July 7, 2009

File: OTH-01335

Ms. Alexandra Rawlings
Office of the City Clerk
77 James Street North, Suite 220
Hamilton ON L8R 2K3

Dear Ms. Rawlings:

Re: Official Plan and Zoning Bylaw Amendment Applications
Mady Developments
Proposed Major Commercial Development
400 Winona Road and 395 Fifty Road
Former City of Stoney Creek

Region of Niagara Development Services staff received notice on July 6, 2009 that Hamilton’s Economic Development and Planning Committee would be dealing with the above noted applications at a meeting held that same day. Regional staff has reviewed the Commercial and Employment Land Analysis for the Stoney Creek Urban Boundary Expansion Area prepared by Hemson Consulting Ltd., and the peer review prepared by Robin Dee and Associates, dated February 28, 2007, of the Market Demand and Impact Study submitted by Tate Economic Research (TER). Regional staff offers the following comments on the reports and proposal.

**Hemson Consulting Ltd. Report**

The Hemson Consulting report is an analysis of commercial and employment land use for the Stoney Creek Urban Expansion (SCUBE) area. The report evaluated the appropriateness of commercial development on the “Parcel B Block”, in which the Mady development is proposed, and specifically assessed the appropriateness of the proposed major retail development. Some of the conclusions of the report include:

- Hamilton currently has an abundant supply of designated commercial space.
- It is not necessary or appropriate to provide additional commercial supply by allowing retail development within the City’s designated employment areas.
- The “Parcel B Block” should be designated as employment land.
- The Mady major retail development is not appropriate at this location.
- Market demand is not sufficient to justify approval.
- Conversion to retail use is not consistent with Provincial policy objectives.

It is our understanding that the Growth Plan for the Greater Golden Horseshoe, which discourages conversion of employment to non-employment uses and sets strict criteria for approval of employment land conversion, is not applicable based on the subject applications.
predating the Plan. However, it is reasonable, in light of the findings of the Hemson Report to consider the criteria and determine whether the proposed conversion represents good planning. The criteria include demonstration that:

- there is a need for the conversion
- the municipality will meet the employment forecasts allocated to the municipality
- pursuant to this Plan
- the conversion will not adversely affect the overall viability of the employment area,
- and achievement of the intensification target, density targets, and other policies of this Plan
- there is existing or planned infrastructure to accommodate the proposed conversion
- the lands are not required over the long term for the employment purposes
- for which they are designated
- cross-jurisdictional issues have been considered.

In particular, based on the Robin Dee peer review, it is Niagara staff’s opinion that cross-jurisdictional issues have not been properly addressed. The Study Area identified in the TER report includes large portions of Niagara municipalities from which the proposed development would draw customers. The peer review concludes there will be sufficient market support for the proposed department store and/or home improvement component without adverse impacts in and around the Study Area. However, the peer review identified a serious concern with the expected impacts of the department store’s food oriented retail component (i.e. supermarket) on existing supermarket operations in the Study Area, all of which are located in Niagara municipalities.

The original impact analysis in the TER Report suggested loss of sale impacts of 18.1% on Food Basics and 10.9% on Sobey’s, both in Grimsby. It is the professional opinion of the author of the peer review that these impacts are significantly underestimated. The peer review recast analysis estimates the loss of sale impact on the Sobey’s and Food Basics in Grimsby to be approximately 50%. The Food Basics is expected to recover in about two years and is probably not at risk of closure. However, the Sobey’s is not expected to recover over the course of 5 years and the risk of closure is a serious concern. Additional impacts identified by the peer review include the Sobey’s in Beamsville whose initial performance would be a concern but expected to recover in two years. The peer review recommends that, if the development is approved, the department store food oriented retail component be postponed for 5 years at which time approval would be subject to an updated market demand and impact evaluation.

The Study Area identified in the TER report includes large portions of Niagara municipalities from which the proposed development would potentially draw customers. The impacts of the proposal would be on Niagara retail and commercial functions. The most significant impact will be on the Sobey’s and Food Basics that are located in Grimsby’s central area. The Town of Grimsby is currently preparing a Community Improvement Plan for this area to help encourage revitalization and redevelopment. The development of this large-format retail establishment could jeopardize the viability and revitalization efforts of the Grimsby central area. In addition, the current difficult economic environment may exacerbate the impacts of the proposal on Niagara supermarkets and the central area of Grimsby.

The peer review has identified serious concerns with the impact of the proposal on supermarkets in the Niagara area. This proposal, while located in Hamilton, would have negative impacts on municipalities in Niagara. Therefore, Region of Niagara Development Services staff has concerns with the supermarket component of the proposal. Regional staff supports the recommendation of the peer review that the supermarket component be postponed.
for a minimum of 5 years and then be subject to a rezoning and require a new market demand and impact evaluation which satisfactorily indicates sufficient market support for a supermarket use. Should the City of Hamilton wish to approve the development, Regional staff requests this recommendation be incorporated into the approval.

If you have any questions or wish to discuss these comments, please contact myself or the planner working on this file, Sue Mabee, at 905-685-4225 ext. 3386.

Please send notice of the City’s decision.

Yours truly,

[Signature]

Peter Colosimo, MCIP, RPP
Director of Development Services

SM/

Cc: Victor Doyle, Manager of Community Planning and Department, Ministry of Municipal Affairs and Housing
Peter De Iulio, MCIP, RPP, Senior Project Manager, City of Hamilton
Keith Vogl, MCIP, RPP, Planning Director, Town of Grimsby
Kathleen Dale, MCIP, RPP, Director of Planning and Development, Town of Lincoln
Brian Treble, MCIP, RPP, Director of Planning, Township of West Lincoln
Paul Chapman, MCIP, RPP, Director of Planning Services, City of St. Catharines