

STAFF REPORT ACTION REQUIRED

50 Resources Road – Zoning Amendment and Subdivision Applications – Further Report

Date:	June 18, 2010
To:	Etobicoke York Community Council
From:	Director, Community Planning, Etobicoke York District
Wards:	Ward 2 – Etobicoke North
Reference Number:	08 195173 WET 02 OZ and 08 195178 WET 02 SB

SUMMARY

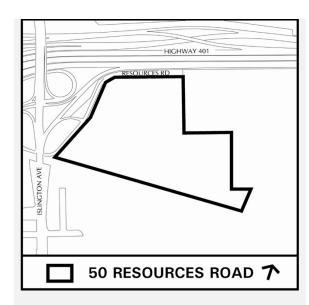
At its meeting of April 27, 2010, Etobicoke York Community Council deferred consideration of the Final Report related to these applications to its meeting of June 22, 2010. Community Council directed that a third-party/peer review be prepared by a market consultant and requested the Director, Community Planning, Etobicoke York District, to report on the results of the peer review analysis at the continuation of the statutory meeting.

The consultant's findings and conclusions are found in the attached report, prepared by W. Scott Morgan & Associates Limited. In addition,

Mr. Morgan will present a verbal synopsis of the report and answer any questions from Community Council at the June 22, 2010 meeting.

Since the April 27, 2010 Etobicoke York Community Council meeting, Lowes has submitted a Site Plan Control application and has made significant progress toward resolving technical issues related to the Draft Plan of Subdivision. Further discussions have been held to clarify the proposed zoning by-law.

On the basis of those discussions and the progress made on technical matters, staff are recommending adoption of the revised zoning by-law and draft approval of the Draft Plan of



Subdivision at this time. The revisions to these documents, (Attachment 2 and 3 to this report) are considered minor and technical in nature. Staff also recommend that conditions 4 (b) and (c) in the Final Report be deleted. Those conditions require the signing of a subdivision agreement and issuance of Notice of Approval Conditions (NOAC) for the Site Plan Control application prior to adoption of the by-law.

Copies of the Scott Morgan peer review report have been provided to Lowes and Woodbine Live!.

Financial Impact

There are no financial implications.

RECOMMENDATIONS

The City Planning Division recommends that:

- 1. Recommendations 4 (b) and (c) in the Final Report dated April 9, 2010 for the lands at 50 Resources Road be deleted.
- 2. Attachments 8 and 9 contained in the Final Report dated April 9, 2010 for 50 Resources Road be replaced with Attachments 2 and 3 attached to this report.

CONTACT

Michael McCart, Senior Planner
Tel. No: (416) 394 8228
Tel. No: (416) 394 6063
E-mail: mmcart@toronto.ca
Matthew Premru, Planner
Tel. No: (416) 394 6004
Fax. No: (416) 394 6063
E-mail: mpremru@toronto.ca

SIGNATURE

Gregg Lintern, MCIP, RPP
Director, Community Planning
Etobicoke York District

ATTACHMENTS

Attachment 1: Peer Review Report prepared by W. Scott Morgan & Associates Ltd.

Attachment 2: Draft Zoning By-law

Attachment 3: Conditions of Draft Plan of Subdivision Approval

Attachment 1 Peer Review Report Prepared by W. Scott Morgan & Associates Ltd

W. SCOTT MORGAN, MCIP, RPP, W. Scott Morgan & Associates Limited, 15 Grenadier Heights, Toronto, Ontario M6S 2W5 Tel: (416) 762-6384

w.scott.morgan@sympatico.ca

June 16, 2010

Mr. Gregg Lintern, MCIP, RPP, Director, Community Planning, Etobicoke York District, City Planning Division, 2 Civic Centre Court, Etobicoke, Ontario M9C 5A3

Dear Mr. Lintern:

Re: Peer Review of "Retail Market and Impact Analysis, Proposed Lowe's Home Improvement Warehouse, 50 Resources Road, Etobicoke, Ontario, April 14, 2008", Prepared by urbanMetrics inc. (UMI) with respect to LOWE'S Rezoning and Subdivision Applications

Acronyms:

FSR: Food Store Retail
NFSR: Non-Food Store Retail

GAFO: General Merchandise / Apparel / Furniture/Home Furnishings/Electronics / Other

HAAS: Home & Auto Supply
TBA: Tire / Batteries / Accessories

HI: Home Improvement

Introduction:

Further to your e-mail of May 7, 2010, my upset fee estimate of May 11, 2010, and Mr. David McKillop's authorization letter of May 25, 2010, I have completed the peer review of urbanMetrics inc.'s (UMI's) market study entitled "RETAIL MARKET AND IMPACT ANALYSIS, PROPOSED LOWE'S HOME IMPROVEMENT WAREHOUSE, 50 RESOURCES ROAD, ETOBICOKE, ONTARIO, APRIL 14, 2008".

In addition, I have reviewed all reports, correspondence / letters, and staff reports in the attached "Document List – Peer Review", including a market study and subsequent submissions by the Woodbine Live proponents.

I have conducted a focused sensitivity test of UMI's "HI" (Home Improvement) analysis as it relates to the Subject Site.

I have also considered the implications for the development of the conventional retail ("power centre") component within Woodbine Live's overall development concept for commercial lands adjoining regionally serving retail facilities at Woodbine Centre and surrounding area.

In technical terms, UMI's analysis is comprehensive, conforms to standard practice, and is supported by full empirical research, including licence plate surveys, a consumer telephone survey, and a floor space inventory of competitive HI space. UMI's inventory also includes measurements of NFSR, FSR, HAAS / TBA, personal service, other service, restaurant, banking, vacant, and other space.

UMI's study is supportive of the subject HI application in market terms, and demonstrates acceptable levels of sales transfers away from existing HI operators essentially under the analytical assumption that 'like competes with like'.

Although UMI's trade area reflects the February 2008 entry of LOWE'S near Home Depot in the Dufferin-Castlefield area of Toronto, UMI's study has been criticized for not quantitatively taking into account the anticipated LOWE'S entry to the east of Sherway Gardens / Highway 427 (i.e. at the former Sam's Club near the existing Canadian Tire on the Queensway). UMI subsequently addressed the issue qualitatively.

To deal with this issue quantitatively, I have conducted a focused sensitivity test that generates higher levels of impact than UMI on existing HI retailers as a result of factoring in the anticipated LOWE'S near Sherway Gardens / Highway 427.

I find that the impacts are sustainable given the relatively high base year sales volumes of existing Hi facilities, and such sales transfers would not oblige any existing HI operator to close.

Issues:

Although this is a planning exercise involving **land use**, the actual HI **tenancy** is at issue in this circumstance. This is because the proposed large-scale new-format anchor store is LOWE'S -- a sought-after tenancy at both the Subject Site and the Woodbine Live site.

