



141-149 MAIN STREET EAST

Commercial Land Assessment

Grimsby, Ontario

Prepared for **Losani Homes**

December 10, 2020



This document is available in alternative formats upon request by contacting:
info@urbanMetrics.ca
416-351-8585 (1-800-505-8755)



December 10, 2020

Mr. Brandon Almeida
Land Development Co-ordinator - Losani Homes
430 McNeilly Road, Suite 203
Stoney Creek, Ontario
L8E 5E3

Dear Mr. Almeida:

RE: 141-149 Main Street East – Commercial Land Assessment

urbanMetrics inc. is pleased to submit this report assessing the market and need for commercial space on the subject site on Main Street East in Grimsby, Ontario. Our conclusions, analysis, and supporting logic are contained in the following report. This report has been prepared for Losani Homes to accompany an Official Plan Amendment and Rezoning on the subject lands.

If you have any questions with regards to our submission, please do not hesitate to contact us.

Yours truly,
urbanMetrics inc.

Rowan Faludi, MCIP, RPP, CMC, PRE
Partner
rfaludi@urbanMetrics.ca

Contents

1.0	Executive Summary	7
2.0	Background	13
	Key Findings	1
3.0	Location, Size and Scale of the Proposed Development	3
3.1	Project Description	4
	Key Findings	4
3.2	Location	6
4.0	The Land is Not Required for Commercial Purposes Over the Long Term	8
	Key Findings	9
4.1	Availability of Local Retail and Services Near to the Site	9
4.2	Implications of Future Growth in Grimsby.....	12
5.0	There is Greater Need for the Conversion to the Non-Commercial Use	16
	Key Findings	17
5.1	Current Function of the Neighbourhood Commercial Designation on the Subject Site	18
5.2	Potential Commercial Uses on the Subject Site	19
5.3	Potential Future Population and Commercial Space in the Study Area	19
5.4	Benefit of New Population in the Main Street East Area.....	20
6.0	The Town Will Meet Its Employment Forecasts Established in the Official Plan	22
	Grimsby Official Plan Employment Projections	23
	Key Findings	23
6.1	Employment Comparisons	25
7.0	The Potential for Compatibility Issues	27
	Key Findings	28
7.1	Planning Justification Report.....	28
7.2	Impact of the Project on Nearby Commercial Uses	29
8.0	The Potential for Negative Impacts on the Natural Environment and the Adequacy of Municipal Services	30
	Key Findings	31
8.1	The Potential for Negative Impacts on the Natural Environment	31
8.2	Adequacy of the Existing Transportation Infrastructure, including Pedestrian and Cycling infrastructure	31

8.3 Adequacy of the Existing Water and Wastewater Infrastructure and Other Municipal Services.	33
9.0 The Intent of the Economic Development Policies of Official Plan	34
Key Findings	35
9.1 Economic Development Policies in the Grimsby Official Plan	36
9.2 Fiscal Benefits	36
Appendix A Terms of Reference	41

Figures

Figure 3-1: Artist's Rendering of the Project.....	4
Figure 3-2: Proposed Development - Site Plan and Ground Floor.....	5
Figure 3-3: Subject Site and Surrounding Area	6
Figure 3-4: Immediately Surrounding Area.....	7
Figure 4-1: Downtown and Main St E Commercial Space	10
Figure 4-2: Commercial Space– East Grimsby Trade Area.....	11
Figure 4-3: Town of Grimsby 2016 Population Distribution	13
Figure 4-4: Population Growth 2011 - 2016	14
Figure 4-5: Square Feet of Commercial Development Since 2000	15
Figure 9-1: Subject Site Fiscal Benefits Summary	37
Figure 9-2: Municipal Revenue – Garden Centre.....	38
Figure 9-3: Municipal Revenue - Commercial Redevelopment	39
Figure 9-4: Municipal Revenue - Proposed Mixed-Use Development	39

1.0 Executive Summary

Background

- Losani Homes is proposing to develop a 215-unit apartment building on a site currently occupied by a garden centre on Main Street East, approximately one kilometre east of Downtown Grimsby. The development would include some 1,361 square feet of ground floor flex commercial space.
- The site is currently Designated Neighbourhood Commercial, which would not permit residential uses, however, the zoning by-law would permit residential uses above the ground floor.
- The Official Plan Policies indicate that the Neighbourhood Designation governing the subject site and other nearby sites along Main Street East, should provide for day-to-day and weekly shopping facilities to serve surrounding residents. Due to the small size of the sites in the area, they are limited to a more convenience day-to-day function.
- The Town has provided a terms of reference to undertake a commercial needs assessment as part of the application for an OPA and rezoning. As per the terms of reference, the following issues have been addressed:
 1. The land is not required for commercial purposes over the long term.
 2. There is a greater need for the conversion to the non-commercial use.
 3. The Town will meet its employment forecasts established in the Official Plan.
 4. The location, size and scale of the proposed development.
 5. The potential for compatibility issues.
 6. The potential for negative impacts on the natural environment.
 7. The adequacy of the existing transportation infrastructure, including pedestrian and cycling infrastructure, serving the proposed use.
 8. The adequacy of the existing water and wastewater infrastructure and other municipal services.
 9. The intent of the policies of the Official Plan, including those in Section 2.6 of the Official Plan (Economic Development).

Location, Size and Scale of the Proposed Development

- The proposed project would comprise a residential condominium project of 7 storeys, including some 1,361 square feet of flex retail commercial space accessible by pedestrians from Main Street East .
- The site is 2.2 acres (0.88 hectares) in size and currently occupied by a garden centre.
- It is located on Main Street East approximately 1 kilometre east of the Grimsby Downtown Area.
- It is situated within a small local serving retail strip comprising several low-density plazas and freestanding commercial uses.

The Land is Not Needed for Commercial Purposes over the Long Term

- The neighbourhoods in the vicinity of the subject site are exceptionally well located to be served by both existing day-to-day and weekly shopping facilities.
- In terms of the quantity of available convenience retail and service space, the neighbourhoods in the vicinity of the site are also extremely well served.
- The site could be converted to the proposed development without impairing the neighbourhood commercial function of the node in which the site is located or causing the convenience service level to drop below that which would be expected in an urban area.
- It is likely that the majority of population growth in Grimsby, at least to 2041, will occur in the western part of the Town rather than in the vicinity of the site east of downtown. This would occur through the completion of development within the Winston Road Neighbourhood Secondary Plan and the development of the future GO Station Secondary Plan area.
- Future growth in commercial space, as required, should be more oriented towards the western portion of Grimsby or in the downtown core, where it would be better able to serve the Town's new population, rather than in the vicinity of the subject site.

There is Greater Need for the Conversion to the Non-Commercial Use

- In addition to defining the function of the Neighbourhood Commercial Designation on Main Street East, the Official Plan policies state that uses should complement rather than compete with Downtown Grimsby. Given that the site is only one kilometre east of the downtown, there is a risk that the permitted commercial uses could usurp the market for similar uses in Downtown Grimsby.
- The policies also indicate that Neighbourhood Commercial designations should be situated on sites that range from 3 to 6 hectares. The subject site is far below this size range at only 0.89 hectares. As such, it would not be capable of supporting large scale uses, such as supermarkets that would enable it to fulfill a function of a weekly shopping destination. In fact, there are no sites within the Main Street East Neighbourhood Commercial designation that are even close to this range.
- If the owner of the subject site chose to redevelop to a commercial use consistent with the Official Plan regulations, it would likely take the form of a single storey commercial plaza or free-standing store similar to those elsewhere in the area. Recognizing the net additional space that could be developed on the site, this would add approximately 19,000 square feet of commercial space to the area, which would increase the total commercial space in the designation by about 12.5%.
- In our opinion, without significant additional population growth through intensification, this amount of space is not required and could impact the market for existing retailers in the area and the downtown.

- If the three major proposed residential/mixed-use developments in the area are constructed as proposed with their proposed commercial space, the additional commercial space would more than meet the needs of the new population. Even without any additional commercial space, there is sufficient retail and services space in proximity to the site to serve this relatively small population increase.
- The population added by the proposed intensification of the site, together with other intensification projects in its vicinity, will support the Official Plan policies of attracting investment to the downtown and protecting and enhancing the character of the historic Main Street.
- From a planning and an economic development perspective, there is a greater need for the proposed residential development with ground floor commercial space on the site than to maintain the current permissions for solely commercial activities.

The Town will Meet its Employment Forecasts Established in the Official Plan

- The current Official Plan Population and Employment Projections to 2031 have been made obsolete by the Growth Plan, which now requires that municipalities plan to 2051.
- The Region's 2041 Employment Projections, which are more aggressive than the former 2031 projections, must also be updated to conform with the new Growth Plan policies.
- The site is not in an area that the Town has prioritised for employment growth, such as the Downtown or the QEW Corridor.
- While the amount of employment that would be accommodated within the commercial component of the project is relatively small, the population added by the residential units proposed for the site will generate more jobs in total than could be supported by a retail plaza on the site, which would be permitted by the current Neighbourhood Commercial Official Plan designation.
- The majority of these jobs would be attracted to the local area, including the commercial area in the vicinity of the site, Downtown Grimsby and the QEW corridor.
- It should also be recognized that the impact of the site on the ability of the Town to achieve its projected employment would still be very minor given the small size of the site and the likely extent of future employment growth in Grimsby.

The Potential for Compatibility Issues

- A planning justification study completed by MHBC Planning Limited, including extensive input by technical experts, concluded that: "The proposed development has been thoughtfully designed to be compatible with surrounding development and respect the existing and emerging and built-form and character of Main Street East."

- The future population of the proposed development would support the retailers and service providers near to the site, including the Downtown Grimsby.
- The proposed development would, in our opinion, have a positive economic impact on the commercial economy of the local area, the downtown and other parts of Grimsby.

