

PLANNING JUSTIFICATION REPORT

Proposed Pet Store

752 Queen Street East

Town of St. Marys

PREPARED FOR

North Bay Capital Investments Ltd.

PREPARED BY



ZELINKA PRIAMO LTD

A Professional Planning Practice

March 15, 2022

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ATTACHMENT 1: Approved Site Plan

ATTACHMENT 2: Market Assessment

1.0 INTRODUCTION

1.1 BACKGROUND

In June 2021, Zelinka Priamo Ltd. was retained by North Bay Capital Investments Ltd. to coordinate the current Zoning By-law Amendment Application (“ZBA”) and the Site Plan Agreement Amendment on the commercial property located at 752 Queen Street East, in the Town of St. Marys.

The subject property is located on the south side of Queen Street East, between Cain Street to the west and Industrial Road to the east. The property is approximately 3.59 hectares in size, with 150 metres of frontage along Queen Street East.

In October of 2020, the Town granted Site Plan Approval (“SPA”), for the following development of these lands for:

- A 368 m2 (3,961 ft2) addition to the existing building (Building A) for a restaurant with a drive-thru that includes queuing for 15 vehicles;
- Addition of 57 new parking spaces for a total of 67 spaces;
- Construction of a 388 m2 (4,176 ft2) Building B for commercial purposes; and
- Construction of a 184 m2 (1,981 ft2) car wash to the rear of proposed Building A and existing Building C (convenience store) that includes queuing for five vehicles and a vacuum area.

On February 8 2022, the Site Plan Agreement Amendment was approved by the Town that addressed matters generally pertaining to on-site landscaping, fencing and noise improvements for the approval development.

On October 18, 2021, the owner submitted the ZBA to the Town. The purpose and effect of the ZBA is to facilitate adding a pet store, which includes pet food and pet supplies sales, pet grooming and washing, and pet adoptions components, as a permitted use for approved Building B.

On November 22, 2021, the Town of St. Marys deemed the ZBA complete, and assigned File No. Z05-2021.

On December 6, 2021, a staff report was prepared for the ZBA for the attention of the Chair and Members of the Towns Planning Advisory Committee (“PAC”). The report provided the following recommendation for PAC:

THAT the Planning Advisory Committee recommend to Council:

THAT Council proceed with a public meeting to consider the Application once the applicant has provided:

- additional planning justification to show conformity with the Official Plan, including additional information as to why the proposed businesses/uses could not locate in the downtown; and,
- a revised replanting plan to the satisfaction of Town and UTRCA staff.

As requested by Town staff and PAC, this report includes further planning analysis on how the proposed pet store within approved Building B on the subject lands is in general conformity with the relevant land use planning policy framework, including the Town’s Official Plan policies.

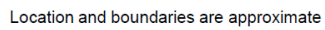
1.2 THE PROPOSAL

North Bay Capital Investments Ltd. are proposing to lease the (under construction) 388 m² (4,176 ft²) Building B as a pet store for Pet Valu.

The proposed ZBA is required because a Pet Valu store, which will include services such as pet food and pet supplies sales, pet grooming and washing, and pet adoptions is not specifically listed as a permitted use under the C3-5 zone for the subject lands.

Figure 1 below is an excerpt of the approved site plan for the application lands denoting Building B, with a larger copy provided as Attachment 1 of this report.

Approved Site Plan



2.0 PLANNING ANALYSIS

Planning analysis has been provided on the following policy matters.

2.1 PROVINCIAL POLICY STATEMENT

The 2020 Provincial Policy Statement (PPS), issued under the authority of Section 3 of the Planning Act, “provides policy direction on matters of provincial interest related to land use planning and development” in order to ensure efficient, cost-effective development and the protection of resources.

The PPS under Policy 1.1.1 states that healthy, livable 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 range and mix of residential (including second units, 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;
- e) promoting cost-effective development patterns and standards to minimize land consumption and servicing costs;

The Subject Lands are located in the Town of St. Mary settlement area. Policy 1.1.3.1 states that settlement areas shall be the focus of growth and development, and their vitality and regeneration shall be promoted. Policy 1.1.3.2 states that land use patterns within settlement areas shall be based on densities and a mix of land uses which: a) efficiently use land and resources; and, b) are appropriate for, and efficiently use, the infrastructure and public service facilities which are planned or available.

Policy 1.1.3.6 states that new development taking place in designated growth areas should occur adjacent to the existing built-up area and shall have a compact form, mix of uses and densities that allow for the efficient use of land, infrastructure and public service facilities.

Sections 1.6.3 and 1.6.6.1 promote the efficient use and optimization of existing infrastructure and public service facilities.

Subsections 1.7.1 (c) and (d) of the PPS states that long-term economic prosperity should be supported by optimizing the long-term availability and use of land, resources, infrastructure and public service facilities, and maintaining and, where possible, enhancing the vitality and viability of downtowns and main streets.

2.1.1 Planning Analysis

It is our professional opinion that the proposed ZBA is consistent with the 2020 Provincial Policy Statement, including the following policies:

- The proposal provides a development pattern that is compact considering the existing settlement pattern, cost effective, and efficient to minimize land consumption and reduce servicing costs (Policies 1.1.1a and 1.1.1e);
- An appropriate form of commercial use is proposed, which will be compatible with the land uses in the general vicinity and contribute to a complete community (Policy 1.1.1b);
- The Subject Lands are located within St. Marys, which is identified as an existing settlement area where growth and development is to be focused (Policy 1.1.3.1);
- The Subject Lands are within and adjacent to the existing commercial area, and the proposed development represents a contiguous form of development that offers commercial use in an appropriate compact form that will efficiently use land and infrastructure (Policy 1.1.3.6); and
- The proposed development will help enhance the vitality of this portion of Queen Street, and as confirmed by the Market Assessment prepared for the proposal (Discussed further below), will not unduly impact the viability of the Town's Downtown (Subsection 1.7.1).

2.2 TOWN OF ST. MARYS OFFICIAL PLAN

Town staff advised that planning justification is required to address how the proposed ZBA would conform with the Town's Official Plan ("OP"), and in particular as it relates to the Highway Commercial and Central Commercial policies. The below sections of this report address these matters.

2.2.1 Economic development

The economic development objectives and policies are contained within Section 2.2 of the OP. Section 2.2 begins with a general statement that “Council recognizes that the promotion of local economic development is the key to the continuing livelihood of the community. The retention of existing and the development of new business, retail, service, and manufacturing uses enhance employment opportunities for its residents and strengthens the general economic health of the Town.”

The OP includes the following objectives related to economic development:

- To encourage the retention of existing business and the establishment of new diversified business through the creation of a business-friendly culture (Section 2.2.1.1).
- To advocate local business development for the general benefit of the community (Section 2.2.1.2).
- To be proactive in attracting new business opportunities to the Town (Section 2.2.1.3).

The OP policies pertaining to economic development include the following:

- Council will continue with initiatives to market the Town on a national and international landscape as a means of attracting new business (Section 2.2.2.5).
- Council will continue with clear planning policies that detail requirements and conditions from which to evaluate reasonable development applications that implement the goals and objectives of the Town. Council will expedite approvals for those proposals that implement the Official Plan (Section 2.2.2.6).

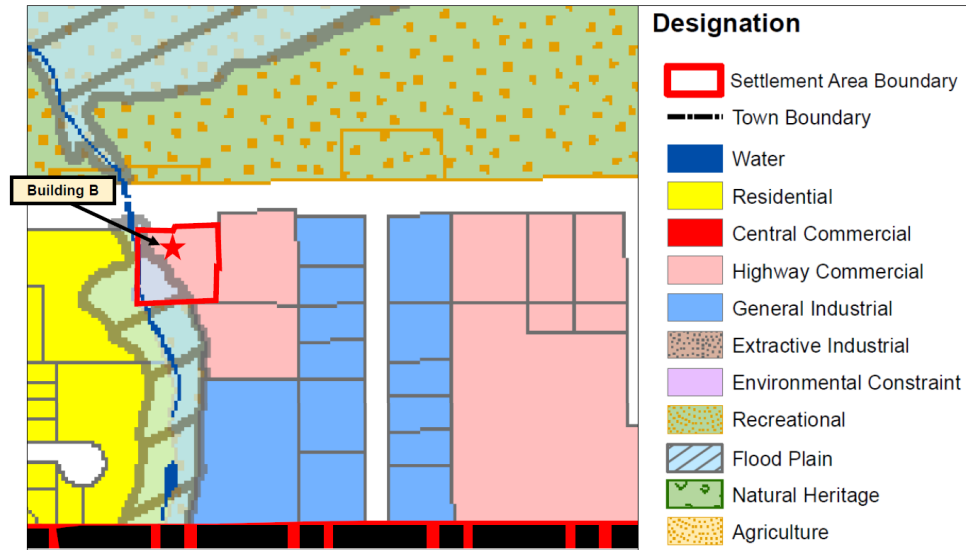
2.2.1.1 Planning Analysis

It is our opinion that the proposed development conforms to the economic development objectives and policies of the OP given that it will result in the establishment of a new business in the Town of St. Marys to the benefit of local residents and the wider community. The proposed pet store will offer new and enhanced services that are currently not available in a single location within St. Marys.

2.2.2 Highway commercial designation

The front (north) half of the subject property is designated “Highway Commercial” and the back (south) half is designated “General Industrial” in the Town of St. Marys Official Plan (“OP”). The ZBA applies to lands designated Highway Commercial (see Figure 2).

Figure 2
St. Marys Official Plan – Schedule ‘A’ Land Use Plan



Location and boundaries are approximate

According to “Schedule B Road Classifications” of the OP, Queen Street is classified as an “Arterial Road”. Arterial Roads are the major routes in the road network that are designed to carry high volumes of traffic from one area of Town to another (Section 5.3.1.1).

Section 3.3 of the OP addresses the “Highway Commercial” designation. Section 3.3. begins with a general statement that “highway commercial areas are viewed as an integral component of the commercial well being of the community which are located toward the outer edges of the Town where commercial uses oriented to the travelling public and which require large land areas are located. Such areas are supportive and complimentary to the “Central Commercial” area.”

2.2.3 Highway commercial objectives

According to Section 3.3.1, the objectives of the Highway Commercial designation include the following:

- To provide for a range of commercial uses appropriate to meet the needs of the local residents and the travelling public which compliments the role and function of the central commercial area (Section 3.3.1.1)
- To encourage highway commercial type uses to locate in the “Highway Commercial” designation by providing a range of commercial opportunities to meet local and non resident demand and to attract new ventures (Section 3.3.1.2)
- To promote economic development and competitiveness by providing, servicing, protecting, and preserving lands in the “Highway Commercial” (Section 3.3.1.3)

2.2.3.1 Planning Analysis

It is our professional opinion that the proposed development conforms with the objectives of the highway commercial designation given that it will introduce a new commercial venture into the Town which will offer an enhanced range of products and services to Town residents, the travelling public and the wider community. Introducing the proposed use onto the application lands will promote economic development in this part of the Town, and will not prejudice the viability of existing or future businesses elsewhere in the Highway Commercial designation (as confirmed by the submitted market assessment).

