



PLANNING COMMITTEE

REPORT 12-008

Tuesday, May 15, 2012

9:30 am

Council Chambers

City Hall

71 Main Street West

Hamilton, Ontario

Present: Councillors B. Clark (Chair), J. Farr (1st Vice Chair), B. Johnson (2nd Vice Chair), C. Collins, L. Ferguson, J. Partridge, M. Pearson and T. Whitehead

Absent with Regrets: R. Pasuta – Personal Business

Also Present: Councillor S. Merulla
Councillor R. Powers
T. McCabe, GM, Planning & Economic Development
M. Hazell, Senior Director, Parking & By-Law Services
T. Sergi, Senior Director, Growth Management
P. Mallard, Director, Planning
B. Janssen, Director, Strategic Services
G. Wide, Manager, Enforcement
S. Robichaud, Manager, Development Planning
V. Robicheau, Office of the City Clerk

THE PLANNING COMMITTEE PRESENTS REPORT 12-008 AND RESPECTFULLY RECOMMENDS:

- 1. Proposed Change to Part 8 of the Ontario Building Code (PED12073) (Wards 12, 14 and 15) (Item 5.1)**

That Report PED12073, respecting a proposed change to Part 8 of the Ontario Building Code, be received for information.

2. Waterdown North Master Drainage Plan Addendum and Borer's Creek Capacity Assessment (PED12084) (Ward 15) (Item 5.2)

- (a) That the General Manager, Planning and Economic Development Department, be authorized and directed to file the Waterdown North Master Drainage Plan Addendum and Borer's Creek Capacity Assessment, Municipal Class Environmental Assessment (EA), Project File Report, with the Municipal Clerk for a minimum thirty day public review period;
- (b) That upon completion of the minimum thirty day public review period, the General Manager, Planning and Economic Development Department, be authorized and directed to proceed with implementation of the preferred alternatives as outlined in Report PED12084, subject to funding approval through the Capital Budget process.

3. Re-Programming Parking Equipment to Accept New Coins (PED12086) (City Wide) (Item 5.3)

- (a) That a one-time expenditure estimated at \$55,000.00 be authorized from the Parking Reserve Account #108021 for re-programming parking equipment to accept new coins;
- (b) That staff be authorized to single source the re-programming of equipment with the original suppliers of each equipment type; J.J. MacKay Canada Limited, Electromega Ltd., and Precise Park Link Inc.

4. Hamilton Municipal Heritage Committee – Minutes 12-003 (Item 5.4)

That the Hamilton Municipal Heritage Committee – Minutes 12-003, be received.

5. Request to Designate 231 Ferguson Avenue South (Ferguson Avenue Pumping Station) (Hamilton) Under Part IV of the Ontario Heritage Act (PED12039) (Ward 2) (Tabled April 3, 2012) (Item 5.5)

- (a) That staff carry out a Cultural Heritage Assessment of 231 Ferguson Avenue South (Ferguson Avenue Pumping Station) (Hamilton) to determine whether the property is of cultural heritage value, and worthy of designation under Part IV of the Ontario Heritage Act;
- (b) That Council include 231 Ferguson Avenue South (Ferguson Avenue Pumping Station) (Hamilton) in the Register of Property of Cultural Heritage Value or Interest following consultation with the Hamilton

Municipal Heritage Committee, as per the provisions of the Ontario Heritage Act and Recommendation (e) to Report PED12039, and that staff makes appropriate amendments to the Register of Property of Cultural Heritage Value or Interest;

- (c) That if 231 Ferguson Avenue South (Ferguson Avenue Pumping Station) (Hamilton) is determined to be of cultural heritage value or interest, a Statement of Cultural Heritage Value and Description of Heritage Attributes be prepared by staff for Council's consideration for designation under Part IV of the Ontario Heritage Act;
- (d) That the Cultural Heritage Assessment work be assigned a low priority, and be added to staff's workplan for completion in 2017, as per the attached Appendix "F" to Report PED12039;
- (e) That Report PED12039 be forwarded to the Hamilton Municipal Heritage Committee for information and consultation prior to the Council-approved inclusion of 231 Ferguson Avenue South (Ferguson Avenue Pumping Station) (Hamilton) in the Register of Property of Cultural Heritage Value or Interest;
- (f) That Report PED12039 be forwarded to the Director of the Water and Wastewater Division of the Public Works Department for information;
- (g) That Report PED12039 be forwarded to the individual who requested the designation of 231 Ferguson Avenue South (Hamilton) for information.

6. Amendment to By-Law 07-170 to include Schedule (28) Tow Trucks (PED09019(d)) (City Wide) (Outstanding Business List Item) (Item 6.3)

- (a) That the Licensing By-law 07-170 be amended to require the licensing of tow truck operators and drivers, subject to the approval of items (i) and (ii) below:
 - (i) an additional 0.8 FTE for enforcement and administration based on 100% full cost recovery with no additional levy impact;
 - (ii) addition of the following license fees to the User Fees and Charges By-law:
 - (1) tow truck business operator - \$491.00 per vehicle annually;
 - (2) tow truck driver - \$118.00 per driver annually;
 - (3) Tow Truck operators/drivers must have a valid police check and driver's abstract.

- (b) That the draft by-law amendment which includes Schedule (28) Tow Trucks, attached as Appendix "A" to Report PED09019(d), prepared in a form satisfactory to the City Solicitor, be enacted.
- (c) That, staff be directed to conduct a four month public awareness and implementation campaign, with enforcement of tow truck licensing commencing on October 15, 2012.

7. Food Service Vehicles (PED12085) (City Wide) (Item 6.4)

- (a) That, in accordance with the City Council direction of March 7, 2012 that staff prepare a revised Food Truck By-law, the Licensing By-law 07-170 be amended as follows:
 - (i) by removing the requirement that food service vehicle operators obtain written permission from eating establishments within 100 metres of where the food service vehicle is located or will be stopped;
 - (ii) by adding the following requirements:
 - (1) annual proof of compliance with the Technical Safety Standards Act, 2000 (TSSA);
 - (2) no selling to the public on a road within 20 metres of a boundary of an eating establishment;
 - (3) no selling to the public:
 - (aa) for longer than 15 minutes on residential streets and for longer than three hours on all other roads;
 - (bb) on residential streets from 8:00 p.m. to 8:00 a.m. daily and between 1:00 a.m. and 8:00 a.m. daily on any road;
 - (cc) on a road within 100 metres of the boundary of a Special Event as defined by the City's Special Event Policy;
 - (dd) within the Hess Village Entertainment District from 2:30 a.m. to 8:00 a.m.;

- (4) must move 250 metres (minimum) between stopping for selling to the public on any road;
 - (5) no idling of an internal combustion engine for longer than three minutes within three metres of a habitable room's door, window or other opening;
 - (6) require an operator to keep a log of all stops including address, times and dates;
 - (7) require an operator to move if, in the opinion an Officer, the location is or may become undesirable for reasons of safety or interference with access to any property;
 - (8) to provide a water and grease disposal/spill containment plan;
 - (9) must be a minimum 1.5 metres from any property line while selling on private property;
- (b) That the Licensing By-law 07-170 be amended by deleting Schedule 19 (Refreshment Vehicles) and replaced with Schedule 6 (Food Service Vehicles), and that the draft by-law attached as Appendix "B" to Report PED12085, prepared in a form satisfactory to the City Solicitor, be enacted;
- (c) That the new Food Services Vehicles By-law be monitored and a review be brought forward to the Planning Committee prior to the Summer of 2013;
- (d) That the review recommended in the item (c) above include a license fees review and comparison with the fees of other Ontario municipalities;
- (e) That staff report back on:
- (i) Definition on how 20 metre is measured;
 - (ii) How is auxiliary engine noise controlled and maintained to reduce noise to an acceptable level;
 - (iii) Clarity for special events are approved by event organizers;
 - (iv) Allowing any of the BIA's to opt-out;
 - (v) Investigate alternative parking provisions for Food Truck operators parked at municipal parking metres.

