



City of
Peterborough

TO: Members of the Planning Committee

FROM: Malcolm Hunt, Director of Planning and Development Services

MEETING DATE: November 30, 2009

SUBJECT: Report PLPD09-060A
Official Plan and Rezoning Application
300 Milroy Drive (No Frills)

PURPOSE

A report to evaluate the planning merits of an Official Plan and Zoning By-Law Amendment at 300 Milroy Drive (No Frills) to permit a 4,251m² (45,759 sq. ft.) food store.

RECOMMENDATIONS

That Council approve the recommendations outlined in Report PLPD09-060A dated November 30, 2009, of the Director of Planning and Development Services, as follows:

- a) That the subject property, known as 300 Milroy Drive, be included within the Chemong Secondary Plan, subject to the new 'Community Nucleus' policies as detailed in Report PLPD09-070.
- b) That the application for Official Plan Amendment to the Special Purpose Retail designation to permit an exception to allow a food store for the property known as 300 Milroy Drive, be **denied** for the following reasons:
 - i) The introduction of a supermarket within the Special Purpose Retail designation is contrary to the policies of Section 4.3.4 of the City's Official Plan.
 - ii) The supermarket use is important to the success of the proposed Community Nucleus proposed for the Chemong Secondary Plan Area.

- iii) The amount of warranted supermarket space is limited within the City.
- c) That the application for Zoning By-Law Amendment at 300 Milroy Drive be deferred until such time as the subject lands are included in the 'Community Nucleus' in the Chemong Secondary Plan and a Zoning By-Law implementing the policies for the Community Nucleus area has been approved.

BUDGET AND FINANCIAL IMPLICATIONS

There are no direct budget or financial implications arising from the approval of these recommendations.

RATIONALE

Denial of this Official Plan Amendment and deferral of the related Zoning By-Law Amendment is based upon the following:

1. Staff recommend the denial of this Official Plan Application, based on the planning merits of assigning food store space within the Chemong Secondary Plan Area. Staff further support revising the boundaries of the Chemong Secondary Plan to include the subject lands in the Secondary Plan Area, subject to the new Community Nucleus policies to be introduced, providing an opportunity to support future food store use on the subject property as an integrated site with the balance of the lands within the mixed use nucleus. It is further recommended that the zoning by-law amendment be deferred until a zoning by-law has been approved to implement the policy direction for the Community Nucleus Area, ensuring the development of a mixed use commercial centre, integrated with the surrounding residential community.
2. The Retail Market Analysis (2008) prepared by urbanMetrics recommends that the City seek "opportunities that enhance the availability of local serving retail facilities at the neighbourhood level throughout the City." A draft Secondary Plan has been prepared for the Chemong Planning Area. This Planning Area will accommodate a significant share of north end growth over the next 20-25 years. To support the planning objectives of the City and to better position the success of the Planning Area under the Provincial Growth Plan, "Places to Grow", it is recommended that Council give priority to the planning merits of assigning the remaining food store opportunity to a future Community Nucleus within the limits of the Chemong Secondary Plan.
3. If the Walmart expansion is approved, the equivalent of one additional food store entry is justified on a citywide basis by 2016. The City should assign

the justified space where it reinforces the planning objectives of the City and where it best serves future growth. Additional supermarket space is not warranted for several years.

BACKGROUND

The property which is the subject of this application is located within the Portage Node as illustrated on Figure 1 – Peterborough's Commercial Structure. The site is also designated Special Purpose Retail on Schedule I – Commercial Area of the City of Peterborough Official Plan. The property is currently zoned C.7 – Commercial District as recently approved by the Ontario Municipal Board. Both the Official Plan Designation and the Zoning of the property prohibit the proposed food store use.

Applications for the subject property were originally received on October 24, 2007. Upon receipt of the applications, Planning Staff advised the applicant that the submission was considered premature until such time as the City had completed a City-wide Retail Market Analysis, which was underway at the time. The City retained urbanMetrics in early 2007 to provide an updated assessment of the warrants for retail expansion in the City of Peterborough to 2026. The City had experienced significant retail growth following the 2000 Commercial Policy Review based on the forecasts for retail floor space developed in 2000. The completion of the Retail Market Analysis update was delayed to include results from the 2006 Census received in the summer of 2008.

