

**PLANNING JUSTIFICATION REPORT
VAILLARBOIT (OWEN SOUND) HOLDINGS LIMITED PARTNERSHIP
ZONING BY-LAW AMENDMENT
SITE PLAN**

HERITAGE GROVE CENTRE
2125 16th STREET EAST
CITY OF OWEN SOUND

MARCH 2023

PREPARED BY:

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FILE No: P-3402



TABLE OF CONTENTS

1.0 INTRODUCTION	3
1.1 PUBLIC CONSULTATION STRATEGY	4
2.0 BACKGROUND	4
2.1 SITE DESCRIPTION	4
2.2 PREVIOUS APPLICATIONS.....	6
2.3 SURROUNDING LAND USES.....	7
3.0 PROPOSAL	10
4.0 PLANNING APPLICATIONS	11
4.1 ZONING BY-LAW AMENDMENT	11
4.2 SITE PLAN	11
5.0 PLANNING POLICY ANALYSIS	13
5.1 PROVINCIAL POLICY STATEMENT, 2020.....	13
5.2 GREY COUNTY OFFICIAL PLAN, 2019	16
5.3 THE CITY OF OWEN SOUND OFFICIAL PLAN 2021.....	20
5.4 THE CITY OF OWEN SOUND ZONING BY-LAW 2010-078	30
6.0 CONCLUSION	33

APPENDIX A: LIST OF FIGURES

FIGURE 1: CONTEXT MAP

FIGURE 2: PHOTOGRAPHIC CONTEXT LOOKING WEST TOWARDS THE SUBJECT LANDS

FIGURE 3: PHOTOGRAPHIC CONTEXT LOOKING EAST TOWARDS THE SUBJECT LANDS

FIGURE 4: SITE PLAN

FIGURE 5: GREY COUNTY OFFICIAL PLAN REGIONAL STRUCTURE (EXCERPT FROM MAP 1)

FIGURE 6: CITY OF OWEN SOUND LAND USE PLAN

FIGURE 7: TRANSPORTATION PLAN

FIGURE 8: SYDENHAM HEIGHTS PHASE ONE AND PHASE TWO PLANNING AREAS LAND USE PLAN

FIGURE 9: CITY OF OWEN SOUND ZONING BY-LAW MAP 20

1.0 INTRODUCTION

KLM Planning Partners Inc. has been retained by Villarboit (Owen Sound) Holdings Limited Partnership (the “Owner”), with respect to their application to facilitate the development of a grocery store on the lands legally described as Range 5 EGR Park Part Lots 8 and 9, Registered Plan 16R-9039 Part 1, municipally known as 2125 16th Street East in Owen Sound. The lands are located in the eastern urban area of Owen Sound, on the south side of 16th Street East, east of 20th Avenue East (the “Subject Lands” or “Heritage Grove Centre”) (**Figure 1**), comprising approximately 7.6 hectares (18.78 acres).

This Planning Justification Report (“PJR”) accompanies applications for a Zoning By-law Amendment (“ZBA”) and Site Plan Approval (“SPA”) to facilitate the development of a commercial retail building 49,093 square feet (“ft²”) in size (the “proposed development”). The building will be split into two commercial retail units, one will be occupied by a grocery store (35,000 ft²) and the other is for a pet supply store. This development signifies the one of the last phases of development for the large format retail commercial development located at the Subject Lands. A small remnant piece remains on the southerly portion of the Heritage Grove Centre, approximately 47,000 ft² in size.

In respect to the proposed development, the footprint proposed occupies a similar building footprint of the previously approved four (4) storey hotel building (40,000 ft²) which was previously approved by Owen Sound Council (“Council”) in April 2020 under Zoning By-law Amendment No. 29 and Site Plan application ST2019-005.

The proposed grocery store use is permitted under the Parent Zoning By-law 2010-078, as amended, for the Retail Commercial (C2) Zone, however, this use was not explicitly stated in the site-specific Zoning By-law 14.89 (i.e., ZBA No. 29). The Zoning By-law Amendment will amend the existing site-specific By-law 14.89 to capture the full breath of existing uses permitted in Zoning By-law 2010-078, as amended, under the Retail Commercial C2 Zone designation and incorporate other site-specific exceptions associated with the commercial retail plaza (e.g., Increase the maximum Gross Floor Area, remove the North American Industry Classification System requirement, increase Maximum Building Height etc.).

A pre-consultation application was submitted to the City of Owen Sound (the “City”) on December 15, 2021 in respect to the proposed development to amend the permitted uses and exceptions under site-specific By-law 14.89 and to introduce the reconfigured building footprint for the commercial building. The City issued a record of the pre-consultation document on February 28th, 2022 which details the required submission materials for a complete application. The materials submitted in conjunction with these

applications are in accordance with the record of pre-consultation and will assist with the review of the proposed development.

This report is intended to provide an overview of the development proposal as it relates to the applicable Provincial, Regional and Municipal land use policies and plans. The report will also provide an analysis and planning rationale for the development, detailing how the proposal represents an appropriate form of development and good land use planning.

1.1 PUBLIC CONSULTATION STRATEGY

The proposed strategy for consulting with the public with respect to the application(s) will follow the requirements of the *Planning Act* for statutory meetings and the City of Owen Sound's Zoning By-law Amendment process. The statutory public meeting will enable the community to gather information about the proposal and share their feedback and insights. Notice will be provided in advance of the meeting by the City.

2.0 BACKGROUND

2.1 SITE DESCRIPTION

The subject property is located within the "East City Commercial Area" designation as shown on Schedule 'A' – Land Use Plan in the City of Owen Sound Official Plan 2022 ("OSOP" or "Official Plan"). Contained in this area are various large format commercial retail uses on predominantly large sites. This segment of 16th Street East from 9th Avenue East to 28th Avenue East functions as the main easterly gateway to the City of Owen Sound, as seen in the east-west street views in **Figures 2 and 3** of this PJR. 16th Street East is also identified as a "Major Arterial Road" as per Schedule 'C' – Transportation Plan in the Official Plan. The subject property is approximately 7.6 hectares (18.78 acres) in size and is bounded by 20th Avenue East to the West, 16th Street East to the North, and a private laneway to the East and South, primarily used for loading purposes.

The site has six (6) points of access. Three (3) accesses from 20th Avenue East and three accesses on 16th Street East consisting of, one (1) right-in, one (1) right-in right-out (RI-RO) and one full access from a privately owned laneway. For the purposes of the proposed development the private laneway on the easterly portion of the site will facilitate the main service and loading functions. The private laneway along the southern boundary provides service/loading access to the commercial buildings on the southern half of the site.

The site can be divided into four quadrants. The two southern quadrants include the two existing commercial retail buildings, comprised of six units, from west to east the

tenants are as follows: Michaels, Winners, HomeSense, Princess Auto, a vacant unit, and Value Village. One unit is currently unbuilt and will be subject to a future development application. The existing commercial buildings in the southern half of the Heritage Grove Centre share parking directly north of where the buildings are situated. The shared parking area is divided in half by an internal north/south road that bisects the site and connects with 16th Street East as a right in/right out only intersection.

The northwest quadrant on the west side of the N/S internal road contains four existing commercial retail buildings with a total of eight units. Similar to the southern half of the site, parking is shared between stores. The tenants within this quadrant from west to east are: PetSmart, Firehouse Subs, Fire and Flower, Wing’N It, Burger King, Bar Burrito and Dollar Tree.

To the east of the internal N/S road, the northeast quadrant will contain the proposed development, a +/- 49,093 ft² commercial retail building comprised of two units. Fresco is anticipated to fill the larger unit and a pet supply store the other.

Please refer to the Site Plan provided with the submission package as each unit and its correspondence site statistics are clearly outlined for clarity purposes. The table below is to quickly summarize the uses and current tenants.

