



29 September 2015

Ken Hetherington
Manager, Planning Division
City of Peterborough
500 George St. N
Peterborough, ON,
K9H-3R9

Dear Mr. Hetherington:

RE: Review of Proposal for a Giant Tiger Store at Rockhaven Plaza

You have asked us to provide our opinion regarding the proposal for a Giant Tiger store at Rockhaven Plaza. The owners of this plaza in western Peterborough are proposing to accommodate a Giant Tiger general merchandise store of approximately 25,000 square feet on vacant lands which are immediately west of the existing tenants, including Shoppers Drug Mart, St. Louis Bar & Grill and Tim Horton's. Together with two other properties, the site forms a commercial node designated *Neighbourhood Centre* in the Official Plan.

Policy 4.3.5.1 of the Official Plan indicates that the Neighbourhood Centre designation includes shopping plazas and commercial districts which provide a range of goods and services to a trade area comprised of several planning districts within the City.

We have undertaken market research on sites with Giant Tiger stores in the past and are very familiar with the operational and market characteristics of this chain. To support our analysis, we have reviewed the Rockhaven Plaza – Retail Market Commentary, prepared by Tate Economic Research ("TER"), dated May 25, 2015; a letter from Terry Guiel, Executive Director of the Downtown Business Improvement Area ("DBIA"), dated August 1, 2015, as well as, the planning policies governing the site. The purpose of the TER commentary appears to be to assess whether Giant Tiger is a local or more City-wide or regional serving use.

In this regard, the principle conclusion of the TER letter is that:

Based on the proposed Giant Tiger's scale, location and merchandise mix, in conjunction with the overlapping merchandise selection and tenant mix in Peterborough, we anticipate that the proposed Giant Tiger will primarily have a localized customer draw.

It further concludes that:

the addition of a Giant Tiger store at Rockhaven Plaza will not result in a change in the retail function of Rockhaven Plaza. Therefore, there will be no impact on the commercial structure of the City of Peterborough.

Conversely, the Downtown Business Improvement Area argues that the “application dramatically veers from the accepted use of the property both in size and definition”. They argue that a Giant Tiger at Rockhaven Plaza would draw from the entire City and because it is on the fringe, it would not draw people into Peterborough, but would only draw sales from within. The DBIA is particularly concerned with regards to the impact on downtown Peterborough.

urbanMetrics Opinion

It is important to recognise that the TER commentary is not a market analysis in that it contains largely the opinions of the author without the backing of any traditional analysis. What would have been particularly helpful, but was lacking in the TER letter, would be either licence plate or on-site surveys conducted at the Giant Tiger store just north of the City and potentially other Giant Tiger stores to (a) determine its Trade Area and (b) to determine the likely draw of the new store within Peterborough. While TER relies on International Council of Shopping Centre information on typical trade area radii, this information is far too generic to be of any use in evaluating the draw of a specific store or shopping centre.

Our opinion would differ somewhat from that of the TER report. Giant Tiger is a very successful retailer that specifically targets lower income markets. Its product mix and pricing is particularly attractive to rural consumers, college and University students, and others with below average incomes. The fact that the store in Rockhaven Plaza would be the only Giant Tiger in the City suggests that it would have a wide draw among these groups in the City and surrounding area.

The question to be answered is whether Giant Tiger would be an appropriate tenant for a neighbourhood shopping area, such as Rockhaven Plaza. In terms of size, at 25,000 square feet, Giant Tiger would be smaller than most supermarkets that would anchor neighbourhood shopping centres. Approximately one-third of the space in most Giant Tigers comprise food (including fresh produce, frozen foods, canned goods, and day to day commodities, such as bread and milk). Based on higher sales per foot ratios for food, it is likely that at least 50% of sales would come from food merchandise. In this sense, it would support the function of a neighbourhood shopping centre by catering to the day-to-day food needs of consumers.

We would also disagree with the comment by the DBIA that the store would only draw from within Peterborough. As it would be located in the far western end of the City, the store would likely draw customers in from the rural area to the west and south, for whom the store north of the City is not convenient.

Being situated in the City, it would also likely re-capture Peterborough resident sales that are now flowing to the Giant Tiger north of the City and potentially the store in Lindsay. The store would also be situated in close proximity to Sir Sandford Fleming College and would likely be a popular destination for students' food and convenience shopping needs.

From a locational perspective, Giant Tiger also tends to locate in smaller scale shopping centres, comparable in scale to the neighbourhood node, in which Rockhaven Plaza is situated. Sometimes the store is situated in the same plaza as a supermarket and sometimes it functions as the anchor tenant. While the chain does not prefer regional or power centre locations, we would note, however, that in some markets, Giant Tiger is now moving into a portion of the space formerly occupied by a Target store. In our opinion, this is more a result of favourable lease terms and opportunity rather than a change in corporate strategy.

In conclusion, while a Giant Tiger would likely draw from a wider area than a typical neighbourhood shopping centre, it would not be an inappropriate use for Rockhaven Plaza in terms of both size and function. The store would also serve the nearby college and recapture Peterborough residents' sales that are now leaving the City. In our opinion, the inclusion of Giant Tiger within the Neighbourhood Centre node would not cause it to change its function from that of a neighbourhood shopping centre.

If you have any questions regarding our review of this issue, please do not hesitate to contact us.

Yours truly,

urbanMetrics inc.



Rowan Faludi,
Partner