The applicant appealed Council's lack of decision in December 2008. The urbanMetrics Retail Market Analysis (2008) was completed and presented to Planning Committee on March 30, 2009 (Report PLPD09-007). Council adopted the recommendations of Report PLPD09-009 including:

That the Retail Market Analysis be formally released as a Planning Study for the City of Peterborough and that staff consult the findings of the study to guide the evaluation of commercial development applications.

In the meantime, a prehearing had been scheduled with the Ontario Municipal Board to consider the appeals.

A partial settlement was reached with the City of Peterborough, whereby Walmart and Mason Homes were granted party status to the Hearing. Both Walmart and Mason Homes expressed their desire to introduce new food store space within the north end along Chemong Road, in addition to the proposed food store at 300 Milroy Drive. As of September 3, 2009, Mason Homes has submitted a complete application to pursue additional food store space at its property known as the Mason Development Lands on

the east side of Chemong Road, north of Milroy Drive. The Mason application has been circulated, and will be brought forward in the normal course.

The parties to the Hearing agreed that an adjournment of the hearing would allow City staff to bring forward staff reports regarding the Walmart and Loblaw applications, to be considered by Planning Committee at its meetings of September 21, 2009 and October 13, 2009 respectively. In addition, the City agreed to continue the Chemong Secondary Plan study, present the results by the end of 2009 and to process the Mason commercial application upon receipt of a complete application.

As agreed to in the partial settlement, the subject application was circulated to agencies and departments on August 14, 2009. The City consulted with urbanMetrics regarding the conclusions of the updated Retail Market Analysis prepared for the City in March, 2009 and further requested a peer review of a 2007 market report prepared by the applicant in support of the subject application.

A Public Meeting was held on October 13, 2009 related to the subject applications. Planning Staff presented Report PLPD09-060 to Planning Committee and to members of the public recommending that consideration of the application be deferred until the receipt of the Chemong Secondary Plan on November 30, 2009. Planning Committee debated the merits of the deferral recommendation at a Special Planning Committee Meeting on October 26, 2009 and supported a deferral to November 30, 2009, seeking a further report and Planning Staff recommendation related to the merits of the applications.

A BROADER PLANNING CONTEXT

While most planning applications and staff analyses focus on site specific and immediate surrounding area issues, a broader analysis addressing the City-wide Retail Market Analysis, current commercial Official Plan policies and the Chemong Secondary Plan is necessary in consideration of the Loblaw Properties application for a food store at 300 Milroy Drive.

The City-wide Retail Market Analysis completed by urbanMetrics, concluded that there is City-wide justification for only one new food store of approximately 45,000 square feet to the year 2016, following an allocation to the designated Walmart site. The north district of the City will likely experience the most growth to 2016 and therefore it is reasonable to consider assigning this warranted food store space to the north end.

During the processing of this application, there have been many comments regarding the proximity of the property at 300 Milroy Drive to the Chemong Secondary Plan and the logical location for a neighbourhood commercial type of centre within the Secondary Plan specifically. At issue is whether there is a material difference between the location of a food store on one site or the other. In the opinion of staff, the locational choice presented by the application is differentiated by a **'land use'** perspective verses a **'long term planning'** perspective.

THE LAND USE PERSPECTIVE:

From a ‘**land use**’ perspective, it is difficult to take issue with the Loblaw Properties application. The property is designated and zoned for commercial purposes in the Official Plan and Zoning By-law respectively; albeit, a food store on this site is specifically prohibited by both for a number of planning reasons. The property is located across from a Major Shopping Centre - Portage Place, has frontage on Chemong Road and is located at a signalized intersection. The timing for development of the site for a food store is likely shorter term than in the Chemong Planning Area as the site is fully serviced.

THE LONG-TERM PLANNING PERSPECTIVE:

Notwithstanding the “land use” merits of the site at 300 Milroy Drive, from a “**long-term planning**” perspective there are definite impacts. As staff have been preparing the Chemong Secondary Plan, a key objective has been planning for a Community Nucleus within the planning area to provide a range of retail and service opportunities for **future residents** of the north end of the City. The Community Nucleus would be large enough to accommodate generally up to 8,000 m² (86,100 sq. ft.) of neighbourhood oriented commercial floor space, and up to 4,000 m² (43,500 sq. ft.) of Special Purpose Retail uses, together with a mix of medium and high density residential uses. The nucleus is intended to serve as the focal point for the new community and will distinguish itself in function from the nearby Portage Shopping Node through urban design and land use. The commercial cluster would be utilized to leverage additional residential density interspersed throughout the commercial cluster. A well-designed cluster of commercial and residential uses with open space areas could provide a key focal point for the Chemong Planning Area. With the emergence of the Growth Plan for the Greater Golden Horseshoe and the obligations of the City to meet certain density targets, staff have been working towards a plan for the Chemong Secondary Plan that not only accommodates increased residential densities, but also offers opportunities to respect planning for complete communities. This includes mixed-use developments and supporting alternative forms of transportation, including walking.