Zoning By-law Category	Tenant	Size	Location
Restaurant	Wing’N It	104.51 m ² (1,125 ft ²)	Northwest Quadrant
Restaurant	Burger King	246.19 m ² (2,650 ft ²)	Northwest Quadrant
Restaurant	Bar Burrito	116.13 m ² (1,250 ft ²)	Northwest Quadrant
Restaurant	Firehouse Subs	199.74 m ² (2,150 ft ²)	Northwest Quadrant
Retail Store	Fire and Flower	130.06 m ² (1,400 ft ²)	Northwest Quadrant
Retail Store	Dollar Tree	789.67 m ² (8,500 ft ²)	Northwest Quadrant
Retail Store	PetSmart	780.39 m ² (8,400 ft ²)	Northwest Quadrant
Unknown	Building H1 – Vacant	418.06 m ² (4,500 ft ²)	Northwest Quadrant
Retail Store	Michaels	1,772.49 m ² (19,079 ft ²)	Southwest Quadrant
Retail Store	Winners	1,913.34 m ² (20,595 ft ²)	Southwest

			Quadrant
Retail Store	Homesense	796.27 m ² (8,571 ft ²)	Southwest Quadrant
Automotive Body/Repair Shop	Princess Auto	1,858.06 m ² (20,000 ft ²)	Southwest Quadrant
Retail Store	Value Village	2,000.48 m ² (21,533 ft ²)	Southeast Quadrant
Future Development (Unknown)	Building G – Vacant	4,403.79 m ² (47,402 ft ²)	Southeast Quadrant
Grocery Store	Grocer	3,251.60 m ² (35,000.00 ft ²)	Northeast Quadrant
Retail Store	Pet Supply Store	1,309.28 m ² (14,093 ft ²)	Northeast Quadrant

2.2 PREVIOUS APPLICATIONS

Zoning By-law Amendment (2010-078)

In March 2012, Heritage Grove applied for a Zoning By-law Amendment (2010-078) in order to allow the addition of a permitted use, increase the total maximum permitted gross floor area for retail and service uses, reduce the minimum unit size for a retail use, include a maximum floor area for all service uses combined and eliminating individual size restrictions on specific service uses and adding new definitions. Ultimately, the intent of this application was to allow more flexibility for the site to develop commercial and retail uses to meet market demand and service the community. City Council refused the application with concerns about potential market impact and the applicants (the Owner) appealed to the Ontario Municipal Board now known as the Ontario Land Tribunal (“OLT”). After a series of pre-hearing conferences, the applicants and the City agreed on modifications to the application. They also agreed on a draft Zoning By-Law. The catalyst for the settlement was based on a market analysis submitted by the applicant. A settlement was reached between the applicant and City, please reference OLT Case File No. PL130079.

Zoning By-law Amendment (ZBA 29) and Site Plan Approval (ST-2019-005)

In 2019, the Owner filed a Zoning By-law Amendment and Site Plan Approval application to construct a hotel and four commercial buildings, with a total of nine units. Six of the units were proposed to contain restaurants and the remaining were unassigned retail-type spaces.

The proposed amendments to the site-specific by-law (were to add a Gas Bar, including accessory convenience store and a hotel as permitted uses on the Subject Lands. The

amendments also altered some site and building regulations (e.g., building height, and floor area provisions).

2.3 SURROUNDING LAND USES

North: Vacant Rural Lands;

West: Large scale commercial uses (Home Depot and Walmart);

South: Vacant Rural – remainder of the Heritage Grove lands (proposed Bremont Residential Subdivision on adjacent parcel to the south);

East: The proposed Sydenham Square commercial/residential development.

FIGURE 1: Context Map



FIGURE 2: Photographic Context Looking West Towards the Subject Lands



FIGURE 3: Photographic Context Looking South Towards the Subject Lands



3.0 PROPOSAL

The purpose of the applications is to facilitate the development of a commercial retail building 49,093 ft² in size. The proposed building will be split into two commercial retail units, one will be occupied by a grocery store (35,000 ft²) and the other is for a pet supply store (14,093 ft²). The development of the northeast quadrant of the Subject Lands signifies one of the last phases of development for the large format retail commercial plaza. One remnant piece of land is located on the southern half of the Heritage Grove Centre lands and could facilitate the creation of an approximately 47,400 ft² building.

The footprint proposed for the 49,093 ft² commercial retail space occupies a similar building footprint of a four (4) storey hotel building (40,000 ft²) which was previously approved by Council in April 2020 (i.e., ZBA No. 29 and Site Plan Approval ST2019-005).

Due to unforeseen market forces, the hotel previously proposed on site is no longer a viable option at this moment in time. The intent of the Zoning By-law Amendment is to accommodate the full suite of commercial and retail uses permitted within the parent Zoning By-law 2010-078, as amended, Retail Commercial Zone (C2) category. We note, a Grocery Store is a permitted use within the parent zoning by-law under the C2 Zone. The application will also amend the existing site-specific by-law to modify lot and building requirements (e.g., Maximum Building Height, GFA etc.). The framework of the northeast quadrant of the plaza largely remains unchanged in this current proposal. The drive lanes, parking areas, core servicing and general site function were established in the previous approval. The Owners have obtained building permits from the City and installed the servicing on site. Leveraging the existing approvals and work completed to date, the owners are seeking to amend the site-specific Zoning By-law and update the associated site plan materials to accommodate uses already permitted in the parent zone category (i.e., C2) and to reflect the revised building design.

We note, a component of the amendment to the site-specific by-law is to remove the requirement for retail stores to fall under the North American Industry Classification System. The Owner has faced obstacles with acquiring tenants to fill the vacant units on site. Amending the list of permitted on site to be consistent the parent zoning by-law will eliminate the need for future *Planning Act* applications to accommodate uses already permitted in the Retail Commercial (C2) Zone. Notwithstanding, the inclusion of the full breath of uses in the C2 Zone will assist the site to meet the planned function of the East City Commercial land use designation as established in the City's Official Plan.

Ultimately, the intent of the application is to enable the site to realize the full suite of commercial retail uses in the Retail Commercial Zone and move closer towards the complete build-out of the site.

4.0 PLANNING APPLICATIONS

The following planning applications are required to facilitate and implement the proposed development and have been submitted to the City:

4.1 ZONING BY-LAW AMENDMENT

An amendment to the existing site-specific Zoning By-law 14.89 is required to include the full suite of retail commercial uses (e.g., Grocery Store) permitted in the Retail Commercial (C2) Zone and implement site-specific exceptions to facilitate the proposed development.

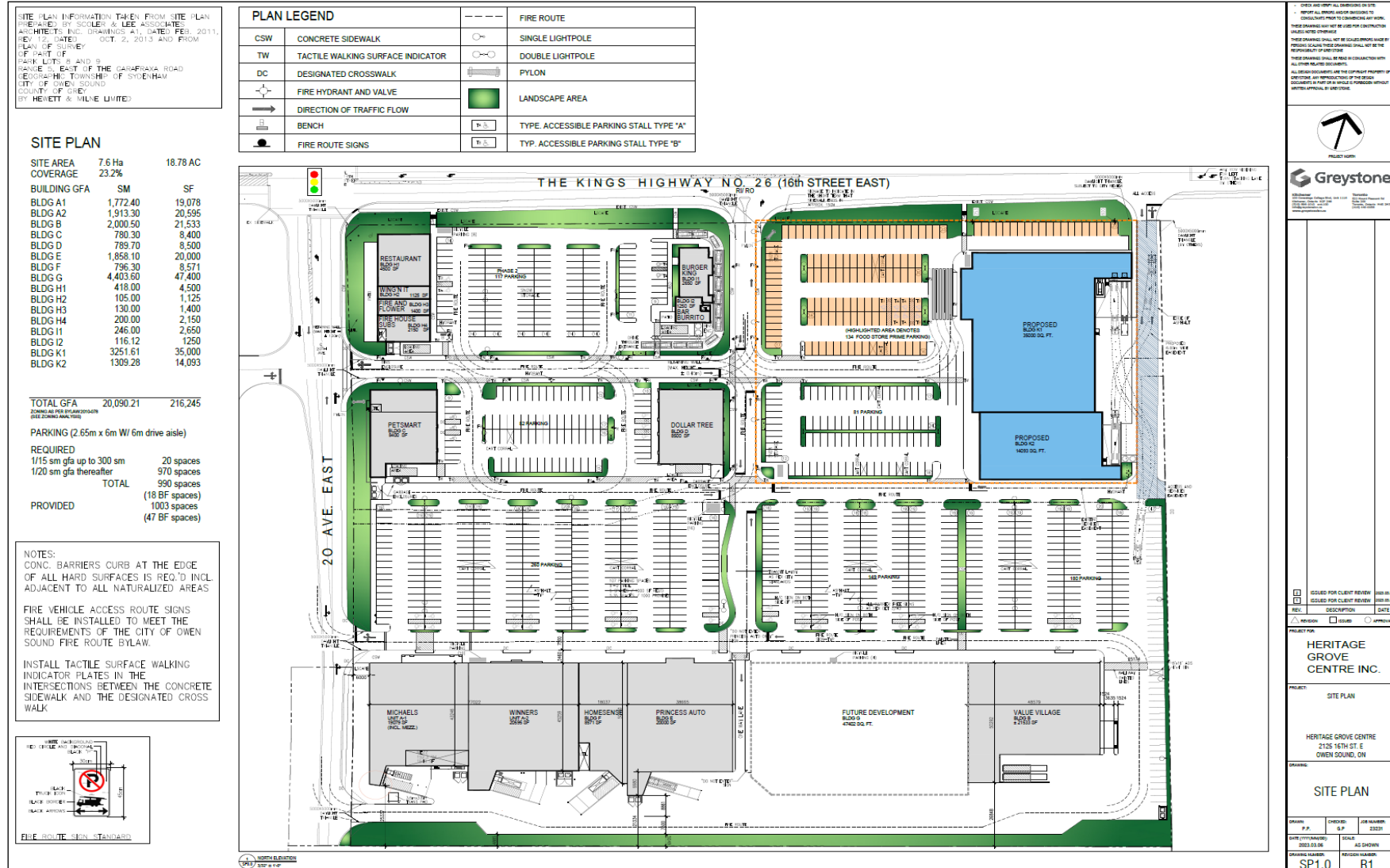
A copy of the draft Zoning By-law Amendment has been included as part of the submission materials and is appended to this report as Appendix B.