The Potential for Negative Impact on the Natural Environment and the Adequacy of Municipal Services

- An Environmental Impact Study was not Required by the Town as part of the Planning Application for the Proposed Development.
- The proposed development and area intersections can operate acceptably. There are no safety concerns associated with the proposed development or the surrounding road network.
- The proposed development would support Grimsby's Official Plan policies of building of an active, attractive, and walkable urban community by placing the population of the new development within easy walking distance of a variety of convenience commercial uses surrounding the site and within easy cycling distance (3 to 5 minutes) and moderate walking distance (10 to 15 minutes) of Downtown Grimsby.
- The proposed development can be adequately serviced through the extension of municipal services. Stormwater management can be appropriately managed on-site.

Economic Development and Fiscal Impact

- In addition to supporting retail sales and employment in the vicinity of the site and the Downtown, the proposed development would generate significant fiscal benefits for the Town of Grimsby above and beyond the uses permitted in the currently applicable policies in the Official Plan.
- While the policies in the Official Plan indicate a desire to achieve a re-balancing of the municipal tax base between commercial and non-commercial uses, it is important to recognize the magnitude of assessment and taxes that are generated by intensification projects.
- The redesignation of the site to permit the proposed development would create significant fiscal benefits for the Town of Grimsby, far beyond those that would be generated by the current garden centre use or the development of a commercial plaza consistent with the Official Plan policies and similar to other uses in the area.
- As shown, the assessed value of the proposed development would be more than 20 times the current assessed value of the garden centre and nine times greater than if the site were to be developed as a single use commercial plaza. As a result, the proposed development would generate multiple times more taxes and development charges than if the site were to remain in its current use or developed as a single use commercial plaza.

Fiscal Benefits of the Proposed Development

	Assessed Value	Property Taxes to Grimsby	Total Property Taxes	Grimsby Development Charges	Region Development Charges
Current Garden Centre	\$3,200,000	\$22,000	\$87,000	\$0	\$0
Potential Single Use Retail Project	\$7,200,000	\$50,000	\$197,000	\$200,000	\$298,000
Proposed Losani Development	\$64,900,000	\$264,000	\$770,000	\$1,802,000	\$2,209,000

Conclusion

In our opinion, the proposed development is supportable from the perspective of community benefits, market needs, economic development and fiscal benefits. The future residents of the project will be within walking distance of a wide range of convenience retail facilities and services and within a longer walking distance or easy cycling distance of the Downtown. A purely commercial development is not needed on the site to support future population growth, while the proposed 7-storey residential project will help to support local merchants and those in the downtown. The proposed development would generate many times the property taxes that are currently received by the garden centre or could be received if the site were developed as a commercial plaza as would currently be permitted by the Official Plan.

2.0 Background

Key Findings

- Losani Homes is proposing to develop a 215-unit apartment building on a site currently occupied by a garden centre on Main Street East, approximately one kilometre east of Downtown Grimsby. The development would include some 1,361 square feet of ground floor flex commercial space.
- The site is currently designated Neighbourhood Commercial, which would not permit residential uses, however, the zoning by-law would permit residential uses above the ground floor.
- The Town has provided a terms of reference to undertake a commercial needs assessment as part of the application for an OPA and rezoning.
- This report has been prepared to answer the questions outlined in the City's terms of reference.

Losani Homes is proposing to develop a seven storey 215-unit apartment building on Main Street East in the Town of Grimsby. The apartment building would contain some 126.44 square metres (1,361 sf) of flex commercial space on the ground floor. The site is currently occupied by a garden centre. It is zoned Neighbourhood Commercial, which permits a range of retail and commercial uses. The zoning by-law would permit residential uses above the ground floor. The site is also designated as Neighbourhood Commercial Area in the Town's Official Plan. This designation, however, would exclude residential uses. Losani Homes has prepared Official Plan and Zoning By-law amendments to facilitate the proposed development. As per Section 3.6.1.10 of the Official Plan, the Town has requested that Losani also include a commercial land needs assessment to support its application.

The Town has prepared a terms of reference for the completion of this study, which has been included as Appendix A. The purpose of a commercial land needs assessment is to provide an understanding of the current and future employment and market conditions in the Town in order to guide the review of proposed conversions of designated commercial lands to non-commercial uses to ensure conformity with the policies in the Town's Official Plan, particularly those in Section 2.6 (Economic Development).

The following itemizes the required study contents as per the Town's Terms of Reference:

10. The land is not required for commercial purposes over the long term.
11. There is a greater need for the conversion to the non-commercial use.
12. The Town will meet its employment forecasts established in the Official Plan.
13. The location, size, and scale of the proposed development.
14. The potential for compatibility issues.
15. The potential for negative impacts on the natural environment.
16. The adequacy of the existing transportation infrastructure, including pedestrian and cycling infrastructure, serving the proposed use.
17. The adequacy of the existing water and wastewater infrastructure and other municipal services.

18. The intent of the policies of the Official Plan, including those in Section 2.6 of the Official Plan (Economic Development).

19.

We would note that this study focuses on the issues concerning, employment, market, need and economic development, for other technical issues (Points 5 through 8), we have relied on the findings of the other consultants engaged as part of the project team. We would also note that to aid in the logical progression of this report, we have addressed Point 4 – the location, size and scale of the proposed development - before addressing the other points.

3.0 Location, Size and Scale of the Proposed Development

Key Findings

- The proposed project would comprise a 215-unit residential condominium project of 7 storeys, including some 1,361 square feet of ground floor flex retail commercial space.
- The site is 2.2 acres (0.88 hectares) in size and currently occupied by a garden centre.
- It is located on Main Street East approximately 1 kilometre east of the Grimsby Downtown Area.
- It is situated within a small local serving retail strip comprising several low-density plazas and

3.1 Project Description

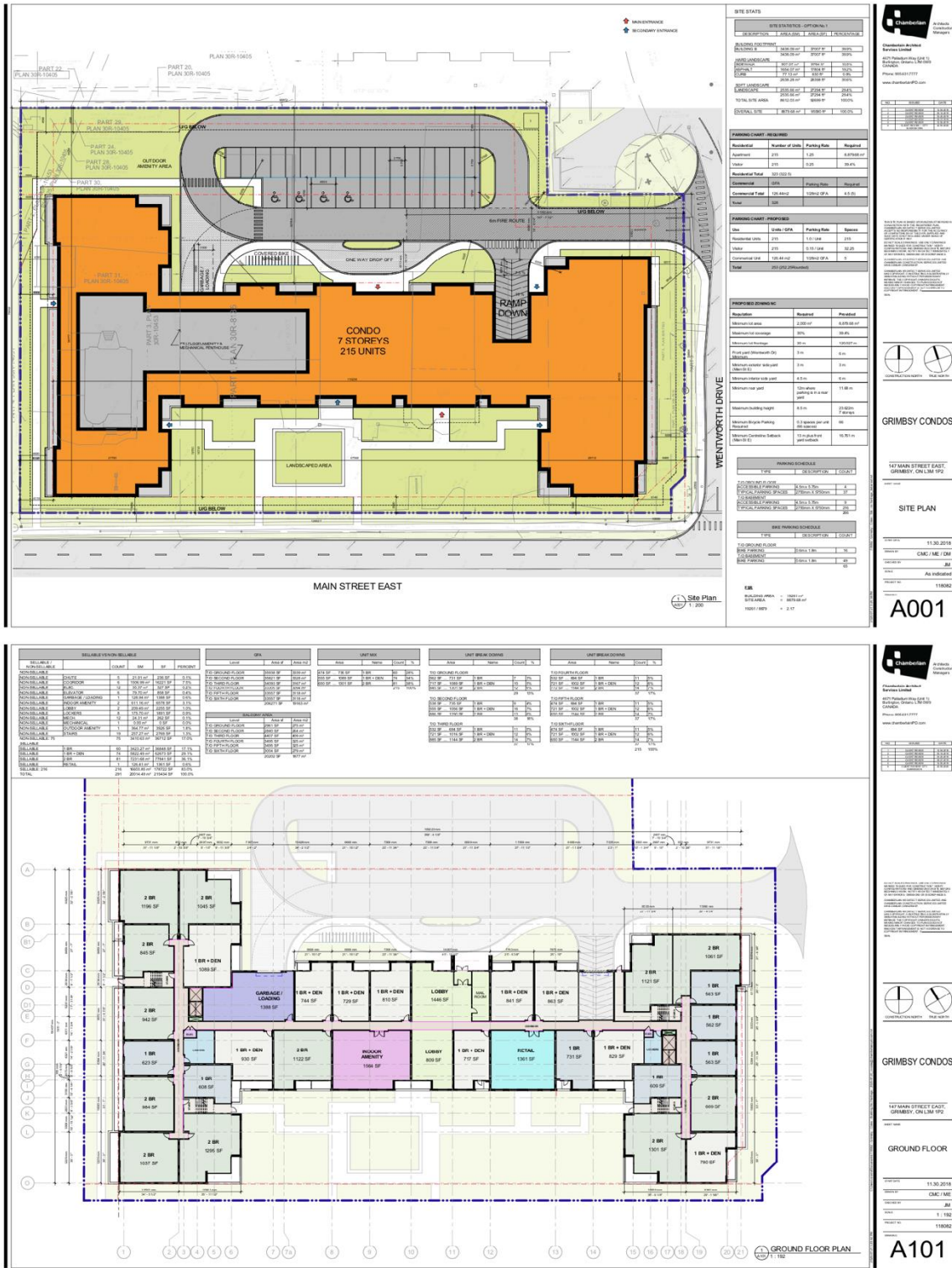
As per the site plan (See Figures 3-1 and 3-2), the proposed project would comprise a 215-unit residential condominium project of 7 storeys, including some 1,361 square feet of flex retail commercial space with pedestrian access from Main Street East. The site is some 2.2 acres (0.88 hectares) in size and is currently occupied by a garden centre.