Food stores are anchors to any neighbourhood centre (or Community Nucleus, as proposed in the Chemong Secondary Plan) in that they provide the most regularly required goods and service to a neighbourhood. They are powerful traffic generators and typically attract other retailers and services that can survive due to the drawing power of the food store adjacent to them. These include restaurants, financial institutions and clinics, which would primarily benefit area residents and secondarily, the traveling public. In the absence of a food store, a neighbourhood centre can struggle and sometimes planned centres never materialize. For example, the planned neighbourhood centre at Woodglade Boulevard and Sherbrooke Street recently went through a rezoning to accommodate additional residential development because a full neighbourhood centre could not be realized without a food store anchor.

Without a food store, any commercial opportunity reserved for the Chemong Planning Area will be extremely limited, perhaps non-existent. If the Planning Area lacks a neighbourhood commercial focus, a significant opportunity to create a more complete community in accordance with the Growth Plan is lost.

An argument can be made that residents can simply walk to the stand alone Loblaw site, however, there is no opportunity to cluster neighbourhood serving uses unless it is part of a larger, planned commercial site. The site is only capable of supporting a food store and parking which will cater to vehicular traffic traveling Chemong Road. It is staff's position that the neighbourhood commercial opportunity in the proposed Community Nucleus within the Chemong Secondary Planning Area provides more opportunities to create a well designed mixed use centre that is supported by the north end population but of primary benefit to future residents of the Planning Area. This is the long-term planning perspective.

ANALYSIS

a) Official Plan

The property is designated 'Special Purpose Retail' in the Official Plan. The objectives of the Special Purpose Retail policies are to accommodate large format retail outlet opportunities that compliment Shopping Centres and the Central Area, but do not duplicate the uses, specifically department stores and supermarkets. Special Purpose Retail policies were introduced to the City's Commercial Structure in 2000 to implement the conclusions of the Commercial Policy Review and provide opportunity for large format retail space.

The policies specifically exclude food store uses in the Special Purpose Retail designation because of the importance of food stores are considered vital to the function of the Neighbourhood Centre and Major Shopping Centre designations, as discussed earlier in this report. Permitting food stores to locate outside of these designations, may impact the planned function of the designations in which they are considered most important from a 'planning' versus 'land use' perspective.

b) The Portage Node:

The Portage Node was introduced through the 2000 Commercial Policy Review as one of four shopping nodes within the City. The Portage Node was planned to become a focal point of retail expansion serving North Peterborough. The Portage Node was expanded to the south in 2004 to include the relocated Walmart from Portage Place to its current location at 1002 Chemong Road. The policies pertinent to the Portage Node recognize the two department stores located at Portage Place and on the Walmart lands. The policies further encourage the mix of large anchor stores and smaller mall tenancies. Particular emphasis is provided in the policy to accommodate expansion of the department store and supermarket anchors in Shopping Centres.

The subject property is situated on the north side of Milroy Drive, opposite Portage Place shopping centre and currently located within the Portage Node. The property was designated '**Special Purpose Retail**' to implement the results of the City's Commercial Policy Review in 2000. Section 2.3.4.2 c) refers to these lands as follows:

"Further commercial development in the Portage Node will be accommodated by the off-site lands in the vicinity designated as Special Purpose Retail and Service Commercial. The policies for these lands are to effectively differentiate the type and size of permitted uses from those of the Major Shopping Centre."

c) Chemong Secondary Plan:

The urbanMetrics report also recommends "**seeking opportunities that enhance the availability of local serving retail facilities at the neighbourhood level throughout the City.**" The Chemong Secondary Plan is located within the North District. The Draft Secondary Plan anticipates the inclusion of neighbourhood-serving commercial uses. As identified in this report, food store space is considered an important anchor for successful neighbourhood-serving retail facilities and is supported by policy to serve the needs of several planning districts.