8. Hamilton Municipal Heritage Committee – Report 12-003 (Item 8.1)

- (a) That the Friends of the Erland Lee Museum be nominated for the Ontario Heritage Trust, Community Leadership Program;
- (b) That the necessary paperwork be completed by the Education and Communication Sub-Committee, prior to the due date.

9. Review of Approved Applications ROPA-10-002, OPA-10-012, ZAC-10-035, and 25T-201005 for Lands Known as 1125-1185 Wilson Street West (Ancaster) (PED11102(a)) (Ward 12) (Item 8.2)

- (a) That the Retail Market Demand and Impact Analysis, prepared by urbanMetrics Inc. for Trinity Development Group Inc., for lands known as 1125-1185 Wilson Street West (Ancaster), attached hereto as Appendix “A”, be received.
- (b) That the Peer Review of the above-noted market study, prepared by Robin Dee & Associates Real Estate Counsellors and Economists, attached hereto as Appendix “B”, be received.
- (c) That Council reaffirms its approval of Applications ROPA-10-002, OPA-10-012, ZAC-10-035, and 25T-201005 for 1125-1143 Wilson Street West (Ancaster), as noted by the recommendation of Report PED11102, approved by Council on July 7, 2011.
- (d) That Report PED11102(a), including the recommendations, be presented to the Ontario Municipal Board as the City’s written recommendations further supporting the approval of ROPA-10-002, OPA-10-012, ZAC-10-035, and 25T-201005 for 1125-1143 Wilson Street West (Ancaster).

10. Review of Paid Parking in Stoney Creek, Waterdown and Ancaster (PED11104(b)) (Wards 9, 12 and 15) (Item 8.3)

- (a) That no action be taken on any further review of commercial paid parking for the areas of Stoney Creek, Waterdown and Ancaster;
- (b) That the annual revenue shortfall of \$676,000.00 resulting from the 2010 City Council direction that paid parking in Stoney Creek, Ancaster and Waterdown not apply to off-street carparks, and the 2012 direction to remove the on-street parking meters in Stoney Creek and Waterdown, be dealt with during the 2013 Budget process.

FOR THE INFORMATION OF COUNCIL:**(a) CHANGES TO THE AGENDA**

The Committee Clerk advised of the following changes to the Agenda:

DELEGATION REQUESTS

- 4.5 Delegation Request from Marcel Benoit, respecting Report PED12085 Food Service Vehicles (for today's meeting)
- 4.6 Delegation Request from Kathy Drewitt, respecting Report PED12085 Food Service Vehicles (for today's meeting)
- 4.7 Delegation Request from Lynn Page, respecting Report PED12085 Food Service Vehicles (for today's meeting)
- 4.8 Delegation Request from Adam Hynam-Smith, respecting Report PED12085 Food Service Vehicles (for today's meeting)
- 4.9 Delegation Request from Sandie Susi, respecting Report PED12085 Food Service Vehicles (for today's meeting)
- 4.10 Delegation Request from Dennis Wood, respecting Report PED11102(a), Review of Approved Applications ROPA-10-002, OPA-10-012, ZAC-10-035, and 25T-201005 for Lands Known as 1125-1185 Wilson Street West (Ancaster) (for today's meeting)
- 4.11 Delegation Request from John Ennis, respecting Report PED09019(d) Amendment to By-Law 07-170 to include Schedule (28) Tow Trucks (for today's meeting)
- 4.12 Delegation Request from Phyllis Kraemer, respecting Report PED12085 Food Service Vehicles (for today's meeting)
- 4.13 Delegation Request from Sid Friedman, respecting Report PED12085 Food Service Vehicles (for today's meeting)
- 4.14 Delegation Request from Jim Godina, respecting Report PED12085 Food Service Vehicles (for today's meeting)

CONSENT ITEMS

- 5.5 Request to Designate 231 Ferguson Avenue South (Ferguson Avenue Pumping Station) (Hamilton) Under Part IV of the Ontario Heritage Act (PED12039) (Ward 2) (Tabled April 3, 2012)

PUBLIC HEARINGS AND DELEGATIONS

- 6.2 Delegation from Jason Velenosi, respecting trap grease removal/pumping within the City of Hamilton (be removed)

- 6.4 Food Service Vehicles (PED12085) (City Wide)

(i) Correspondence

- (a) Correspondence from David Adames, Hamilton Chamber of Commerce**

- 6.6 Ancaster Wilson Street Secondary Plan and Official Plan Amendments (PED12078) (Ward 12)

(i) Correspondence

- (a) Correspondence from Matt Johnston, IBI Group**

The Agenda for the May 15, 2012 meeting of the Planning Committee was approved, as amended.

(b) DECLARATIONS OF INTEREST

None.

(c) APPROVAL OF MINUTES

(i) May 1, 2012

The Minutes of the May 1, 2012 Planning Committee meeting were approved.

(d) DELEGATION REQUESTS

The following delegation requests be approved:

- 4.1 Delegation Request from John Norris, respecting Report PED09019(d) Amendment to By-Law 07-170 to include Schedule (28) Tow Trucks (for today's meeting) (Item 4.1)
- 4.2 Delegation Request from Graeme Smith, respecting Report PED12085 Food Service Vehicles (for today's meeting)
- 4.3 Delegation Request from Joe Stanicak, respecting Report PED12085 Food Service Vehicles (for today's meeting)
- 4.4 Delegation Request from Daniel Rodrigues, respecting Report PED12085 Food Service Vehicles (for today's meeting)
- 4.5 Delegation Request from Marcel Benoit, respecting Report PED12085 Food Service Vehicles (for today's meeting)
- 4.6 Delegation Request from Kathy Drewitt, respecting Report PED12085 Food Service Vehicles (for today's meeting)
- 4.7 Delegation Request from Lynn Page, respecting Report PED12085 Food Service Vehicles (for today's meeting)
- 4.8 Delegation Request from Adam Hynam-Smith, respecting Report PED12085 Food Service Vehicles (for today's meeting)
- 4.9 Delegation Request from Sandie Susi, respecting Report PED12085 Food Service Vehicles (for today's meeting)
- 4.10 Delegation Request from Dennis Wood, respecting Report PED11102(a), Review of Approved Applications ROPA-10-002, OPA-10-012, ZAC-10-035, and 25T-201005 for Lands Known as 1125-1185 Wilson Street West (Ancaster) (for today's meeting)
- 4.11 Delegation Request from John Ennis, respecting Report PED09019(d) Amendment to By-Law 07-170 to include Schedule (28) Tow Trucks (for today's meeting)
- 4.12 Delegation Request from Phyllis Kraemer, respecting Report PED12085 Food Service Vehicles (for today's meeting)
- 4.13 Delegation Request from Sid Friedman, respecting Report PED12085 Food Service Vehicles (for today's meeting)

- 4.14 Delegation Request from Jim Godina, respecting Report PED12085 Food Service Vehicles (for today's meeting)

(e) PUBLIC HEARINGS AND DELEGATIONS

(i) Delegation from Janice Brown, respecting the Durand Neighbourhood Association's position with respect to the fire escape at 130 Herkimer St., Hamilton

Ms. Brown provided an overview of her presentation with the aid of speaking notes. A copy of the speaking notes have been included in the public record.