A **key finding** of the peer review investigations is that there is **room for only one** new-format HI facility in the short to medium term (2012 to 2016) in the general market area that could be served by LOWE'S at either the Subject Site or the Woodbine Live site.

With moderate differences in primary trade area boundaries depending on site (the sites are separated by approximately 2.5 miles), the market limitation of just one HI store being feasible at this scale (approximately 175,000 square feet) would apply to either site.

Since Home Depot and Rona (the only other major HI tenancies) already have large-scale facilities in relative proximity to both the Subject Site and the Woodbine Live site, a new-format HI permission granted at the Subject Site would essentially foreclose a large-scale HI leasing opportunity at the Woodbine Live site (barring any closure / relocation of an existing HI operation, for example on an underperforming site).

Risk:

The outside risk to the municipality (notwithstanding to Woodbine Live) is a potential **delay** of the launch of Woodbine Live's commercial component.

Specifically, the risk is that the commercial component of the Woodbine Live project would fail to lease out as originally conceived, given the linkage of its leasing profile to the relatively new LOWE'S brand, thereby causing a delay of other smaller new-format retail uses that would not commit to leasing space without the prior commitment of a new-format HI anchor store.

The fact that LOWE'S is a relatively **new brand** is important to Woodbine Live since new store branding is an integral part of Woodbine Live's commercial marketing according to its market study.

Moreover, it should be noted that the risk of delay faced by Woodbine Live does have parallels. For example, the uniquely branded Vaughan Mills development was unable to proceed in a timely manner, and consequently, some announced tenants including some new brands (e.g. IKEA, Dave & Busters, and the movie theatres) ultimately did not enter the market or located elsewhere.

Woodbine Live's complexity of partnerships, myriad agreements, internal financing arrangements / revenue stream trade-offs, leasing prospects, and municipal incentives makes for a market case that the "loss" of a major anchor tenancy, without reasonable prospects for a substitute anchor with the necessary **critical mass** to support additional big box / power centre retailing, would not be in the public interest since it would detract from Woodbine Live's ability to develop in a timely manner as a unique, transformational retail and entertainment venue associated with the Woodbine gaming and race track activities and the existing regionally serving Woodbine Centre / Fantasy Fair facilities (damage to planned function argument).

In fact, there is no certainty that a suitable substitute anchor is or will be available with the necessary critical mass to support the additional big box / power centre retailing of the kind originally conceived at Woodbine Live.

Land Use versus Leasing:

This case may be generally characterized as one of **leasing competition**. It is complicated by land use ramifications that Woodbine Live has argued go to and affect planned function.

In my experience, it is an unusual circumstance for leasing competition for a specific retail tenancy to be tied to retail planned function. Leasing competition is not usually considered to be a land use issue; land use is silent on corporate tenancy.

The Woodbine Live proponents allege that a single large-scale new-format anchor use will determine the make-up / mix of retail uses ultimately accommodated in its commercial component. Woodbine Live's market analysis has been front and centre in identifying this anchor retail use as an HI facility (LOWE'S).

A distinction between the importance of this HI use over other retail uses is not reflected in the City's planning instruments for the Woodbine Live project. Instead, allowance has properly been made for flexibility of retail uses without specifically identifying them by retail category.

For Woodbine Live, a leasing schedule that at some point appeared to have crystallized has now become much more fluid and uncertain. The concern is that a reconfiguration of Woodbine Live's retail leasing schedule will inevitably introduce delays of the commercial component and perhaps even other components.

Proponents of the subject proposal are just as adamant that the Woodbine Live concept is purportedly one of a unique blend of retail and entertainment / recreational uses for which an HI anchor store does not appear necessary or even appropriate. An HI anchor would not fit the uniquely-branded mold, and may in fact detract from its function as a transformational retail and entertainment complex.

The issue comes down to whether the absence of an HI anchor store is fatal to the timely economic success of Woodbine Live's commercial component, and by inference, is a threat to the economic integrity of other components within the overall project.

Subject Proposal:

UMI's April 14, 2008 study is submitted in support of Lowe's Companies Canada ULC's proposed rezoning (to amend the current Class One Industrial or I.C1 zoning) and subdivision applications to permit the re-development of the **36.3 acre** vacant former Labatt's brewery site with the following uses (per the most recent Site Plan):

- a **175,000** square foot (rounded) large-format home improvement retail store including a **33,000** square foot (rounded) attached accessory garden centre on the north block of the proposed subdivision;
- a **6,500** square foot restaurant on the SW corner of the north block;
- a 60,785 square foot 4-storey business / professional office building (south block);
- a 44,630 square foot 2-storey professional office building (south block);
- a 73,830 square foot 3-storey professional office building (south block); and
- an 85,250 square foot 6-storey 165-suite hotel (south block).

The applicants reportedly intend to proceed immediately with the large-format retail store and restaurant space on the northern block upon all approvals being in place, and parcel out the development / marketing of the balance of lands (southern single block) to another developer.

The applicants' most recent Site Plan illustrates the kinds of uses that may be permitted on the balance of lands, recognizing that site-specific IC.1 zoning would prohibit stand-alone retail and recreation / entertainment-related uses on those lands.

Another (third party) developer would not be bound to the particular *non-retail* uses referenced in the Site Plan and the last four of the preceding bullets.

Proposed Land Use Controls on Subject Site:

One land use concern is that any retail permissions at the Subject Site can be expected to bid up land values and inevitably lead to future development applications for more intensive retailing permissions (i.e. the "slippery slope" argument). Over time, retail development pressures may lead to the over-turning of even stringent countervailing policies and zoning restrictions once the principle of retail land use has been established.

Staff efforts to guide future decision making regarding the Subject Site, and specifically to prevent the Subject Site from becoming a "power centre" include:

- Restricting the size of the single large-format retail use and single restaurant use;
- Deleting 25,000 square feet of retail and service commercial uses shown on the previous Site Plan except for the single restaurant use;
- Deleting uses inconsistent with OP (Official Plan) policy for employment areas in terms of traffic impact and character (e.g. banquet and bingo halls, food vending carts, auto related uses, undertaking establishments, flea markets, hospitals, nightclubs, amusement arcades, and horse racing / ancillary facilities);
- Recommending specific zoning prohibitions to strengthen the policy intent for Employment Districts, but recognizing that retail stores are generally not permitted as stand-alone uses.

Staff has been fair and scrupulous in stating that to date, reliance has been place on the applicant's submissions and responses to issues that have been raised, but that "it may benefit Council's consideration of the matter for the applicant to further address Woodbine Live's recent submissions".

That in turn has given rise to this peer review.