Since the completion of the draft Chemong Secondary Plan, staff have been evaluating the merits of the southern boundary of the Planning Area, east of Chemong Road. The previous boundary simply followed the former City Limit prior to the annexation. Aligning the Secondary Plan boundary along major roadways, provides a logical natural limit to the plan area and eliminates potential conflict between the Chemong Secondary Plan Area and the Downey West Secondary Plan Area. The subject lands, together with the three adjacent properties to the east, are considered to represent a logical extension to the Chemong Secondary Plan area, aligning the boundary of the secondary plan along two collector roads. Milroy Drive and the proposed north-south collector road into the secondary plan area are significant arteries for the planned area. The 'Community Nucleus' is proposed to be located on the east side of Chemong Road, including the subject lands and adjacent lands along Milroy Drive. The proposed policies of the Secondary Plan allow for some flexibility for these lands, recognizing both the importance of the lands to be part of the complete community (Community Nucleus) and offering the ability to retain their Special Purpose Retail function as lands adjacent to a Major Shopping Centre.

The Chemong Secondary Plan 'Community Nucleus' is intended to act as a community focal point, requiring a high degree of interaction with the surrounding residential community that facilitates pedestrian, cycling and transit accessibility and develops synergy with the surrounding land uses. The land use policies will require the site to be designed in a manner that distinguishes itself from the function of the adjacent Portage Shopping Node, based on orientation and urban design within the Nucleus. It is recommended that the subject lands form part of the Community Nucleus within the Secondary Plan, as noted earlier in this report and that Council allocate the food store

space within the 'Community Nucleus' lands within the Chemong Secondary Plan. The inclusion of the subject lands within the Secondary Plan will also further support a cautious approach of Council to ensure the timely entry of additional food store space within the North District.

d) The Retail Market Analysis (2008):

The 2008 Retail Market Analysis concludes that a limited amount of food store space is warranted to 2026 within the City of Peterborough.

Forecast of Warranted Space 2011-2026 (sq. ft.)				
	2011	2016	2021	2026
Food Store	101,600	131,900	159,900	185,200
Non-Food Store	445,000	717,000	959,500	1,179,100
Selected Retail & Service	94,400	204,300	318,600	429,800
Total	641,000	1,053,200	1,438,000	1,794,100

The forecast above predates the expanded Loblaws at Lansdowne Place and the Walmart expansion application. The newly built food store floor space of Loblaws (Superstore at Lansdowne Place Mall) and the potential approval of Walmart, represents approximately 90,000 sq. ft. of the 132,000 sq. ft. forecast to 2016. There is, therefore Citywide justification for only one new food store of approximately 45,000 sq. ft. to the year 2016.

The sales impact of the introduction of the Costco Warehouse Membership Club was also not considered in this forecast, however, it was considered as part of a peer review of the Kircher "Retail Market Demand and Impact Analysis" prepared by urbanMetrics on behalf of the City of Peterborough. The peer review anticipates an additional 44,000 sq. ft. of food store space within an expanded Walmart and concludes that although there are expected sales impacts on existing supermarkets within the trade area, produced by the opening of Costco in 2008 and the Loblaws Superstore in 2009, these impacts are not anticipated to be sufficient to cause closure or to impact the planned function of existing commercial nodes. In fact, the opening of Costco is anticipated to recapture a significant amount of money previously being spent outside of the Peterborough Trade Area.

The following table summarizes the warranted additional space in the Peterborough Trade Area, as concluded by urbanMetrics in its peer review of the Kircher Report (attached as Exhibit 'C' to Report PLPD09-060A).