Figure 3-1: Artist's Rendering of the Project



Source: Chamberlain Architectural Services

Figure 3-2: Proposed Development - Site Plan and Ground Floor



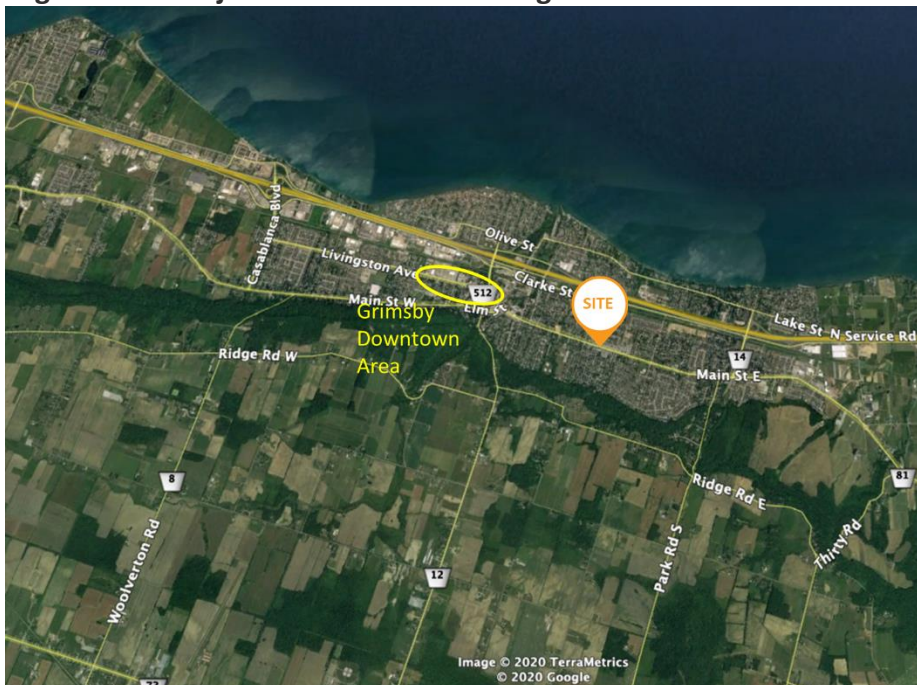
Source: Chamberlain Architectural Services

3.2 Location

As indicated on Figure 3-3, The project is situated at 141-149 Main Street East on the north side of Main Street within a small neighbourhood oriented commercial strip primarily comprising a number of retail plazas and single occupant commercial uses. Approximately one kilometre west of the site is the historic Grimsby Downtown Area. The western fringe of Downtown comprises large scale strip commercial establishments.

Regional Road 81, which is Main Street East in the vicinity of the site, is an important roadway connecting east-west across the Niagara Peninsula. It serves as local connector road providing an alternative to the Queen Elizabeth Way to the north of the site.

Figure 3-3: Subject Site and Surrounding Area



SOURCE: urbanMetrics inc., with imagery from Google Maps. For demonstrative purposes only.

As indicated in Figure 3-4, the uses in the commercial strip in which the site is located are low density uses comprising three small automobile-oriented plazas, a garden centre occupying two sites across the street from each other (including the one on the subject site) and a number of other single user commercial sites. The principal retailers serving in the area are Shoppers Drug Mart, Dollarama, Tim Horton's and Scotiabank, all located on the south side of Main Street East. The commercial area is primarily a local serving node for the immediately surrounding residents providing day-to-day retail and service activities. It lacks larger scale uses such as supermarkets, which would serve their weekly

needs. For these residents, the closest weekly shopping opportunities would be found a short distance away in the downtown core. At the eastern end of the commercial strip is the West Lincoln Memorial Hospital. The hospital is an older community facility and is planned to be redeveloped. As we understand, this project is still in the early planning stages. Adjacent to the hospital to the north is the Deer Park Villa and Suites Long Term Care facility. Immediately west of the subject lands is a vacant lot and a lot containing a single- detached dwelling which are proposed to be developed as a five-storey mixed-use project. Further west, along Main Street West are residential uses and institutional uses including an elementary school, park and a church.

The surrounding residential uses are largely divided into two distinct areas. To the north of the Main Street East corridor lies a significant concentration of medium density townhome developments. The lands to the south of Main Street East are comprised of low density, large lot, single-detached residential properties.

Figure 3-4: Immediately Surrounding Area



SOURCE: urbanMetrics (Basemap – Google Maps)

4.0 The Land is Not Required for Commercial Purposes Over the Long Term

Key Findings

- The neighbourhoods in the vicinity of the subject site are exceptionally well located to be served by both existing day-to-day and weekly shopping facilities.
- In terms of the quantity of available convenience retail and service space, the neighbourhoods in the vicinity of the site are also extremely well served.
- The site could be converted to the proposed development without impairing the neighbourhood commercial function of the node in which the site is located or causing a the convenience service level to drop below that which would be expected in an urban area.
- It is likely that the majority of population growth in Grimsby, at least to 2041, will occur in the western part of the City rather than east of downtown in the vicinity of the site. This growth would occur through the completion of development within the Winston Road Neighbourhood Secondary Plan and the development of the future GO Station Secondary Plan.
- Future growth in commercial space, as required, should be more oriented towards the western portion of Grimsby or in the downtown core, where it would be better able to serve the Town's new population, rather than in the vicinity of site.

4.1 Availability of Local Retail and Services Near to the Site

The community immediately surrounding the subject site is served by three defined local commercial nodes, the Main St East Area, the Historic Downtown, and the Livingston Ave area, as illustrated in Figure 4-1. In addition to these areas, there is a small scattering of local commercial uses to the east of the site (See Figure 4-2), as well as a large highway oriented commercial node at the Casablanca Road/QEW Interchange containing a number of car dealerships, a Rona home improvement store, a Loblaws Supercentre, the Gateway Visitor Centre, and other commercial uses. Regional scale shopping by local residents would be undertaken in larger urban centres, such as Hamilton to the west and St. Catherines to the east.

As shown in Figure 4-1, we have separated the Downtown Area into two distinct portions - the historic downtown and the Livingston Ave Area. This reflects the different types of spaces and levels of accessibility between the more pedestrian oriented historic downtown and the more automobile focused Livingston Ave Area. Major commercial uses serving Grimsby as a whole are concentrated in

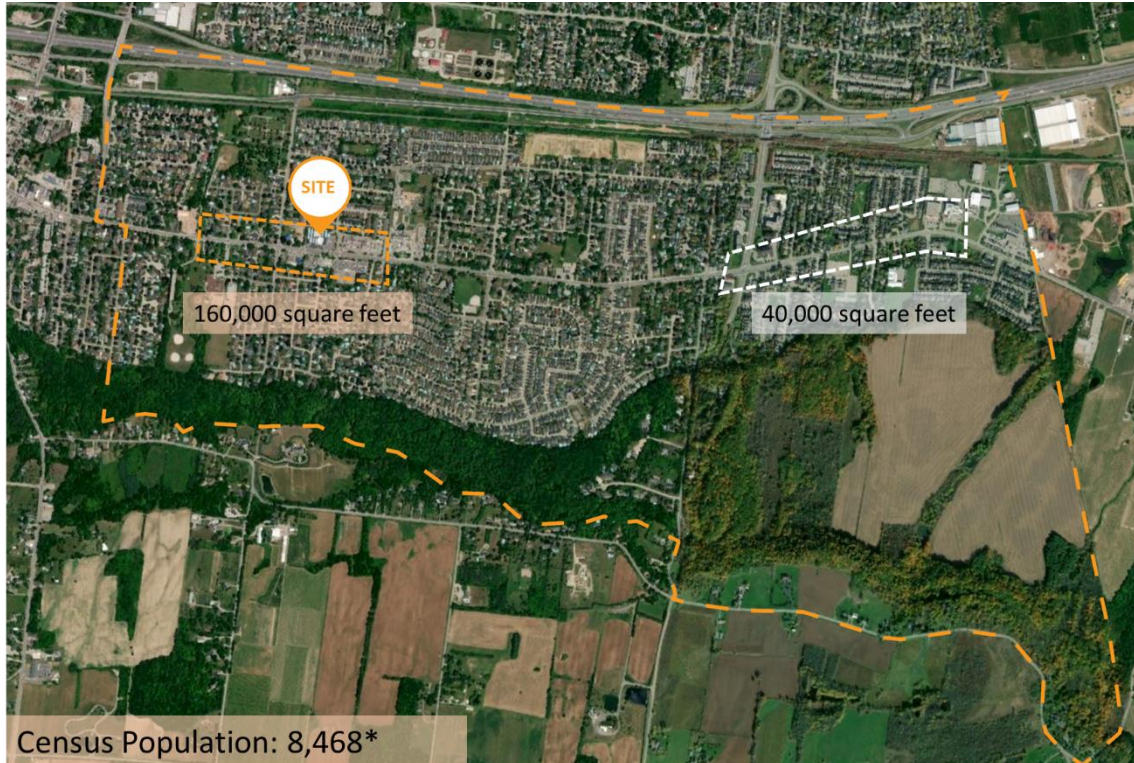
the historic downtown and Livingston Ave Area, as illustrated in Figure 4-1 below. The Subject Site is located in a secondary commercial node on Main St E.