Policy Context:

While seeking to protect Employment Districts from encroachment by non-economic uses and functions, the Official Plan does recognize that certain land uses, particularly large-format standalone retail stores, have special locational needs and require large parcels of land, although these uses may not be directly supportive of the primary employment function of Employment Districts.

Policy 4.6.3 permits large-scale, stand-alone retail stores where the proposed use fronts onto a major street that also forms the boundary of the Employment Area, and that where permitted, new large-scale stand-alone retail stores and "power centres" will ensure that:

- 1. sufficient transportation capacity will be available to accommodate any traffic generated by the development, and
- 2. the functioning of other economic activities within Employment Areas and the economic health of nearby shopping districts are not adversely affected.

The Subject Site is also subject to Policy 7.29 which restricts land uses in the vicinity of Pearson International Airport.

Under current I.C1 zoning, retail stores are generally not permitted as stand-alone uses (hence the need for the proposed rezoning).

UMI's Empirical Investigations:

UMI's study is backed up by comprehensive research that provides an acceptable empirical basis for the residual and impact calculations:

- license plate surveys conducted over 3 days in 2007 (October 25, 2007 to October 27, 2007:
 - o sample size of 458 at Home Depot on Kipling Avenue;
 - o sample size of 456 at Rexdale Mall;
 - o sample size of 450 at Crossroads Centre.
- an in-home consumer telephone survey (combined sample size of 606 surveys in UMI's defined study area conducted from November to December 2007 in the following sectors:
 - o Primary Trade Area north and south of Highway 401:
 - o Secondary Trade Area south of Burnhamthorpe /Dundas, north of the Gardiner Expressway, east of Highway 427, and west of the Humber River.
- a comprehensive inventory of competitive retail and service commercial facilities in the Trade Area (not dated).

I have reviewed this material and am satisfied that UMI's empirical investigations and findings have been properly presented and assessed. UMI's methodology is generally consistent with good professional practice. UMI's in-home consumer telephone survey establishes the base year distribution of expenditures, while the license plate survey data test regional attraction and inflow potential.

UMI's Conclusions:

The UMI study concludes that:

- based on the population and other inputs to the analysis, there is room in the defined market area for the proposed HI facility (LOWE'S) without impact on other HI facilities in the Trade Area:
- the proposed HI facility will not weaken or jeopardize the planned function performed by major shopping districts within the Trade Area; and
- the proposed HI facility is not premature since any projected impacts will dissipate between 2012 and 2016.

Specific Staff Questions:

The scope of work to be undertaken by the peer reviewer (per Terms of Reference dated May 7, 2010) includes answering the following questions:

1. Does the peer reviewer concur with the conclusions of the UMI analysis?

- 2. Are UMI's methodology, empirical research, data inputs and assumptions accurate and support UMI's conclusions?
- 3. Did UMI incorporate the approved retail gross floor area and the residential units in Woodbine Live?
- 4. Did UMI examine the competitive influence of existing LOWE'S stores outside (or just inside) the Trade Area boundaries?
- 5. Does Woodbine Live and the subject proposal differ in planned function and will they serve different market areas and types of customers?
- 6. Did UMI acknowledge the planned function of Woodbine Live in its assessment of Official Plan Policy 4.6.3?
- 7. Would approval of the subject proposal (LOWE'S) undermine the planned function of other shopping areas in West Toronto and in particular Woodbine Live?
- 8. Should the future success of Woodbine Live as planned depend on the attraction of a Home Improvement Centre?
- 9. Does the peer reviewer concur with UMI's findings regarding Policy 4.6.3?

Response to Question 1:

Yes, subject to Morgan sensitivity test.

Response to Question 2:

Yes, subject to Morgan sensitivity test.

Response to Question 3:

UMI included 7,000 residential units in Woodbine Live's residential component.

UMI focused on the HI category of retail space, but could not deal with other retail categories of space (because no details were known at the time of writing). Moreover, UMI did not need to take into consideration retail uses at Woodbine Live that would not be competitive with HI uses ('like competes with like').

Response to Question 4:

Yes for the LOWE'S that opened in the Dufferin-Castlefield part of Toronto in February 2008, but no to the LOWE'S at Highway 427 and the Queensway which is subject to Morgan sensitivity test. UMI would not have known of the LOWE'S at Highway 427 and the Queensway when writing their report.

Response to Ouestion 5:

Woodbine Live does have a different planned function than the Subject Proposal.

Woodbine Live is a multi-component, retail and entertainment development with broad shallow "supra-regional" draws tied to the extensive patronage of the race track, other recreational venues, and the existing regional shopping facilities at the Woodbine Centre. The Pearson International Airport contributes additional inflow support that cannot be duplicated at the Subject Site. Local area employment would also contribute substantial inflow support.

In comparison, the Subject Proposal is a large-scale stand-alone HI operator with substantially less extensive drawing power which may be characterized as sub-regional (ultimately). Its draws are expected to shrink as a result of the LOWE'S proceeding at Highway 427 and the Queensway, and sales cannibalization is a logical outcome as more LOWE'S stores proceed in the broader marketplace.

Response to Question 6:

UMI made clear the distinction between the discrete planned function of a stand-alone HI operation at the Subject Site and the more expansive, multiple planned functions of Woodbine Live, a unique entertainment oriented development more like the Vaughan Mills development, with a large multitenanted retail component in addition to its entertainment, recreational, hospitality, and residential themes.

UMI characterizes Woodbine Live's objections to the Subject Proposal as being all about competition rather than planned function.

Response to Question 7:

Approval of the Subject Proposal would undermine Woodbine Live's ability to attract a similar newformat HI use, but other than this effect on Woodbine Live, no other shopping areas in West Toronto would be detrimentally affected by the Subject Proposal.

Woodbine Live maintains that its overall development concept is delicate to the extent that its planned function would be threatened if it is unable to attract a large-format HI operator.

The HI use on the Woodbine Live site is itself a permissive use, and is but one of many retail uses that could be accommodated on-site.

Woodbine Live has not one planned function, but a multiplicity of planned functions (retail commercial, entertainment, recreation, hospitality, residential etc.) that would be jointly marketed and themed.

In land use terms, it is not possible to penetrate the veil of internal revenue streams within the Woodbine Live project to determine whether the overall conventional retail (power centre) component, if undermined by the lack of a large-format HI anchor tenancy, would have negative collateral effects on the entire project. Potential damage to the retail planned function can be alleged but not confirmed in land use terms.

Response to Question 8:

The question here is whether a new-format HI anchor store is a necessary or critical use at Woodbine Live for it to successfully function as planned, recognizing that it has multiple planned functions.

Woodbine Live has characterized the HI use as a necessary pivotal anchor (i.e. a lynch-pin) upon which its future retail mix is *dependent*.