Warranted Additional Supermarket & Grocery Store Space 2011-2021 (sq. ft.)				
	2011	2013	2016	2021
@ \$500 per sq. ft.	44,500	56,100	74,200	105,200
@ \$525 per sq. ft.	42,400	53,400	70,700	100,200
@ \$550 per sq. ft.	40,500	51,000	67,400	95,700
@ \$575 per sq. ft.	38,700	48,800	64,500	91,500
@ \$600 per sq. ft.	37,100	46,700	61,800	87,700

In the peer review of the Kircher Report, urbanMetrics supports additional supermarket and grocery store space at a ratio of \$500 per square foot of space, at least initially after new space is introduced. The above chart describes the market opportunity for additional supermarket and grocery space in the City of Peterborough subsequent to the entry of Costco and the Lansdowne Place Loblaws Superstore into the local market and prior to Walmart and/or the subject No Frills store. Based on the above information, the justification for new food store space within the City is further limited by the introduction of Costco and the Lansdowne Place Loblaws expansion. This supports a cautious approach by the City to control the timing of the introduction of new space. Although urbanMetrics is comfortable with the introduction of two food entries into the North District of the city, Council may wish to be careful to grant approvals too soon for a second store. **The City should give careful consideration where the justified space should be allocated, given that it is expected to be several years before additional supermarket space will be warranted from a market perspective.** The Walmart site is currently designated for additional food store space and it is reasonable to assign some of the warranted space to that site. The assignment of one additional food store should reinforce the planning objectives of the City and not based on a first come, first served basis. Planning Staff recommend, therefore, that the introduction of the second new food entry be delayed until 2015, understanding that the impact of that new entry will be first identified in 2016 at the earliest. As such, the Chemong Secondary Plan policies related to the proposed 'Community Nucleus' includes a provision whereby additional food store space, generally having a floor area not exceeding 43,000 sq. ft., be encouraged as an integrated part of the nucleus, after 2015 or at a time deemed appropriate by Council as market conditions warrant.

e) Population Growth in North District

Population projections prepared to generate forecasts for the City's Growth Plan support the assertion that the population within the North District as described in the

urbanMetrics 2009 Analysis, is expected to increase at a much higher rate within the next 7 years than the population of other areas of the City. The following chart provides an analysis of the distribution of the population by area, projected to 2026.

Population Distribution by Commercial District to 2026					
District	2006	2011	2016	2021	2026
Centre	22.7%	22.3%	21.7%	21.8%	22.0%
North	22.5%	23.7%	26.4%	27.5%	28.0%
East	14.5%	14.1%	13.9%	14.0%	14.2%
West	40.3%	39.9%	38.0%	36.7%	35.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

The City's total population is anticipated to increase by approximately 3700 persons between 2006 and 2016. The bulk of the anticipated growth is expected to occur within the North District. It is reasonable, therefore, to consider assigning the balance of the warranted food store space to the north district as it is anticipated to accommodate the most growth. The retail growth of this area, therefore, is justified by the population growth projections and furthers one of the recommendations of the urbanMetrics Report related to consideration of new commercial applications.

f) Zoning By-Law

The property is currently zoned C.7 – Commercial District as recently approved by the Ontario Municipal Board. The C.7 – Commercial District was introduced to the Comprehensive Zoning By-Law to implement the Special Purpose Retail designation in 2000. The zoning district includes regulations for minimum floor areas of 700m² and specifically prohibits a department store and a food store as permitted uses.

The introduction of a food store to the subject site, therefore, requires an amendment to the zoning district applied to the property.

Planning Staff recommend that the amendment to permit a food store on the subject site, be deferred until such time as the lands are included in the Chemong Secondary Plan and subject to the proposed 'Community Nucleus' policies.

RESPONSE TO NOTICE

a) Significant Agency Responses:

Agency circulation was issued on August 14, 2009.

Peterborough Utilities Services Inc. indicate that development charges for water to the expanded site will apply and request the developer to contact PUSI to make arrangements for water and electric service.

The City's Site Plan Review Committee of the Council for Persons with Disabilities have provided comments related to the accessibility within the parking areas, including a recommendation for a pedestrian walkway. Additional comments will be provided at Site Plan Approval stage.

No further agency has expressed any significant concerns or requests with respect to the proposed amendments for the subject property.

b) Summary of Public Responses:

Notice of Complete Application was issued on August 14, 2009 by newspaper advertisement (Peterborough Examiner) and by direct mail. Notice of Public Meeting was issued on September 18, 2009 by direct mail and on September 19, 2009 by newspaper advertisement (Peterborough Examiner).

As of November 25, 2009 no further comments have been received.

Submitted by,

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Attachments:

Exhibit A - Land Use Map
Exhibit B - Concept Site Plan
Exhibit C - Peer Review by UrbanMetrics

Land Use Map

Exhibit A
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File # z0714

Property Location: 300 Milroy Dr