2.2.4 Highway commercial policies

The relevant policies for lands designated for highway commercial purposes are outlined in Section 3.3.2 of the OP, as follows:

- The “Highway Commercial” designation is generally found in the peripheral areas of the Town with the uses focused along Queen Street, both east and west of the commercial core of St. Marys and James Street South. It is intended that the “Highway Commercial” areas will provide a supportive and complementary role to the commercial core area (Section 3.3.2.1).
- “Highway Commercial” uses that cater to the travelling public, particularly automobile-oriented uses, and other uses such as drive-thru or fast-food restaurants, automobile sales and service establishments, gasoline bars, lodging establishments, garden centres, hardware/automotive type uses, and lumber yards shall be permitted. Other uses that have extensive land requirements and are not appropriate for the central commercial area such as large plate retail

uses, strip malls, shopping centres, large scale business and professional offices, and factory outlets may also be permitted in accordance with Section 3.3.2.3 (Section 3.3.2.2).

- Development or redevelopment of land for “Highway Commercial” purposes may be permitted only where appropriate infrastructure to support the development or redevelopment is available. Council may require a market study for any new “Highway Commercial” development or redevelopment where the gross leasable floor area is greater than 1,000 square metres. Such study must demonstrate that the said development or redevelopment can be supported and what, if any, impacts said development or redevelopment will have on the “Central Commercial” designation. Where Council is of the opinion that said development or redevelopment will have negative impacts on the “Central Commercial” designation, such development or redevelopment may not be permitted (Section 3.3.2.3).
- Development or redevelopment shall be subject to site plan control pursuant to the Planning Act, RSO 1990. Such matters to be addressed regarding Site Plan Control include on site building locations, landscaping, buffering, parking and vehicle movements, lighting, and drainage (Section 3.3.2.4).
- Development or redevelopment along the gateways to the Town (i.e., Queen Street and James Street) shall incorporate landscape green spaces along these corridors. The Town’s Zoning By-law shall regulate the extent of these landscaped green spaces. (Section 3.3.2.5).
- The implementing Zoning By-law shall be the principal tool to execute the policies of this designation through the establishment of zones classification to regulate the development of the various types of “Highway Commercial” uses. The Zoning By-law shall address matters such as types of uses, lot characteristic (i.e., lot size, lot area, and lot depth), building form (i.e., yard setbacks, floor area, and height) (Section 3.3.2.6).
- Highway Commercial uses shall be zoned in a separate zone with appropriate regulations in the Zoning By-law. Any new proposed uses shall be in accordance with those zone standards (Section 3.3.2.7).

2.2.4.1 Planning Analysis

It is our professional opinion that the proposed rezoning of the Site to permit a 388 sq. m. (4,200 sq. ft.) pet store on the subject lands conforms with the general intent of policies for the Highway Commercial designation for the following reasons:

- The proposed pet store use is compatible with the current permitted commercial uses for the subject lands, and will promote the efficient use of shared on-site facilities such as parking areas, driveways, municipal services etc. Visitors to the subject lands will have the opportunity to visit an expanded range of local businesses during a single trip.
- A range of large plate format commercial uses, buildings, and structures are permitted on the subject lands. While no definition is provided as to what size constitutes a large plate format use, it is noted that when comparing the size of Building B (Pet Valu) at 388 m² (4,176 ft²) to the size of other commercial units in the Town's Downtown, Building B would be a large plate format use.
- The Town of St Marys Official Plan does not specifically require the submission of a market study with respect to the subject ZBA, as it does not meet the minimum 1,000 square metre GLA threshold. However, the owner has voluntarily had a Market Assessment prepared for the proposed development. The market assessment has had regard to the OP policies which provide direction with respect to the components of a market study i.e., to assess market support for the proposed development and potential impact on the Town's Central Commercial / Downtown area. The Market Assessment and Opinion prepared by Ward Land Economics Inc. ("WLE") (see Attachment 2 of this report) concludes that the proposed 388 sq. m. (approximately 4,200 sq. ft.) pet store (Pet Valu) on the subject lands would not have a negative impact on the planned function of the Town's Downtown (Central Commercial designation).
- The detailed design of the existing commercial development on the subject lands has been thoroughly reviewed by Town staff. In October of 2020, the Town granted SPA for the proposed commercial development of the subject lands including the construction of a 388 m² (4,176 ft²) Building B. Further, on February 8 2022, a Site Plan Agreement Amendment was approved by the Town that addressed matters generally pertaining to landscaping, fencing and noise improvements for portions of the approval commercial development.

- The ZBA has been submitted to establish a Pet Store use on the subject property. It is our professional opinion that technically the proposed pet store use could be interpreted to be a permitted use on the subject property (see Section 2.4 below). Apart from adding Pet Store as a permitted use on the subject lands, no site-specific special zoning provisions are contemplated for the subject lands, and the proposed development has been designed so as to conform to the standard regulations of the C3 Zone and other relevant Zoning By-law regulations. As such, the proposed ZBA is considered appropriate, and is not anticipated to have a significant undue impact on the surrounding land uses.

2.2.5 Central Commercial designation

Section 3.2 of the OP contains policies and objectives pertaining to the Central Commercial designation.

The opening statement in Section 3.2 advises that Central Commercial development in St. Marys has been focused primarily on the core area. The “Central Commercial” designation is and will continue to be recognized as the single largest concentration of retail and office uses in the Town and is viewed as an integral component of the community’s well being.”

Objectives of the Central Commercial designation include: providing for the widest possible range of goods and services within the market capabilities of St. Marys and surrounding area (Section 3.2.1.1); and allowing for the growth of the Commercial sector in balance with the need to encourage a continuation of the dominant position of the Central Commercial area in the overall hierarchy of commercial function in the Town... (Section 3.2.1.2)

The general theme for the policies for the Central Commercial designation seek the protection of land designated Central Commercial (i.e., the Town’s Downtown) as the dominant position in the overall commercial hierarchy in the town and the primary area of culture, trade and commerce within the Town.

2.2.5.1 Planning Analysis

As per the Market Assessment and Opinion prepared by Ward Land Economics Inc. (“WLE”), Downtown St. Marys does not fulfil Pet Valu’s site selection and location

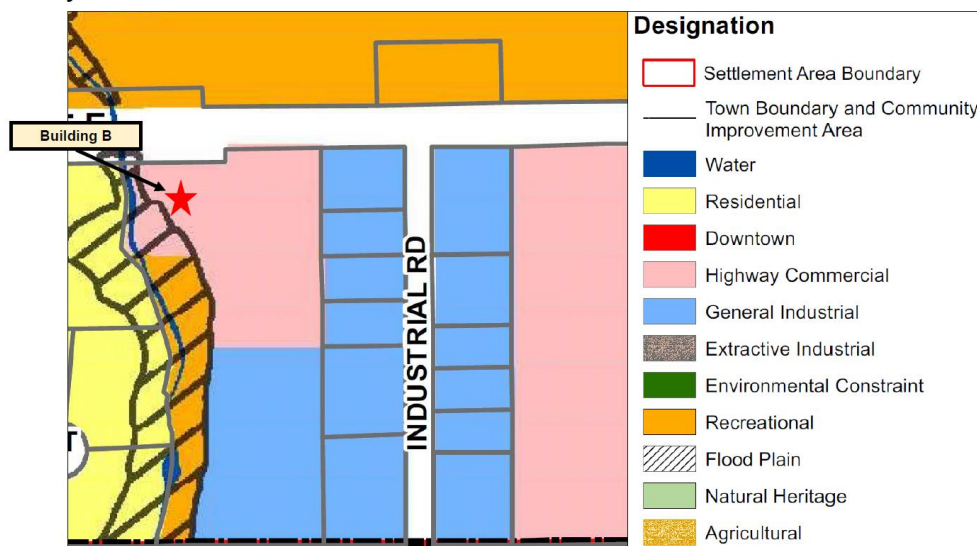
criteria; and the proposed 388 sq. m. (approximately 4,200 sq. ft.) pet store (Pet Valu) on the subject lands would not have a negative impact on the planned function of the Downtown. Therefore, from a market perspective, the ZBA to permit a 388 sq. m. (4,200 sq. ft.) pet store on the subject lands is considered to conform with the general intent of the policies for the Central Commercial designation.

2.3 DRAFT TOWN OF ST. MARYS OFFICIAL PLAN

The Town of St. Marys has initiated a review and update of the OP in accordance with these Planning Act requirements, and to support new strategic goals and community priorities with respect to growth and development in the Town. The latest iteration of the Draft OP was released in December 2021.

The application lands continue to be designated “Highway Commercial” in the December 2021 Draft Town of St. Marys Official Plan (“Draft OP”) (see Figure 3).

Figure 3
Draft St. Marys Official Plan – Schedule ‘A’ Land Use Plan



Location and boundaries are approximate

The current “Central Commercial” designation is renamed “Downtown”, and in general terms the draft objectives and policies for the Highway Commercial and Downtown designations as they relate to the proposed development remain unchanged.

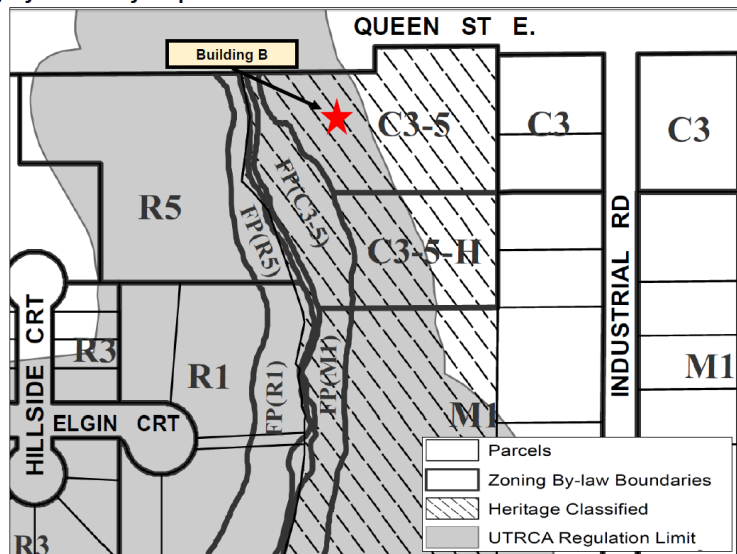
For the reasons outlined in the Section 2.2 above, the proposed development is considered appropriate. The role and function of the Downtown will be maintained with

the addition of the Pet Valu on the subject lands, which is consistent with the policies in the Provincial Policy Statement, and the Town's Draft OP policy direction to maintain the well-being of the Downtown.