4.2 SITE PLAN

The City of Owen Sound has enacted By-law No. 2019-185, as amended, to designate all lands within the geographic limits of the City as a Site Plan Control Area and are subject to the Site Plan Control Area provisions of the by-law and Section 41(4) of the *Planning Act*.

The proposed development of the commercial retail building 49,093 ft² in size is subject to Site Plan Control. See Figure 4 for a copy of the Site Plan. The materials prepared in support of the application are to ensure that the proposed development complies with the municipal by-laws, zoning regulations and other applicable standards relating to safety, accessibility, environmental impact and community design etc.

FIGURE 4: Site Plan



5.0 PLANNING POLICY ANALYSIS

5.1 PROVINCIAL POLICY STATEMENT, 2020

The Provincial Policy Statement 2020 (the “PPS”) is a guiding document providing policy direction on matters of Provincial interest related to planning and development. The PPS seeks to set a policy foundation for regulations on land use and development while also supporting the Provincial goal to enhance the quality of life for Ontarians.

An amended version of the PPS came into effect on May 1, 2020 replacing the previous version dated April 30, 2014. The *Planning Act* (the “Act”) requires that all decisions made related to planning matters shall be consistent with policy statements issued under the Act, including the PPS.

A founding principle and theme throughout the PPS is building strong communities that are sustainable and resilient for people of all ages. Strong communities provide long-term prosperity and social well-being for all Ontarians. To obtain this objective, the PPS promotes efficient land use and development patterns to improve the financial viability of the Province and its municipalities. By promoting the integration of land use planning, growth management and intensification municipalities can meet the needs of existing and future residents. Directing development and intensification within built-up areas which have sufficient infrastructure capacity promotes the efficient use of land and promotes strong, liveable, healthy and resilient communities. These goals are also achieved by supporting development that is compact, optimizes the use of available land and while maintaining appropriate levels of public health and safety. To this end, the PPS states:

1.1.1. “Healthy, liveable and safe communities are sustained by:

- a) promoting efficient development and land use patterns which sustain the financial well-being of the Province and municipalities over the long term;*
- b) accommodating an appropriate affordable and market-based range and mix of residential types (including single-detached, additional residential units, multi-unit housing, affordable housing and housing for older persons), employment (including industrial and commercial), institutional (including places of worship, cemeteries and long-term care homes), recreation, park and open space, and other uses to meet long-term needs;*
- c) avoiding development and land use patterns which may cause environmental or public health and safety concerns;”*

The Heritage Grove Centre has been incrementally developing the site over the past few years and has successfully attracted a range of retailers and services to the site. The northeast quadrant of the Heritage Grove Centre lands is the last phase to be developed

and this application will facilitate a step towards the full build-out of an established retail commercial plaza located on a key arterial gateway to the City of Owen Sound. Due to the dynamic nature of the economy and continually evolving trends in the commercial retail space the Owner is seeking permission to revise a previously approved development application to accommodate a use which exists within the parent Zoning By-law and to apply minor modifications to the building footprint on the Subject Lands. Developing the balance of the Heritage Grove Centre will ensure the efficient use of land that is consistent with the land use patterns in the surrounding area. The development will assist in the creation of a complete community within the City of Owen Sound.

1.1.3.1 “Settlement Areas Shall be the focus of growth and development, and their vitality and regeneration shall be promoted.”

The proposed development is located within the settlement area and will contribute to the City realizing its future vision for the East City Commercial district. The development will provide residents and visitors with local services and amenities that will encourage shopping at local commercial uses along 16th Street East.

1.1.3.2 “Land use patterns within settlement areas shall be based on densities and a mix of land uses which:

- a) efficiently use land and resources;*
- b) are appropriate for, and efficiently use, the infrastructure and public service facilities which are planned or available, and avoid the need for their unjustified and/or uneconomical expansion; and*
- c) minimize negative impacts to air quality and climate change, and promote energy efficiency;”*

1.1.3.3 “Planning authorities shall identify appropriate locations and promote opportunities for intensification and redevelopment where this can be accommodated taking into account existing building stock or areas, including brownfield sites, and the availability of suitable existing or planned infrastructure and public service facilities required to accommodate projected needs.”

The Heritage Grove Centre is located in an area where the planned function is to accommodate large format retail uses on large site. In keeping with the City’s Official Plan designation, East City Commercial, the lands locational attributes lend itself to accommodate a mix of retail and commercial uses to service residents and visitors of Owen Sound.

Additionally, this proposal aims to utilize a similar development footprint of previously approved commercial buildings for alternate commercial uses which will service the surrounding community. The development of this vacant portion will enable the

creation of commercial retail spaces envisioned through the Official Plan. The proposed grocery store and large-format commercial uses represent an orderly progression of development within the Settlement Area and the East City Commercial district. The project will build upon the existing Official Plan land use designation and leverage the existing services and infrastructure available in the area.

The PPS contains policies regarding employment in Section 1.3, primarily that:

1.3.1 “Planning authorities shall promote economic development and competitiveness by:

- a) providing for an appropriate mix and range of employment, institutional, and broader mixed uses to meet long-term needs;*
- b) providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;*
- c) facilitating the conditions for economic investment by identifying strategic site for investment, monitoring the availability and suitability of employment sites, including market-ready sites, and seeking to address potential barriers to investment;*
- d) encouraging compact, mixed-use development that incorporates compatible employment uses to support livable and resilient communities, with consideration of housing policy 1.4; and,*
- e) ensuring the necessary infrastructure is provided to support current and projected needs.”*

The expansion of commercial uses on the Heritage Grove Centre lands will further contribute to providing a range of employment opportunities within the community and will service existing/future residents and individuals visiting Owen Sound. The development of this underutilized portion of land will enhance the economic base at a key entryway to the City of Owen Sound. The Retail Market Demand and Impact Analysis prepared by urbanMetrics Inc. has identified that there is sufficient opportunity to support the permissions being sought at the Heritage Grove Centre. The anticipated types of retail commercial tenants that Heritage Grove Centre is seeking, require a site which can accommodate their large format, space and parking intensive uses. Generally, these retail commercial tenants cannot be located in the downtown or other commercial areas due to size constraints (e.g., average square footage available). As such, the additional commercial retail uses proposed at the Heritage Grove Centre will contribute to diversifying the economic opportunities in Owen Sound.

Section 1.6 of the PPS discusses the importance of Infrastructure and Public Service Facilities:

1.6.6.2 “Municipal sewage services and municipal water services are the preferred form of servicing for settlement areas. Intensification and redevelopment within settlement areas on existing municipal sewage services and municipal water services should be promoted, wherever feasible”:

The subject property is currently serviced by municipal services and those services are adequate to maintain the existing and proposed commercial uses.

Section 1.7 of the PPS discusses policies focused on long-term economic prosperity:

1.7.1 “Long-term economic prosperity should be supported by:

- a) promoting opportunities for economic development and community investment-readiness;*
- c) optimizing the long-term availability and use of land, resources, infrastructure, and public service facilities;*

This application represents one of the last phases of development towards the full build-out of an existing commercial plaza. Developing this remnant piece of land to create an additional 49,093 ft² of commercial retail space will assist with providing opportunities for further economic development and community investment-readiness. In turn, the development of the northeast quadrant of the Heritage Grove Centre lands optimizes an underutilized portion of the site which has existing infrastructure ready at its doorstep. Building upon prior development approvals, this development will present further opportunities for the long-term economic prosperity of Owen Sound.

Based on the review of the relevant provisions of the PPS, this application represents appropriate development of an underutilized area located in a settlement area. The proposal is consistent with policies of the PPS. Approval of the proposed development will aid the City of Owen Sound and Grey County in pursuing intended outcomes of in-effect land use designations.