The delegation from Janice Brown, respecting the Durand Neighbourhood Association's position with respect to the fire escape at 130 Herkimer St., Hamilton, was received.

Staff provided an overview of the zoning and fire requirements that are associated with apartment dwellings such as the example provided by Ms. Brown. Discussion involved, but was not limited to: options for having both fire and planning work together to prevent similar situations to the example at 130 Herkimer St.; historical requirements that cause legal non-conforming issues; whether or not the fire code overrides zoning by-laws of official plan requirements;

Councillor Farr clarified with staff if the city would be able to remove the fire escape on the 130 Herkimer St., Hamilton. Mr. McCabe advised that it is not possible to do so.

Staff is to review the relevant planning policies through the comprehensive zoning by-law review in an effort to prevent the erection of front yard fire-escapes in the future.

(ii) Delegation from Jason Velenosi, respecting trap grease removal/pumping within the City of Hamilton (Item 6.2)

This item was removed at Changes to the Agenda.

(iii) Amendment to By-Law 07-170 to include Schedule (28) Tow Trucks (PED09019(d)) (City Wide) (Outstanding Business List Item) (Item 6.3)

Marty Hazell, Senior Director, Parking and By-law Services, provided an overview of the report and the background of licensing of tow trucks.

Bill Young, Director, Municipal Law Enforcement, provided an overview of the proposed changes to the by-law.

The staff presentation respecting Report PED09019(d), Amendment to By-Law 07-170 to include Schedule (28) Tow Trucks, was received.

Registered Speakers:

1. John Norris – PO Box 47594, Centre Mall, Hamilton, ON L8H 7S7

Mr. Norris provided an overview of his comments with the aid of speaking notes. A copy of the speaking notes has been included in the public record.

The presentation respecting PED09019(d), Amendment to By-Law 07-170 to include Schedule (28) Tow Trucks, was received.

2. Gale Daley – 858 Nebo Rd., RR2 Hannon, Hamilton, ON L0R 1P0

Ms. Daley provided an overview of her concerns regarding the extra fees, the need for public education, and the issues that arise with body shops.

The presentation respecting PED09019(d), Amendment to By-Law 07-170 to include Schedule (28) Tow Trucks, was received.

3. John Ennis – 60 Commerce Valley Dr. E, Thornhill, ON L3T 7P9

Mr. Ennis provided an overview of his comments with the aid of speaking notes. A copy of the speaking notes has been included in the public record.

The presentation respecting PED09019(d), Amendment to By-Law 07-170 to include Schedule (28) Tow Trucks, was received.

4. Ann Akkermans – 2485 Campbellville Rd., RR2 Campbellville, ON L0P 1B0

Ms. Akkermans provided an overview of her concerns with the fees, cost that may be additional due to liability, driver tracking and recording, transporting tows outside of the City and written estimates.

The presentation respecting PED09019(d), Amendment to By-Law 07-170 to include Schedule (28) Tow Trucks, was received.

The public hearing respecting Report PED09019(d), Amendment to By-Law 07-170 to include Schedule (28) Tow Trucks, was closed.

As per staff Report PED09019(d), Amendment to By-Law 07-170 to include Schedule (28) Tow Trucks, that a new recommendation was added as follows:

- (a) (ii) (3) Tow Truck operators/drivers must have a valid police check and driver's abstract.

And further that By-Law 07-170, be amended accordingly.

For disposition on this item, refer to item 6.

(iv) Food Service Vehicles (PED12085) (City Wide) (Item 6.4)

Al Fletcher provided an overview of the report and responded to questions from Committee together with Marty Hazel and Tim McCabe.

The staff presentation respecting Report PED12085, Food Service Vehicles, was received.

Registered Speakers:

1. Graeme Smith – Gorilla Cheese

Mr. Smith expressed his support for food trucks as a business and positive addition to the community as well as creating a strong food culture. He also commented on misconceptions and resistance that faced by Food Service Vehicles.

Discussion included, but was not limited to: parking; BIA fees; and the current separation from eating establishments.

The online petition respecting Report PED12085, Food Service Vehicles, was received.

The presentation respecting Report PED12085, Food Service Vehicles, was received.

2. Joe Stanicak – West Town Bar and Grill

Mr. Stanicak expressed concern with parking on Locke Street. He also asked if he can sell on the street (patios). He also addressed how the exhaust systems must be set back off of the property and why this does not apply to food trucks. Additionally, he commented

on parking on the street and attracting people who either stand on the street or block the sidewalk and may use restrooms or other facilities that the food service vehicles do not provide.

The presentation respecting Report PED12085, Food Service Vehicles, was received.

3. Marcel Benoit – Smokes Pouterie

Mr. Benoit expressed his support for the report as a proactive approach. He agreed that there should be limited permits or limits on area visits. He owns a restaurant and is now moving into the mobile industry.

The presentation respecting Report PED12085, Food Service Vehicles, was received.

4. Kathy Drewitt – Downtown Hamilton BIA

Ms. Drewitt expressed support, on behalf of the Downtown Hamilton BIA, for the by-law and having mobile food service vehicles while ensuring public safety is upheld.

The presentation respecting Report PED12085, Food Service Vehicles, was received.

5. Lynn Page – Concession Street BIA

Ms. Page expressed concerns over an incident where a verbal agreement was made and a truck was parked in a no stopping zone in a prime location next to the hospital. This concern sparked the need for fairness to restaurants as the major anchor for business is the hospital. The main concerns of the Concession Street BIA are parking and the desire for food service vehicles to obtain permission from the BIA.

The presentation respecting Report PED12085, Food Service Vehicles, was received.

6. Leah Higin and Bob Wilkins – Ancaster BIA

Ms. Higin expressed concern over the limited parking within the BIA. Removing one parking space does remove business from the BIA. Ms. Higin provided diagrams that address the Ancaster BIAs desire for the boundary limitations.

The presentation respecting Report PED12085, Food Service Vehicles, was received.

7. Susan Braithwaite – Hamilton International Village

Ms. Braithwaite expressed support for food service vehicles and that restaurants and food trucks, through good communication and by working together, can complement and coexist. She also indicated that a Hamilton Association of Food Trucks may help to promote communication.

The presentation respecting Report PED12085, Food Service Vehicles, was received.

8. Patty Hayes – Ottawa Street BIA

Ms. Hayes addressed the Committee with her support of the food service vehicles and indicated that stopping the food truck movement would be very difficult to do. She also expressed that the Ottawa Street BIA does not require further consultation and that the Ottawa Street BIA will be working on a food truck policy for visiting food service vehicles.

The presentation respecting Report PED12085, Food Service Vehicles, was received.

9. Adam Hynam-Smith – El Gastronomo Vagabundo

Mr. Hynam-Smith addressed some of the concerns expressed by others.

The presentation respecting Report PED12085, Food Service Vehicles, was received.

10. Sandie Susi – Upper Gage Garage

Ms. Susi expressed her support for the food trucks as a business option for her garage. In the winter, they would provide seating and coffee for the trucks and she has seen close to 80 new customers that may be liked to the food truck coming to her business.

The presentation respecting Report PED12085, Food Service Vehicles, was received.

11. Phyllis Kraemer – Dundas BIA

Ms. Kraemer expressed that the special events which draw in food service vehicles and the current by-law as unsolicited food trucks may set up outside of the special event boundary. She commented that the good food service vehicle operators are not the issue, the by-law is needed for those who are not a positive business in the community. In other jurisdictions, there are committees who decide who receives food service vehicle licenses.

The presentation respecting Report PED12085, Food Service Vehicles, was received.