As shown, the Livingston Ave Area and historic downtown combined contain the majority of the commercial uses in central Grimsby, with some 487,000 square feet of commercial space spread throughout the area. The Neighbourhood-Commercial designated Main St E Area provides approximately 159,900 square feet of space on either side of Main St E. Combined, the three areas provide 646,700 square feet of commercial space, serving the needs of Grimsby residents. The highest vacancy rate of 6.8% in the area is found in the historic downtown core. In general, the level of vacancy is consistent with that of a balanced market. The historic downtown at 6.8% is still within an acceptable range, although it is recognized that the small independent retailers in the core would be more susceptible to increased competition and especially the impacts of COVID-19, than would be the chains and larger outlets which are more likely to locate in the Livingstone Ave and Main St E Areas.

Figure 4-1: Downtown and Main St E Commercial Space



SOURCE: urbanMetrics inc., with data from CoStar Realty Information Inc. Imagery from Google Earth. For demonstrative purposes only.

Figure 4-2: Commercial Space– East Grimsby Trade Area

SOURCE: urbanMetrics inc., with imaging from HERE, ESRI. *2016 Census Population, adjusted for undercount.

In terms of accessibility to local serving retail space, generally it is desirable to have at least one supermarket located within about two kilometres of the population in an urban area. While this distance may vary from community to community, in an urban area this radius typically captures the population required to serve a large food store, such as a supermarket. Population density, driving times, natural barriers and competition may, however, cause this distance to vary. More convenience-oriented uses, such as convenience stores and local services are generally found within a shorter distance. These uses would serve the daily shopping needs of a neighbourhood.

In our opinion, the neighbourhoods in the vicinity of the subject site are exceptionally well located to be served by both convenience and weekly shopping uses. In the immediate vicinity of the site are a very wide range of convenience uses including a large-scale pharmacy, food services, personal services, and a dollar store among other retailers and services. In our opinion, the neighbourhoods in the vicinity of the site are better served by convenience uses than are many urban neighbourhoods in the GTA. In addition, within one to two kilometres of the site are two supermarkets, and an extensive array of retail and service activities to serve weekly and less frequent shopping trips in the downtown and Livingston Avenue areas. From a weekly shopping perspective, the neighbourhoods near to the site are also very well served.

As noted previously, the Main Street East commercial node in the vicinity of the site serves a convenience function for local residents. It is also important to recognize that the small size of the commercial sites in the area would not be capable of accommodating larger scale commercial uses, such as supermarkets which would serve a broader market function.

In terms of a trade area served by this node, we would delineate it as generally the urban area of Grimsby south of the QEW between the downtown and the eastern Town boundary. Beyond this area, lands are either rural in character or the neighbourhoods would be served by closer retail areas. The trade area has been illustrated on Figure 4-2. This area would generate the vast majority of shopping trips to Main Street East. Additional shopping trips would also originate from outside of this area by persons working in the area such as at the hospital, by persons in transit and others who occasionally prefer to shop in this area. This additional spending is classified as “inflow”.

The trade area currently has a population of approximately 8,500 as per the 2016 Census adjusted for undercount. This area is served by approximately 200,000 square feet of predominantly convenience commercial uses, including the Main Street East node and the scattered commercial uses to the east, as shown in Figure 4-2. This represents some 23.5 square feet per capita, which would be more than double the typical ratio for convenience retail/service space of about 10 to 12 square feet. In terms of the quantity of available convenience retail and service space, the neighbourhoods in the vicinity of the site are also extremely well served.

In our opinion, the site could be converted to the proposed development without impairing the neighbourhood commercial function of the node in which the site is located or causing the convenience service level to drop below that which would be expected in an urban area.

4.2 Implications of Future Growth in Grimsby

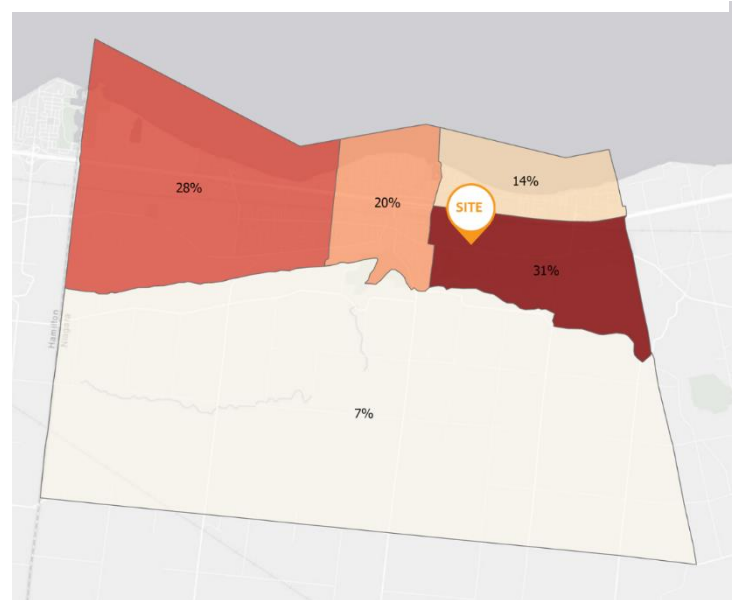
As indicated in Figure 4-3, the population of Grimsby is largely concentrated between the escarpment to the south and the lake to the north. Just under one-third of Grimsby’s total population lives east of the downtown between the QEW and the escarpment (i.e. the area around the subject site). This area is largely developed although there are some infill opportunities that may be realized.

Between the 2011 and 2016 Census, the Grimsby population increased from 25,325 (unadjusted) to 27,314 (unadjusted), representing growth of just over 2,000. In order to evaluate the local impacts of this growth within the municipality we have analyzed the growth rates of each of the 5 census tracts that comprise the Town of Grimsby. As shown in Figure 4-4, this increase was most profoundly felt in the western portion of the municipality, which experienced a growth rate of 21% over the period. The central part of Grimsby, which contains the historic downtown and majority of the commercial space contained in the Downtown Area, experienced a slight decline of -1%. The remaining census tracts all experienced growth rates of between 4% and 6%.

This trend i.e. a shift in growth to the western portion of the municipality - will likely continue into the future. The current Grimsby Official Plan relies on projected population growth for the entire town of approximately 3,000 persons between 2016 and 2031. More recently, Niagara Region projected growth in Grimsby of some 9,500 persons between 2016 and 2041 as per their Municipal Comprehensive Review Strategic Growth Option. Both of these projections, however, have been made obsolete by the recent changes to the Growth Plan which now requires municipalities to plan for Growth to 2051. At this point, Niagara Region has not yet allocated growth to 2051 to the local municipalities.

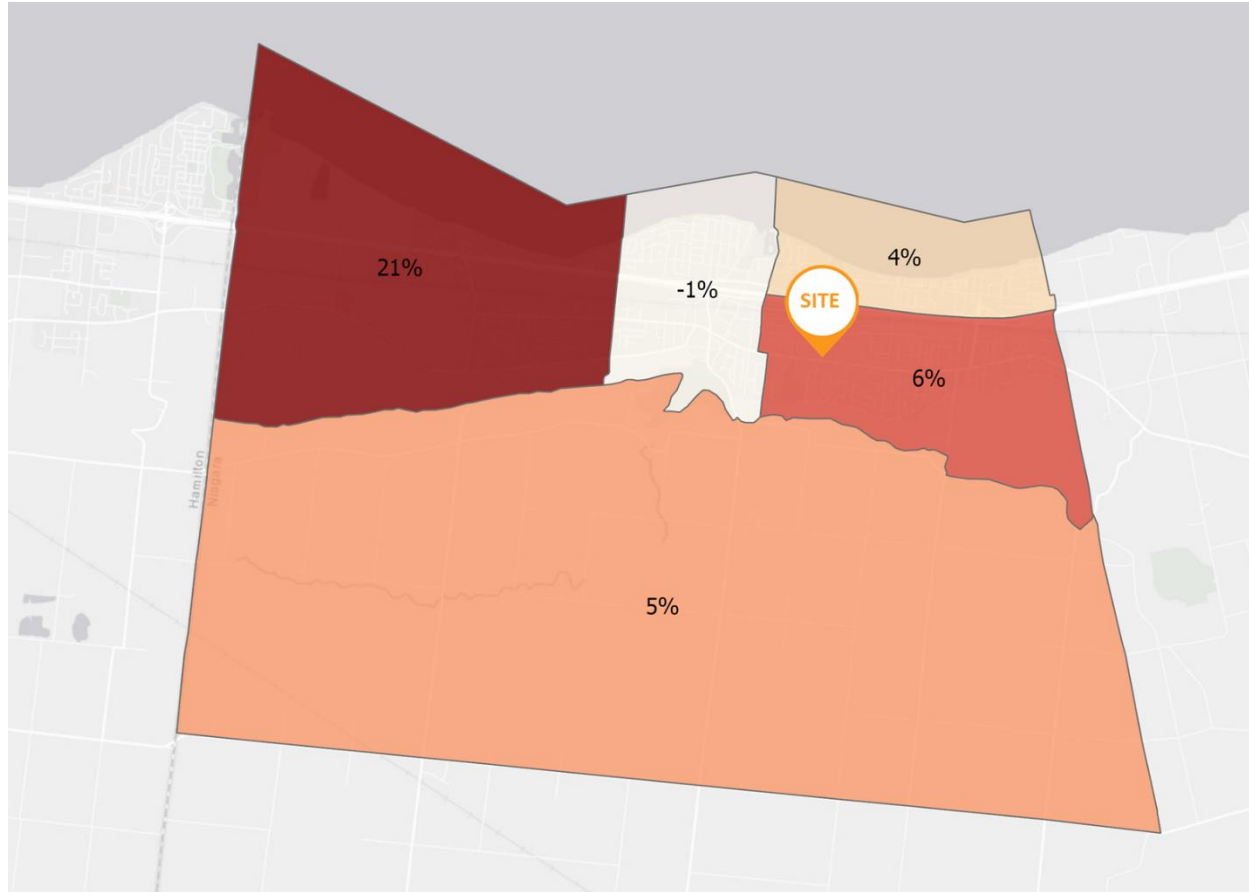
However, it is likely that the majority of growth in Grimsby, at least to 2041 will occur in the western part of the City rather than in the vicinity of the site east of downtown. This would occur through the completion of development within the Winston Road Neighbourhood Secondary Plan and the development of the future Transit Station Secondary Plan. The Transit Station Secondary Plan was established in the Grimsby Secondary Plan “to promote intensification and redevelopment in proximity to the future Grimsby GO rail station”. As per the Official Plan, it has the potential to accommodate some 4,750 persons. The Winston Road Neighbourhood Secondary Plan, currently under development, is intended to be “a vibrant mixed use neighbourhood with a strong sense of place. It offers a full range of housing opportunities from low density residential through to mixed-use high-density housing along with a broad range of employment opportunities along the QEW frontage” (Grimsby Official Plan Policy 11.1).