There is no doubt that LOWE'S is a propulsive retail use with attractive strengths that a relatively new brand can exert.

The distinction of whether it is an absolutely *necessary* or *critical* retail element for the leasing success of Woodbine Live's commercial component, or whether it may be more accurately described as a *desirable* use that could kick-start Woodbine Live's commercial leasing initiatives, cannot be captured by Woodbine Live's retail land use permissions which are intentionally flexible to enable the attraction of disparate retail uses.

Moreover, large-format HI uses are known to anchor certain retail developments (e.g. the clustered Stockyards development with Home Depot, Rona, and Canadian Tire), but they are also relatively

footloose as in the case of the stand-alone HI facilities in the Dufferin-Castlefield node (Home Depot and Lowe's) and the stand-alone stores to the south and east of the Woodbine Live site (Home Depot and Rona).

Wholesaling has now been wrung out of the HI industry since contractor discounts have been replaced by one price for all. However, HI stores are different from conventional retailing since they have a contractor-oriented quasi-wholesale aspect, and their locational choices reflect that heritage, whether at clustered or unclustered sites.

For these reasons, I cannot state in land use terms that the success of Woodbine Live is absolutely dependent upon attracting a HI anchor.

Response to Question 9:

I concur with UMI's findings regarding Policy 4.6.3, with the full understanding that Woodbine Live might be disadvantaged by not being able to attract a new-format HI anchor store, but it is probably not crippled by an absence of such a tenant.

Morgan Sensitivity Test:

I have conducted a focused sensitivity test that maintains the key aspects of UMI's analytical "model", including the Trade Area definition and base year local capture rates (survey-based). The sensitivity test is to ascertain the potential for increased sales transfers as a result of the putative LOWE'S proceeding on the Highway 427 / Queensway site (former Sam's Club).

Attached Table A summarizes the analysis presented by the Climans Group Inc. (CGI) that was conducted before the LOWE'S opened in February 2008, and before the Highway 427 / Queensway site was announced. The HI anchor store essentially piggy-backs on the broad supra-regional draws of the entertainment components. With the new LOWE's entry (Dufferin-Castlefield), and the anticipated entry of the 427/Queensway LOWE'S, much of CGI's support from CGI's Toronto, Mississauga, Brampton and Vaughan sectors would shrink.

Attached Table B-1 models UMI's analysis in summary form.

Attached Table B-2 adjusts UMI's analysis to reflect a much diminished local capture rate from UMI's Secondary Trade Area to reflect the future incursions of the 427/Queensway LOWE'S into UMI's defined Trade Area. Instead of a 55% share (as per UMI), this sensitivity test reduces the Secondary Trade Area share to 10% (less than inflow).

The sales transfers, although higher than estimated by UMI, are sustainable and would not lead to critical impact on existing HI operators.

My sensitivity test does not make any allowance for sales cannibalization which would be a realistic expectation amongst the three LOWE'S stores (Dufferin-Castlefield + 427/Queensway + Subject Site). To that extent, the sensitivity test is conservative.

Peer Review Findings:

In my opinion, UMI's analysis of the competitive effects of the proposed LOWE'S store on the Subject Site provides a reasonably accurate profile of base year market conditions in UMI's defined Trade Area based on comprehensive empirical research conducted within its boundaries.

In my sensitivity test, I apply significantly lower local capture rates (market shares) than UMI from the Secondary Trade Area as a result of factoring in the anticipated market entry of the Highway 427 / Queensway LOWE'S in the medium term.

My sensitivity test does not alter the fundamental findings of UMI's analysis with respect to the market support for the proposed LOWE'S on the Subject Site in this market, except to increase the magnitude and duration of sales transfers against existing HI operators, although such increased impacts would fall within acceptable levels.

From a technical standpoint, this peer review is positive notwithstanding the risks to the municipality and Woodbine Live through an alleged disruption of Woodbine Live's current retail leasing endeavors.

In my experience, local planning regimes should make available sufficient and suitable acreages for retail development that can accommodate tenant choice. Such choice is fundamental to the issue of marketplace fairness so that monopolistic control does not become the driver of business decisions to locate at any particular site.

This peer review recognizes that the former Labatts Breweries of Canada property is a signature or landmark site that as an alternative could accommodate office and related business park functions.

Notwithstanding that opportunity, LOWE'S has made a corporate decision to seek a rezoning to allow a flagship warehouse store on the Subject Site, and staff has drawn up planning instruments specifically designed to prevent the incursion of additional retail uses at this site in the future (intensification argument) to thwart a more comprehensive power centre development by default at the Subject Site.

In my professional opinion, the development of the Subject Site for a stand-alone HI anchor store represents a warranted addition to the retail infrastructure in the northwest part of Toronto, notwithstanding the "loss" of a potential HI anchor use at the Woodbine Live site where such a use would be desirable from the developer's standpoint, but where such a use is now unenforceable as a critical or crucial element from a land use planning standpoint.

Conclusions:

The proposed LOWE'S store can be viewed as an incremental use in an expanding market.

Characterizing the approval of the Subject Site for this use as premature would only apply if negotiations between LOWE'S and Woodbine Live had some traction, but from a market standpoint, the proposed LOWE'S is not premature since it is warranted in the market today at either site.

A status quo finding by Council would be tantamount to denying the application on the basis of damage to the planned retail function at Woodbine Live. Given the flexible retail permissions for Woodbine Live's commercial component, any claim of damage to planned function under Policy Staff Report for Action - 50 Resources Road

12

4.6.3 cannot be attributed in land use terms to the scooping of an *essential* (critical or crucial) anchor use, when Woodbine Live's concern is more precisely due to the removal of the opportunity to attract a desirable, if not essential anchor tenant.

This peer review has openly assessed the land use issues underlying this rezoning application and highlighted the potential risks to Woodbine Live's leasing initiatives.

Staff cautioned that it may benefit Council's consideration of this matter if Woodbine Live's recent submissions were to be addressed. This has now taken place.

Council is now in the position of being able to make a more informed decision based on this independent review of the applicant's supporting market documentation and Woodbine Live's recent submissions.