12. Sid Friedman – Ontario Food Trucks Association

Mr. Friedman outlined examples of positive interactions between businesses and food trucks and the options where restaurants start food trucks and vice versa. The Ontario Food Trucks Association supports the proposed by-law amendments.

The presentation respecting Report PED12085, Food Service Vehicles, was received.

13. Jim Godina – Dobro Jesti

Mr. Godina outlined why food trucks are a viable business model.

The presentation respecting Report PED12085, Food Service Vehicles, was received.

14. Daniel Rodrigues – ORHMA

Mr. Rodrigues expressed the concerns of ORHMA with the aid of speaking notes. A copy of the speaking notes has been included in the public record.

The presentation respecting Report PED12085, Food Service Vehicles, was received.

15. Josie Rudderham – 163 Robinson St., Hamilton, ON L8P 1Z6

Ms. Rudderham spoke in support of the by-law. Sells bread to Gorilla Cheese.

The presentation respecting Report PED12085, Food Service Vehicles, was received.

16. Demetrea Murphy – 219 Dundurn St. S, Hamilton, ON

Ms. Murphy expressed concerns with parking. Refreshment vehicles are taking parking spots from her customers.

The presentation respecting Report PED12085, Food Service Vehicles, was received.

The correspondence from David Adames, Hamilton Chamber of Commerce, respecting Report PED12085, Food Service Vehicles, was received.

The public meeting respecting Report PED12085, Food Service Vehicles, was closed.

The recommendations for Report PED12085, Food Service Vehicles, were amended by adding a new item (f), as follows:

- (f) That staff report back on:
 - (i) Definition on how 20 metre is measured;
 - (ii) How is auxiliary engine noise controlled and maintained to reduce noise to an acceptable level;
 - (iii) Clarity for special events are approved by event organizers;
 - (iv) Allowing any of the BIA's to opt-out;
 - (v) Investigate alternative parking provisions for Food Truck operators parked at municipal parking metres.

For disposition on this Item, refer to item 7.

(v) Application for Amendments to the Town of Ancaster Official Plan and Zoning By-law No. 87-57 for Lands Located at 411 and 421 Kitty Murray Lane (Ancaster) (PED12081) (Ward 12) (Item 6.5)

In accordance with the provision of the Planning Act, Chair B. Clark advised those in attendance that if a person or public body does not make oral submissions at a public meeting or make written submissions to the Council of the City of Hamilton before Council approves the Official Plan and Zoning By-law amendment, the person or public body is not entitled to

appeal the decision of the Council of the City of Hamilton to the Ontario Municipal Board, and the person or public body may not be added as a party to the hearing of an appeal before the Ontario Municipal Board unless, in the opinion of the Board, there are reasonable grounds to do so.

No members of the public came forward.

The public hearing respecting Report PED12081, Application for Amendments to the Town of Ancaster Official Plan and Zoning By-law No. 87-57 for Lands Located at 411 and 421 Kitty Murray Lane, was closed

Liam Doherty, the representing the applicant, provided an overview with the aid of a PowerPoint presentation. The presentation has been included in the public record.

The presentation respecting Report PED12081, Application for Amendments to the Town of Ancaster Official Plan and Zoning By-law No. 87-57 for Lands Located at 411 and 421 Kitty Murray Lane, was received.

Report PED12081, Application for Amendments to the Town of Ancaster Official Plan and Zoning By-law No. 87-57 for Lands Located at 411 and 421 Kitty Murray Lane, was tabled to the June 19, 2012 meeting of the Planning Committee.

(vi) Ancaster Wilson Street Secondary Plan and Official Plan Amendments (PED12078) (Ward 12) (Item 6.6)

In accordance with the provision of the Planning Act, Chair B. Clark advised those in attendance that if a person or public body does not make oral submissions at a public meeting or make written submissions to the Council of the City of Hamilton before Council approves the Official Plan and Secondary Plan amendment, the person or public body is not entitled to appeal the decision of the Council of the City of Hamilton to the Ontario Municipal Board, and the person or public body may not be added as a party to the hearing of an appeal before the Ontario Municipal Board unless, in the opinion of the Board, there are reasonable grounds to do so.

Public Speakers:

- (1) John Ariens – Suite 200, East Wing, 360 James Street North, Hamilton ON L8L 1H5

Mr. Ariens spoke to the provision regarding the walkways and that this item be deferred until the provisions are met.

The presentation respecting Report PED12078, Ancaster Wilson Street Secondary Plan and Official Plan Amendments, was received.

The public hearing respecting Report PED12078, Ancaster Wilson Street Secondary Plan and Official Plan Amendments, was closed.

Committee supported the recommendations contained in Report PED12078, Ancaster Wilson Street Secondary Plan and Official Plan Amendments, with exception to the provisions in the following motion:

Report PED12078, Ancaster Wilson Street Secondary Plan and Official Plan Amendments, was tabled and that staff be directed to report back to the Planning Committee with proposed revisions to the Secondary Plan to provide for future trail connections to the open space lands from the properties fronting on Wilson Street, including, but not limited to 437 Wilson Street (Mount Mary lands).

(f) DISCUSSION ITEMS

- (i) Review of Approved Applications ROPA-10-002, OPA-10-012, ZAC-10-035, and 25T-201005 for Lands Known as 1125-1185 Wilson Street West (Ancaster) (PED11102(a)) (Ward 12) (Item 8.2)**

Registered Speakers:

- (1) Mary Bull – 65 Queen Street W, Suite 1400, Toronto, ON M5H 2M5

Ms. Bull addressed the Committee with the aid of speaking notes. A copy of the speaking notes has been included in the public record.

The presentation respecting Report PED11102(a), Review of Approved Applications ROPA-10-002, OPA-10-012, ZAC-10-035, and 25T-201005 for Lands Known as 1125-1185 Wilson Street West, was received.

For disposition on this Item, refer to item 9.

(g) NOTICES OF MOTION

Councillor Farr introduced the following Notice of Motion:

(i) Hess Village Paid Duty Program

WHEREAS on December 6th, 2011, Staff were requested to investigate a means of returning to a 50/50 paid duty policing cost sharing model for Hess Village bar and restaurant operators;

WHEREAS this request was among many made at the December meeting (subsequently approved by Council) which included a report back before the start of the patio season;

WHEREAS the patio season is upon us;

THEREFORE BE IT RESOLVED THAT any solution be implemented retroactively to the start of the 2011 patio season.

(h) GENERAL INFORMATION AND OTHER BUSINESS**(i) Outstanding Business List Amendments (Item 11.1)**

The following items were removed from the Outstanding Business List:

- (a) Item B: Tow Truck Licences
- (b) Item E: 17 Ewen Road
- (c) Item X: Resolution Mun. of East Ferris change to Part 8 of the Ontario Building Code

(ii) News from the General Manager (Item 11.2)

The General Manager provided updates of several current initiatives within the department.

(i) PRIVATE AND CONFIDENTIAL**(i) Closed Session Minutes – May 1, 2012 (Item 12.1)**

The Closed Session Minutes of the May 1, 2012, meeting of the Planning Committee were approved, as presented, and are to remain confidential and restricted from public disclosure.

CARRIED

(j) ADJOURNMENT

There being no further business, the Planning Committee adjourned at 6:05 p.m.

Respectfully submitted,

Councillor B. Clark
Chair, Planning Committee

Vanessa Robicheau
Legislative Coordinator
Office of the City Clerk
May 15, 2012



1 INTRODUCTION

urbanMetrics inc. has been retained by Trinity Development Group Inc. ("Trinity") to undertake a Retail Market Demand and Impact Analysis for a proposed retail development at 1125-1185 Wilson Street West in the Ancaster portion of the City of Hamilton. The site is located on the north side of Wilson Street West, to the west of Shaver Road.