Figure 4-3: Town of Grimsby 2016 Population Distribution



SOURCE: urbanMetrics inc., Statistics Canada Census 2016

Figure 4-4: Population Growth 2011 - 2016

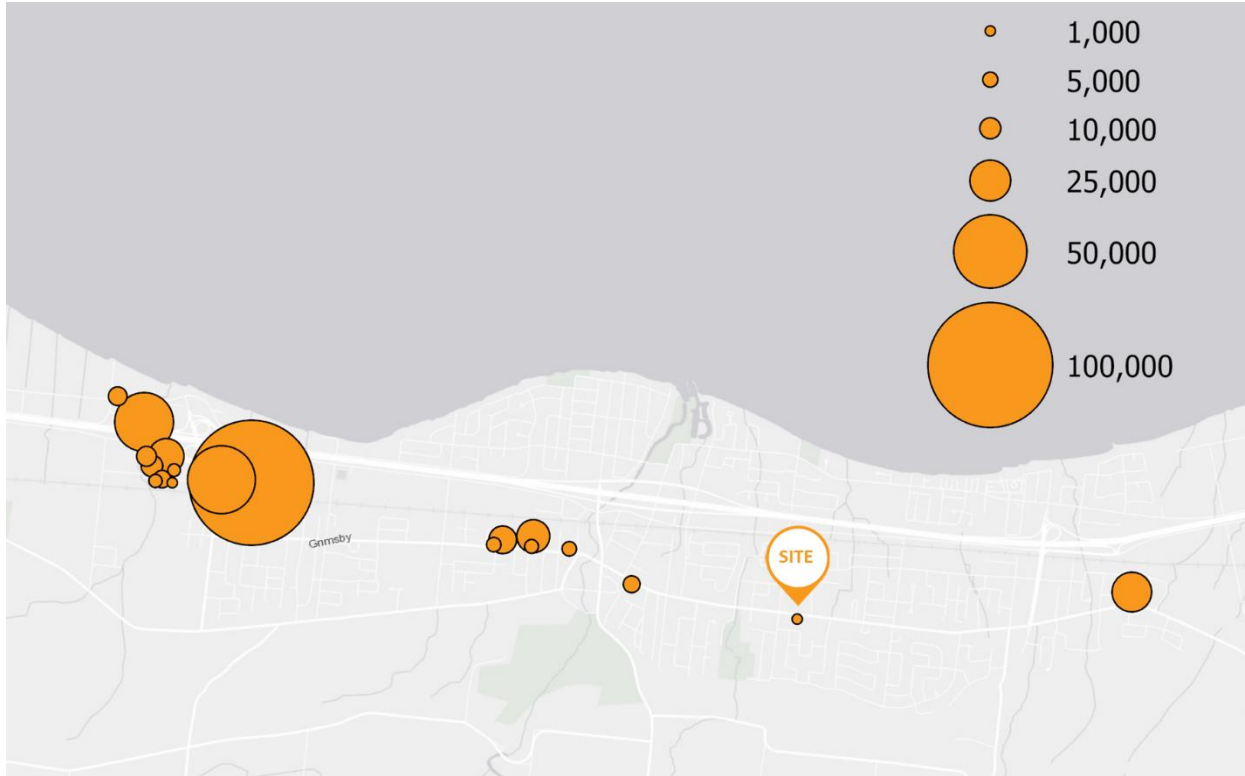


SOURCE: urbanMetrics inc. Statistics Canada Census 2016

It is recognized that some infill growth potential is available in eastern Grimsby through the development of Queen Juliana Court northeast of the subject site, potential intensification along Main Street East in the vicinity of the site, and other sites that have yet to be identified. However, in our opinion, there is more than adequate local serving commercial space in eastern Grimsby to accommodate this additional population.

In line with the population growth patterns, Grimsby’s inventory of commercial space has been growing alongside the Town’s population. As shown in Figure 4-5, much of Grimsby’s recent growth, both commercial and residential, has occurred near the Casablanca Road Interchange with the QEW, in proximity to the Winston Road Neighbourhood and the GO Station Secondary Plan Area. Data from properties tracked by CoStar Realty Information Inc. and illustrated in Figure 4-5, shows the new commercial space developed outside of this area has tended to comprise small scale projects.

Figure 4-5: Square Feet of Commercial Development Since 2000



SOURCE: urbanMetrics inc. with data from CoStar Realty Information Inc.

As a result, future growth in commercial space, as required, should be more oriented towards the oriented western portion of the municipality or in a central location, such as the downtown core rather than in the vicinity of site, where it is able to serve the Town’s new population.

5.0 There is Greater Need for the Conversion to the Non-Commercial Use

Key Findings

- The Official Plan Policies indicate that the Neighbourhood Designation governing the subject site and other nearby sites along Main Street East, should provide for day-to-day and weekly shopping facilities to serve surrounding residents.
- The policies state that uses should complement rather than compete with Downtown Grimsby. Given that the site is only one kilometre east of the downtown, there is a risk that the permitted commercial uses could usurp the market for similar uses in Downtown Grimsby.
- The policies also indicate that Neighbourhood Commercial designations should be situated on sites that range from 3 to 6 hectares. The subject site is far below this size range at only 0.89 hectares and it would not be capable of supporting large scale uses, such as supermarkets that would enable it to fulfill a function of a weekly shopping destination. In fact, there are no sites within the Main Street East Neighbourhood Commercial designation that are even close to this range.
- If the owner of the subject site chose to redevelop to a commercial use consistent with the Official Plan regulations, it would likely take the form of a single storey commercial plaza or free standing store similar to those elsewhere in the area. Recognizing the net additional space that could be developed on the this would add approximately 19,000 square feet of commercial space to the area, which would increase the total commercial area in the designation by about 12.5%.
- In our opinion, without significant additional population growth through intensification, this amount of space would not be required and could impact the market for existing retailers in the area and the downtown.
- As a result, if all three major proposed residential/mixed-use developments in the area are constructed as planned with their proposed commercial space, the additional commercial space would meet the needs of the new population. Even without any commercial space, there is sufficient retail and services space in proximity to the site to serve this relatively small population increase.
- The proposed intensification of the site, together with other intensification projects in its vicinity will support the Official Plan policies of attracting investment to the downtown and protecting and enhancing the character of the historic Main Street.
- From a planning and an economic development perspective, there is a greater need for the proposed residential development with ground floor commercial space on the site than to maintain the current permissions for solely commercial activities.

5.1 Current Function of the Neighbourhood Commercial Designation on the Subject Site

The site is situated in an area designated as Neighbourhood Commercial. This designation extends along both sides of Main Street East from Nelles Road to the hospital. As noted previously, it accommodates a number of small plazas and individual commercial uses. The total amount of commercial space in the area amounts to some 160,000 square feet.

As per the policies in Section 3.6 of the Grimsby Official Plan:

Neighbourhood Commercial Areas are intended to serve the day-to-day convenience shopping needs of the surrounding residents as well as the weekly needs for groceries, personal care products, and services and are not intended to usurp the function or range of uses provided by the Downtown. (Policy 3.6.1.2)

Permitted uses shall include:

grocery stores, retail stores servicing the local neighbourhood, studios, personal services, pharmacies, banks, restaurants, and coffee shops as well as institutions, recreation, medical clinics, offices, and places of worship. (Policy 3.6.1.1)

These policies indicate that the Neighbourhood Designation should provide for day-to-day and weekly shopping facilities to serve surrounding residents. Most importantly, uses should complement rather than compete with Downtown Grimsby. Given that the site is only one kilometre east of the downtown, there is a risk that the permitted commercial uses could usurp the market for similar uses in Downtown Grimsby.

Policy 3.6.1.3 indicates that Neighbourhood Commercial designations should be situated on sites that range from 3 to 6 hectares.

The subject site is far below this size range at only 0.89 hectares and it would not be capable of supporting large scale uses, such as supermarkets that would enable it to fulfill a function of a weekly shopping destination. In fact, there are no sites in with in the Main Street East Neighbourhood Commercial designation that are even close to this range – the largest being just over one hectare.

In our opinion, the lack of sufficiently large commercial parcels and policies which intend for this area not to usurp the function or range of uses in the downtown, mean that this area fulfills a predominantly convenience commercial function for residents of the surrounding area.

5.2 Potential Commercial Uses on the Subject Site

The subject site currently contains part of a garden centre operation, which is a specialty use that likely serves an area beyond that of a typical convenience retail use. Garden centres are permitted as of right in Grimsby in Neighbourhood Commercial areas as well as in Service Commercial areas. In addition, there are several additional sites that have site specific designations to permit garden centres.