Respectfully submitted,

W. Scott Arryan

W. Scott Morgan, MCIP, RPP.

DOCUMENT LIST – PEER REVIEW

Reports

Woodbine Live! Retail Market Impact Study Climans Group Inc. February 2007

Lowe's Retail Market and Impact Analysis urbanMetrics Inc. April 7, 2008

Correspondence/Letters

City Planning Staff to Peter Cheatley

Re: further investigation of commercial planned function impact

December 23, 2009

Urban Metrics to P. Cheatley

Re: Local Employment Area Impact Review

February 2, 2010

Diamondcorp to G. Lintern

Re: Objection letter, including att. of The Climans Group Inc. letter of March 21/10

April 1, 2010

urbanMetrics to G. Lintern

Re: Response to Woodbine Live!'s submission to April 27/10 EYCC

May 4, 2010

W. Scott Morgan to G. Lintern

Re: Peer review Fee with Terms of Reference attached

May 11, 2010

Staff Reports

June 12, 2007

555 Rexdale Boulevard - Official Plan, Zoning and Subdivision Applications - Final Report

June 25, 2007

555 Rexdale Boulevard - Official Plan, Zoning and Subdivision Applications - Supplementary Report

September 30, 2008

Community Improvement Plan to Provide Financial Incentives for Woodbine Live!

April 1, 2009

555 Rexdale Boulevard (Phase II) – Official Plan and Zoning By-law Amendment Applications – Preliminary Report

April 9, 2010

50 Resources Road – Zoning Amendment and Subdivisions Applications – Final Report

TABLE A

LOCAL CAPTURE BY HOME IMPROVEMENT ("HI") RETAILERS IN CLIMANS' "ETOBICOKE NORTH SECTOR"

		2006 Base Year		2010		2014	
Study Area		(\$ m's)	<u>(%)</u>	(\$ m's)	<u>(%)</u>	(\$ m's)	<u>(%)</u>
ETOBICOKE NORTH CAPTURE FROM:							
Etobicoke North Sector		\$35.6	4188.2%	\$44.1	4900.0%	\$46.1	5122.2%
Etobicoke South Sector		\$12.7	1494.1%	\$18.3	2033.3%	\$19.1	2122.2%
Malton Sector		\$6.8	800.0%	\$7.2	800.0%	\$7.2	800.0%
Subtotal			6482.4%		7733.3%		8044.4%
Toronto Sector		\$0.9	105.9%	\$8.3	922.2%	\$8.7	966.7%
Missauga Sector		\$1.6	188.2%	\$6.8	755.6%	\$7.1	788.9%
Brampton Sector		\$0.0	0.0%	\$8.4	933.3%	\$9.8	1088.9%
Vaughan Sector		\$0.0	0.0%	\$5.2	<u>577.8%</u>	\$5.9	655.6%
Subtotal			294.1%		3188.9%		3500.0%
Study Area HI Share With Inflow		\$57.6	6776.5%	\$98.3	10922.2%	\$103.9	11544.4%
HOME IMPROVEMENT CENTRE SHARE:		85%		90%		90%	
Existing HI Retailers in Etobicoke North Sector		\$49.0					
Existing & Future HI Retailers in Etobicoke North Sector				\$88.5		\$93.5	
Residual Growth (\$ m's)				\$39.5		\$44.6	
NEW HOME IMPROVEMENT CENTRE SHARE:							
Woodbine Live HI Site (175,000 sf @	@	\$229		\$40.0		\$45.0	
Woodbine Live HI Site With Inflow @ 50%	@	\$457		\$80.0	_	\$90.0	
Woodbine Live HI Sales per sf				\$457		\$514	

Reference:

Table 10, Climans' February 2007 Study (expressed in 2006 Constant Dollars).

TABLE B-1

LOCAL CAPTURE BY "HI" RETAILERS IN URBANMETRICS' PRIMARY AND SECONDARY TRADE AREAS

(PER URBANMETRICS: NOT ADJUSTED TO REFLECT LOWE'S AT QUEENSWAY / HIGHWAY 427)

Trade Area	2007 Base Year	<u>2012</u>	<u>2016</u>
TRADE AREA POTENTIAL FROM:			
Primary Trade Area HI Potential (\$ m's)	\$175.7	\$202.8	\$220.8
Primary Trade Area HI Share (%)	58.1%	65.0%	65.0%
Primary Trade Area HI Share (\$ m's)	\$102.1	\$131.8	\$143.5
Primary Trade Area HI Residual Growth (\$ m's)		\$29.7	\$41.4
Secondary Trade Area HI Potential (\$ m's)	\$50.6	\$65.2	\$76.2
Secondary Trade Area HI Share (%)	53.7%	55.0%	55.0%
Secondary Trade Area HI Share (\$ m's)	\$27.2	\$35.9	\$41.9
Secondary Trade Area HI Residual Growth (\$ m's)		\$8.7	\$14.7
PRIMARY TRADE AREA LOCAL CAPTURE FROM:			
Primary Trade Area	\$102.1 #DIV/0!	\$131.8	\$143.5
Secondary Trade Area	\$27.2 #DIV/0!	\$35.9	\$41.9
Subtotal	\$129.3 #DIV/0!	\$167.7	\$185.4
Plus Inflow @ 33%	\$63.7 #DIV/0!	·	·
Total Existing HI Sales (421,850 sf @ \$457 per sf	\$192.9 #DIV/0!		
Primary & Secondary Trade Area HI Residual Growth (\$ m's)		\$38.4	\$56.2
Proposed LOWE'S @ \$450 per sf @ 142,338 sf		\$64.1	
\$500 per sf @ 142,338 sf			\$71.2
Less inflow @ 33%		\$21.1	\$23.5
LOWE'S Sales form Trade Area (without inflow) (\$ m's)		\$42.9	\$47.7
Less HI Residual Growth (\$ m's)		\$38.4	<u>\$56.2</u>
Potential Sales Transfers (\$)		(\$4.5)	\$8.5
Potential Sales Transfers (%)		-2.3%	4.4%

Reference:

Figure 6.3, UrbanMetrics' April 14, 2008 Study (expressed in 2007 Constant Dollars).

TABLE B-2

ADJUSTED LOCAL CAPTURE BY "HI" RETAILERS IN URBANMETRICS' PRIMARY AND SECONDARY TRADE AREAS

(ADJUSTED TO REFLECT LOWE'S AT QUEENSWAY / HIGHWAY 427)