The proposed development is expected to include a retail centre of approximately 425,000 square feet. This centre is expected to be anchored by a 142,000 square foot Lowe's Home Improvement Warehouse. Other components may include a department store and a supermarket, as well as a range of non-food store retail ("NFSR") stores and a selection of services.

This Retail Market Demand and Impact Analysis examines the potential impact of the proposed development on the existing and planned retail commercial structure in the City of Hamilton. The analyses and appendices contained in this report provide our detailed study findings and conclusions.

1.1 BACKGROUND

The subject site is currently designated Arterial Commercial. Many of the proposed uses, including Lowe's and several of the other retail and service uses, are permitted. Trinity submitted an application for approval of a Draft Plan of Subdivision and amendments to the Regional Official Plan, the Ancaster Official Plan and Zoning By-law 87-57 in order to increase the range of permitted uses to include a department store, a supermarket and other retail and service uses that are not currently permitted on the site.

City of Hamilton planning staff and Council supported and approved the subject amendments, subject to certain restrictions. However, Calloway Real Estate Investment Trust Inc. ("Calloway"), owners of the commercial centre located on the south side of Wilson Street known as the Ancaster SmartCentre, have appealed this approval to the Ontario Municipal Board. Calloway have expressed concerns as to the potential impact of the proposed development on the existing and proposed retail commercial structure in Hamilton, particularly on their existing centre, and that Trinity provided no market justification for their development.

This Retail Market Demand and Impact Analysis has been prepared in support of Trinity's proposed development. It assesses the potential impact of the development on the existing and planned retail commercial structure in the City of Hamilton, as contemplated by:

- Section 3.1.6 of the former Region of Hamilton-Wentworth Official Plan, which is still in force;

- Section 5.5.5.v of the former Town of Ancaster Official Plan, which is also still in force; and
- Sections E.4.2.1 and F.3.2.7 of the amalgamated City of Hamilton's recently approved Urban Hamilton Official Plan, which has been appealed to the Ontario Municipal Board and is not currently in force.

The precise configuration of the proposed development is not known at this time. In order to assess the effects of the various components that may be built at this location, two possible configurations of this development have been examined in this market study. The first configuration, which we refer to as Scenario A, is assumed to include:

- the 142,000 square foot Lowe's Home Improvement Warehouse;
- a 100,000 square foot department store;
- 90,000 square feet of other NFSR stores;
- a 50,000 square foot supermarket; and
- 43,000 square feet of services.

An alternative configuration of the proposed development, which we refer to as Scenario B, is assumed to include:

- the 142,000 square foot Lowe's Home Improvement Warehouse;
- 170,000 square feet of other NFSR stores;
- a 50,000 square foot supermarket; and
- 63,000 square feet of services.

1.2 APPROACH

We have implemented the following work plan in order to prepare this Retail Market Demand and Impact Analysis.

1. Site and Access Evaluation

We examined the subject site and assessed its suitability for the types of retail and service uses proposed in terms of its physical characteristics, accessibility and compatibility with surrounding land uses.

2. Trade Area Delineation

We conducted customer origin licence plate surveys at the Ancaster SmartCentre, which is located on the south side of Wilson Street West, across the street from the subject site, and in Downtown Ancaster, which extends some three to four kilometres to the east of the site.

The results of these surveys, together with our knowledge of local market characteristics, were used to delineate a Trade Area for the proposed development. The Trade Area represents the area from which this development is expected to obtain the majority of its sales support.

The Trade Area was divided into a Primary Zone and two Secondary Zones to account for differing income and expenditure patterns exhibited by residents living in these diverse areas. These differences are illustrated through the demographic analysis and the results of the telephone consumer survey undertaken as part of this study.

3. Inventory of Existing and Proposed Competition in the Primary Zone

We inventoried all retail stores located in the Primary Zone of the Trade Area, including all food store retail ("FSR") and non-food store retail ("NFSR") facilities. The inventory included all retail store categories proposed in the development at the subject site, including every department store, home improvement centre and supermarket.

The Primary Zone is the area that would be most directly affected by the proposed development, and so has served as the focus for our Retail Market Demand and Impact Analysis. Other major commercial areas located in the balance of the Trade Area and beyond were not inventoried, but their influence was recognized in our market analysis.

We also identified other planned and proposed retail developments in the Primary Zone and elsewhere in or near the Trade Area, based on publicly available information and discussions with City of Hamilton staff. These planned facilities were recognized in our market analysis.

4. In-Home Telephone Survey of Trade Area Residents

A consumer expenditure survey of 600 Trade Area residents was undertaken to determine the current shopping patterns of those living in each zone of the Trade Area. The survey included questions relating to all types of FSR and NFSR stores, as most of the new space at the proposed development is expected to be occupied by such facilities.

The survey results were used to estimate the market share and sales performance of existing stores in the market and to establish the current outflow of expenditures from the Primary Zone. These results served as key inputs into our market analysis.

5. Trade Area Population, Income and Expenditure Assessment

The population, per capita income and retail expenditures within the different zones of the Trade Area were estimated based on various sources, including Statistics Canada and City of Hamilton data. In our analysis, the total FSR and NFSR expenditure potential available from residents living in each zone of the Trade Area was forecast for various years of the study period. We used 2011 as the base year in our analysis, and assumed that 2014 would be the first full year of operation for the new stores developed in the project. Future years were

also considered, including 2016, 2019, 2021 and 2031, to assess the longer term impact of the proposed development.

6. Calculate Market Demand

Separate residual market analyses were undertaken for the specific FSR and NFSR categories that may be included in the proposed development in order to estimate the existing and future market opportunity available to the proposed retail facilities in this development. Both tenant mix scenarios that we assume may be developed at the subject site were examined, while other proposed retail developments in the Primary Zone were also considered.

The following methodology was used to complete the detailed market demand analysis for each tenant mix scenario:

- Existing Primary Zone shares (i.e. the portion of Trade Area residents' expenditures made at stores in the Primary Zone) were estimated based on the results of the in-home telephone survey.
- Future Primary Zone shares were forecast over the study period based on our estimates of the opportunity to increase local capture rates and reduce the outflow of expenditures to retail locations outside the Primary Zone.
- The residual potential in each store category, or the net additional growth in future expenditures, was calculated.
- Sales transfers from existing shopping facilities within the Primary Zone were estimated.
- Inflow sales from persons residing outside the Trade Area were estimated. This includes the potential expenditures available from employees working in the area, tourists and occasional visitors to the area.

7. Evaluate Impacts

Based on the foregoing analysis, we identified the potential impacts on specific stores or shopping areas within the Primary Zone that may be created by the stores proposed in the subject development and other possible retail developments in that zone. The issue of market impact was addressed in terms of impact on the planned function of the various shopping areas located throughout the Primary Zone, and in particular the Ancaster SmartCentre, whose owner has appealed the subject application to the Ontario Municipal Board.

1.3 ASSUMPTIONS

There are a number of underlying and basic assumptions upon which the validity of the findings presented in this report depend. Based on our considerable and long term experience

in the retail planning process, we recognize and appreciate the problems associated with making broad and generalized assumptions about future conditions.

In undertaking a market analysis, the intent is to make assumptions about the future that are intended to be a consultant's best estimate, given their market knowledge and use of survey research. Typically, a consultant is aiming for a margin of error in their analysis within the $\pm 5\%$ to 10% range. Survey research in itself usually has a margin of error of $\pm 5\%$; however it may be higher depending on the number of respondents answering specific questions. Of course no one can predict the future; however it is important that any assumptions be realistic and based on a thorough understanding of existing shopping patterns, inflow sales opportunities, market characteristics and economic conditions.