2.4 TOWN OF ST. MARYS ZONING BY-LAW

The subject property is zoned "Highway Commercial (C3-5)", "Light Industrial (M1)", Flood Plain Zone (FP-C3-5)" and "Flood Plain Zone (FP-M1)" in the Town of St. Marys Zoning By-law Z1-1997, as amended. The proposed development will be on lands zoned C3-5 (see Figure 4).

Figure 4
St. Marys Zoning By-law – Key Map 10 of Schedule 'A'



Location and boundaries are approximate

The C3 Zone sets out permitted uses in three different categories based on minimum lot size and lot frontage and applies varying regulations (such as minimum yard, building height and lot coverage requirements) for each category. Permitted uses include an animal clinic; a convenience store or variety store; an eating establishment, restaurant; an eating establishment, take-out; a service commercial centre; an automobile washing establishment; a fuel pump island; and accessory uses, buildings, and structures.

Further, a range of large plate format commercial uses, buildings, and structures are permitted in the C3 Zone. No definition is provided in the Zoning By-law as to what size constitutes a large plate format use. The permitted large plate uses include such uses as

a supermarket and a department store, however, they also include office uses, which do not necessarily always have large floor plates. It is important to note that when comparing the size of Building B (Pet Valu) at 388 m² (4,176 ft²) to the size of other commercial units in the Town's Downtown, Building B would be a large plate format use.

As mentioned, a service commercial centre is a permitted use on the subject lands. According to the Zoning By-law, a service commercial centre is defined as "a building or buildings containing two or more different permitted commercial uses, which is designed and which functions as a unit in relation to its siting, vehicular access and off-street parking, but not having more than 30 percent (30%) of its gross floor area devoted to all restaurant uses."

2.4.1 Planning Analysis

The subject property currently consists of a grouping of 3+ existing commercial establishments (i.e., the Esso gas station, Beckers convenience store, the Pizza Pizza and McDonald's restaurants, and Building B) with communal on-site parking, loading areas and driveways. The development was designed and developed as a multi-unit commercial operation, and is under the sole ownership and management of North Bay Capital Investments Ltd.

It is noted that a Pet Store is not a defined term within the Zoning By-law. It is assumed that Town staff consider the proposed pet store to be similar in nature to a "Retail Store", which is defined in the Zoning By-law as "a building or part thereof in which goods, merchandise, products, wares, articles or things are offered or kept for sale directly to the public, but does not include any manufacturing, processing, assembly, or construction use." It is anticipated that Town staff will craft a site-specific definition for the proposed pet store use, if they are minded to approve the ZBA.

A range of large plate format commercial uses, buildings, and structures are permitted on the subject lands. No definition is provided in the Zoning By-law as to what size constitutes a large plate format use. It is important to note that when comparing the size of Building B (Pet Valu) at 388 m² (4,176 ft²) to the size of other commercial units in the Town's Downtown, Building B would be a large plate format use.

The subject property complies with the Zoning By-law definition of a “Service Commercial Centre”, which is listed as a permitted use on the subject lands. It is our professional opinion that the proposed pet store use could fall under the definition of a “Convenience or Variety Store” use. The Zoning By-law defines this use as “a retail outlet serving the day-to-day, non-comparison-shopping needs of a consumer including, for example, a variety store, bake shop, or small food/grocery store, and shall not include any retail outlet having its main product line involving hardware, housewares, apparel, footwear or fashion accessories.” A pet store, such as proposed, is primarily a small food/grocery store focused that sells food products for animals. It is our opinion that the proposed pet store could be interpreted to be a permitted use on the subject property. However, Town staff have a different view, and require the submission a ZBA to permit the proposed pet store. This could be due to the policies contained within the OP that seek to protect the Downtown area.

Apart from adding pet store as a permitted use on the subject lands, no site-specific special zoning provisions are contemplated for the subject lands, and the proposed development has been designed so as to conform to the standard regulations of the C3 Zone and other relevant Zoning By-law regulations. As such, the proposed ZBA is considered appropriate, and is not anticipated to have a significant undue impact on the surrounding land uses.

3.0 PUBLIC CONSULTATION STRATEGY

In accordance with the requirements of the *Planning Act*, North Bay Capital Investments Ltd. and their consulting team are committed to ensuring that the public and other stakeholder groups are meaningfully engaged throughout the review process of the proposed ZBA.

The following Public Consultation Strategy is proposed in order to ensure the public and stakeholder groups are provided sufficient opportunity to make meaningful representation in relation to the proposed application.

The proposed Public Consultation Strategy is as follows:

- Posting of the Notice of Proposed Development Application and Public Meeting Sign on the Subject Lands;
- Town Planning Staff will organize a Public Meeting to take place during a regularly scheduled Council Meeting and in accordance with the requirements of the *Planning Act*;
- Following the Public Meeting, North Bay Capital Investments Ltd. and the consultant team will participate in informal and formal meeting(s) and/or correspondence with individual stakeholders or groups as determined necessary;
- North Bay Capital Investments Ltd. and the consultant team will review all comments received by the public and stakeholders; and
- Reviewing all comments received during the circulation period, North Bay Capital Investments Ltd. and the consultant team may modify the proposed application, and may further engage stakeholders, as determined appropriate.

4.0 LOCATION AND COMPATIBILITY

The application lands are well suited for the proposed commercial development, and the proposed development is compatible with the surrounding land uses, for the following reasons:

- The application lands are located within the boundary of an existing urban area (Town of St. Marys) where commercial uses are contemplated;
- The scale, form, massing, height and character of the proposed development are compatible with the nearby existing and emerging commercial uses and residential uses; and
- The Subject Lands has good access, being located along an Arterial Road.

4.1 TECHNICAL STUDIES

4.1.1 Site plan approval

The detailed design of the existing commercial development on the subject lands, include Building B the location of the proposed pet store, has been thoroughly reviewed by Town staff.

In October of 2020, the Town granted Site Plan Approval, for the following development of the subject lands for:

- A 368 m2 (3,961 ft2) addition to the existing building (Building A) for a restaurant with a drive-thru that includes queuing for 15 vehicles;
- Addition of 57 new parking spaces for a total of 67 spaces;
- Construction of a 388 m2 (4,176 ft2) Building B for commercial purposes; and
- Construction of a 184 m2 (1,981 ft2) car wash to the rear of proposed Building A and existing Building C (convenience store) that includes queuing for five vehicles and a vacuum area

Further, on February 8 2022, a Site Plan Agreement Amendment was approved by the Town that addressed matters generally pertaining to landscaping, fencing and noise improvements for portions of the approval commercial development.

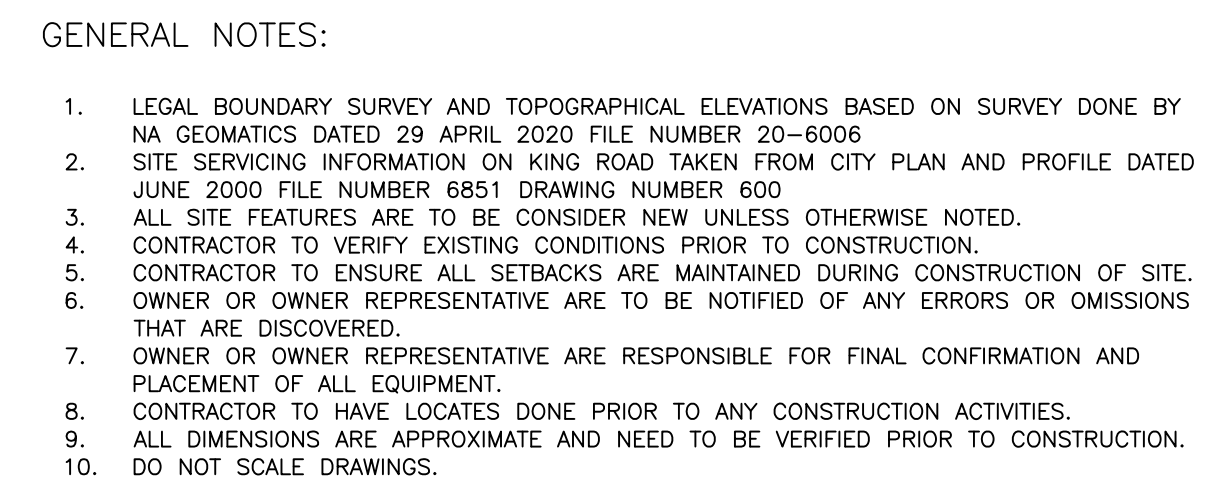
4.1.2 Market Assessment

Ward Land Economics Inc. ("WLE") prepared a Market Assessment and Opinion for the proposed 388 sq. m. (approximately 4,200 sq. Ft.) pet store (Pet Valu) on the subject lands. The market assessment concludes that based on the market assessment, Downtown St. Marys does not fulfil Pet Valu's site selection and location criteria and that the subject Site fulfills Pet Valu's site selection and location criteria; and there is market support for the proposed pet store, and it would not have a negative impact on the planned function of the Downtown. Therefore, from a market perspective, the ZBA to permit a 388 sq. m. (4,200 sq. ft.) pet store on the subject lands is justified.

5.0 CONCLUSIONS

It is concluded that the ZBA for the subject lands to permit the proposed pet store is appropriate. The proposal is consistent with the Provincial Policy Statement and conforms with the Town of St. Marys Official Plan, and represents good land use planning, as follows:

- A range of commercial permissions currently exist for the subject lands under the Town's Official Plan;
- The subject lands are located within a designated settlement area which is the focus of new growth and development. The proposed development will create new employment and commercial opportunities in the community. It will also help promote the vitality, land use diversity and economic well-being of the wider community;
- The Market Assessment concludes that there is market support for the proposed pet store; that Downtown St. Marys does not fulfil Pet Valu's site selection and location criteria; and, that being located on the subject lands the proposed pet store would not have a negative impact on the planned function of the Downtown; and
- An attractive high-quality development will be created on lands intended for commercial uses. The design of the proposed development will reinforce and enhance the local community character, while respecting its immediate context and will create a quality living environment.