Trade Area	2007 Base Year	2012	<u>2016</u>
TRADE AREA POTENTIAL FROM:			
Primary Trade Area HI Potential (\$ m's)	\$175.7	\$202.8	\$220.8
Primary Trade Area HI Share (%)	58.1%	65.0%	65.0%
Primary Trade Area HI Share (\$ m's)	\$102.1	\$131.8	\$143.5
Primary Trade Area HI Residual Growth (\$ m's)		\$29.7	\$41.4
Secondary Trade Area HI Potential (\$ m's)	\$50.6	\$65.2	\$76.2
Secondary Trade Area HI Share (%)	53.7%	10.0%	10.0%
Secondary Trade Area HI Share (\$ m's)	\$27.2	\$6.5	\$7.6
Secondary Trade Area HI Residual Growth (\$ m's)		na	na
PRIMARY TRADE AREA LOCAL CAPTURE FROM:			
Primary Trade Area	\$102.1 #DIV/0!	\$131.8	\$143.5
Secondary Trade Area	\$27.2 #DIV/0!	<u>\$6.5</u>	\$7.6
Subtotal	\$129.3 #DIV/0!	\$138.3	\$ 151. 1
Plus Inflow @ 33%	\$63.7 #DIV/0!		
Total Existing HI Sales (421,850 sf @ \$457 per sf	\$192.9 #DIV/0!		
Primary & Secondary Trade Area HI Residual Growth (\$ m's)		\$29.7	\$41.4
Proposed LOWE'S @ \$450 per sf @ 142,338 sf		\$64.1	
\$500 per sf @ 142,338 sf			\$71.2
Less inflow @ 33%		\$21.1	\$23.5
LOWE'S Sales form Trade Area (without inflow) (\$ m's)		\$42.9	\$47.7
Less HI Residual Growth (\$ m's)		<u>\$29.7</u>	<u>\$41.4</u>
Potential Sales Transfers (\$)		(\$13.2)	(\$6.2)
Potential Sales Transfers (%)		-6.8%	-3.2%
Total Existing HI Sales (421,850 sf @ \$457 per sf	\$192.9	\$179.7	\$186.7
421,850 sf @ \$426 per sf		-6.8%	
421,850 sf @ \$443 per sf			-3.2%

Reference:

Adjusted from Figure 6.3, UrbanMetrics' April 14, 2008 Study (expressed in 2007 Constant Dollars).

Attachment 2: Draft Zoning By-law

Authority: Etobicoke York Community Council Item ~ [or Report No. ~, Clause No. ~] as adopted by City of Toronto Council on ~, 20~

Enacted by Council: ~, 20~

CITY OF TORONTO

Bill No. ~

BY-LAW No. ~-2010

To amend ~ Zoning By-law No. ~, as amended, With respect to the lands municipally known as, 50 Resources Road

WHEREAS authority is given to Council by Section 34 of the *Planning Act*, R.S.O. 1990, c.P. 13, as amended, to pass this By-law; and

WHEREAS Council of the City of Toronto has provided adequate information to the public and has held at least one public meeting in accordance with the *Planning Act*; and

WHEREAS Section 5.1.1 of the City of Toronto Official Plan contains provisions relating to the authorization of increases in density of development; and

WHEREAS pursuant to Section 37 of the *Planning Act*, the Council of a municipality may, in a By-law passed under Section 34 of the *Planning Act*, authorize increases in the height and density of development otherwise permitted by the By-law that will be permitted in return for the provision of such facilities, services and matters as are set out in the By-law; and

WHEREAS subsection 37(3) of the *Planning Act*, provides that, where an owner of land elects to provide facilities, services or matters in return for an increase in the height and density of development, the Municipality may require the owner to enter into one or more agreements with the Municipality dealing with the facilities, services and matters; and

WHEREAS the owners of the lands hereinafter referred to have elected to provide the facilities, services and matters as hereinafter set forth; and

WHEREAS the increase in the density of development permitted hereunder, beyond that otherwise permitted on the aforesaid lands in Chapters 320 and 324 of the Etobicoke Zoning Code, as amended, is to be permitted in return for the provision of the facilities, services and matters set out in this By-law, which are to be secured by one or more agreements between the owners of such lands and the City of Toronto;

The Council of the City of Toronto HEREBY ENACTS as follows:

1. That the zoning of the lands identified as Parts 1 and 2 in Schedule "B" attached hereto is affirmed as Class 1 Industrial (I.C1), and that the lands identified as Part 3 in Schedule "B" be rezoned to Public Open Space (OS), subject to the following provisions:

- a) Notwithstanding Section 304-31 of the Etobicoke Zoning Code, the following uses shall be prohibited:
 - undertaking establishments;
 - banquet halls;
 - entertainment facilities;
 - food vending cart(s);
 - undertaking establishments;
 - vehicle related uses: service stations; car washes; public garages; vehicle body shops; railway yards, which may include vehicle, equipment and fuel storage, and other ancillary maintenance facilities; and, truck terminals.
- b) Notwithstanding Section 304-33 of the Etobicoke Zoning Code, the following uses shall be prohibited:
 - flea markets:
 - commercial/recreational facilities: cinemas; bowling alleys; curling rinks; bingo halls; arenas; horse race-tracks and acillary facilities; nightclubs; social clubs; commercial sport and recreational facilities; studios for arts-related purposes; amusement arcades;
- c) In addition to Sections 1a) and 1b) of this By-law, a Home Improvement Warehouse Retail Facility with ancillary restaurant (including take-out service), outdoor storage and garden centre area having a total gross floor area not exceeding 17,000 square metres shall also be permitted only on lands identified as Part 1 on Schedule "B".
- d) In addition to the permitted uses in Section 320-32.F of the Etobicoke Zoning Code, a stormwater management pond area and related open space is permitted on the lands identified as Part 3 on Schedule "B".
- **2.** For those lands identified as Part 2 on Schedule "B", Section 304-36, Clause B.(1) of the Etobicoke Zoning Code relating to front yards shall be deleted and replaced with the following:

Maximum 4.5 metres. The remainder of the front yard shall be landscaped along the entirety of the front lot line, except for the necessary driveway access(es).

- **3.** Home Improvement Warehouse Retail Facilities (including the ancillary restaurant use) shall provide and maintain a minimum of 4.0 parking spaces per 100 square metres of *gross floor area*.
- **4.** Notwithstanding any severance, partition, or division of the lands, as shown on Schedule "A", the provisions of this By-law shall apply to the whole of the lands as if no severance, partition or division occurred.
- **5.** Within the lands shown on Schedule "A" attached to this By-law, no person shall use any land or erect or use any building or structure unless the following municipal services are provided to the lot line and the following provisions are complied with:

- (a) all new public roads have been constructed to a minimum of base curb and base asphalt and are connected to an existing public highway, and
- (b) all water mains and sanitary sewers, and appropriate appurtenances, have been installed and are operational.