Undoubtedly, deviations from historic and current trends will take place in the future. However, basic assumptions are required regarding the possible extent of such deviations. These basic assumptions are:

- During the forecast period discussed in this report, a reasonable degree of economic stability will prevail in the Province of Ontario and specifically in the City of Hamilton.
- Estimates of future population change in the Trade Area have been based on historic trends and available municipal forecasts, which are assumed to be reliable for the purpose of this study.
- The official statistical sources utilized in this study, which are based largely on Statistics Canada publications that have been footnoted where used, are considered sufficiently accurate for the purposes of this analysis (i.e. for historic and current population, income and expenditures).
- All references to the Canadian dollar in this report dealing with present and future periods reflect its 2011 value. It is recognized that fluctuations in the absolute value of the dollar are likely to occur during the period covered by this study. It is assumed, however, that the relationship between per capita income and expenditure levels will remain more or less constant during the period analyzed. Since this study deals with future space additions, inflation must be eliminated, since it has no influence on the physical space used in retail facilities. However, real growth (excluding inflation) in expenditures has been acknowledged in this analysis.
- Based on our assessment of the time required to obtain planning approvals and construct the proposed development, the new facilities at the site are not expected to begin operating until well into 2013 at the earliest. Therefore, we have assumed that 2014 would be the first full year of operation for the proposed development.

If, for any reason, major changes occur which would influence the basic assumptions stated above, the recommendations contained in this study should be reviewed in light of these changed conditions and revised, if necessary.

8 CONCLUSIONS

This study has examined the impact of an approximately 425,000 square foot retail development proposed by Trinity Development Group Inc. for a 31.04 acre (12.56 hectare) site located at 1125-1185 Wilson Street West in the Ancaster portion of the City of Hamilton. The key findings of the study are summarized below:

- The site is located along the north side of Wilson Street West, approximately 500 metres west of Shaver Road. The site is currently designated Arterial Commercial, but is mostly occupied by agricultural uses. The land is generally flat and would be suitable for the retail and service facilities contemplated for the proposed development.
- The site is located across the street from the Ancaster SmartCentre, an established retail centre containing a Wal-Mart Supercentre, a Canadian Tire store and a number of other retailers and services. Agricultural uses and open space surround the site to the east, north and west, with the Ancaster Industrial Park located just west of the site. The proposed development would not conflict with the existing range of uses located in proximity to the site, and would complement the retail uses located across the street.
- The site is directly accessible from Wilson Street, which is the primary arterial route through Ancaster. The interchange between Wilson and Highway 403, located about one kilometre east of the site, provides regional accessibility from a broader area.
- The Trade Area of the proposed development, representing the geographic area from which the facilities at the development would derive the majority of their sales volume, extends: northeast to the combination of Highway 6, Highway 403 and the Niagara Escarpment; east to Trinity Church Road; south and west to the municipal border between the City of Hamilton and the County of Brant; and north to Concession 6 West. The Trade Area has been divided into three separate zones: the Primary Zone; Secondary Zone West; and Secondary Zone East.
- The population of the Trade Area is estimated at 258,800 persons in 2011 and is forecast to grow steadily to about 303,200 persons by 2031. The additional population in the Trade Area will generate demand for additional retail stores and services to meet the needs of local residents.
- Trade Area residents have an average per capita income level that is just 0.3% below the provincial average. This results in the Trade Area and each of its zones having average retail expenditure levels that are very similar to the provincial average.
- The Primary Zone presently includes more than 2.1 million square feet of retail space. Among the existing facilities are: two department stores (Wal-Mart and Zellers), one

home improvement centre (Home Depot), a Canadian Tire store and nine supermarkets. There are currently only 108,100 square feet of vacant retail and service space in the Primary Zone, resulting in a vacancy rate of 5.1%.

- A consumer expenditure survey of Trade Area residents revealed a high level of outflow from the Primary Zone. Outflow from the Primary Zone amounted to 43.5% for department stores; 52.9% for building and outdoor home supply stores; 56.2% for all other non-food store retail ("NFSR") stores; and 58.7% for supermarkets and grocery stores. The opportunity to recapture even a small portion of these outflow expenditures would provide a considerable level of market support for new facilities locating in the Primary Zone.
- Two alternative configurations of the new space at the proposed development have been evaluated by our retail market demand and impact analysis:
 - Scenario A would include a 142,000 square foot Lowe's Home Improvement Warehouse, a 100,000 square foot department store, 90,000 square feet of other NFSR facilities, a 50,000 square foot supermarket and 43,000 square feet of services.
 - Scenario B would include a 142,000 square foot Lowe's Home Improvement Warehouse, 170,000 square feet of other NFSR facilities, a 50,000 square foot supermarket and 63,000 square feet of services.
- Additional retail facilities are expected to be developed at three other locations in the Primary Zone: the Ancaster SmartCentre; Ancaster Crossing; and the Meadowlands Power Centre. It has also been announced that the existing Zellers store in the Primary Zone will be replaced by a Target department store in 2013. These changes were recognized in this study.
- A significant expansion of the retail facilities at the Clappison's Corners power node, located just outside the northern boundary of the Trade Area, was recently approved by the City of Hamilton. A considerable amount of additional retail and service space is expected in this area in the future.
- The various additional retail facilities in the Primary Zone and beyond, including the different components that may be developed at the subject site, have been evaluated in our retail market analysis. Although these new facilities will affect the performance of existing retailers, as a result of the current strength of existing retailers and the rate of market growth expected in the future, the proposed development will not cause any critical sales impacts on existing retail facilities.

Based on these findings, it is our professional opinion that the proposed retail development at the subject site is warranted and would not adversely affect the economic health of existing nearby shopping districts, including the traditional core of Ancaster.

Robin Dee & Associates
REAL ESTATE COUNSELORS & ECONOMISTS

April 13, 2012

Ms. Kate Mihaljevic, BES
Planner II, Development Planning Section (West)
Planning and Economic Development Department
City of Hamilton
71 Main Street West, 5th Floor
Hamilton, ON
L8P 4Y5

Dear Ms. Mihaljevic:

**RE: Peer Review
Retail Market Demand and Impact Analysis
1125-1185 Wilson Street West
Ancaster, Ontario**

As requested, I have reviewed the above-cited market study prepared by urbanMetrics inc. (UMI) for Trinity Development Group. In the course of the review, I have requested additional information and data from the consultant and received prompt responses. I set out below my comments as follows.

1. The Proposed Development

The subject site is located at 1125-1185 Wilson Street West in the Ancaster community in the City of Hamilton. The site is on the north side of Wilson Street West, west of Shaver Street and across the street from the Ancaster SmartCentre containing a large Walmart Supercentre.

The precise configuration of the development is not known at this time. To assess the market support for and the impacts of the various components that may be built, UMI have examined the following two development scenarios.