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| File No. | REVISIONS | | | APRVD |
| | REV | Date | Description | |
| | 01 | 01-21-20 | ISSUED FOR PRE-CONSULT AND COMMENTS | |
| | 02 | 07-08-20 | ISSUED FOR SPA SUBMISSION #1 | |
| | 03 | 09-17-20 | REVISED FOR SITE PLAN AGREEMENT | |
| | 04 | 05-04-21 | ISSUED FOR CONSTRUCTION | |
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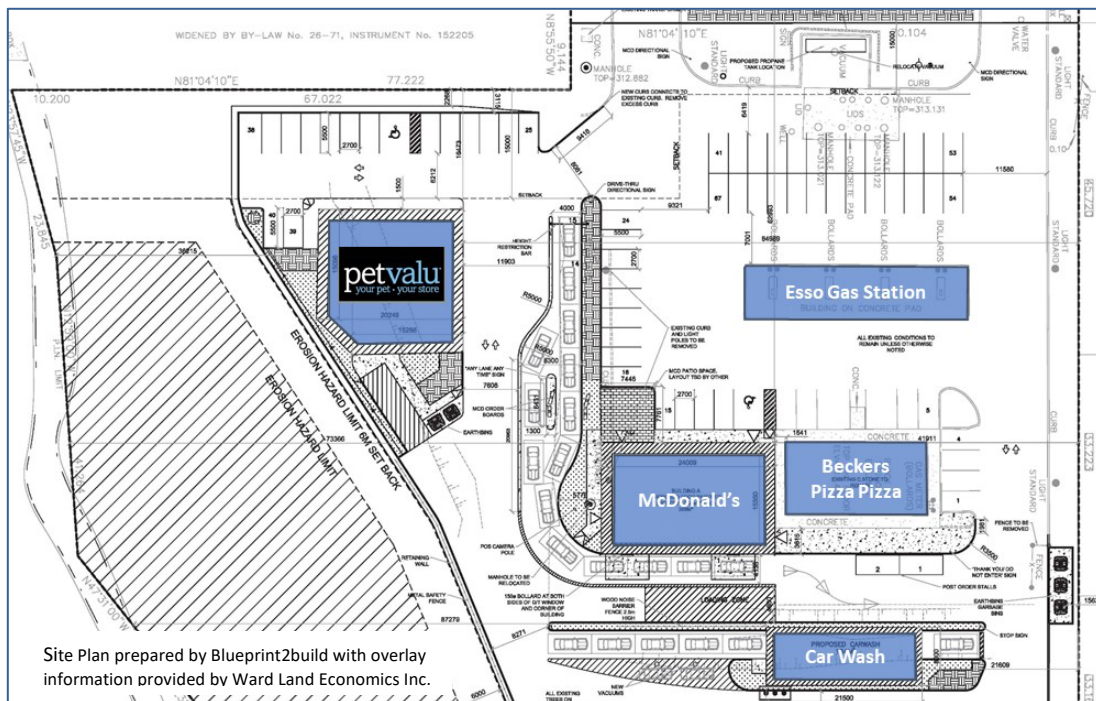


Market Assessment and Opinion

Proposed Pet Valu

752 Queen Street East, St. Marys

Prepared For: North Bay Capital Investment Ltd.



February 2022

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Executive Summary

This study provides a market assessment and opinion regarding a proposed 388 sq.m. (approximately 4,200 sq.ft.) retail use identified as a pet store (Pet Valu) at 752 Queen Street East (the “Site”). The pet store is proposed on a portion of the Site designated Highway Commercial and zoned site-specific Highway Commercial (C3-5) which permits various retail commercial uses but does not specifically identify a pet store. The Town requires a Zoning By-law amendment to permit the proposed pet store use on the Site.

At the Town’s December 6, 2021 Planning Advisory Committee meeting, Committee considered the subject Zoning By-law amendment application and requested additional information from the applicant including;

“...additional planning justification to show conformity with the Official Plan, including additional information as to why the proposed businesses/uses could not locate in the downtown...” among other items.

In response to the Town of St. Marys Planning Staff Report of December 6, 2021, this study provides additional market information and an assessment of the proposed Pet Valu store and addresses whether the proposed Pet Valu store could be appropriately located in the Downtown. Additional planning related information is provided in a separate report prepared by Zelinka Priamo.

Although not specifically required, this study has also had regard to the Town of St Marys Official Plan policy direction and components a market study. The current Official Plan policy 3.3.2.3 and Draft Official Plan policy 3.3.3.1 inform that where required, a market study is to address support for the proposed development and assess what, if any, impact it would have on the Town’s Central Commercial / Downtown designation.

In summary, based on the market assessment, Downtown¹ St. Marys does not fulfil Pet Valu’s site selection and location criteria. The subject Site fulfills Pet Valu’s site selection and location criteria, there is market support for the proposed pet store, and it would not have a negative impact on the planned function of the Downtown. Therefore, from a market perspective, a rezoning of the Site to permit a 388 sq.m. (4,200 sq.ft.) pet store is justified.

The findings of the market assessment are detailed in this report and summarized as follows.

¹ This report references the Town’s Draft Official Plan terminology for the “Downtown” designation which in the current Official Plan is the “Central Commercial” designation.

- There are no available sites in Downtown St. Marys that could appropriately accommodate the proposed Pet Valu store nor does the Downtown fulfill Pet Valu's site selection and location criteria. The proposed Pet Valu store could not appropriately locate in the Downtown.
- The Downtown is a mixed use, multi-functional area which fulfills its planned function as the primary area of culture, trade and commerce within the Town. The Downtown is the Town's largest commercial area, and the retail commercial space is characterized by service uses, small unit sizes, and independent and unique stores and businesses. The retail commercial vacancy rate is within the range reflective of a balanced market.
- Relative to the Downtown retail commercial space and median unit size, the Pet Valu store is a large plate retail use which is reflective of and appropriate for the Site's Highway Commercial designation.
- The Site at 752 Queen Street East fulfills Pet Valu's site selection and location criteria.
- There is market support for the proposed 388 sq.m. (4,200 sq.ft.) Pet Valu on the Site as well as the existing pet store and pet store related space in the Downtown and elsewhere in St. Marys.
- The Pet Valu store on the Site would not have a negative impact on the planned function of the Downtown or other commercial areas in St. Marys.
- The Pet Valu represents only approximately 1% of the amount of retail commercial space in the Downtown. With the addition of the Pet Valu on the Site, the Downtown will continue to be the dominant Commercial area within the overall hierarchy of commercial function in the Town which is consistent with the Official Plan policy 3.2.1.2.
- With the addition of the Pet Valu on the Site, the role and function, and the well-being of the Downtown will be maintained which is consistent with the Provincial Policy Statement and the Town's Draft Official Plan policy 7.24.5 direction to maintain the well-being of the Downtown.

Therefore, and as detailed in the market assessment report, from a market perspective a rezoning of the Site to permit a 388 sq.m. (4,200 sq.ft.) pet store is justified.

1.0 Introduction

Ward Land Economics Inc. (“WLE”) was retained by the North Bay Capital Investment Ltd. to provide a market assessment and opinion regarding a proposed pet store (Pet Valu) at 752 Queen Street East in St Marys.

1.1 Background

This study provides a market assessment and opinion regarding a proposed 388 sq.m. (approximately 4,200 sq.ft.) pet store (Pet Valu) at 752 Queen Street East (the “Site”). The pet store is proposed on a portion of the Site designated Highway Commercial and zoned site-specific Highway Commercial which permits various retail commercial uses but does not specifically identify a pet store. The Town requires a Zoning By-law amendment to permit the proposed pet store use on the Site.

The Site Zoning By-law amendment application (Z05-2021) was received at the Town’s December 6, 2021 Planning Advisory Committee meeting. The December 6, 2021 Staff Report and Planning Advisory Committee recommended:

THAT DEV 53-2021 Application for Zoning By-law Amendment (Z05- 2021) by North Bay Capital Investments Ltd. for 752 Queen Street East be received; and,

THAT the Planning Advisory Committee recommend to Council:

THAT Council proceed with a public meeting to consider the Application once the applicant has provided:

- additional planning justification to show conformity with the Official Plan, including additional information as to why the proposed businesses/uses could not locate in the downtown; and,*
- a revised replanting plan to the satisfaction of Town and UTRCA staff.*

1.2 Study Purpose

This market assessment responds to the December 6, 2021 Staff Report and Planning Advisory Committee’s request for additional market related information. Additional planning related information is provided in a separate report prepared by Zelinka Priamo.

The market assessment provides an analysis of the proposed 388 sq.m. (4,200 sq.ft.) Pet Valu store and provides an opinion with respect to the Site location and whether the proposed Pet Valu could be appropriately located in the Downtown.

The Town of St. Marys Official Plan does not specifically require submission of a market study with respect to the subject application. Although not specifically required, this study has had regard to the Official Plan policies which provide direction with respect to the components of a market study which is to assess market support for the proposed development and potential impact on the Town's Central Commercial / Downtown area. The Town's Draft Official Plan renames the "Central Commercial" designation to the "Downtown" designation. This report refers to the Town's Draft Official Plan terminology with respect to the Downtown.

1.3 Study Approach

The market assessment and opinion are based on the following:

- A review of the proposed Pet Valu and development Site;
- Review of Pet Valu's site selection and location criteria;
- Assessment and review of Downtown St. Marys; and,
- An assessment of market support for the proposed Pet Valu store on the Site and potential impact on the Downtown.

The market assessment, findings, and conclusions are summarized in this report.

This report incorporates standard and accepted methodologies for conducting retail market support and impact analyses for municipal planning purposes. The report methodology, findings, and conclusions incorporate and are based on various assumptions and forecasts. The existing and future market and economic conditions, population and projections, and growth forecasts provided in this report are based on available data, best estimates, and forecasts. If significant market and/or economic changes occur which influence the basic assumptions and analysis provided in this report, then if necessary, the analysis, findings, and conclusions should be revisited.

2.0 Proposed Pet Valu and Site Selection Criteria

This section includes a description of the proposed Pet Valu, provides a review of Pet Valu's site selection and location criteria, and provides a summary of the Site designation and zoning.