Based on the foregoing, it is our opinion that the proposal is consistent with policies of the Provincial Policy Statement.

5.2 GREY COUNTY OFFICIAL PLAN, 2019

The Grey County Official Plan (“GCOP”) is a comprehensive planning document that outlines the long-term vision and policies for the physical, social and economic development of Grey County. It sets out the legal framework for land use planning, provides direction for future growth and development, guides decision-making on land use, transportation, housing, natural resources and community services. The intent of the GCOP is to ensure that development is sustainable and meets the needs of present and future generations. The GCOP was adopted by Grey County Council on October 25,

2018 and approved by the Province on June 6, 2019. The effective date of the Official Plan is June 7, 2019.

Grey County (the “County”) is home to a stable resident population estimated at more than 96,070 and a work force of over 40,000 as of 2016. It is anticipated that by 2038 Grey County’s population will increase to 109,190 people, a total of 45,580 households and total employment of 45,350 people. A challenge with the GCOP is that the geography of Grey County is so vast and encompasses nine very unique municipalities. GCOP establishes targets for the amount of growth to be allocated to each of its municipalities, Owen Sound included. Amongst many variables of smart growth is the heightening importance to create and design complete communities to support people’s needs by providing equitable and convenient access to an appropriate range of services. Complete community support people’s daily needs for all age groups and encompasses place-making to create liveable communities.

The GCOP designates land for development in accordance with current commercial, industrial, and residential growth rates. Section 3.3 of the GCOP establishes the land use types in the County to promote development forms and patterns which minimize land consumption and servicing costs. This helps to ensure development is compact in form and promotes the efficient use of land and provision of water, sewer and transportation, and other services. A key component of the GCOP is to encourage the development of mixed-use settlements and to create healthy, sustainable communities. According to Schedule A – Land Use Types, the subject property is classified as a “Primary Settlement Area” as shown in Figure 5 of this report.

Primary Settlement Areas are deemed suitable for high intensification targets, public transit services and have full municipal services. The GCOP promotes the development of Primary Settlement Area and has identified that it should accommodate a full range of residential, commercial, industrial, recreational, and institutional land uses. The majority of growth within the County is to be focused within the Primary Settlement Area. A component of achieving this objective is developing vacant and/or underutilized lots within developed areas. New construction through intensification should occur in a manner that takes into account the existing built and physical environment and is compatible with the surrounding land uses.

Section 3.5 provides delves further into the policy direction of Primary Settlement Areas:

1. *“Primary Settlement Areas as identified in Table 5 and shown on Schedule A of this Plan include existing major urban settlement areas on full municipal services;*
2. *Land use policies and development standards in areas designated Primary Settlement Areas will be in accordance with local official plans and/or secondary plans;*

3. *The Official Plan promotes the development of Primary Settlement Area land use types for a full range of residential, commercial, industrial, recreational, and institutional land uses. These areas will be the focus of the majority of growth within the County.*
4. *Where there are existing partially services or non-services areas in Primary Settlement Areas, development must proceed in accordance with approved local official plans or official plan amendment policies;*
6. *Intensification opportunities are strongly encouraged within Primary Settlement Areas. Municipalities must develop and adopt intensification strategies to ensure that the residential intensification targets identified in Section 3.4.1 of the Official Plan are met. Intensification strategies in Primary Settlement Areas shall enable:*
 - a. *Brownfield redevelopment;*
 - b. *'As-of-right' permissions in official plans and zoning by-laws for second units;*
 - c. *The development of vacant and/or underutilized lots within previously developed areas;*
 - d. *The expansion or conversion of existing buildings. New construction through intensification should occur in a manner that takes into account the existing built and physical environment and is compatible with the surrounding land uses".*

The grocery store and large-format commercial uses proposed on the Heritage Grove Centre lands are permitted uses within the Primary Settlement Area designation. The intent of this proposal is to capture the as-of-right permitted uses granted under the Retail Commercial (C2) Zone category to assist in expanding the economic viability of the Heritage Grove Centre and servicing the surrounding community. In conjunction with the introduction of complimentary retail commercial uses, a high standard of urban design will be employed for the proposed development that will complement the surrounding land uses and the eastern gateway into Owen Sound. Based on the foregoing, it is our opinion that the proposed development conforms to the Grey County Official Plan.

FIGURE 5: Grey County Official Plan – Schedule A – Land Use Types



5.3 THE CITY OF OWEN SOUND OFFICIAL PLAN 2021

The City of Owen Sound Official Plan (the “Official Plan” or “OSOP”) was first adopted in 1984 and was subsequently amended in 2006 and 2012. In 2019 the City initiated a review of the Official Plan that included analysis of existing policy, trends and issues; consideration of recommendations from City-approved Master Plans; and, public consultation. The process led to the preparation of an amended Official Plan in 2021. This Official Plan provides a long-term vision for all lands within the City of Owen Sound and has status in law pursuant to the provisions of the *Planning Act*. The Official Plan contains the vision, goals, objectives, and policies to manage and direct physical change and the effects on the social, economic, built and natural environment of the City. This Official Plan has the effect of requiring that the City conform to the Official Plan when undertaking public works or passing by-laws.

The Subject Lands are designated “East City Commercial” as per Schedule ‘A’ – Land Use Plan in the OSOP. Further, the lands are located within the “Sydenham Heights Planning Area” as shown on Schedule ‘A2’ in the OSOP. See Figure 6 for a copy of Schedule ‘A2’.

The East City Commercial designation is covered in Section 3.5 of the Official Plan and applies to the major vehicle related commercial area in Owen Sound, particularly on 16th Street East from 9th Avenue East to 28th Avenue East. This area is considered to be the main eastern entrance to the City and is a key element in the image of the City. *“The principle planned function of the East City Commercial designation is to accommodate large format retail uses requiring relatively large sites. Such development serves as a regional destination and may accommodate single or multiple purpose sites. The locational attributes of these sites lend themselves to the accommodation of certain other complementary uses such as offices, large entertainment and community facilities as well as service commercial uses, and high density residential which are also contemplated under this designation”*. The policies for the East City Commercial Area are:

3.5.1 Permitted Uses

3.5.1.1 *“The following uses may be permitted within lands designated East City Commercial:*

- a. *Large format retail and service commercial uses such as garden centres, warehouse stores, vehicle services, furniture, hotel, and home-furnishing uses having significant needs for on-site storage and parking.*
- b. *Limited smaller scale retail on underutilized or infill type lots, service commercial and personal uses, financial institutions and services, business, professional and medical offices, restaurants, entertainment and other*

community facilities, such as day care centres, ancillary to and in support of large format retail and service commercial uses.

- c. High density residential uses and non-ground oriented multiple dwelling units in combination with uses permitted in Section 3.5.1.1a.”*

The uses proposed on the Heritage Grove Centre lands are consistent with the East City Commercial permitted uses.

3.5.2 General Policies

3.5.2.1 The East City Area shall be developed in an orderly and coordinated manner to provide a cohesive and attractive pedestrian and vehicle-oriented retail environment to serve the community and surrounding region.

3.5.2.2 The area shall be capable of providing both large-scale lots to accommodate large format retail uses and medium scale properties to accommodate service and support businesses.

3.5.2.3 Off-street vehicle parking areas shall be established at a rate that will adequately serve the related commercial facilities, including parking for all employees and customers. Parking areas and points of access are to be developed in accordance with Section 8.6.6 and relevant urban design guidelines for the East City Commercial Area.

3.5.2.4 In order to sustain the planned function for the East City Area, the City may limit the minimum and maximum gross floor area of any permitted use through the Zoning By-law.