	<u>Scenario A</u>	<u>Scenario B</u>
	<u>(Square Feet GLA)</u>	
Lowe's Home Improvement Warehouse	142,000	142,000
Department Store	100,000	-
Non Food Retail Stores (NFSR)	90,000	170,000
Supermarket	50,000	50,000
Services	43,000	63,000
TOTAL	<u>425,000</u>	<u>425,000</u>

2. Scope of the Peer Review

In carrying out the peer review, I have not undertaken any independent research, such as, a licence plate survey at any existing retail operations/nodes in Ancaster, a telephone survey of the defined study area residents' shopping patterns for selected retail store types, or compiled an inventory of existing retail/service space in the study area. My approach has been to:

- a) examine the methodology employed in the conduct of any original research by UMI;
- b) examine the general methodology employed in the analysis of the market support base for additional retail/service space in the Primary Zone of the defined study area and the expected impacts of proposed additional facilities, including the development at the subject site, on existing Primary Zone operations.
- c) review key inputs employed in the analysis, such as, study area definition, population forecasts, per capita Non Food Retail Store(NFSR) and Food Store Retail(FSR) expenditure factors, shares of NFSR potential attributable to the various retail categories, supermarket share of FSR potential, and Primary Zone capture rates.
- d) if necessary in light of findings arising out of tasks a), b), and c) above, recast the analysis to reflect my own independent assessment of the market which can be expected in the study area over the medium term to support additional retail facilities;
- e) in the context of the forecast market base, examine the expected impacts of projected additional retail facilities in the Primary Zone on existing retail operations.

3. Peer Review Findings.

A. Original Research.

1. Licence Plate Survey

One of the key inputs in a market demand and impact study is the definition of the trade area for the proposed

project. The trade area for a retail/service project is typically defined to encompass the geographical area from which the project is expected to obtain between 75% and 95% of its sales support on a regular basis. Sales originating from beyond the defined trade area are defined as "inflow sales".

A survey conducted at the location of existing competition in the community is an accepted method of obtaining empirical data to support the trade area defined for analyzing the market support for a proposed project in the same community. The survey can take either of two forms: either an intercept survey of shoppers exiting existing retail facilities who are asked their place of residence and how much they have just spent, or a survey of the licence plates of shoppers exiting the stores. The place of residence of the shopper or the owner of the licence plate, based on data from the Ministry of Transportation, is plotted on a map and provides an accepted guideline for defining a trade area for the proposed facilities that will account for x% of its regular sales support.

A licence plate survey was conducted by UMI over a three-day period in August 2011 at two locations:

- At the existing Ancaster SmartCentre across the road from the subject site
- In Downtown Ancaster

I assume the licence plate survey was conducted in accordance with standard practice.

Some 370 licence plate numbers were recorded at each location. The recorded licence plate numbers were submitted to the Ministry of Transportation for conversion to corresponding dissemination area data and subsequently mapped by UMI to reveal the geographical distribution of shoppers. A Trade Area was defined and the survey results revealed that just over 60% and 70% of total shoppers at the Ancaster SmartCentre and in Downtown Ancaster respectively originate from within the defined Trade Area.

The defined Trade Area comprises three zones. The Primary Zone is the area surrounding the subject site and the area within which the future spending patterns of

residents will be most influenced by the proposed development of the subject site. Abutting the northwest boundary of the Primary Zone is the Secondary Zone West. The Secondary Zone East is located immediately east of the Primary Zone.

I concur with the Trade Area defined for the purposes of examining the market implications of the proposed development at the subject site.

2. Survey of Trade Area Residents' Expenditure Patterns

Another key input in a market demand and impact analysis is the base year estimate of the share of expenditure potential in the hands of Trade Area residents that flows to, or is captured by, existing facilities in the Primary Zone. This share flowing to the Primary Zone is commonly referred to as the Primary Zone capture rate.

It is important to employ an accurate base year Primary Zone capture rate since that will provide the basis for generating a defensible estimate of the base year or current total sales of existing space in the Primary Zone. The base year Primary Zone capture rate furthermore provides the point of departure for projecting what change in the future Primary Zone capture rate can reasonably be expected upon entry of expected new space in the Primary Zone.

The accepted method of obtaining defensible estimates of base year Primary Zone capture rates by retail category in the Trade Area would be to conduct a random telephone survey of Trade Area residents asking them by retail category where they have shopped in the recent past and how much they spent. Analysis of the results would provide an empirical measurement of the base year or current Primary Zone capture rate by store type.

In October 2011, UMI commissioned a random in-home telephone survey of some 600 Trade Area residents' shopping patterns for the various store types analyzed in the study. I believe the survey was conducted according to accepted standard practice and the results provide a reliable guide to base year Primary Zone capture rates by retail category.

3. Inventory of Competitive Space

In order to provide an assessment of the current Primary Zone retail inventory, UMI carried out a field survey in September/October 2011 of all retail stores located in the Primary Zone.

The Primary Zone in 2011 contained a total of 2.2 million square feet of retail space made up of 465,000 square feet of FSR stores, nearly 1.5 million square feet of NFSR space, 42,900 square feet of other retail stores. Vacant space amounted to 108,100 square feet, a vacancy rate of 5.1 % which is indicative of a healthy retail structure.

The largest concentration of retail space in the Primary Zone is the Meadowlands Power Centre (MPC) containing 823,000 square feet, equivalent to 39.2% of total Primary Zone retail space. The NFSR space at this location amounts to some 743,000 square feet, about half of total NFSR space in the Primary Zone. Major stores in the MPC include Home Depot (120,100 square feet), Costco warehouse membership club (116,900 square feet) and a Zellers department store (102,400 square feet).

The second largest concentration of retail space in the Primary Zone is across the street from the subject site in the Ancaster SmartCentre and the abutting Ancaster Crossing. This retail node accounts for 270,000 square feet of retail space composed almost entirely of NFSR space, including a Walmart SuperCentre (152,900 square feet) and Candian Tire (60,500 square feet).

The Primary Zone contains nine supermarkets that collectively occupy a total of 373,500 square feet of space and include the following banners:

- 2 Food Basics
- 2 Fortinos
- 1 Sobeys
- 3 Metro
- 1 No Frills

UMI has identified three other projects in the Primary Zone that are expected to add retail space to the existing inventory besides the development proposed at the subject site. These are:

Ancaster SmartCentre (20,000 sq.ft. NFSR and 5,000 sq.ft. services)

Ancaster Crossing (20,000 sq.ft. NFSR and 24,000 sq.ft. other retail)

Meadowlands Power Centre (30,000 sq.ft. NFSR)

Target Corporation has announced its intention to open Target department stores at many of the Zellers locations for which it acquired the leasehold interests early in 2011, including the Zellers store at the MPC. Although this will not add additional physical space, the conversion is expected to significantly improve the sales performance of this facility and has been recognized by UMI in their market demand and impact assessments of future NFSR operations in the Primary Zone.

It is not usual to cite and consider proposed retail developments outside the Primary Zone and the Trade Area in market studies of this type. However, in this instance UMI has identified the potential for an additional 653,000 square feet of retail/service space in the Clappison's Corners power node which is situated just outside the northern boundary of the Trade Area along both sides of Dundas Street east of Highway 6 in the community of Waterdown. The market study conducted by UMI recognizes that development of these facilities in Waterdown will influence the future spending patterns of residents in the Secondary Zone West.

I am satisfied that UMI has accounted for both existing retail facilities in the Primary Zone and those expected to enter the local market and influence future Trade Area spending patterns in the Primary Zone.

B. Study Methodology

The study methodology employed by UMI to evaluate the market support for, and the impacts of, the entry of new retail facilities into the local Primary Zone market in essence is a two step analysis.

Step one is to calculate total sales in the Primary Zone for the given retail category in the base year and at selected future forecast dates. Total base year sales are then subtracted from projected future sales to yield

estimates of the increase in sales over the base year, defined as Residual Potential. Residual Potential is then divided by appropriate sales per square foot planning factors to yield estimates of Warranted Additional Space in the Primary Zone at selected intervals over the forecast period. Warranted Additional Space estimates provide the basis for an initial assessment of the expected ease of entry of new space into the Primary Zone. Where the Warranted Additional Space exceeds the amount of new space anticipated in the Primary Zone beyond the base year, adverse impacts on existing operations in the Primary Zone across the board are not expected. Where the Warranted Additional Space is less than the amount of new space anticipated in the Primary Zone beyond the base year, adverse impacts on existing operators are expected and further analysis is required.