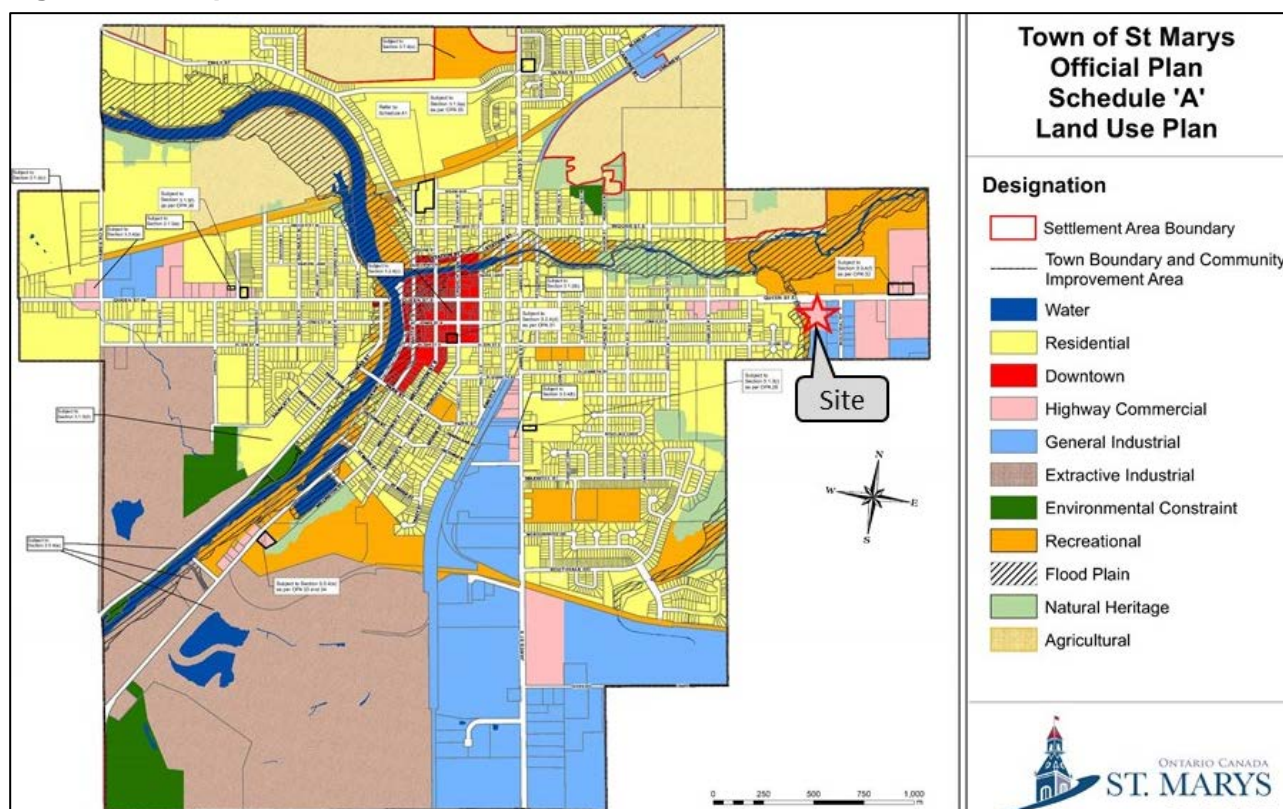
2.1 Proposed Pet Valu Store

A 388 sq.m. (approximately 4,200 sq.ft.) Pet Valu is proposed on the Site.

Pet Valu is a Canadian company which operates a specialty retailer of pet food and pet-related supplies. The company operates over 600 corporate-owned or franchised stores across Canada (Pet Valu Holdings Ltd. Prospectus June 2021 the "Pet Valu 2021 Prospectus").

A 388 sq.m. (4,200 sq.ft.) Pet Valu is proposed on the 3.59 hectare (8.9 acre) Site at 752 Queen Street East as illustrated below.

Figure 2.1: Proposed Pet Valu Site Location



Source: Town of St Marys Draft Official Plan Schedule "A" Land Use Plan with overlay information provided by Ward Land Economics Inc.

The building size and associated land area of the Site are required to accommodate the Pet Valu store including the range of pet food, pet merchandise, other pet supplies, self-serve dog wash area, full-service grooming facilities, staff and storage areas, and associated parking area.

Other uses and tenants on the Site include an Esso Gas Station, Beckers convenience store, a Pizza Pizza and McDonald's restaurants. A car wash will also occupy the Site and the proposed Pet Valu would be the sixth tenant of the Site.

2.2 Pet Valu Site Selection and Location Criteria

The Site location satisfies Pet Valu's site selection and location criteria.

Pet Valu has site selection location criteria which the company uses to select a market location and site for a new store. The site selection and location criteria include the following.

- the level of retail activity and traffic;
- the presence or absence of specific competitors and preferable co-tenants;
- population and demographics of the area;
- total rent and occupancy cost; and,
- the location of existing Pet Valu stores and current franchisee territories and target market segments. (Pet Valu 2021 Prospectus).

Pet Valu also informs that the site selection criteria include high-traffic areas such as shopping centres or "main streets" which draw customers for household and convenience shopping. Site selection is also dependent on a suitable site and favorable lease terms. The Pet Valu 2021 Prospectus informs that:

"Nearly all stores are located in high-traffic areas such as shopping centres or "main streets" of a smaller community, where our management believes customers are likely to do their household shopping for groceries and other non-discretionary items. We open stores in various locations, including urban/metropolitan areas, suburban areas, mid-sized cities and small towns.

Our ability to open new stores is dependent upon, among other factors, locating suitable sites, negotiating favourable lease terms, and aligning growth to our supply chain capacity.

Pet Valu has stores in communities surrounding St Marys including; Exeter, Stratford, Woodstock, Ingersoll, and London. Based on a review of Pet Valu locations in other communities including those surrounding the St Marys market, Pet Valu store locations are characterized by high traffic arterial/"main" streets which provide convenient access for residents of the local and surrounding area, within a strip shopping plaza, beside and co-tenanted with national chain tenants, and within close proximity to a grocery store. The locations are also characterized by a large amount of on-site parking with direct access to the store, ample parking in close proximity to the storefront to accommodate pickups and drop-offs of pets for grooming or other services, and ample loading area space for delivery trucks.

The subject Site location fulfills Pet Valu's site selection and location criteria. In particular, the Site is strategically located to conveniently serve residents of St. Marys and the surrounding market area, is located on a high traffic "main street" arterial road, is within an existing convenience oriented plaza, is co-tenanted with national chain tenants, has direct access to ample on-site parking with direct store front access, and is within close proximity to the town's largest grocery store.

2.3 Site Official Plan Designation and Zoning

Although various retail commercial uses are permitted on the Site, the Town requires a Zoning By-law amendment to permit the proposed pet store use.

The Site is designated Highway Commercial and zoned site-specific Highway Commercial (C3-5). The Site designation and zoning permit various retail commercial uses. The Site Plan Agreement permits the existing retail commercial uses, a car wash, and the 388 sq.m. (4,200 sq.ft.) Building B for commercial purposes. To permit the proposed pet store use within Building B, the Town requires a Zoning By-law amendment.

The Highway Commercial designation permits uses that are not appropriate for the Downtown area such as large plate retail uses, strip malls, shopping centres, among other uses. Section 3.3.2 of the Draft Official Plan (and similar wording is provided in the current Official Plan) directs that:

Uses permitted in the "Highway Commercial" Designation as shown on Schedule "A" to this Official Plan include automobile-oriented uses, and other uses such as drive-thru or fast food restaurants, automobile sales and service establishments, gasoline bars, lodging establishments, garden centres, hardware/automotive type uses, and lumber yards, open space uses, and utility uses.

Other uses that have extensive land requirements and are not appropriate for the Downtown area such as large plate retail uses, strip malls, shopping centres, large scale business and professional offices, and factory outlets may also be permitted in accordance with Section 3.3.3.1.

The Town's Zoning By-law provides Definitions of Service Commercial Centre, Shopping Centre, and Shopping Plaza. Large plate retail uses and strip malls are not defined. The Zoning By-law defines the following.

3.135.2 Service Commercial Centre means a building or buildings containing two or more different permitted commercial uses, which is designed and which functions as a unit in relation to its siting, vehicular access and off-street parking, but not having more than 30 percent (30%) of its gross floor area devoted to all restaurant uses.

3.137 Shopping Plaza means a group of commercial establishments designed, developed, owned, and managed as a unit containing three or more physically separated spaces for lease or occupancy by commercial uses or business or professional offices, providing common open spaces, on-site parking areas, loading areas, driveways, and other shared facilities, and which may be held in a single ownership or by participants in a condominium corporation and in which each commercial establishment has an independent entrance from the outside.

The Site has a group of commercial establishments (the Esso gas station, Beckers convenience store, Pizza Pizza and McDonald's restaurants), is designed, owned, and managed as a unit, contains four physically separated spaces for lease and which are occupied by commercial uses, and has on-site parking, loading areas, and driveways. The Site therefore satisfies the Town's definition of a Shopping Plaza and a Service Commercial Centre. A Shopping Plaza and Service Commercial Centre permit retail uses which would include a pet store. The Site is also consistent with permitted retail uses within a Shopping Centre.

The Site Plan Approval permits the 388 sq.m. (4,200 sq.ft.) Building B for commercial purposes. The pet store use proposed for Building B appears to satisfy the Zoning By-law Definition of a Commercial Use.

*3.32 **Commercial Use** means the use of land, buildings, or structures for the purpose of buying and selling commodities, and/or supplying of services, but does not include industrial uses.*

Although it appears that a pet store use would be permitted on the Site, the Town requires a Zoning By-law amendment to permit the proposed pet store.

3.0 Downtown St. Marys

The following provides a review of Downtown St Marys including the planned function and the supply of retail commercial space. This provides input to the assessment of whether the Pet Valu could reasonably locate in the Downtown.

3.1 Downtown St. Marys Role and Function

The Downtown fulfills its role and planned function as a mixed use, multi-functional area which accommodates a full range of uses including service, retail, commercial, entertainment, office, institutional, residential, and open space, among other uses.

The Downtown is a functionally diverse area with a range of activities including services, professional offices, retailers, restaurants, entertainment, and municipal facilities, among other uses. The Downtown has a large component of service space as well as a range of independent retailers, unique shops and services not found elsewhere. The current Official Plan and Draft Official Plan provide similar wording with respect to the Downtown.

Section 3.2 of the Draft Official Plan describes the Downtown as follows.

Downtown development in St. Marys has been focused primarily on the core area. The “Downtown” designation is and will continue to be recognized as the single largest concentration of retail and office uses in the Town and is viewed as an integral component of the community’s well being.

Section 3.2.1.2 informs that an objective of the Downtown (among others) is:

To allow for the growth of the Commercial sector in balance with the need to encourage a continuation of the dominant position of the Downtown area in the overall hierarchy of commercial function in the Town as well as the institutional uses.

The Draft Official Plan informs that permitted uses in the Downtown designation include:

...all forms of retail and service commercial facilities, business and professional offices, schools, hotels, bed and breakfast establishments (in existing single detached dwellings), restaurants, places of worship, places for entertainment, recreational facilities, festival venues, parks, cultural activities, and utilities.

Residential uses are also permitted subject to various restrictions.