3.5.2.5 For any application in the East City Commercial designation for the uses listed in Section 3.5.1.1 a) and b) that are less than 465 square metres and greater than 1,400 square metres, the City shall require the following information and studies acceptable to the City:

- a) A retail market analysis of the need for the proposed development and the impact of the proposed use on the commercial structure of the City and the County. Such a study shall confirm that:*
 - i. Designated commercial property, suitable for the intended scale and type of development is not available within the River District Commercial area.*
 - ii. Available commercial property in the River District Commercial area is not economically viable for the intended scale and type of development.*

- iii. *The proposed increase in commercial floor space will not be premature by increasing the amount of commercial floor space in the City beyond the 5 year market demand.*
- iv. *The proposed development will not undermine the economic viability or planned function of a significant commercial component of the River District Commercial area or impair the function of a designated commercial district as identified in this Plan.*
 - b) *An assessment of the traffic, land use, ecological and servicing impacts of the proposed use, including recommended infrastructure improvements necessary to accommodate the proposed use.*
 - c) *Site development information to ensure high quality urban design, safe access for pedestrians and vehicles, on-site environmental controls, store size and function, and similar information necessary to assess the impact of the use on the area.*

The proposed development consists of large format commercial (i.e., a grocery store and pet supply store) uses in a pre-existing commercial plaza. The commercial building will be designed in a fashion that complements surrounding uses and frames the easterly entrance. A total of 134 onsite parking spaces have been provided for the proposed grocery store with an additional 81 spaces reserved for the pet supply store. As previously noted, a Retail Market Demand and Impact Analysis was prepared by urbanMetrics Inc. in December of 2021. The report concluded that the market entry of a proposed 45,000 ft² supermarket and up to 50,000 ft² of additional commercial uses on the subject property can be supported from a market demand and impact perspective. The proposed uses being introduced to the commercial block will not materially impact the downtown area of Owen Sound, based on both the results of the market analysis and in light of the fact that the types and sizes of retail stores that are anticipated to locate on the subject property (large format, space intensive and parking intensive uses,) will continue to be highly differentiated from the downtown and other commercial areas in Owen Sound.

The proposal is accompanied by technical reports that demonstrate that the traffic, servicing, ecological impacts of the proposed use are satisfactory and in keeping with the City's policies. Additionally, the site layout and building's massing has been prepared to ensure a high-quality urban design is upheld, safe access for pedestrians and vehicles is maintained, on-site environmental controls are to be implemented and the store size and functions are appropriate.

Section 4.2 of the Official Plan discusses the policies incorporated into the Sydenham Heights Planning Area Secondary Plan. The purpose of this secondary plan is to *“provide the basis for the development of a diverse community area in a manner that has the greatest positive impact on the quality of life in Owen Sound. The secondary plan provides more specific development policies for the Sydenham Heights Planning Area to*

guide decisions on development applications and to incorporate the findings of the recently completed engineering studies for the Planning Area.”

The Sydenham Heights Planning Area (the “Planning Area”) is proposed to be largely a residential mixed-use community. The Planning Area is to be distinguished by its natural environmental features, existing major institutional uses, a mixed-use node at 16th Avenue East and 8th Street East and residential development to accommodate future growth in the City. As per Section 4.2.2 of the Official Plan, the permitted uses in the Sydenham Heights Planning Area are as follows:

4.2.2.1 “The Sydenham Heights Phase I and II Planning Areas shall primarily accommodate residential land uses together with a mix of compatible institutional, commercial and open space uses to support and service the local residential area in accordance with the policies of Section 3.1 of this Plan.

4.2.2.2 This area shall provide for a Future Mixed-Use Node, Arterial Commercial, higher order commercial development such, as East City Commercial, and create open space and trail systems in accordance with the Recreation Parks and Facilities Master Plan.

4.2.2.9 In areas designated East City Commercial on Schedule ‘A2’, development shall take place in accordance with Section 3.5 of this Plan. The East City Commercial designation is generally an extension of this land use as located in the area south of Highway No. 26 and west of 20th Avenue East”.

The proposed grocery store and large format commercial uses in the existing commercial plaza are consistent with the policies of the Sydenham Heights Secondary Plan. The proposed development is permissible in the East City Commercial area land use designation as it permits commercial uses.

The general blueprint of the Heritage Grove Centre has been laid out and this application builds upon the established framework for the commercial site. Similar to the existing buildings, the proposed development will be developed with high quality materials and urban design features that will complement the eastern entryway into Owen Sound. Section 2.2.7 of the OSOP outlines the goals and objectives in regards to urban design within the City. The urban design policies, aim to “facilitate ‘experiencing the City’ by recognizing the exceptional natural setting, maintaining the built heritage of the City, protecting significant natural features, establishing complete communities, and ensuring quality urban design”. In order to achieve this goal, the following urban design objectives have been established:

- a) To protect, enhance and clearly define the City’s unique character and built heritage, including its natural setting, distinct planning areas, and unique residential neighbourhoods;*

- c) *To provide streetscapes and pedestrian environments that are designed to be safe, attractive, accessible, and inviting;*
- d) *To ensure that new development and redevelopment employs high quality architectural and landscape design, is progressive, aesthetically appropriate, and compatible with the City's built heritage resources, cultural heritage landscapes, and surrounding neighbourhood character;*
- f) *To enhance the functionality and attractiveness of the City's gateways and arterial corridors through City infrastructure projects and through enhanced design expectation in private development projects.*

Further to the above, Section 8.1.1.5 sets out that design guidelines may, among other matters, deal with issues such as building siting, massing, heights; architectural features; building materials; points of access; location and design of site features such as parking areas, service uses, pedestrian walkways; tree management and landscaping; and, elements of street furniture, signage, fencing and lighting.

As previously noted, the subject property is located within a gateway to the City and an established major commercial area, both of which are subject to a high standard of urban design to achieve an appealing, comfortable, accessible, safe environment for the residents and visitors of Owen Sound. Over three quarters of the site is already built and similar design principles will be implemented on site.

8.4.2.6 In retail areas, the City will promote the provision of a comfortable pedestrian environment suitable for shopping, with wide sidewalks and some weather protection. Retail areas should provide opportunities to meet people or to sit in outdoor cafes. Sidewalks should not be utilized for snow storage.

A comfortable pedestrian environment has been considered by clustering the commercial retail buildings within the Subject Lands to maximize visibility from the parking areas and 16th Street East. In turn, each building will be connected by a network of sidewalks promoting a safe space dedicated to pedestrians to travel within the commercial plaza and outbound to the public ROW. Additionally, areas for snow storage areas have been provided on site outside of areas dedicated to pedestrian traffic.

8.6.5 Large Lots

8.6.5.1 In order to create an attractive street edge, buildings on large commercial, industrial or institutional lots with sufficient depth to provide internal traffic distribution are encouraged to be located close to the street with parking located further from the street with appropriate landscape treatment as specified in the City's Site Plan Submission and Approval Guidelines.

8.6.6 Parking and Access

8.6.6.1 Where off street parking is required, the City may develop and enforce design criteria and guidelines to provide for:

- a. Safe vehicular access.*
- b. Pedestrian safety, convenience and accessibility.*
- c. Adequate lighting, signage and landscaping.*
- d. Controlled visual impact by appropriate location on the site.*

8.6.6.2 Parking should be located in a manner appropriate to the size of the site, the optimum relationship of the building to the street and convenient access for users as described in Section 8.6.

8.6.6.3 Access points should be clearly visible and distinguishable, limited in number and designed in a manner that will minimize hazards to pedestrian and motor traffic in the immediate area. The City may require consolidation of adjacent parking areas to provide appropriate spacing of access points on arterial roads.

The Heritage Grove Centre is a large format commercial site which has been carefully designed to ensure the orientation of the buildings and internal road configuration allows for the efficient, safe, and accessible movement of pedestrians and vehicles. The proposed grocery store and pet supply store abut the street edges to both the north and east and have allocated parking spaces internal to the property. Building entrances have been designed to avoid grade changes from the internal sidewalks to ensure the retail and commercial units can be accessed by all. Appropriate landscape buffers and parking islands have been established on the site plan but will be further detailed in the Site Plan approval process. Appropriate screening of loading areas will be implemented to ensure an aesthetically pleasing development from all viewpoints. The size, orientation, and function of the commercial uses proposed are compatible and comparable to the surrounding commercial uses on and adjacent to the Subject Lands. The height, design and function of the grocery store and pet supply store will reinforce and enhance the commercial area with similar urban design features and treatments. Please refer to the architectural materials prepared by Greystone Inc.

Access points to the Heritage Grove Centre are highly visible and are all along public ROWs. In accordance with the Zoning By-law parking rate requirements for retail commercial uses, the development satisfies the parking ratio requirements. In respect to lighting, the site will be illuminated to ensure the lighting creates a safe outdoor environment and minimizes glare and impact to night sky, public view and surrounding properties. Landscaping buffers are proposed to help unify the proposed building, streetscape, surrounding environment and to provide a physical and visual setback between the parking areas/store fronts.

8.6.11 Signage

8.6.11.1 Site signage shall be designed to complement and enhance the building and site design. Building signage shall be in scale with the building design, proportionate to the building façade and architecturally integrated with the building design. Ground related signage is to be integrated with landscape plans. Further direction may be provided through Urban Design Guidelines or Sign Guidelines.

Aesthetically pleasing signage will be utilized on the 16th Street East frontage which will assist residents and visitors in determining the stores offered in the commercial plaza. The commercial signage will not overwhelm the appearance of the streetscape and has been designed to be simple, coordinated and located to reduce visual clutter.