Step two of the study methodology is to prepare a directional impact analysis in which the sales per square foot performance levels of individual major retailers or individual retail nodes over the forecast period are estimated and the impacts on base year performance calculated. The results of the directional impact analysis provide the basis for drawing conclusions as to whether the proposed space additions in the local market are likely to place existing operators at risk of closure and thereby impair the planned function of the local retail structure.

The study methodology employed by UMI in this report reflects standard practice in studies of this kind.

D. Key Study Input Changes and Consequent Impacts

I have tested the mathematical accuracy of the UMI analysis by simply replicating the analytical tables in the report and found no issues. Subsequently I have used the same analytical model to trace the effects of modifying selected inputs as discussed below, adding the word "MODIFIED" to the TABLE #.

I have reviewed the inputs and assumptions employed by UMI in their market study and believe that the following changes are in order to provide an independent and more appropriate evaluation of both the expected market base available to support new space additions in the local Primary Zone market and their potential impacts on the

operations of existing facilities and the planned function of the retail structure.

1. Per Capita NFSR Expenditures and NFSR Potential -
Scenario A
(See Figure 6-1 (MODIFIED))

At the time of undertaking their study, full-year retail trade statistics for 2011 were not available and UMI extrapolated available year-to-date data to estimate full-year expenditure for Ontario. I have inserted the full-year data for Ontario in Figure 6-1.

Real increases over the forecast period in per capita NFSR expenditures in each of the Trade Area zones above the base year 2011 level are calculated at 1.5% per annum (not compounded). That rate of increase was common in market studies prior to the 2008 financial crisis. Given the econic experience since 2008 and considering the current economic climate and all the uncertainty that it portends for the future, I believe it is appropriate to modify the usual assumptions in a study of this type concerning the expected increase in per capita NFSR expenditure levels beyond the base year selected for the analysis. Beyond 2011, NFSR per capita expenditures in the Trade Area are modified to increase at an annual compound rate of 1.0%.

While FSR per capita expenditure real increases at a rate of 0.5% per annum was commonly used prior to 2008, UMI have elected in this study to employ a rate of 0.25% per annum (not compounded). I concur with this decision.

2. Department Store Analysis Scenario A (See Figure 6-2
(MODIFIED))

Scenario A envisages a department store of some 100,000 square feet being developed at the subject site. Given the presence of Walmart across the street and the projected conversion of the existing Zellers in the MPC to a Target department store, it is appears safe to assume that the department store tenant will be a banner not currently operating in the Hamilton CMA. Under this assumption, recognizing that the contemplated changes in the department store competition in the Primary Zone will have their greatest influence on Primary Zone residents' department store spending pattern, we increased the expected future capture rate in the Primary Zone from 50%

to 57.5%. We have increased the sales per square foot planning factors for calculating Warranted Additional Department Store Space in the Primary Zone by \$50 per square foot across the board and have made a similar assumption with respect to the estimated sales performance levels assigned to the department store at the subject site and the Target store projected to enter the MPC.

3. Department Store Impact Analysis Scenario A (See Figure 6-3 (MODIFIED)).

The upshot of these input changes in the analysis is that the impact on the existing Walmart department store in the Primary Zone emerges in 2014 at -10.5% compared to -12.9% in the UMI analysis. By 2016, the impact on the Walmart store declines to -8%. The conclusion drawn from these modifications to the analysis is that even with the higher sales performances assigned to both the proposed department store at the subject site and the conversion of the Zellers store to a Target banner in the MPC, the existing Walmart is not expected to be at risk of closure.

4. Building and Outdoor Home Supply Store Analysis A (See Figure 6-4 (MODIFIED)).

The input changes in this table are the lower BOHSS expenditure potential due to the lower NFSR potential shown in Figure 6-1(MODIFIED) and an increase of \$50 per square foot in the sales assigned to the Proposed home improvement centre at the subject site.. With those changes, the average impact on existing BOHSS facilities in the Primary Zone emerges at -23.5% in 2014. This compares with the UMI estimate of -15.5%.

5. Building and Outdoor Home Supply Store Impact Analysis Scenario A (See Figure 6-5 (MODIFIED))

Turning to the directional impact analysis we note that in 2014 the estimated impact on the existing Home Depot in the Primary Zone in 2014 is -25.1% and -18.6% on all other Primary Zone BOHSS facilities. However, the resultant sales per square foot levels are shown at \$670 for the Home Depot and \$548 for the balance of BOHSS space in the Primary Zone. At these after impact performance levels, there is no risk of any closures in the Primary Zone that would impair the planned function of the retail structure.

6. Other NFSR Store Analysis Scenario A (See Figure 6-6 (MODIFIED)).

Other NFSR expenditures in this analysis are also more conservative than the UMI estimates. This in turn leads to lower estimates of Warranted Additional Square Feet of Other NFSR space beyond the base year. Average impact on all existing Other NFSR space emerges at -5.0% in 2014, slightly higher than the -3.4% shown in the UMI analysis.

7. Other NFSR Store Impact Analysis Scenario A (See Figure 6-6 (MODIFIED)).

In this directional impact analysis, the nodes showing the highest initial impacts in 2014 are the MPC and the Ancaster SmartCentre? Ancaster Crossing nodes at -6.8% and -5.9% respectively. None of the nodes including these two are at any risk of incurring closures that would impair the planned function of the retail structure.

8. Scenario B Analyses (See MODIFIED Scenario B Tables)

Scenario B development concept for the subject site envisages the department store component being replaced by additional NFSR and Services space. I have rerun the analyses for the BOHSS and the Other NFSR components of the project under Scenario B employing input modifications similar to those used in the Scenario A analyses.

The differences in impacts with the modified inputs compared to the UMI impacts are not material. With no critical impacts identified, there are no risks of closures expected in the BOHSS or Other NFSR retail groups under Scenario B.

E. Food Store Retail (FSR) Analysis

I noted earlier that in looking beyond the base year 2011, UMI assumes a real increase in per capita FSR expenditure of 0.25% per annum (not compounded) compared to the more typical rate of 0.5% per annum used in market studies prior to 2008. I believe this is an appropriate assumption for the analysis.

The Ontario per capita FSR expenditure figure in the UMI study based on partial-year statistics is \$2192. The figure based on full-year data is estimated at \$2187. The difference in these estimates is negligible and has no effect on the FSR analysis conclusions.

I have reviewed the other inputs in the FSR analysis and take no issue with any of them. As such, I concur with the proposed introduction of a 50,000 square foot supermarket at the subject site is not expected to create critical impacts on any of the existing supermarkets and grocery stores currently operating in the Primary Zone.

CONCLUSION

I have examined carefully the inputs employed by UMI in evaluating the market support for, and the expected impacts of, the proposed introduction of a commercial retail/service development containing some 425,000 square feet of rentable space. Where appropriate I have modified key inputs in the analysis, in general employing more conservative estimates with the result that my estimates of expected impact are higher than the UMI estimates. However, in no instances did I find the magnitude of the impacts, the durations of the impacts, or the after impact sales performance levels such as to pose a risk of closure to existing retailers in the Primary Zone. There would appear to be no reason to object to the proposed development on simply market grounds.

I trust that these comments will assist you in the preparation of your planning report on the Trinity Development Group Inc.'s application. If you have any questions, please call.

Yours truly,

Robin Dee & Associates

Robin Dee.