Policy Section 3.2.3.1 of the Draft Official Plan directs that:

The “Downtown” designation, as designated on Schedule “A” of this plan, shall remain the primary area of culture, trade and commerce within the Town.

The Downtown is a mixed use, multi-functional area and fulfils its planned function as described in the Official Plan.

3.2 Downtown Supply of Retail Commercial Space

The Downtown is St. Marys’ largest retail commercial area with over 300,000 square feet of retail commercial space. The Downtown retail commercial space is characterized by service uses, small unit sizes, and independent and unique stores and businesses. Retail commercial vacancy in the Downtown is within the average range and reflective of a balanced market.

Downtown St. Marys has over 300,000 sq.ft. of retail and service commercial space (or “retail commercial” space) based on a measured inventory carried out in January 2022. In summary, Downtown St. Marys is composed of:

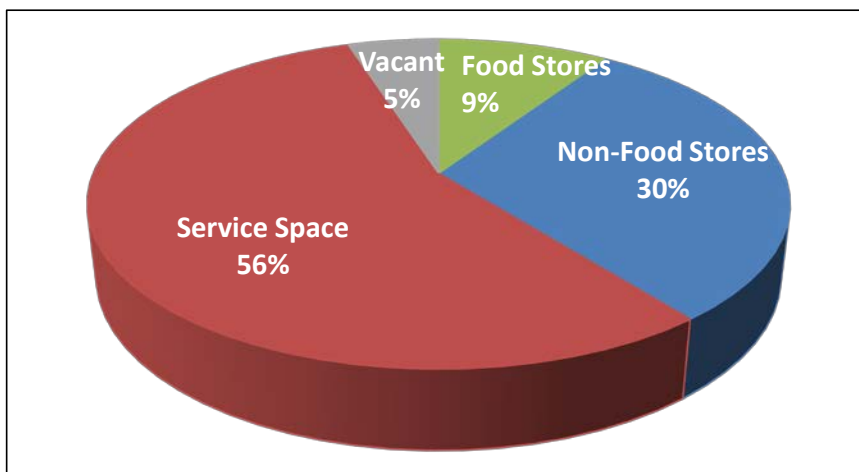
- Over 300,000 sq.ft. of retail commercial space of which most, over half (56% or approximately 176,400 sq.ft.) is composed of service space including restaurants, personal services, banks, professional and medical offices, services, and other commercial uses.
- Approximately a third (30%) of the Downtown retail commercial space is composed of non-food stores.
- Approximately 9% is food store space most of which is the Foodland supermarket (also referred to as a grocery store).
- There is one pet store in the Downtown, McPhails Pet & Animal Needs store which represents less than 1% of the retail commercial space in the Downtown.
- Some pet related merchandise is available in other types of stores located in the Downtown including the supermarket and some non-food stores.
- Vacant space accounts for approximately 5% of the retail commercial space in the Downtown. Vacancies within the range of approximately 5% to 7.5% represent a balanced market.

Table 3.1: St. Marys Downtown Supply of Retail Commercial Space (in sq.ft.)

| | Sq.ft. | % of Total |
|--|----------------|-------------|
| Food Store Space | 30,100 | 9% |
| Non-Food Store Space | 93,500 | 30% |
| Total Retail Space | 123,600 | 39% |
| Restaurants | 27,500 | 9% |
| Personal Services, Fitness, Recreation | 39,400 | 12% |
| Other Service and Commercial | 109,500 | 35% |
| Total Service Space | 176,400 | 56% |
| Vacant Space | 15,800 | 5% |
| Total Retail Commercial Space (in sq.ft.) | 315,800 | 100% |

Source: Inventory carried out under the direction of Ward Land Economics Inc., January 2022. Numbers are rounded.

Chart 3.1: Downtown St. Marys Distribution of Retail Commercial Space



Source: Inventory carried out under the direction of Ward Land Economics Inc., January 2022.

Small sized and independent specialty stores and businesses characterize the Downtown. Relative to the Downtown retail commercial space median unit size, the Pet Valu store is a large plate retail use which is reflective of and appropriate for the Site's Highway Commercial designation.

- The Downtown is characterized by small unit sizes. The median unit size of the retail commercial space in the Downtown is approximately 2,100 sq.ft.
- Only 7% of the occupied retail units in the Downtown are 4,200 sq.ft. and larger (i.e. of a size or larger than the proposed Pet Valu store).

- Relative to the median retail commercial unit size in the Downtown, the 4,200 sq.ft. Pet Valu store is a large plate retail store which is appropriate for and reflective of the Highway Commercial designation of the Site.

There are no vacant sites or buildings in the Downtown which satisfy the Pet Valu site selection and location criteria. The Pet Valu store therefore cannot be appropriately located in the Downtown.

A review of vacant buildings and sites was carried out to assess whether the proposed Pet Valu store could be appropriately located in the Downtown. The review accounts for the Pet Valu site selection and location criteria as summarized in Section 2. The following provides a summary of findings.

- Vacant retail commercial space in the Downtown totals approximately 15,800 sq.ft. of which almost half is composed of the former Buck or Two dollar store space located at 125 Queen Street East. That vacancy is the only vacant unit in the Downtown which is of the size or larger than the 4,200 sq.ft. proposed Pet Valu store. The vacant space is beside McPhails Pet & Animal Needs store.
- The average and median vacant space unit size in the Downtown excluding the former Buck or Two, is approximately 1,800 sq.ft., and range in size from 1,700 sq.ft. to 2,100 sq.ft.
- Of the vacant retail commercial units in the Downtown, all but one are too small to accommodate the 388 sq.m. (4,200 sq.ft.) Pet Valu store.
- None of the vacant units fulfill the Pet Valu site selection and location criteria including separation from competitive pet store space, preferable co-tenants, retail activity, traffic, visibility, access, and parking, among other factors.
- The former Buck or Two dollar store space and site are not suitable for and do not fulfill the Pet Valu site selection and location criteria including lack of separation from competitive pet store space, does not provide preferable co-tenants, lacks preferred retail activity, traffic, visibility, access, and parking, among other factors.
- All other vacant units in the Downtown are smaller than 388 sq.m. (4,200 sq.ft.) and are not of a size or format that could properly accommodate the proposed 388 sq.m. (4,200 sq.ft.) Pet Valu store.

- Although occupied, the former Beaver Lumber building located at the southeast quadrant of Station Street and Church Street is currently being used for storage space. The site is located at the northern edge of the Downtown, north of the river and adjacent to a residential area. Considering the site location and current use, it is potentially suitable for a mixed use redevelopment. Even if it were available, the building and site are not suitable for and do not fulfill the Pet Valu site selection and location criteria since the building is much larger than the amount of space required for the Pet Valu store, the site lacks the street location, access, visibility, retail activity and preferable co-tenants, among other factors.

Based on the inventory of retail commercial space in the Downtown and this assessment, there are no vacant sites or buildings in the Downtown which satisfy the Pet Valu site selection and location criteria. The Pet Valu store therefore cannot be appropriately located in the Downtown.

The subject Site location is strategically located to conveniently serve residents of St. Marys and the surrounding market area, is located on a main arterial road, is within an existing convenience oriented plaza, is co-tenanted with national chain tenants, has direct access to ample on-site parking with direct store front access, and is within close proximity to the town's largest grocery store.

The Site location therefore fulfils the site selection and location criteria sought by Pet Valu for the proposed 388 sq.m. (4,200 sq.ft.) store in St. Marys.

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4.0 Pet Valu Market Assessment

This section provides an assessment of market support for the proposed Pet Valu and whether it would negatively impact the planned function of the Downtown.

4.1 Pet Valu Market Support and Impact Assessment

Although the Town of St. Marys Official Plan does not specifically require submission of a market study with respect to the proposed 388 sq.m. pet store since it is less than half the development size which requires a market study, this market assessment has had regard to and addresses the Official Plan policy direction with respect to the components of a market study.

The current Official Plan policy 3.3.2.3 and Draft Official Plan policy 3.3.3.1 inform that where required, a market study is to address support for the proposed development and assess what, if any, impact it would have on the Town's Central Commercial / Downtown designation. The Draft Official Plan policy 3.3.3.1 (and similar wording is provided in the current Official Plan) directs that:

Council may require a market study for any new "Highway Commercial" development or redevelopment where the gross leasable floor area is greater than 1,000 square metres. Such study must demonstrate that the said development or redevelopment can be supported and what, if any, impacts said development or redevelopment will have on the "Downtown" designation. Where Council is of the opinion that said development or redevelopment will have negative impacts on the "Downtown" designation, such development or redevelopment may not be permitted.

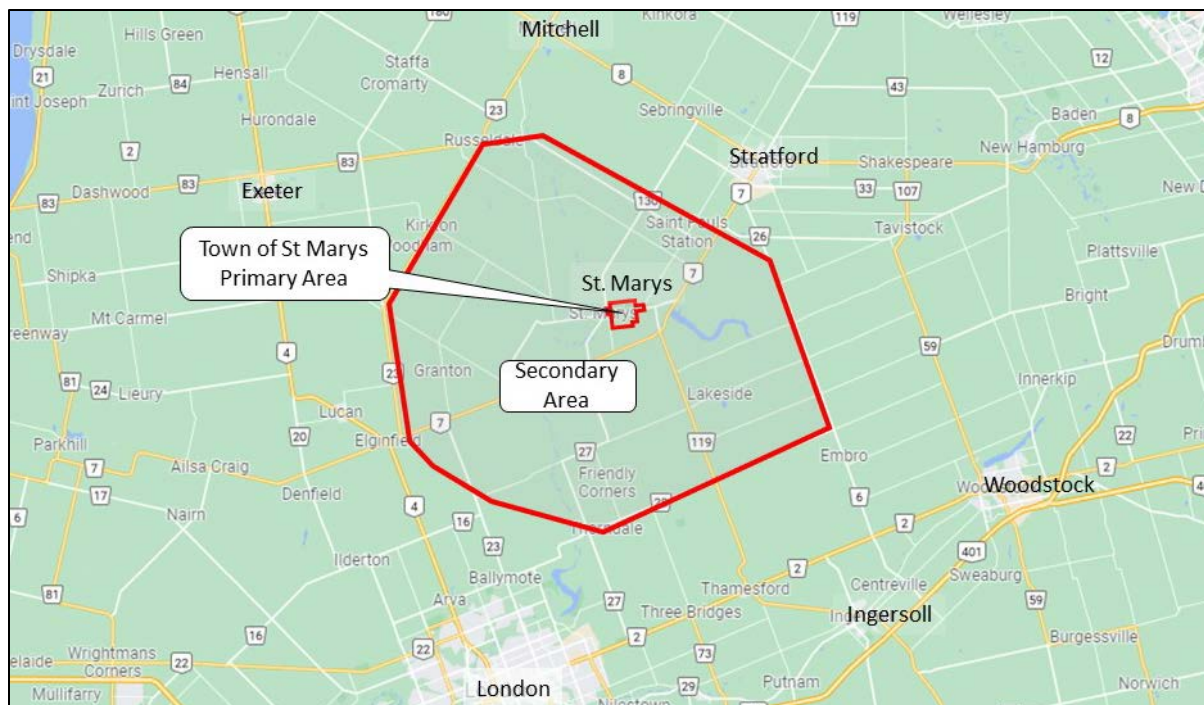
The following provides an assessment of market support for the proposed Pet Valu and evaluates potential impact on the Downtown designation.