The proposed application aligns with the policy direction outlined in the Owen Sound Official Plan and represents good land use planning and the uses proposed are appropriate for the development of the Subject Lands.

FIGURE 6: OSOP – Schedule ‘A’ – Land Use Plan

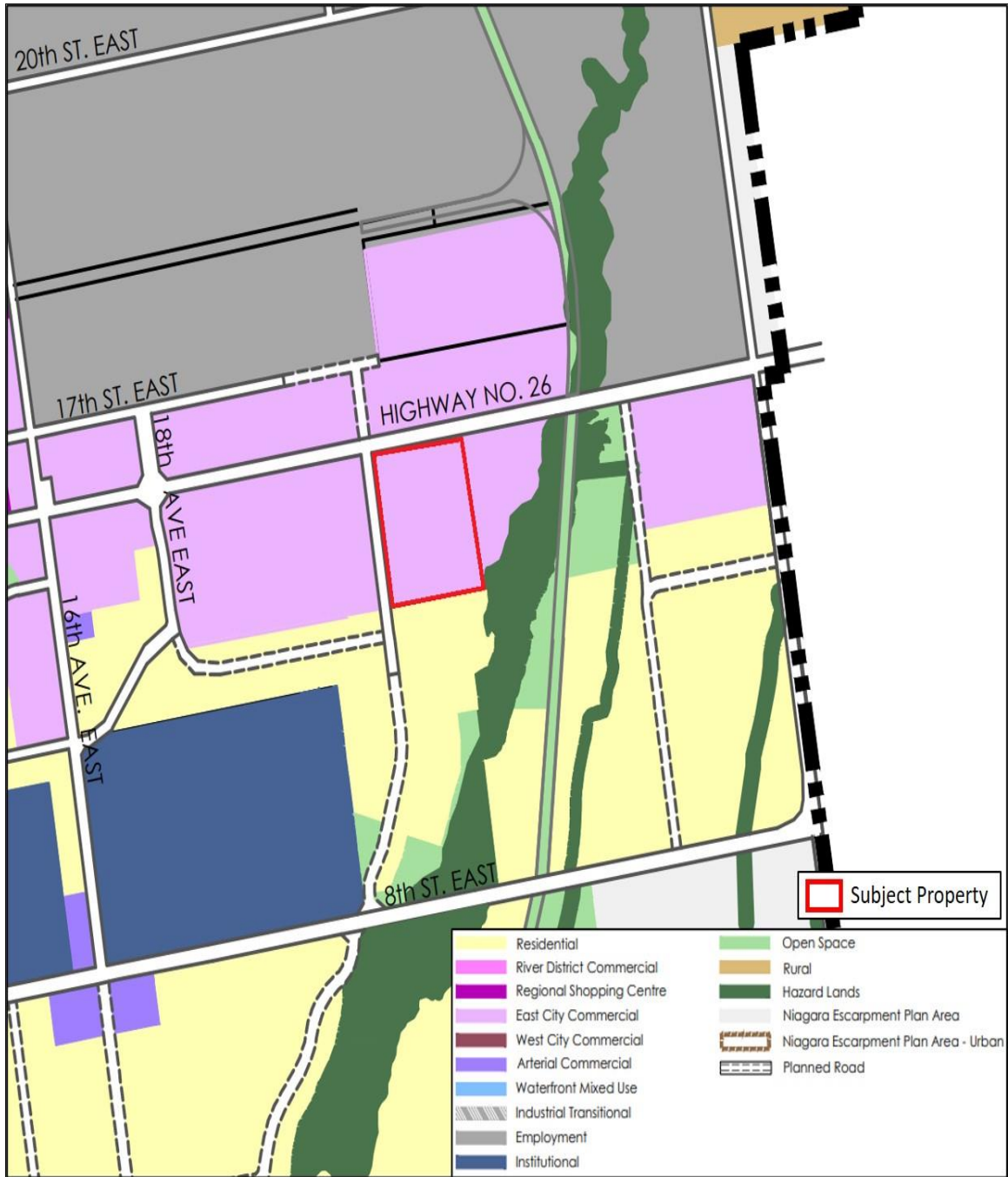


FIGURE 7: OSOP – Schedule ‘C’ – Transportation Plan

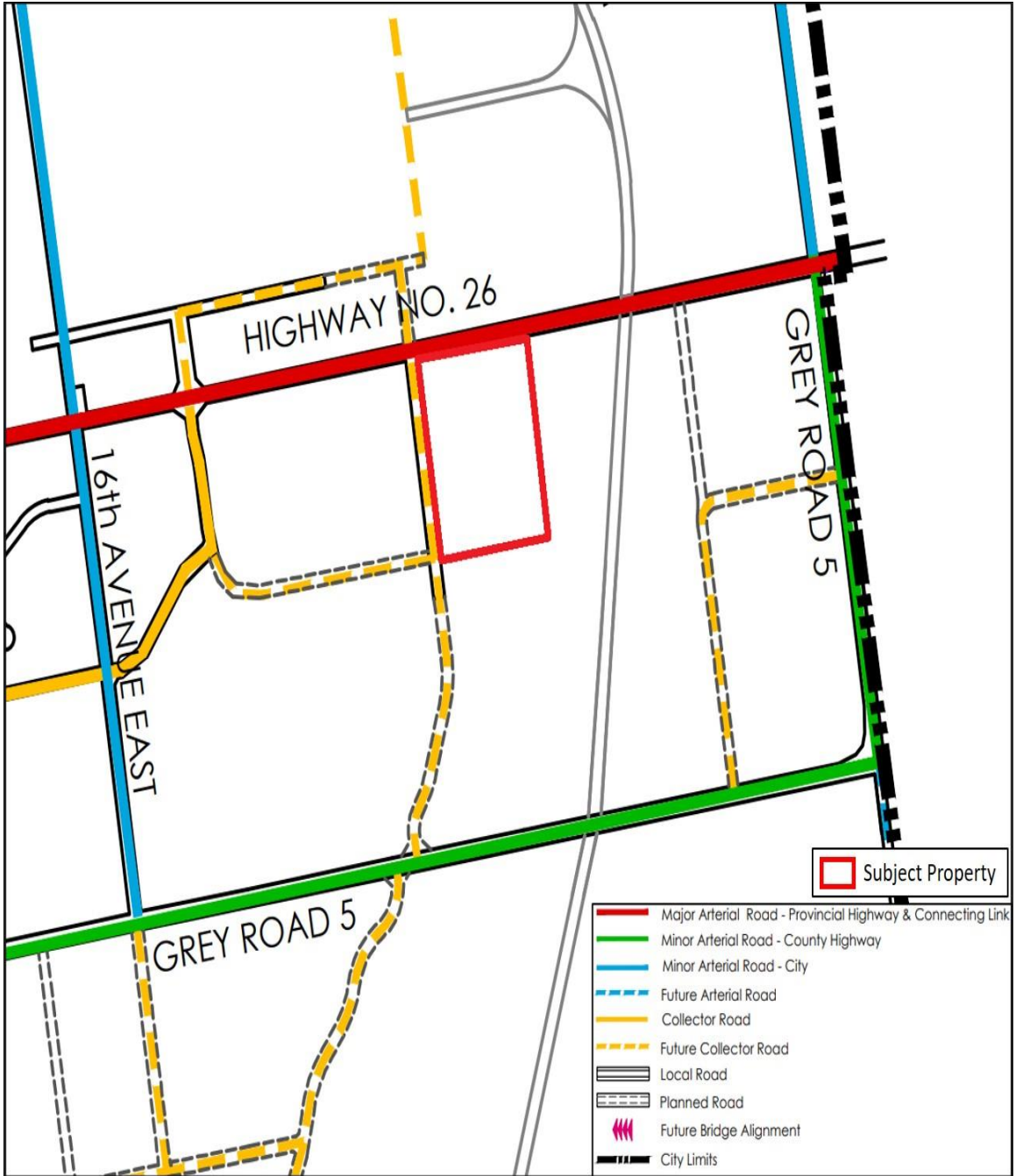
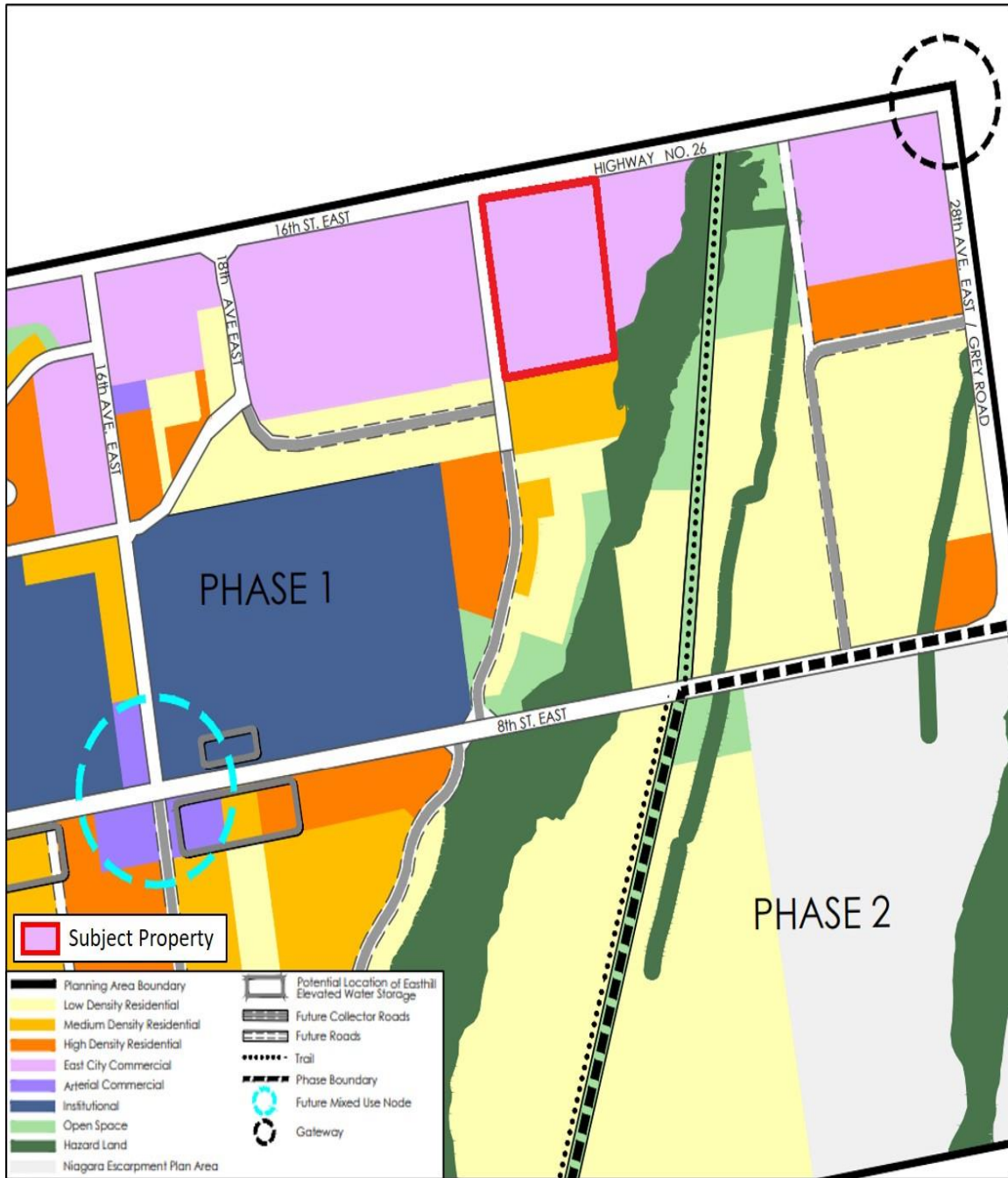