If the owner of the subject site chose to redevelop/intensify to another commercial use still consistent with the Official Plan regulations, it would likely take the form of a single storey commercial plaza or free-standing store similar to those elsewhere in the area. At a typical commercial coverage of 25%, this would provide for approximately 24,000 square feet of additional commercial space. Excluding the permanent physical structures on the existing garden centre site, this would add approximately 19,000 square feet of commercial space to the area, which would increase the total commercial area in the designation by about 12.5%.

In our opinion, without significant additional population growth through intensification, this amount of space would not be required and could impact the market for existing retailers in the area and the downtown.

5.3 Potential Future Population and Commercial Space in the Study Area

At present there are three significant proposed residential/mixed use developments in the study area, including the subject site.

- Subject Site (141-149 Main Street East) – 215 apartment units proposed with 1,361 square feet of commercial space
- 133 Main Street East – 148 apartment units with 7,502 square feet of commercial space
- Queen Juliana Court – 93 townhomes and 3 detached dwellings

Relying on the persons per unit factors¹ from the 2014 Grimsby Development Charges Background Study, this would translate into approximately 785 additional residents. We would also expect a small decline in the existing population due to aging and life cycle changes. Using the factor from the DC Background Study against the current housing stock would reduce this total by approximately 70

¹ 3.16 for single detached dwellings, 2.13 for multiples and 1.59 for apartments.

residents. As a result, the net population gain from these three proposals would amount to some 715 new persons – assuming all are constructed as proposed. In terms of convenience commercial space, this would require some 7,150 to 8,580 square feet assuming a ratio of 10 to 12 square feet per person.

Between the two Main Street East proposals, they would add a total of 8,863 square feet of commercial space.

As a result, if all three developments are developed as proposed, the additional commercial space would meet the needs of the new population, although even without any commercial space, there is sufficient retail and services space in proximity to the site to serve this relatively small population increase.

5.4 Benefit of New Population in the Main Street East Area

The addition of additional population will help to strengthen the commercial function of both the Main Street East retailers and the downtown. In addition to the convenience space required to serve the local area, residents would support additional retail and services space, including a wide range of food and non-food retailers, personal services, financial services, restaurants and fast-food outlets and other services. Intensification such as that proposed for the subject site will bolster the market for retail and services space in the vicinity of the site and the downtown.

We would also note that the historic downtown core currently has the highest vacancy rate in the local area. The small-scale independent retailers in the downtown would also be most susceptible to new competition and especially the economic impacts of COVID-19.

The Downtown District Policies contained in Section 3.5 of the Official Plan state

The policy directives of the Province, the Region and the Town are expected to improve the viability and attractiveness of Downtown Grimsby as a focus for investment in the years to come. Development economics and the market for higher density and more urban lifestyle choices are expected to drive the demand for new forms of development over time.

The first objective identified in this section is: “To protect and enhance the character of the historic ‘Main Street’”.

While the site is not in the historic downtown, it is within one kilometre, which would be well within the market capture area for convenience and local shopping and would generate additional sales for downtown merchants.

As a result, the proposed intensification of the site, together with other intensification projects in its vicinity will support the Official Plan policies of attracting investment to the downtown and protecting and enhancing the character of the historic Main Street.

In our opinion, from a planning and an economic development perspective, there is a greater need for the proposed residential development with ground floor commercial space on the site than to maintain the current permissions for solely commercial activities.

6.0 The Town Will Meet Its Employment Forecasts Established in the Official Plan

Key Findings

- The current Official Plan Population and Employment Projections to 2031 have been made obsolete by the Growth Plan, which now requires that municipalities plan to 2051.
- The Region’s 2041 Employment Projections, which are more aggressive than the former 2031 projections must also be updated to conform with the new Growth Plan policies.
- The site is not in an area that the Town has prioritised for employment growth, such as the Downtown or the QEW Corridor.
- While the amount of employment that would be accommodated within the commercial component of the project is relatively small, the population added by the apartment units proposed for the site will generate more jobs in total than could be supported by a retail plaza on the site, which would be permitted by the current Neighbourhood Commercial Official Plan designation.
- The majority of these jobs would be attracted to the local area, including the commercial area in the vicinity of the site, Downtown Grimsby and the QEW corridor.
- It should also be recognized that the impact of the site on the ability of the Town to achieve its projected employment would still be very minor given the small size of the site and the likely extent of future employment growth in Grimsby.

Grimsby Official Plan Employment Projections

Like all lower tier municipalities in the Greater Golden Horseshoe, Grimsby is reliant on Regional Growth Plan Projections which must be allocated by Niagara Region to the local municipalities. The current Grimsby Official Plan contains the Region’s allocations to the year 2031. From these projections, the Town is forecast to grow from 9,240 workers in 2016 to 10,180 workers by 2031 representing growth of 940 workers. However, these projections have been made obsolete by the 2020 Amendment to the Growth Plan, which now requires municipalities to plan for growth to 2051 and has provided a set of projections for each Upper-Tier and Single-Tier municipality in the GGHA. Previously, Niagara Region, through its Growth Management program had allocated projections to 2041, using the Schedule 3 forecasts from the 2019 version of the Growth Plan. These projections were much more aggressive and forecast employment growth of 4,760 for Grimsby between 2016 and 2041. However, these projections have also been made obsolete by the Growth Plan and the Region, through the various components of its Growth Management work is in the process of updating its allocation based on the 2051 Growth Plan forecasts.

Among the Growth Management Objectives identified in Section 2.4 of the Grimsby Official Plan, are two which related to employment.

Objective 2: To create a balanced community where employment opportunities are consistent with the available labour force. This is generally considered a ratio of 1 employee for every 3 residents.

Objective 3: To focus employment growth in the QEW Highway corridor.

With regards to Objective 2, while the former 2031 projections were consistent with the target of a one to three ratio of employment to population. The 2041 projections greatly exceed this ratio, working out to a ratio of approximately 1 new employee for every two new residents².

With regards to Objective 3, while this by no means suggests that employment should only be concentrated within the QEW Corridor, it does suggest that this highway corridor would be the highest priority in terms of where employment growth was to be directed.

In addition to the QEW, Section 2.3.2, which addresses the Urban Settlement Area also acknowledges Downtown Grimsby as an important employment centre. Objectives listed under this section, include:

Objective 3: To ensure that the Downtown will be enhanced as a vibrant place to live, work, and play.

Objective 4: To recognize the Downtown as the primary location for retail shopping, entertainment, restaurants and personal services including professional and government offices, which serve the residents of the Town.

As the site is neither in the QEW Corridor or the Downtown, it has not been identified as a priority area for employment growth in the Official Plan.

In summary, the current in-force Grimsby Official Plan does not provide much guidance in terms of what employment forecasts it is intending to meet. Ultimately, the forecasts that the Town will rely upon will not be available until the Region is able to complete its allocation exercise. As per the Official Plan, the area in which the site is located has not been identified as a priority area for future employment growth in the Official Plan.

² The Niagara 2041 projections provide for growth of some 4,760 employees between 2016 and 2041 and 9,570 residents over the same period.

6.1 Employment Comparisons

In general, the amount of employment that could be accommodated on the site is relatively small in comparison to the forecasts and would not be sufficient to influence whether the Town's employment targets could be achieved.

Typically, employment for commercial sites is estimated based on a square foot per employee basis. For general retail space, urbanMetrics typically uses a ratio of 400 square feet per employee. The 2014 Grimsby Development Charges Background Study, uses a ratio of 550 square feet per employee for commercial/population serving space.

Estimating the existing employment at the existing garden centre is difficult as it consists of two former homes which have been converted to selling/storage/administrative area as well as a large amount of covered outdoor storage/display area. In addition, the garden centre operates buildings both on the subject site, as well as, on a separate site across the street. Generally, garden centres have very low employment densities, typically lower than retail plazas, in part because of the large amount of outdoor storage and also because of the seasonal nature of their business.

However, if the site were developed as a typical commercial plaza, as were permitted by the Official Plan, it would comprise approximately 24,000 square feet based on a typical 25% coverage ratio for most auto-oriented retail plazas with ground related off-street parking. Based on the above ratios of between 400 and 550 square feet per employee, this would result in between 44 and 60 employees.

The proposal on the subject site would add some 215 apartment units in addition to some 1361 square feet of commercial space. Using the above employment densities, this would translate into some 2 to 4 employees for the commercial space. A small amount of other employment would also be generated for the management and maintenance of the residential units.

While it may appear as though the proposed development would result in a net loss of jobs in Grimsby, several other factors need to be considered. First, the garden centre jobs would only be lost if the garden centre were to cease operations in Grimsby and not simply relocate to another site. Secondly, the residential units on the subject site will generate the need for additional employment to serve them. Based on research provided in the 2014 Grimsby Development Charges Background Study, the average apartment unit in the Town comprises 1.59 persons. As a result, the 215 units on the subject property would accommodate an estimated 342 persons. As per the 2017 Land Assessment Methodology for the Greater Golden Horseshoe, on average Niagara Region supports 1 population serving job per every 4.7 residents based on the 2011 Census. Overall, the Greater Golden Horseshoe supports 1 job for every 5.4 residents. Recognizing that employment in Niagara is influenced by the tourism industry, using the higher GGH ratio of 1 resident per 5.4 residents, the subject development would support some 63 additional population serving jobs. Most of these jobs would be in close proximity to the site, including the high priority areas of Downtown Grimsby and the QEW Corridor.

It is also important to recognize that the scale of jobs is also very small compared to the employment forecast, so that the impact of the project on whether the Town achieved its target would be relatively minor. For example, the total potential jobs on the site if it were developed as a retail plaza permitted under the in force Official Plan would be between 44 and 60. This represents between 0.9% and 1.3% of the projected employment growth to 2041 based on the most current Regional Forecast. These ratios would likely be smaller once the Region completes its allocation for 2051.