6. Section 37

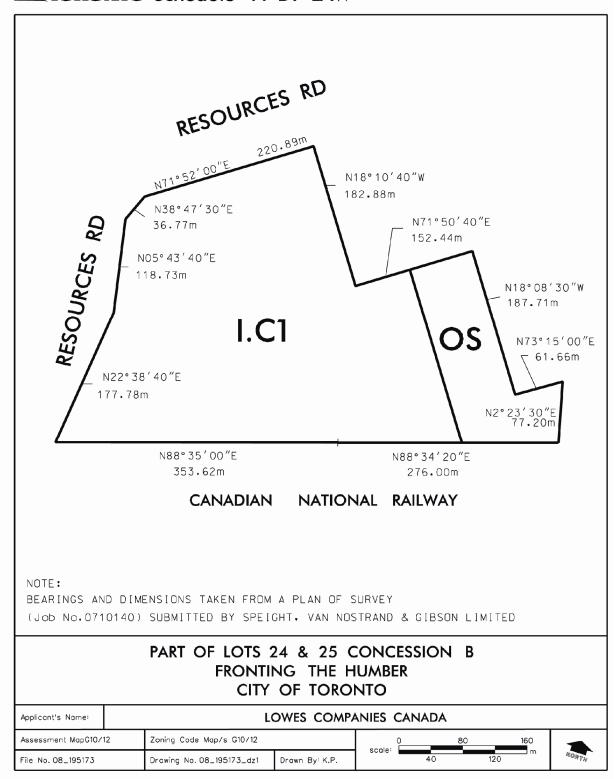
- (a) The density and height of development permitted by this By-law is subject to the Owner of the land, at their expense, providing the following capital facilities, cash contributions not exceeding in the aggregate the sum of \$75,000 toward specific capital facilities and other facilities, services and matters in accordance with and subject to the agreement referred to in Section 6(c) hereof pursuant to Section 37 of the Planning Act in order to permit a retail development with a maximum gross floor area of 17,000 square metres within the lands zoned IC.1 and identified as Part 1 on Schedule 'B'. Prior to the issuance of the first above grade building permit, the Director of Planing, Etobicoke York District shall advise the Deputy Chief Building Official/Director Toronto Building, Etobicoke York District that funds have been provided as follows:
- (i) Contribution towards construction of a community change room facility in relation to the sports playing fields at Don Bosco Secondary School at 2 St Andrew's Boulevard, provided that an agreement is in place between the City and the TCDSB to ensure that the change room facility is publicly accessible during public permitting hours of operations; or
- (ii) Should the above option (i) not be considered viable, the funds shall be directed towards local parks improvements to the satisfaction of the Director of Planning, Etobicoke York District and in consultation with the local Councillor and Toronto Parks, Forestry and Recreation.
- (b) Prior to the issuance of a building permit for the lands identified as Part 1 on Schedule "B", other than shoring, excavation, and demolition permits, the owner of the lands shall enter into and register on title to the lands an agreement with the City pursuant to Section 37 of the Planning Act, as a charge to secure the facilities, services and matters set forth in Section 6 (a) herein, to the satisfaction of the Chief Planner and Executive Director, City Planning Division and the City Solicitor, prior to this By-law coming into full force and effect.

ENACTED AND PASSED this ~ day of ~, A.D. 20~.

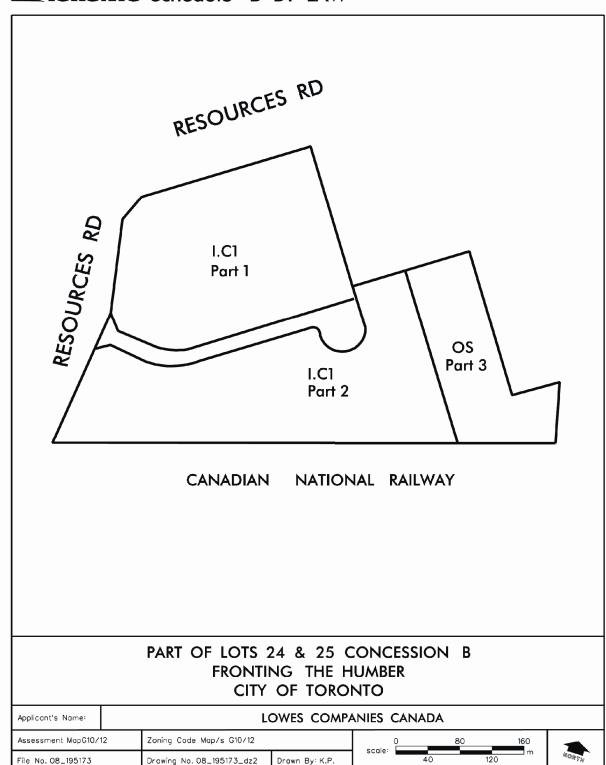
DAVID R. MILLER, Mayor ULLI S. WATKISS, City Clerk

(Corporate Seal)

TORONTO Schedule 'A' BY-LAW







Attachment 3: Conditions of Draft Plan of Subdivision Approval

THE FOLLOWING CONDITIONS MUST BE FULFILLED PRIOR TO THE REGISTRATION OF THE PLAN OF SUBDIVISION OR ANY PHASE THEREOF FOR REGISTRATION.

That Draft Plan of Subdivision Application 09 195178 WET 02 SB be draft plan approved, subject to the following conditions:

- 1. That this approval applies to the draft plan of subdivision prepared by Macaulay Shiomi Howson Limited, dated November 24, 2009, as further revised to reflect the conditions below;
- 2. That the owner enter into and adhere to all conditions of the City's Subdivision Agreement;
- 3. That the appropriate Standard Conditions as shown below (Conditions 1 to 18) shall apply and be included in the Subdivision Agreement;
- 4. That the Specific Conditions, as set out under various headings, shall apply and be included in the Subdivision Agreement; and
- 5. The the owner fulfills the following conditions under this subsection, to the satisfaction of the Executive Director, Technical Services:
 - a) The owner shall enter into the City's standard Subdivision Agreement Toronto in a form and content to the satisfaction of the City Solicitor and shall provide such security for the obligations of the agreement as the City may reasonably require, and satisfy all pre-registration conditions.
 - b) The applicant is required to provide sufficient lands for the proposed turning circle, the roundabout at the Resources Road/Street A/eastbound ramp intersection and the public stormwater management pond.
 - c) The owner is required to convey a 14.0m sewer easement as shown on the draft plan of subdivision to the City for future maintenance, repairs and reconstruction of the sanitary and storm sewers, to the satisfaction of the Executive Director of Technical Services.
 - d) The Applicant is required to convey the lands for the proposed Street A and turning circle, and any other roads/servicing related lands required by the City, as shown on the ultimate approved Plan to the City for public road, services and stormwater management purposes. The applicant shall design the proposed road and turning circle in accordance with City Drawing No's. UD-DIPS-1B and DIPS-5 respectively.
 - e) The Applicant is required to convey the entire lands required for the proposed public stormwater management pond shown on the ultimate approved Plan drawings to the City.