FIGURE 8: OSOP – Schedule ‘A2’ – Sydenham Heights Phase One and Phase Two Planning Areas Land Use Plan



5.4 THE CITY OF OWEN SOUND ZONING BY-LAW 2010-078

The Subject Lands are zoned as Retail Commercial (C2) Zone subject to site-specific provision 14.89 under the City of Owen Sound Zoning By-law 2010-078, as amended (Figure 7). The Retail Commercial (C2) Zone permits a variety of uses including:

- Automotive Rental Establishment
- Automotive Body/Repair Shop
- Automotive Washing Establishments
- Catering Services
- Clinics
- Commercial Schools
- Commercial Uses
- Community Lifestyle Facilities
- Convenience Stores
- Crisis Residence
- Day Nursery
- Drinking Establishments
- Financial Institutions
- Funeral Homes
- Gas Bar
- Grocery Store
- Group Residence
- Hotels
- Laundromat
- Libraries
- Museums/Galleries
- Offices
- Personal Service Use
- Place of Worship
- Printing and Publishing Establishments
- Public Park
- Public Uses
- Rental Stores, Media
- Repair Stores
- Restaurants
- Restaurants, Drive-Thru
- Retail Stores
- Schools
- Self-Serve Use
- Service Uses
- Shopping Centres
- Studios
- Industrial Use, Accessory
- Vehicle Sales Establishments
- Veterinarian Clinics
- Wholesale Establishments

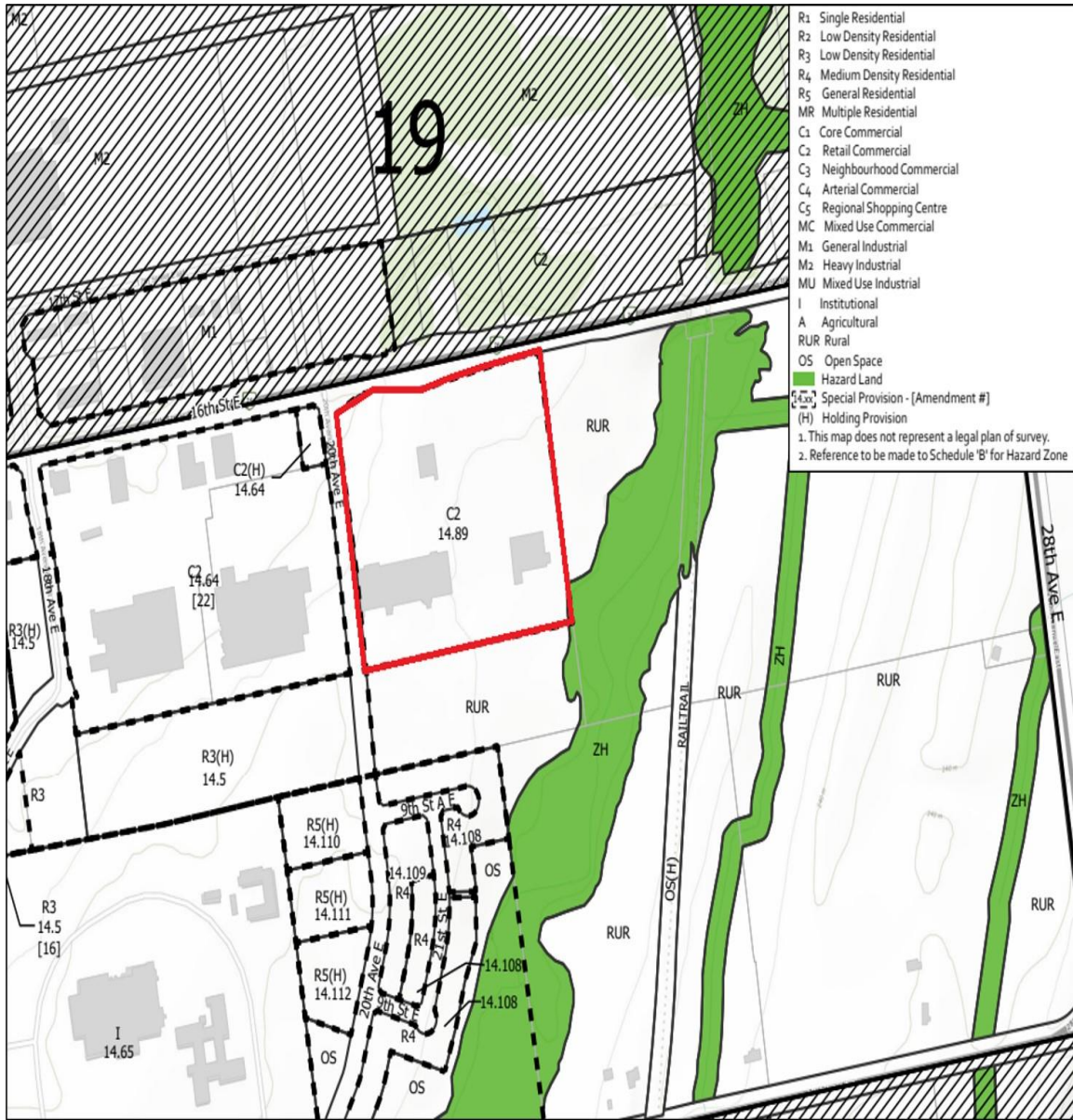
The purpose of the Zoning By-law Amendment is to amend the existing site-specific By-law 14.89 to capture the full breath of existing uses permitted in the Zoning By-law 2010-078, as amended, under the Retail Commercial (C2) Zone designation and incorporate other site-specific exceptions associated with the commercial retail plaza. The following amendments are proposed:

