



April 16, 2012

Chairman Brad Clark and
Members of the City of Hamilton Planning Committee
City of Hamilton
71 Main Street West
Hamilton ON L8P 4Y5

Dear Chairman and Members of the Committee:

**OFFICIAL PLAN AND ZONING BY-LAW AMENDMENT APPLICATIONS
AUBURN DEVELOPMENT, 17 EWEN ROAD, HAMILTON**

Kraft Canada continues to be very concerned with the proposed construction of a ten storey multiple residential building with approximately 150 units for student housing immediately along the northerly property line of our Hamilton Confectionery Plant. Introducing a sensitive land use, such as a residential apartment building, in such close proximity to our Hamilton Confectionery Plant has the potential to seriously threaten the future of our operations at this site.

Kraft's Hamilton Confectionery Plant

Our Hamilton Confectionery Plant on Ewen Road has been there for over three decades. Kraft Canada acquired this facility from Cadbury Adams Canada Inc. in 2010 and has recently invested over ten million dollars in the facility to maintain its globally competitive status. Today the plant services both the U.S. and Canadian markets, with over 80% of plant output produced for the U.S. After recently moving our packaging operations from our former facility in Stoney Creek to the Ewen Road facility, the Hamilton Confectionery Plant now employs nearly 500 persons, and is an active facility that operates 24 hours a day, 7 days a week with a 3 shift rotation. The majority of the outdoor activities necessary for successful daily operations at the plant occur at the north end of the site directly abutting the proposed Auburn site. This area contains our loading docks, our truck manoeuvring area, our truck storage area and our bulk materials delivery area.

Kraft is in the process of obtaining an updated Environmental Compliance Approval (ECA) (formerly referred to as a Certificate of Approval) for the Hamilton Confectionery Plant. As part of the process, Kraft has made investments in the noise mitigation infrastructure of the Hamilton Confectionery Plant. Kraft is continuing to work with the Ministry of the Environment (MOE) to ensure that MOE requirements (NPC 205) for noise levels at the sensitive receptors (residences) in the immediate vicinity of the Plant are met. This work is nearing completion. At present, the closest sensitive receptors to the Hamilton Confectionery Plant are the residences to the south of the plant. The lands on the east, west and north of the Hamilton Confectionery Plant are primarily designated in the Official Plan, zoned and used for industrial and commercial uses.

Based on the noise assessment undertaken by Novus Environmental for Auburn Development, the Planning Staff Report notes that the noise levels at the Hamilton Confectionery Plant exceed the MOE Guidelines (NPC 205) at the existing sensitive receptors. However, the conclusions in the Novus Environmental report were based on observations made in November 2010 prior to the implementation of additional noise mitigation. Therefore, this information and conclusion is based on outdated information.

Proposed Auburn Development

Auburn Developments proposes to introduce a new sensitive land use in an area that is designated and zoned for industrial uses. The Auburn site is adjacent to the Hamilton Confectionery Plant's loading facility where the majority of the outdoor noise generating activity occurs. The industrial uses existing and permitted on the Auburn site are not considered by the MOE Noise Guidelines to be a sensitive receptor. Therefore, there is presently no requirement for Kraft Canada to meet the MOE sensitive receptor noise levels at the Auburn site. However, if the Auburn student residences are approved, it will result in the imposition of more onerous regulatory requirements on the operation of the Hamilton Confectionery Plant by virtue of the fact that there is a new sensitive receptor. There is also a high risk that noise complaints from the future residents of the Auburn development will require Kraft to make modifications to its operations, even if it meets all the applicable guidelines.

Auburn's own noise reports identify that the existing noise levels at the Auburn site do not meet the MOE standards for sensitive receptors. This is a clear indication that the Auburn site is not an appropriate location for a student residence. However, in order to accommodate the residential building at this location, Auburn proposes to seal all openings and windows on the building, including the complete enclosure of balconies. Only in this manner can this apartment complex comply with the MOE Noise Guidelines.

As noted in the noise reports prepared for Auburn Developments, MOE Guideline LU 131 provides that the acceptability of air conditioning and sealed windows as a mitigation depends on the sound level in the plane of window versus the applicable criteria, and the potential for interference with the industry's ability to obtain and maintain an ECA. Given that the sound level at the Auburn student residences is expected to be much higher than the applicable criteria, and potential affect the Hamilton Confectionery Plant's ability to maintain an ECA, the mitigation proposed by Auburn Developments is not appropriate.

While it may be possible to create a quiet indoor living area for the occupants, the proximity of such sensitive receptors may have a serious impact on the continued operation of the Hamilton Confectionery Plant. As an industry, we require assurances that we can continue to operate in the manner as we have done for many years and that we be able to adapt our operations and make new investment in this facility that allow Kraft Canada to compete in the global market place.

Land use changes such as this, present a significant concern as they are simply too close. This is evidenced by the MOE D6 Guidelines which require a minimum separation distance of at least 70m between a factory, such as ours, and any adjacent sensitive receptors. Clearly a sensitive receptor immediately to the north of our property line contravenes the MOE D6 Guidelines.

In addition to noise related issues, Kraft Canada is concerned that the Auburn development will not be compatible with the Hamilton Confectionery Plant in terms of a range of planning considerations, such as pedestrian movements and safety.

We also note that the approval of the Auburn application would not be compatible with the City's own Economic Development Strategy for 2010-2015. The strategy identifies the retention and growth of local companies as a top priority for the City. One of the key industry groups that are the focus of this strategy is the Agri-Business and Food Processing sector. Specifically, a strategic focus identified for immediate implementation is "establishing Hamilton as the major Food & Beverage manufacturing center in Ontario". Kraft Canada plays a key role in anchoring the City's food processing sector and has made significant investments in the Hamilton Confectionery Plant. Furthermore, the Auburn application is inconsistent with the policies of the new Urban Official Plan that are intended to directly and indirectly strengthen Hamilton's economic competitiveness, prosperity and resilience as envisaged by Vision 2020, the City's Strategic Plan, the Economic Development Strategy and the Growth Plan for the Greater Golden Horseshoe".

In summary, the Auburn proposed development does not represent good planning and Kraft respectfully requests that the Auburn application be denied.

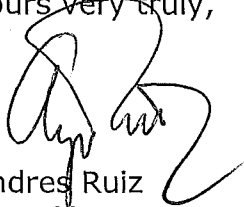
Planning for the Area Surrounding Kraft's Hamilton Confectionery Plant

Kraft Canada is committed to the City of Hamilton and is willing to work with the City in securing planning solutions that will benefit both our facility and our neighbours. However, recent municipal initiatives are suggesting that this area be converted from Industrial uses to a Neighbourhoods category allowing Residential and other sensitive receptors. The Auburn application is but one piece of this planning puzzle. Kraft opposes any land use changes which will introduce sensitive land uses in closer proximity to the existing plant. Instead we would welcome the opportunity to work with the City to establish a range of uses which can be compatible with our operation and allow us to co-exist and continue operating. Any change in planning philosophy that proposes to introduce sensitive receptors will seriously undermine our ability to remain competitive in the global environment within which we do our business.

Kraft extends an invitation to Committee members to visit the Hamilton Confectionery Plant to see our operations and the site.

We respectfully request a copy of the Committee's decision on this matter and thank you for the opportunity to make our presentation.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Andres Ruiz', written over the closing text.

Andres Ruiz
Plant Manager
Kraft Canada

Cc: Mayor Bob Bratina
Chris Murray, City Manager