Market support for the proposed Pet Valu will be derived from customers within the store's Trade Area and to some extent from customers who live outside the Trade Area. The Pet Valu Trade Area was defined through an analysis of the Site location, transportation routes, competitive space in and surrounding the market area, customer origin and shopping patterns, drive times and distances, and natural and man-made barriers. The Trade Area is composed of a Primary Area and a Secondary Area as described and illustrated on the following page.

- The **Primary Trade Area** (or “Primary Area”) includes the Town of St Marys.
- The **Secondary Trade Area** (or “Secondary Area”) encompasses an area surrounding St Marys including portions of Perth South, West Perth, Zorra Township, Thames Centre, Middlesex Centre, and Lucan Biddulph.

The Trade Area delineated for the proposed Pet Valu encompasses an area which extends approximately 8-15km from the Site.

Figure 4.1: Pet Valu Trade Area



Base map sourced from Google Maps with overlay information provided by Ward Land Economics Inc.

The Trade Area is defined for this market analysis of pet related stores and the proposed Pet Valu. The Trade Area may not reflect the Trade Area of other stores, services, and the Town of St. Marys as a whole.

As illustrated on the following table and summarized below;

- The Town of St. Marys population is forecast to increase from approximately 7,600 in 2021 to approximately 8,300 in 2027; and,
- The Trade Area population is forecast to increase from approximately 15,100 in 2021 to approximately 15,800 in 2027.

Table 4.1: Trade Area Population, Population Estimate, and Forecast

| | 2011 | | 2016 | | 2021 | | Forecast | | | |
|---------------------------------|---------------|----------------------|---------------|----------------------|---------------------|----------------------|---------------|---------------|---------------|---------------|
| | Census | Including Undercount | Census | Including Undercount | Census and Estimate | Including Undercount | 2022 | 2023 | 2025 | 2027 |
| Primary Area - Town of St Marys | 6,655 | 6,800 | 7,265 | 7,500 | 7,385 | 7,600 | 7,700 | 7,800 | 8,100 | 8,300 |
| Secondary Area | 7,330 | 7,500 | 7,330 | 7,500 | 7,330 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 |
| Total Trade Area | 13,985 | 14,300 | 14,595 | 15,000 | 14,715 | 15,100 | 15,200 | 15,300 | 15,600 | 15,800 |

Source: Statistics Canada Census 2011 and 2016 Trade Area population, and St. Marys Census 2021 population. Census undercount adjustments are applied to the Census population. Reference to the Town of St. Marys population forecasts accounting for the Town of St. Marys municipal boundary area, reference to residential building permits, and Ward Land Economics Inc. estimate. The Secondary Area forecast is based on past growth trends. With reference to residential permits from 2016-2021, the St. Marys 2021 Census population appears low which is conservative for assessing market support and impact.

Note: The Primary Area encompasses the geographic boundary of the Town of St. Marys which is consistent with the municipal boundary and Official Plan mapping.

Based on the market analysis, there is market support for the proposed 388 sq.m. (approximately 4,200 sq.ft.) Pet Valu on the Site and it would not have a negative impact on the planned function of the Downtown.

Market support for pet store space in St. Marys is generated by population and spending in pet stores and other stores which sell pet store related merchandise including supermarkets, general merchandise stores (such as Canadian Tire, Dollarama, etc.), hardware stores, specialty stores, pet washing businesses, and other related stores and services. Together, this space is referred to as “pet store related space” in this market assessment.

The following provides a residual analysis to assess market support for the proposed Pet Valu store in St. Marys. The analysis is based on a conservative estimate of current population and population growth forecasts, pet store related spending, and growth. Therefore, the market study provides a conservative analysis for assessing market support and impact for municipal planning purposes.

The analysis provides an assessment of market support for the proposed Pet Valu and accounts for existing pet store related space in St. Marys and elsewhere. The existing pet store related space includes the pet store and an estimated effective area of pet store related space in food stores and non-food stores.

The analysis illustrates that market support for pet store related space is partially available to stores in St. Marys and partially directed to stores elsewhere. This portion or “market capture” is a function of shopping patterns, existing and future supply of pet store related space, and sales estimates. Market support is also derived from people who live outside the Trade Area but shop at pet store related space in St. Marys. This source of trade, called “inflow,” is added to the market support.

Market captures and inflow trade are a function pet store related space in St. Marys and elsewhere. Guidance was also provided by reference to customer origin data which illustrate shopping patterns of consumers.

Customer origin data illustrate that the proposed Pet Valu would help serve residents of St. Marys as well as residents within the surrounding area. The Pet Valu store would help recapture outflow shopping and spending in surrounding communities which in turn, provides an opportunity to increase customer retention and shopping in St. Marys including the Downtown.

As input to the market analysis and the assessment of shopping patterns and market draw, anonymized customer origin mobility data were reviewed at the Site (excluding the gas station), various stores in St. Marys and Pet Valu stores in surrounding communities. In summary;

- Customer origin mobility data inform that the Site, the Independent Grocer, Canadian Tire, and Foodland stores in St. Marys each derive approximately half of their trade, approximately 40-60% from within 15km of their store and the balance of trade, approximately half (40-60%) from beyond 15km.
- Customer origin mobility data inform that Pet Valu stores in surrounding communities (Stratford, Exeter, Ingersoll, and Woodstock) derive the majority of trade, an average of approximately 60%, from within 15km of their store and the balance of trade, approximately 40% from beyond 15km.

The Trade Area delineated for the proposed Pet Valu in St. Marys extends approximately 8-15km from the Site. Inflow trade identified in this analysis (30%) is less than the inflow trade identified by customer origin data and therefore is conservative for assessing market support and impact for municipal planning purposes.

Table 4.2: Proposed Pet Valu Market Support and Impact Assessment

| | (estimated 2021 constant dollars) | | | | |
|---|-----------------------------------|--------------|--------------|--------------|--------------|
| | 2021 | 2022 | 2023 | 2025 | 2027 |
| Primary Area - Town of St. Marys | | | | | |
| Population | 7,600 | 7,700 | 7,800 | 8,100 | 8,300 |
| Per Capita Pet Store Related Space Expenditure ¹⁾ | \$234 | \$235 | \$237 | \$241 | \$244 |
| Total Pet Store Related Space Expenditure (\$m) | \$1.8 | \$1.8 | \$1.8 | \$2.0 | \$2.0 |
| St Marys Capture @ 55.0% | \$1.0 | -- | -- | -- | -- |
| 85.0% | -- | \$1.5 | \$1.6 | \$1.7 | \$1.7 |
| Secondary Area | | | | | |
| Population | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 |
| Per Capita Pet Store Related Space Expenditure ¹⁾ | \$234 | \$235 | \$237 | \$241 | \$244 |
| Total Pet Store Related Space Expenditure (\$m) | \$1.8 | \$1.8 | \$1.8 | \$1.8 | \$1.8 |
| St Marys Capture @ 35.0% | \$0.6 | -- | -- | -- | -- |
| 63.0% | -- | \$1.1 | \$1.1 | \$1.1 | \$1.2 |
| Total Capture by St Marys Pet Store Related Space (\$m) | \$1.6 | \$2.6 | \$2.7 | \$2.8 | \$2.9 |
| Inflow 30% | \$0.7 | \$1.1 | \$1.2 | \$1.2 | \$1.2 |
| Total Estimated Existing Pet Store Related Space Sales in St Marys (\$m) ²⁾ | \$2.3 | \$3.8 | \$3.8 | \$4.0 | \$4.1 |
| Residual Pet Store Related Space Sales in St Marys (\$m) | -- | \$1.5 | \$1.6 | \$1.7 | \$1.8 |
| Estimated Sales at the Site 4,200 sq.ft. Pet Valu (\$m) | -- | \$1.6 | \$1.6 | \$1.7 | \$1.8 |
| Estimate of Sales Transfers from Existing Pet Store Related Space in St. Marys (\$m) ³⁾ | -- | -\$0.11 | -\$0.08 | \$0.0 | \$0.0 |
| Estimate of Sales Transfers (%) | -- | -5% | -3% | 0% | 0% |

1) The per capita expenditure is based on Statistics Canada Detailed Household Consumption Expenditure and Household Spending Survey adjusted to Trade Area income and e-commerce. The pet store related space expenditure includes spending in pet stores and pet store related space within food stores and non-food stores and related pet services excluding veterinary services. The analysis is based on a standard and accepted methodology of applying an average per capita spending which accounts for people that do not have pets.

2) Pet store related space sales includes pet store space and an estimated effective area of pet store related space in food stores and non-food stores.

3) Pet Valu opening in 2022 represents a part year of operation, however this analysis is annualized for municipal planning purposes. For example, Pet Valu opening in June 2022 would generate half the sales volume and half the dollar amount of sales transfers estimated in 2022 on the table, with no change to the percentage estimate of sales transfers in 2022.

The analysis illustrates that there is market support for the proposed 4,200 sq.ft. Pet Valu in addition to the existing pet store related space in St. Marys. There is market support to increase the supply of pet store space in St. Marys which provides an opportunity to improve the level of local shopping service and consumer choice for residents of St. Marys and the surrounding market area.

Market support for the Pet Valu store is generated by growth in the market, recapture of outflow spending, and minor and transient sales transfers from existing pet store related space in St. Marys. Based on a directional impact assessment, the amount and percentage rate of sales transfers is forecast to be equally distributed from pet store related space in Downtown St. Marys, and from pet store related space in all other areas of St. Marys (approximately 5% in 2022 and 3% in 2023 respectively).

