysis

TER estimates the sales performance of the proposed WMC at the Penady site will rise steadily from an initial first year in 2016 level of \$780 per square foot to \$1,000 per square foot by 2026. Incorporating the modified inputs discussed above, the sales performance of the WMC is estimated to rise from an initial \$895 per

square foot in 2016 to over \$1,100 per square foot. Viable market support for the proposed Costco WMC at these performance levels is not in doubt.

ii) Table 7: Other NFOR Market Demand and Impact Analysis

The TER analysis anticipates no negative impacts of the proposed Costco entry at the Penady site on the base year average performance level of Other NFOR space in the Primary Zone. In fact, The initial impact in 2016 is estimated at +2.3% and estimated to rise to +36.4% by 2026.

With our modified analysis of the WMC entry projecting a stronger draw and hence higher sale performance of the WMC, our projected impact on the base year average performance level of existing NFOR space in the Primary Zone in the first full year 2016 is -0.5% rising to +26.6% ten years later. Impacts of this order are not critical and the viability of the existing NFOR space and hence the planned function of the retail structure are not at risk.

iii) Table D-1: Supermarket Directional Impact Analysis

The TER analysis projects the impact on average sales performance of existing Primary Zone supermarkets in 2016, the first full year of operation assumed for the Costco WMC, will amount to -7.5%. The directional impact on individual supermarkets is estimated to range from a negative -11.8% for the Real Canadian Superstore to a positive =2.4% for the small independent M&G Food market.

Factoring in the modified inputs discussed above, we project the impact on average performance of Primary Zone supermarkets in 2016 will be -13.7%. The individual directional negative impacts will range from -16.8% for the Real Canadian Superstore to -4.7% for the independent M & G Food Store. Having regard to national chain affiliations of the individual supermarkets, the level of sales performance after initial impact, and the projected recovery of sales performance beyond 2016, I do not believe any of the existing supermarkets are at risk of closure.

4. Conclusion and Recommendation.

Drawing on the Peer Review findings presented above, the conclusion offered is that there is market support for the proposed Costco WMC without the risk of negative impacts on the existing Other NFOR retailers and supermarkets in the Primary Zone sufficient to pose a risk of closures. Therefore, no adverse impact on the planned function of the Primary Zone retail structure is anticipated. In light of this finding, we recommend approval of the request to add a WMC permission to the list of permitted uses at the Penady Site.

I trust that these comments will assist you in the preparation of your planning report on the Penady application. If you have any questions, please call.

Yours truly,

Robin Dec & Associates

Robin Dec.