- A grocery store is added as a permitted use. A grocery store is permitted under the Parent Zoning By-law 2010-078, as amended, for the Retail Commercial (C2) Zone, however, is not explicitly stated in the site-specific Zoning By-law 14.89;
- Permissions granted by the Committee of Adjustment under file number A10/2017 have been included in the site-specific by-law for clarity purposes;
- As noted above, the as-of-right permitted uses in the C2 Zone are carried over into the site-specific by-law. This has been included to ensure the economic vitality of the retail commercial plaza and to avoid future Minor Variance

- Applications or Zoning By-law Amendments to add uses already permitted in the C2 Zone;
- Modify the maximum height permission from 10 metres to 18 metres to aligned with the C2 Zone as-of-right lot and building requirement;
 - Increase the total Gross Floor Area permitted on site to 21,000 m² to accommodate the proposed building and future phases of development; and,
 - Remove the requirement for retails stores to fall under the North American Industry Classification System. The Owner has faced obstacles with acquiring tenants to fill the vacant units on site. Amending the list of permitted on site to be consistent the parent zoning by-law will eliminate the need for future *Planning Act* applications to accommodate uses already permitted in the Retail Commercial (C2) Zone. Notwithstanding, the inclusion of the full breath of uses in the C2 Zone will assist the site to meet the planned function of the East City Commercial land use designation as established in the City's Official Plan.

A copy of the draft Zoning By-law Amendment is appended to this report as Appendix B.

FIGURE 7: City of Owen Sound Zoning Schedule Map 20



6.0 CONCLUSION

The intent of this development is to build upon previously granted approvals to ensure the economic vitality of an existing retail commercial plaza. Approximately $\frac{3}{4}$ of the Heritage Grove Centre is built and this proposal for a 49,093 ft² building will push the commercial site towards its full build-out and will complement the existing land use permissions and zoning designation. The design and layout of the development has been undertaken in a manner to ensure compatibility with the existing and surrounding land uses with appropriate setbacks and transition to the abutting lands. It is our opinion that the lands are suitable for the development of a grocery store and other large-format commercial uses. These uses will assist in servicing the surrounding community and will contribute to developing a complete community.

As discussed throughout this report, it is our opinion that the proposal will facilitate development that is consistent with the relevant policies of the PPS, conform to both the Grey County and City of Owen Sound Official Plans, representing good land use planning that is appropriate for the Subject Lands.

KLM PLANNING PARTNERS INC.

Aidan Pereira
Senior Planner

Ian Franklin, BPhil, BURPI, MCIP, RPP
Intermediate Planner

Appendix B

Draft: March 20, 2023

The Corporation of the City of Owen Sound

By-law No. 2023-XXX

A By-law to amend Zoning By-law No. 2010-078, respecting lands located at 2125 16th Street East,

WHEREAS section 34(1) of the Planning Act, R.S.O. 1990, c. P.13 (the “*Planning Act*”) provides that the council of a local municipality may pass by-laws for prohibiting the use of land and for prohibiting the erection, location or use of buildings and structures for or except for such purposes as may be set out in the by-law and for regulating the use of lands and the character, location and use of buildings and structures; and

WHEREAS on April 12, 2010, the Council of The Corporation of the City of Owen Sound (the ‘City’) passed Zoning By-law No. 2010-078 (the “*Zoning By-law*”) to implement the City’s Official Plan and to regulate the use of land in the City; and

WHEREAS City Council is desirous of adopting a zoning by-law amendment, pursuant to section 34 of the Planning Act, for lands located at 2125 16th Street East (the “subject lands”); and

WHEREAS such amendment to the Zoning By-law will maintain the terms and intent of the City of Owen Sound Official Plan;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE CITY OF OWEN SOUND HEREBY ENACTS AS FOLLOWS:

- 1) Notwithstanding the provisions of the Retail Commercial (C2) Zone and for lands shown on Schedule A, Zoning Map 20, the following provisions shall apply:
- 2) Notwithstanding the list of uses permitted in the C2 Zone, no person shall use any lot or erect, alter or use any building or structure for any purpose except one or more of the following uses:

- | | | |
|--|----------------------------|----------------------------------|
| • <i>Automotive Rental Establishment</i> | • <i>Funeral Homes</i> | • <i>Repair Stores</i> |
| • <i>Automotive Body/Repair Shop</i> | • <i>Gas Bar</i> | • <i>Restaurants</i> |
| • <i>Automotive Washing Establishments</i> | • <i>Grocery Store</i> | • <i>Restaurants, Drive-Thru</i> |
| • <i>Catering Services</i> | • <i>Group Residence</i> | • <i>Retail Stores</i> |
| • <i>Clinics</i> | • <i>Hotels</i> | • <i>Schools</i> |
| | • <i>Laundromat</i> | • <i>Self-Serve Use</i> |
| | • <i>Libraries</i> | • <i>Service Uses</i> |
| | • <i>Museums/Galleries</i> | • <i>Shopping Centres</i> |
| | • <i>Offices</i> | |

- *Commercial Schools*
- *Commercial Uses*
- *Community Lifestyle Facilities*
- *Convenience Stores*
- *Crisis Residence*
- *Day Nursery*
- *Drinking Establishments*
- *Financial Institutions*
- *Personal Service Use*
- *Pet Supply Store*
- *Place of Worship*
- *Printing and Publishing Establishments*
- *Public Park*
- *Public Uses*
- *Rental Stores, Media*
- *Studios*
- *Industrial Use, Accessory*
- *Vehicle Sales Establishments*
- *Veterinarian Clinics*
- *Wholesale Establishments*

3) Site and Building Regulations:

Notwithstanding the Site and Building Regulations in the C2 Zone, no person shall use any lot or erect, alter or use any building or structure for any permitted use or combination of permitted uses listed in Section 14.89.1 except in accordance with the following provisions:

- i. Lot Frontage: 20 m minimum;
- ii. Lot Area: No individual minimum lot area is required where the area of the overall development is 7.6 hectares minimum;
- iii. Lot Coverage: 50% maximum;
- iv. Building Setbacks: 4 m minimum setback from 16th St E for Building 'H'; 6.0 m minimum from any street line for all other buildings and 8 m minimum from any other lot line;
- v. Building Height: 19 m maximum for *Hotels, Clinics* and *Laboratories*, 18 m maximum for all other permitted uses listed under Section 14.89.2;
- vi. Floor Area Provisions:
 1. Maximum gross floor area for any combination of uses permitted under Section 14.89.1 is 21,000.00 m²;
 2. No single use permitted under Section 14.89.2 shall have a unit size less than 697 m² gross floor area;
 3. Maximum gross floor area applicable to any combination of amusement arcade, billiards and/or bowling, and movie theatres is 1,858 m²;
 4. The following *Service Uses* shall be limited to a maximum gross floor area of 2,578 m² and the following:
 - a. *Clinics* (i.e., Medical or Dental) and *Laboratories* – Min. unit size of 697 m²;
 - b. Tool or Party Rental – no further restrictions;
 - c. *Veterinarian Clinic* – no further restrictions;
 - d. Fitness Centre – no further restriction; and,
 - e. *Restaurants*:

- i. A minimum unit size of 325.2 m² is required. However, restaurants with no minimum unit size may be permitted provided they not exceed 1,250 m² in aggregate; and
 - ii. One *Drive-Thru Restaurant* is permitted, which shall not be subject to the restaurant aggregate maximum or minimum unit size threshold.
 5. A minimum landscape buffer shall be provided as follows:
 - a. Adjacent to 16th Street East – a minimum of 0.25 metres.
- 4) For the purposes of Section 14.89, *Miscellaneous Retail* shall be defined as retailers primarily engaged in the sale of the following goods:
 - (i) Sporting Goods;
 - (ii) Toys, Hobby, Games;
 - (iii) Sewing/Fabric/Needlework;
 - (iv) Music/Books/Instruments;
 - (v) Florist;
 - (vi) Office Supply and Stationery;
 - (vii) Gift/Novelty/Souvenir;
 - (viii) Pet Supply Store;
 - (ix) Art Dealers; and,
 - (x) Used Merchandise.
- 5) This By-law shall come into full force and effect on the date it is passed.

**CITY OF OWEN SOUND
ZONING BY-LAW AMENDMENT No. _____**

SCHEDULE 'A'



Lands to be zoned under Zoning By-law Amendment No. _____