- f) The applicant is required to prepare all documents to convey lands in fee simple and easement interests to the City for nominal consideration, such lands to be free and clear of all physical and title encumbrances to the satisfaction of the Transportation and Technical Services Divisions in consultation with the City Solicitor.
- g) The Applicant is required to submit a draft Reference Plan of Survey, in metric units and integrated with the Ontario Co-ordinate System, showing as separate PARTS thereof to be conveyed to the City to the Executive Director of Technical Services, for review and approval, prior to depositing it in the Land Registry Office, and pay all costs for preparation and registration of reference plan(s).
- h) The Applicant is required to conduct environmental site assessments for the lands to be conveyed to the City for public road and easement in accordance with the terms and conditions of the standard subdivision agreement, including providing payment for a peer reviewer and the submission of a Record of Site Condition (RSC).
- 6. That draft approval shall expire after 5 years of the date of draft approval having been given.

STANDARD CONDITIONS OF APPROVAL FOR SUBDIVISIONS

- 1. The owner shall enter into the City's standard Subdivision Agreement in a form and content to the satisfaction of the City Solicitor and shall provide such security for the obligations of the agreement as the City may reasonably require, and satisfy all pre-registration conditions.
- 2. The Official Plan land use designations and zoning implementing the Official Plan are in full force and effect.
- 3. The owner shall convey all necessary easements to the City.
- 4. The owner shall pay all costs for preparation and registration of reference plan(s).
- 5. The owner shall submit financial securities in accordance with the terms of the standard Subdivision Agreement.
- 6. Prior to the registration of the plan of subdivision, the Owner shall pay the City in full all taxes on lands included in the plan of subdivision for the current taxation year. The required taxes shall be estimated by the City if required, and where such taxes have been estimated, they shall be subject to adjustment upon final determination thereof.
- 7. Draft approval of this subdivision is in effect for a period of 5 years from the date draft approval is issued. Without otherwise fettering its authority or jurisdiction, at its discretion, the City may after the 5 years have lapsed, elect to modify some or all of the conditions of draft approval or revoke the draft approval.

8. The owner shall agree that the entire property is subject to Site Plan Control, and that the City shall require future site plan control applications for all proposed development within the boundaries of the plan of subdivision.

SPECIFIC CONDITIONS

MINISTRY OF TRANSPORTATION

- Prior to registration, the owner shall submit to the Ministry of Transportation for their review and approval, a Traffic Impact Study to assess the impact of the development on the Highway 401 / Islington Avenue Interchange and Ramp Terminal Access.
- 2. Prior to registration, the owner shall submit to the Ministry of Transportation for their review and approval, a Stormwater Management Report indicating the intended treatment of the calculated runoff.
- 3. Prior to registration, the owner shall enter into a legal agreement with the Ministry of Transportation, whereby the owner agrees to assume financial responsibility for all highway improvements to the Highway 401 / Islington Avenue Interchange and Ramp Terminal Access, as a direct result of this development.

UTILITIES

- 1. The owner shall provide written confirmation from Canada Post Corporation that the owner has made satisfactory arrangements, financial and otherwise, for the provision of mail services to the subdivision, to the satisfaction of the Chief Planner and Executive Director of City Planning.
- 2. The owner shall provide written confirmation from a communications/telecommunications provider, such as Bell Canada, for the provision of communications/telecommunications services, to the satisfaction of the Chief Planner and Executive Director of City Planning.
- 3. The owner shall provide written confirmation from Toronto Hydro for the provision of an underground electrical distribution system and street lighting, to the satisfaction of the Chief Planner and Executive Director of City Planning.
- 4. The owner shall provide written confirmation from Enbridge Consumers Gas, for the provision of gas services, to the satisfaction of the Chief Planner and Executive Director of City Planning.

TORONTO REGION CONSERVATION AUTHORITY

- 1. The owner shall submit, to the satisfaction of the Authority staff, a planting plan, as per the recommendation of the Environmental Impact Study, to plant/naturalize the buffer area along the eastern edge of the property.
- 2. The owner shall submit, to the satisfaction of the Authority staff, a planting plan for the proposed Stormwater Management Pond, in accordance with TRCA's Stormwater Management Facility Planting Guidelines.
- 3. The owner shall submit, to the satisfaction of the Authority staff, photographs and a letter prepared by a professional engineer, indicating the condition of the existing headwall into the Humber River.
- 4. The owner shall submit, to the satisfaction of the Authority staff, a water balance analysis of the site demonstrating, where practical, that on-site retention of run-off from a 5mm storm event, through infiltration, evapo-transpiration and/or re-use, will be implemented to reduce run-off volumes to the Humber River.
- 5. The owner shall submit, to the satisfaction of the Authority staff, a geotechnical investigation and slope stability analysis to assess the impact of the proposed Stormwater Management Pond upon the existing slope conditions over the long term.
- 6. The owner shall submit, to the satisfaction of the Authority staff, Erosion and Sediment (ESC) Plans prepared as per TRCA's Erosion and Sediment Control Guidelines for Urban Construction (December 2006).
- 7. The owner shall agree that the use of Block 3 shall be limited to Stormwater Management and related uses only and that the said Block 3 shall be conveyed into public ownership.

HERITAGE PRESERVATION SERVICES

- 1. The owner shall agree that:
 - In the event that deeply buried archaeological remains are encountered on the property, the Heritage Operations Unit of the Ministry of Culture be notified immediately at 416-314-7146, as well as the City of Toronto, Heritage Preservation Services Unit 416-338-1096;
 - In the event that human remains are encountered during construction, the owner will immediately contact both the Ministry of Culture and the Registrar or Deputy Registrar of Cemeteries at the Cemeteries Regulation Unit, Ministry of Government Services, 416-326-8404

URBAN FORESTRY, RAVINE AND NATURAL FEATURE PROTECTION

- 1. The Applicant shall submit appropriate financial guarantees to the satisfaction of Urban Forestry, Ravine and Natural Feature Protection for the plantings related to the stormwater management pond parcel, including any necessary plantings or works within the adjacent ravine area. The value of the security deposit will be based upon a cost estimate for the implementation of the approved planting plan.
- 2. The owner is required to landscape the Stormwater management pond in accordance with City standards. The interface between the Stormwater management pond and the Humber Valley shall be landscaped in accordance with City standards, including the specific requirements of Urban Forestry, Ravine and Natural Feature Protection, and the requirements of the Toronto Region Conservation Authority.

PARKS, FORESTRY AND RECREATION

- 1. The owner shall pay to the city 2% cash in lieu of parkland, in accordance with the terms of the Subdivision Agreement, to the satisfaction of the General Manager of Parks, Forestry and Recreation.
- 2. The owner shall conduct an environmental site assessment for lands to be conveyed to the City in accordance with the terms and conditions of the standard Subdivision Agreement, including providing payment for a peer reviewer and the submission of a Record of Site Condition (RSC).

GO TRANSIT/METROLINX

1. The owner shall obtain clearance from GO Transit/Metrolinx with regard to any applicable draft approval subdivision conditions or conditions to be included in the Subdivision Agreement.