7.0 The Potential for Compatibility Issues

Key Findings

- A planning justification study completed by MHBC Planning Limited, including extensive input by technical experts, concluded that: "The proposed development has been thoughtfully designed to be compatible with surrounding development and respect the existing and emerging and built-form and character of Main Street East."
- The future population of the proposed development would support the retailers and service providers near to the site, including the Downtown Grimsby.
- The proposed development would, in our opinion, have a positive economic impact on the commercial economy of the local area, the downtown and other parts of Grimsby.

7.1 Planning Justification Report

A planning justification report was completed by MHBC Planning Limited in July 2020. It included input from technical experts, including: preliminary functional servicing and stormwater management; preliminary environmental and noise assessment; transportation impact study; urban design brief; heritage impact assessment; stage 1 and 2 archaeological assessment; and phase 1 and 2 environmental site assessment. The Planning Justification Report reached the following conclusions with regards to the compatibility of the project with the surrounding neighbourhood.

The overall vision for the redevelopment of the subject lands is to ensure a high quality, contemporary mixed-use development which will contribute positively to the Main Street East streetscape. The proposed development has been thoughtfully designed to be compatible with surrounding development and respect the existing and emerging and built-form and character of Main Street East. The incorporation of commercial space represents [a] modern form of development that offers a flexible space for a range of commercial uses that could serve the daily needs of future residents.

Compatibility with surrounding development, including residential development to the north and development along Main Street has been a key consideration in the design of the proposed redevelopment. Although the proposed development is a mixed-use development on lands designated Neighbourhood Commercial, the proposal has been analyzed in the context of the Design Policies and Criteria for new development in residential neighbourhoods set out at Section 3.4.7 [of the Official Plan], given that it is adjacent to a residential neighbourhood and includes residential units. This analysis, combined with the findings of the Urban Design Brief are intended to ensure compatibility considerations are have been addressed.

The detailed analysis and findings with regards to compatibility can be obtained from the Planning Justification Report and each of the technical studies.

7.2 Impact of the Project on Nearby Commercial Uses

In addition to the findings of the Planning Justification Report, it is also important to note that the additional population in combination with a small commercial component will benefit nearby commercial uses, including those in the Downtown Area. As noted previously, the commercial area surrounding the site serves a convenience function for the surrounding neighbourhoods providing for their day-to-day shopping and convenience needs. It is likely that the largest share of convenience shopping by residents of the site will be undertaken in the local area, which would be within easy walking distance of the site. As a result, the future population of the proposed development will bolster the commercial function of the area.

In addition, Grimsby's Downtown Area contains higher order retailers and services, such as supermarkets, restaurants, pubs, specialty retailers, and other uses not available in the local area. The Downtown is only about one kilometre from the subject site and would likely be the most frequented destination for weekly shopping trips by residents of the site. The proposed development would, in our opinion, have a positive economic impact on the commercial economy of the local area, the downtown and other parts of Grimsby.

8.0 The Potential for Negative Impacts on the Natural Environment and the Adequacy of Municipal Services

Key Findings

- An Environmental Impact Study was not Required by the Town as part of the Planning Application for the Proposed Development.
- The proposed development and area intersections can operate acceptably. There are no safety concerns associated with the proposed development or the surrounding road network.
- The proposed development would support Grimsby’s Official Plan policies of building of an active, attractive and walkable urban community, by placing the population of the new development within easy walking distance of a variety of convenience commercial uses surrounding the site and within easy cycling distance (3 to 5 minutes) and moderate walking distance (10 to 15 minutes) of Downtown Grimsby.
- The proposed development can be adequately serviced through the extension of municipal services. Stormwater management can be appropriately managed on-site.

8.1 The Potential for Negative Impacts on the Natural Environment

As we understand, an Environmental Impact Study as described in Section 9.18 of the Grimsby Official Plan was not required as part of the planning application.

8.2 Adequacy of the Existing Transportation Infrastructure, including Pedestrian and Cycling infrastructure

Paradigm Transportation Solutions Limited (Paradigm) was retained to prepare a Traffic Impact Study (“TIS”) for the proposed development. The main findings and conclusions of this study are as follows:

- Under existing conditions, Intersections analyzed in the TIS, are operating at acceptable levels of service and are within capacity;
- Under background traffic conditions, Intersections analyzed in the TIS, are forecast to operate at acceptable levels of service and within capacity;

- Under total traffic conditions, Intersections analyzed in the TIS and the proposed driveway, are forecast to operate at acceptable levels of service and within capacity;
- The proposed development is estimated to generate approximately 73 new trips in the AM peak hour and 93 trips in the PM peak hour;
- The site design does not indicate any safety concerns for the circulation of vehicles and is expected to operate acceptably;
- The location of the new site driveway connection provides sufficient, unobstructed visibility to the north and south along Wentworth Drive;
- Transportation Demand Management measures can assist in further mitigating the site's transportation and parking impact on the adjacent road network. TDM measures to encourage and support walking and cycling are recommended to be incorporated.

Based on the findings of the TIS, the following recommendations were made:

- Upon redevelopment of the subject lands, the Region remove the existing eastbound left- turn lane on Main Street East, at the Tim Horton's restaurant as it will no longer be required;
- The internal drop-off loop should be signed to function as one-way, eastbound.
- The following TDM strategies should be considered to further mitigate the development's transportation and parking impact:
 - Walking–pedestrian amenities at primary and secondary building entrances should be considered. The on-site pedestrian realm should be designed to provide a safe and attractive environment for residents and visitors. Walking routes through the at-grade parking area should be defined;
 - Carpool/rideshare – providing a weather protected waiting area within the drop- off loop should be considered.

Based on the findings and conclusions contained in the TIS, it is concluded that the proposed development and area intersections can operate acceptably. There are no safety concerns associated with the proposed development or the surrounding road network. Incorporation of TDM measures through the detailed design process are recommended.

In addition, the proposed development would support Grimsby's Official Plan policies of building of an active, attractive and walkable urban community, by placing the population of the new development within easy walking distance of a variety of convenience commercial uses surrounding the site and within easy cycling distance (3 to 5 minutes) and moderate walking distance (10 to 15 minutes) of Downtown Grimsby.

8.3 Adequacy of the Existing Water and Wastewater Infrastructure and Other Municipal Services.

S. Llewellyn & Associates Limited was retained to provide engineering services for the proposed redevelopment. The Preliminary Functional Servicing and Stormwater Management Report provides detailed information on the proposed stormwater management and functional servicing scheme for the development. The conclusions and recommendations of the report provide that:

- The proposed development can be graded and serviced in accordance with the preliminary Grading & Erosion Control Plan and Preliminary Site Servicing Plan;
- Water and sanitary services for the proposed development can be accommodated by connections to existing services in Main Street East. The proposed water and sanitary services will be designed and constructed according to the Town of Grimsby standards.
- Stormwater management is proposed as a private storm sewer system. It is proposed to maintain the existing split drainage condition and drain approximately one half of the site to the existing storm sewers on Wentworth Drive and the other half to the existing storm sewer easement to the northwest.
- Ten controlled-flow roof drains are proposed to provide supplementary rooftop stormwater control and storage;
- Underground storage vaults are proposed to be incorporated into the underground parking garage to provide adequate stormwater storage during storm event
- The proposed development has been designed to achieve a Level 1 “Enhanced” (80% TSS removal, 90% average annual runoff treatment) level of water quality protection. To achieve this criteria, discharge from the proposed site at each outlet will be subject to treatment via a oil/grit separator.
- An oil and grit separator is proposed at the east and west outlets to provide effective stormwater quality control.
- Erosion and sediment controls are proposed.

Based on the foregoing, the proposed development can be adequately serviced through the extension of municipal services. Stormwater management can be appropriately managed on-site.

9.0 The Intent of the Economic Development Policies of Official Plan

Key Findings

- In the previous sections of this report, we discussed how the proposed development will support the Downtown by generating additional market for commercial uses and how the neighbourhoods in the vicinity of the site already enjoy excellent access to both day-to-day convenience shopping opportunities within walking distance, as well as, excellent access to weekly shopping and service facilities a short distance to the west in the Downtown.
- While the policies in the Official Plan indicate a desire to achieve a re-balancing of the municipal tax base between commercial and non-commercial uses, it is important to recognize the magnitude of assessment and taxes that are generated by intensification projects.
- The redesignation of the site to permit the proposed development would create significant fiscal benefits for the Town of Grimsby, far beyond those that would be generated by the current garden centre use or the development of a commercial plaza consistent with the Official Plan policies and similar to other uses in the area.
- As shown by the following table, the assessed value of the proposed development would be more than 20 times the current assessed value of the garden centre and nine time greater than if the site were to be developed as a single use commercial plaza. As a result, the proposed development would generate multiple times more taxes and development charges than if the site were to remain in its current use or developed as a single use commercial plaza.

Total Revenues	Local Tax Revenue	Regional Tax Revenue	Education Tax Revenue	Total Tax Revenue	Local Development Charges	Regional Development Charges
Current Garden Centre	\$22,000	\$34,000	\$31,000	\$87,000	\$0	\$0
Potential Single-Use Retail Development	\$50,000	\$77,000	\$70,000	\$197,000	\$200,000	\$298,000
Proposed Losani Development	\$264,000	\$403,000	\$103,000	\$770,000	\$1,802,000	\$2,209,000

9.1 Economic Development Policies in the Grimsby Official Plan

The intent of the Economic Development Policies is described as follows:

The long term goal of the municipality is to have one job per three residents. There is also a need to re-balance the residential/non-residential tax base within the Town. To achieve these goals it is imperative that the designated employment areas be preserved for employment uses. The key area to attract industry is along the Queen Elizabeth Way (QEW) highway frontage and in the vicinity of existing interchanges.