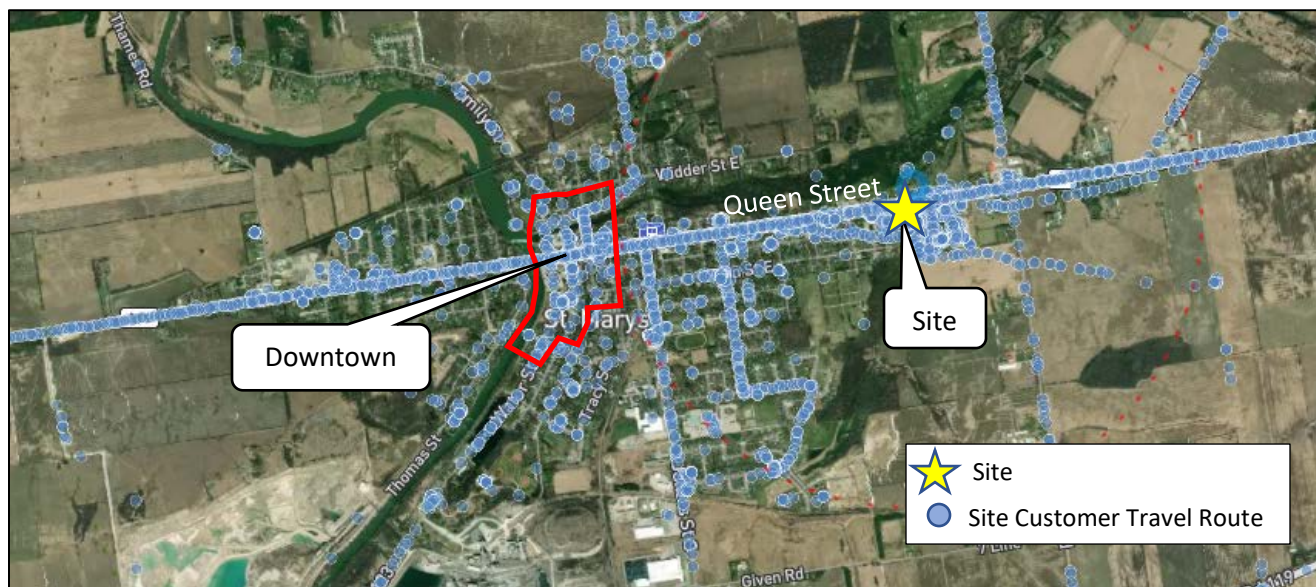
With the addition of the proposed Pet Valu, sales transfers on existing pet store related space are forecast to be minor and transient. The implications of sales transfers, where they may occur, are evaluated in terms of the existing performance, the quantum of impact, and the duration of impact. Ultimately, the impact test for municipal planning purposes is focused on the potential implications to the planned function of commercial areas rather than the competitive impacts on an individual store.

Growth in the market offsets short-term transfers and sales levels of pet store related space are forecast to remain viable throughout the study period. As well, the planned function of the Downtown is not forecast to be negatively impacted with the proposed Pet Valu on the Site.

Customers of the Site travel within Downtown St. Marys before and after a trip to the Site. Similar travel patterns are shown by customer origin data of the nearby Independent Grocer. It follows that the proposed Pet Valu on the Site would generate similar travel patterns and the Pet Valu store provides an opportunity to attract customers to the Downtown.

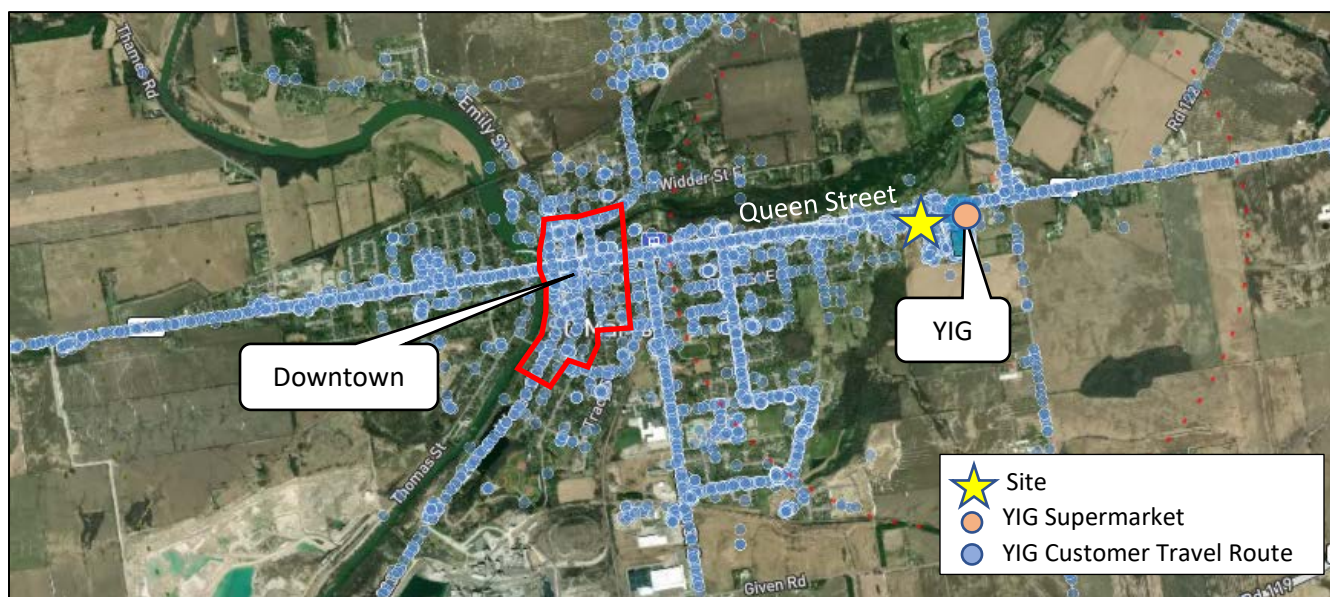
The customer origin data illustrate that customers of the Site and the Independent Grocer supermarket travel within Downtown St. Marys within 30 minutes before and after visiting the Site and/or the supermarket as illustrated by the customer mobility data on the following page. It follows that the proposed Pet Valu on the Site would generate similar travel patterns and therefore the location outside of the Downtown does not entail a lack of travel to and visitation within Downtown St. Marys. The Pet Valu store on the Site provides an opportunity to attract customers to the Downtown.

Figure 4.2: Site Customer Travel Pattern / Pathing



Source: UberMedia and Mapbox with overlay information provided by Ward Land Economics Inc. Travel route/pathing of Site customers 30 minutes before and after Site visit (2021 data). The Site area includes the retail and restaurant area, excluding the gas station.

Figure 4.3: Your Independent Grocer (YIG) Customer Travel Pattern / Pathing



Source: UberMedia and Mapbox with overlay information provided by Ward Land Economics Inc. Travel route/pathing of YIG customers 30 minutes before and after YIG visit (2021 data).

With the addition of the proposed Pet Valu on the Site, the Downtown will remain the dominant commercial area in St. Marys and its commercial structure which is consistent with the Official Plan policy direction.

The proposed Pet Valu store represents only approximately 1% of the amount of retail commercial space in the Downtown. This small addition of space in the market mitigates impact on commercial areas including the Downtown. With the addition of the Pet Valu store on the Site, the Downtown will remain the largest commercial area in St. Marys and its commercial structure, and the Downtown will remain the dominant retail area as directed by the Official Plan.

With the addition of Pet Valu on the Site, the role and function of the Downtown will be maintained. This is consistent with the Town's Official Plan policy direction.

The Downtown is a mixed use, multi-functional area which fulfills its planned function as the primary area of culture, trade and commerce within the Town. The Downtown is characterized by a broad range of service, retail, commercial, office, institutional, residential, and other uses. The amount of retail commercial space, the composition and mix of uses, type of uses, and the role and function of the Downtown differentiates it from that of the proposed Pet Valu store. Based on the market analysis, the proposed Pet Valu on the Site would not impact the planned function of the Downtown and it would not have a negative impact on the commercial structure of St. Marys. With the addition of the proposed Pet Valu on the Site, the role and function of the Downtown will be maintained. This is consistent with the Town's Official Plan policy direction.

With the addition of Pet Valu on the Site, the well-being of the Downtown will be maintained which is consistent with the Provincial Policy Statement and the Town's Draft Official Plan.

The market analysis illustrates that with the addition of the proposed Pet Valu on the Site, sales transfers on existing pet related store space are forecast to be minor and transient. Growth in the market offsets short-term transfers, and sales levels are forecast to remain viable. Therefore, the planned function of the Downtown would not be negatively impacted with the proposed Pet Valu store on the Site.

With the addition of the proposed Pet Valu store on the Site, the role and function, and well-being of the Downtown will be maintained. This is consistent with the Provincial Policy Direction and Section 7.24.5 of the Town's Draft Official Plan policy direction of "...*maintaining the well-being of the downtown,...*".

5.0 Conclusion

The market assessment conclusions are summarized as follows.

- There are no available sites in Downtown St. Marys that could appropriately accommodate the proposed Pet Valu store nor does the Downtown fulfill Pet Valu's site selection and location criteria. The proposed Pet Valu store could not appropriately locate in the Downtown.
- The Downtown is a mixed use, multi-functional area which fulfills its planned function as the primary area of culture, trade and commerce within the Town. The Downtown is the Town's largest commercial area, and the retail commercial space is characterized by service uses, small unit sizes, and independent and unique stores and businesses. The retail commercial vacancy rate is within a range reflective of a balanced market.
- Relative to the Downtown retail commercial space and median unit size, the Pet Valu store is a large plate retail use which is reflective of and appropriate for the Site's Highway Commercial designation.
- The Site at 752 Queen Street East fulfills Pet Valu's site selection and location criteria.
- There is market support for the proposed 388 sq.m. (4,200 sq.ft.) Pet Valu on the Site as well as the existing pet store and pet store related space in the Downtown and elsewhere in St. Marys.
- The Pet Valu store on the Site would not have a negative impact on the planned function of the Downtown or other commercial areas in St. Marys.
- The Pet Valu represents only approximately 1% of the amount of retail commercial space in the Downtown. With the addition of the Pet Valu on the Site, the Downtown will continue to be the dominant Commercial area within the overall hierarchy of commercial function in the Town which is consistent with the Official Plan policy 3.2.1.2.
- With the addition of the Pet Valu on the Site, the role and function, and the well-being of the Downtown will be maintained which is consistent with the Provincial Policy Statement and the Town's Draft Official Plan policy 7.24.5 direction to maintain the well-being of the Downtown.

In summary, based on the market assessment, Downtown St. Marys does not fulfil Pet Valu's site selection and location criteria. The subject Site fulfills Pet Valu's site selection and location criteria, there is market support for the proposed pet store, and it would not have a negative impact on the planned function of the Downtown. Therefore, from a market perspective, a rezoning of the Site to permit a 388 sq.m. (4,200 sq.ft.) pet store is justified.

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