It is also the intent of this Plan to promote Grimsby as a tourism destination, and as a key component in the promotion of Niagara's Wine Region. (OP Policy 2.6)

The Objectives under this section are:

1. To actively promote the Town as an employment destination.
2. To provide for a broad range of commercial activities and services to meet the diverse needs of Grimsby's residents, businesses and institutions, as well as those from the surrounding areas, and to generate employment, investment and municipal revenues.
3. To ensure that Grimsby becomes a complete community with a diverse mix of employment, community facilities and retail stores and services.
4. To maintain a viable employment area along the QEW highway corridor.
5. To encourage the revitalization of the Downtown as a vibrant commercial and mixed-use area.

In the previous sections of this report, we discussed how the proposed development will support the Downtown by generating additional market for commercial uses and how the neighbourhoods in the vicinity of the site already enjoy excellent access to both day-to-day convenience shopping opportunities within walking distance, as well as, excellent access to weekly shopping and service facilities a short distance to the west in the Downtown. In this section, we have focused on the property taxation implications of the proposed development.

9.2 Fiscal Benefits

While the policies in Section 2.6 specifically indicate a desire to achieve a re-balancing of the municipal tax base between commercial and non-commercial uses, it is important to recognize the magnitude of assessment and taxes that are generated by intensification projects.

In fact, the redesignation the site to permit the proposed development would create significant fiscal benefits for the Town of Grimsby, far beyond those that would be generated by the current garden centre use or the development of a commercial plaza consistent with the Official Plan policies and similar to other uses in the area. Figure 9-1 summarizes the fiscal benefits from the current garden centre, a potential commercial development, and the proposed concept:

Figure 9-1: Subject Site Fiscal Benefits Summary

Total Revenues	Local Tax Revenue	Regional Tax Revenue	Education Tax Revenue	Total Tax Revenue	Local Development Charges	Regional Development Charges
Current Garden Centre	\$22,000	\$34,000	\$31,000	\$87,000	\$0	\$0
Potential Single-Use Retail Development	\$50,000	\$77,000	\$70,000	\$197,000	\$200,000	\$298,000
Proposed Losani Development	\$264,000	\$403,000	\$103,000	\$770,000	\$1,802,000	\$2,209,000

SOURCE: urbanMetrics inc.

Current assessed values and taxes were obtained from various resources including the Municipal Property Assessment Corporation (“MPAC”) and were based on recent comparable developments. Due to the relative scarcity of recently built multi-unit residential developments within Grimsby, properties in neighbouring municipalities were also considered. For the purposes of this analysis all figures have been rounded to the nearest \$1,000.

- **Development Charges**

Development charges are used by municipalities to recover growth-related capital costs for new infrastructure. For the purposes of this analysis we have utilized development charge rates effective as of January 1st 2020 to estimate these revenues for new commercial and residential development on the subject site.

- **Property Tax Revenues**

In addition, the proposed development will generate on-going property tax revenues for the Town of Grimsby, Niagara Region, and the School Boards.

The following section compares the municipal revenues associated with the subject site under three different scenarios: the continuing Garden Centre Use, a potential Single-Use Commercial Development, and the Proposed Mixed-Use Development. The Garden Centre scenario reflects the “do-nothing” approach to the site, where the garden centre is retained as is. The Single-Use Commercial Redevelopment scenario reflects a redevelopment of the site in line with several commercial properties in the area, utilizing a gross floor area at 25% of the 2.2 acre (0.89 hectare) site area. The resulting GFA is approximately 24,000 square feet (2,226 square metres) The Proposed Mixed-Use Development scenario demonstrates the impact of the currently proposed concept plan for the site providing 215 residential condominium units and 1,356 square feet (126 square metres) of ground floor commercial space.

Status Quo Fiscal Impact

The two parcels that comprise the subject site have an estimated 2020 assessed value of approximately \$3,200,000. As shown in Figure 9-2, the site generates some \$22,000 annually in property taxes for Grimsby, and an additional \$34,000 and \$31,000 for the Region and the School Boards respectively. There would be no development charge revenue in the absence of a redevelopment of the site.

Figure 9-2: Municipal Revenue – Garden Centre

Status Quo - No Development	
Assessed Value	\$3,200,000
Annual Local Tax Revenue	\$22,000
Annual Regional Tax Revenue	\$34,000
Annual Education Tax Revenue	\$31,000
Local Development Charges	\$0
Regional Development Charges	\$0
Total Development Charges	\$0

SOURCE: urbanMetrics inc., Municipal Property Assessment Corporation

Exclusively Commercial Redevelopment

Should the site be redeveloped for exclusively commercial uses consistent with the Official Plan designation, the potential gross floor area of a new commercial building could be up to some 23,958 square feet (2,226 square metres). This is based on a lot area of 2.2 acres (0.89 hectares) and an applicable lot coverage ratio of 25%, which is typical of this type of development in Southern Ontario and within the guidelines set out in Table 17 of the Town of Grimsby Zoning By-law. Considering the assessed value per square foot of other commercial properties in the Main St E and Downtown Areas, such a building could have an estimated assessed value of approximately \$7.2 million. This development could generate some \$50,000 per year in property tax revenues for the Town, some \$77,000 for the Region, and \$70,000 for the School Boards. The development would also yield one-time revenue of approximately \$200,000 and \$298,000 respectively in local and regional development charges, as shown in Figure 9-3³.

³ The actual DC revenues may be slightly lower depending on the credits available from the demolition of the existing use.

Figure 9-3: Municipal Revenue - Commercial Redevelopment

Commercial Redevelopment (25% FAR)	
Assessed Value	\$7,200,000
Annual Local Tax Revenue	\$50,000
Annual Regional Tax Revenue	\$77,000
Annual Education Tax Revenue	\$70,000
Local Development Charges	\$200,000
Regional Development Charges	\$298,000
Total Development Charges	\$498,000

SOURCE: urbanMetrics inc., Municipal Property Assessment Corporation

Proposed Development

If the subject site were developed in line with the proposed concept, the project would have an assessed value of some \$65.0 million. The project would generate some \$264,000 in property tax revenue for the town, some \$403,000 for the Region and some \$103,000 for the School Boards, as shown in Figure 9-4. The development of the subject site would also generate local development charge revenues of more than \$1.8 million and regional development charge revenues of some \$2.2 million, as shown⁴.

Figure 9-4: Municipal Revenue - Proposed Mixed-Use Development

Proposed Development			
	Residential	Commercial	Total
Assessed Value	\$64,500,000	\$408,000	\$64,908,000
Annual Local Tax Revenue	\$261,000	\$3,000	\$264,000
Annual Regional Tax Revenue	\$399,000	\$4,000	\$403,000
Annual Education Tax Revenue	\$99,000	\$4,000	\$103,000
Local Development Charges	\$1,791,000	\$11,000	\$1,802,000
Regional Development Charges	\$2,192,000	\$17,000	\$2,209,000
Total Development Charges	\$3,983,000	\$11,000	\$3,994,000

SOURCE: urbanMetrics inc., Municipal Property Assessment Corporation

Fiscal Benefits Summary

As demonstrated, the proposed development of the subject site is the most effective means of increasing the municipal tax base associated with the site, allowing for additional investment in the growth-related infrastructure and operational costs that are likely to be realized as the population of the Town continues to grow. Furthermore, higher-density intensification can be a more cost-effective

⁴ The actual DC revenues may be slightly lower depending on the credits available from the demolition of the existing use.

means of facilitating population growth through reductions in the quantity of linear infrastructure required to support a given population. This type of decision making is already evident in Grimsby's recent growth and the proposed and approved developments occurring in proximity to the Grimsby GO Station Secondary Plan Area.

In summary, the proposed mixed-use development would help to expand the Town's tax base and generate significantly more development charge revenue than either of the other scenarios. The potential \$264,000 in Town of Grimsby annual tax revenue is more than 5 times the amount generated by a purely commercial redevelopment and over 10 times what the Town receives from the current garden centre.

Appendix A Terms of Reference



**TOWN OF GRIMSBY
PLANNING DEPARTMENT**

TERMS OF REFERENCE

**Commercial Land Needs Assessment:
Conversion of Commercial Lands to Non-Commercial Uses**

1. Description

The purpose of a commercial land needs assessment is to provide an understanding of the current and future employment and market conditions in the Town in order to guide the review of proposed conversions of designated commercial lands to non-commercial uses to ensure conformity with the policies in the Town's Official Plan, particularly those in Section 2.6 (Economic Development).

Town Staff will typically identify the need for a commercial land needs assessment at the pre-consultation stage for a proposed Official Plan and/or Zoning By-law Amendment. In instances where a land needs assessment is required, the Town will retain a peer reviewer at the applicant's expense to review its findings.

2. Study Contents

The commercial and/or employment land needs assessment shall address the following:

1. The land is not required for commercial purposes over the long term.
2. There is a greater need for the conversion to the non-commercial use.
3. The Town will meet its employment forecasts established in the Official Plan.
4. The location, size and scale of the proposed development.
5. The potential for compatibility issues.
6. The potential for negative impacts on the natural environment.
7. The adequacy of the existing transportation infrastructure, including pedestrian and cycling infrastructure, serving the proposed use.
8. The adequacy of the existing water and wastewater infrastructure and other municipal services.
9. The intent of the policies of the Official Plan, including those in Section 2.6 of the Official Plan (Economic Development).

The commercial land needs assessment shall be prepared by a registered Professional Planner (RPP), a Professional Land Economist (PLE), or a qualified consultant with experience in this field. All reports must be stamped, signed and dated by the qualified professional, licensed in the Province of Ontario.

Any questions on these requirements should be directed to the Town of Grimsby Planning Department at planning@grimsby.ca or 905-945-9634.