SUBJECT/OBJET	LOCAL OFFICIAL PLAN AMENDMENT 46 CITY OF KANATA
FROM/EXP.	Planning & Development Approvals Commissioner
TO/DEST.	Co-ordinator, Planning & Environment Committee
DATE	15 February 1999
Our File/N/Réf. Your File/V/Réf.	(25) 14-98.0034

DEPARTMENTAL RECOMMENDATION

That the Planning and Environment Committee recommend that Council approve Amendment 46 to the City of Kanata's Official Plan as modified by the Approval Page attached as Annex 1 and that staff be directed to issue the required "notice of decision".

BACKGROUND

The City of Kanata adopted local Official Plan Amendment (LOPA) 46 on 12 Jan. 1999 and subsequently submitted same to the Region for approval under Section 17 of the Planning Act, 1990 on 25 Jan. 1999 (Annex 2).



Kanata's LOPA 46 establishes new retail and business park policies for Kanata's business park and industrial areas. The policies of Kanata's LOPA 46 were drafted to replace those established through Kanata's LOPAs 32 and 36, two LOPAs which attempted to introduce policies which would permit retail warehousing in the Terry Fox Business Park. This process began five years ago and has now consumed a considerable amount of Kanata's and stakeholder resources in an attempt to forge a consensus on implementable retail policies for Kanata's business parks and industrial areas. In support of this process, Kanata commissioned/partnered on the following retail studies:

- Commercial Uses Policy Study on Retail Warehouses Kanata 1993 by John Winter Assoc. Ltd.
- Commercial Policy Study, City of Kanata, March 1994, by Arni Faintuck & Assoc. Ltd.
- Kanata Town Centre Development Strategy, 21 July 1997, by DI Design & Development Consultants Ltd.
- Study of Retail Uses in Employment Areas, City of Kanata, 3 March 1998, by Coopers & Lybrand and Lloyd Phillips & Assoc.
- Employment and Commercial Land Use Study, City of Kanata, Nov. 1998, by Malone Given Parsons and Fotenn Consultants Inc.

Owing to the very competitive development interests involved in this process, Kanata LOPAs 32, 36 and 46 have been dogged by disputes. Kanata's LOPAs 32 and 36 were referred to the Ontario Municipal Board (OMB) by Regional Council on 11 Dec. 1996 and 21 Apr. 1997 respectively. Kanata's LOPA 36 followed on 21 Apr. 1997. After numerous delays in dealing with the matters surrounding LOPAs 32 and 36, at a 14 Dec. 1998 pre-hearing conference, the OMB requested that Kanata bring forward an adopted version of LOPA 46 rather than the series of modifications to Kanata's LOPAs 32 and 36 which had been adopted by Kanata Council on 17 Nov. 1998. In this manner, LOPA 46 can be properly put before the OMB through a conventional appeal process under Section 17(24) of the Planning Act (Bill 20 version).

In addition to the referral of Kanata LOPAs 32 and 36 to the OMB, Penex Kanata Ltd.'s (Penex) and Taggart Management Inc.'s unapproved LOPA applications have been appealed to the OMB as well as Kanata's zoning by-law amendments (ZBLA) 33-95, 34-95, 73-96, 151-98 and a proposed ZBLA from the Loblaws Group of Cos. (Loblaws). As Kanata's LOPA 46 has attracted objections to its adoption and by extension its approval, it is anticipated that it too will be appealed to the OMB. Nevertheless, in the interim it is a disputed LOPA and consistent with Regional By-law 53-1995 (i.e., the staff delegation by-law), LOPA 46 must be brought before Planning and Environment Committee and Council for a decision.

In its 19 Jan. 1998 order on the above-noted matters, the OMB indicated that it would conduct three days of mediation beginning on 2 Mar. 1999. If another pre-hearing is necessary it will be

held on 27 Apr. 1999. The OMB has scheduled 5.5 weeks for a hearing, if required, starting on 22 Sept. 1999. This report is to establish the position of Planning and Environment Committee and Council so that staff have direction in the preparation and giving of evidence before the OMB on Kanata's LOPA 46.

THE AMENDMENT

The purpose of Kanata's LOPA 46 is to establish policies governing retailing and business park uses in Kanata's business parks and industrial areas. In particular, Kanata's LOPA 46 proposes the following:

- 1. introducing new policies in Section 5.7.5.5 of Kanata's Official Plan for the "Low Density Employment Area" in the portion of the Terry Fox Business Park north and west of the Highway 417 Terry Fox Dr. interchange as well as the southeast quadrant of the Kanata Town Centre north of Hearst Way;
- 2. adding new policies in Section 5.8 for retail warehouse uses in the Kanata North and South Business Parks, the Terry Fox Business Park and the Edgewater Business Park;
- 3. adding a new subsection 6.9.4 to Kanata's Official Plan to spell out policies for retail warehouse uses in business parks; and
- 4. incorporating new definitions in Section 11 of Kanata's Official Plan for the terms: Accessory Commercial Development, Business Park Retail Outlet, Home Renovation Centre, Large Retail Warehouse, Planned Commercial Service Centre, Planned Retail Centre and Retail Warehouse.

As proposed, Kanata's LOPA 46 will enable the development of a broader array and scale of retail uses in Kanata's business parks and industrial areas.

AGENCY & STAKEHOLDER COMMENTS

Kanata's LOPA 46 was circulated to a number of external agencies by Kanata staff. This circulation was not repeated by Regional staff but still resulted in a number of comments and objections from landowners inside and outside of Kanata's business parks and industrial areas. Although there were no objections received from any of the technical review agencies or utilities. objections were noted by Penex; Loblaws; Sun Life Assurance Co. (Sun Life); Gilpaul Investments Inc., Mapfox Holdings Ltd., 764703 Ontario Inc. and 709519 Ontario Ltd; North American Realty Acquisition Corp. (North American); and Colonnade Developments Ltd. (Colonnade). These objections are addressed under the "OBJECTIONS" heading.

Gilpaul Investments Inc., Mapfox Holdings Ltd., 764703 Ontario Inc. and 709519 Ontario Ltd.

Janet Bradley, a solicitor with Gowling, Strathy & Henderson, represents Gilpaul Investments Inc., Mapfox Holdings Ltd., 764703 Ontario Inc. and 709519 Ontario Ltd all of whom are owners of property in the Terry Fox Business Park. Ms. Bradley's clients are generally satisfied with the adopted version of Kanata's LOPA 46 as it removes the land use controls on retailing in the Terry Fox Business Park that they found onerous and inconsistent with their understanding of what was permitted under the prevailing ZBLA.

Ms. Bradley has indicated that her clients have serious concerns about the restrictions recommended be placed on their lands by the Coopers & Lybrand Study. Ms. Bradley argues that such restrictions will stymie healthy competition in the retail market place. In support of her clients concerns, Ms. Bradley emphasises that her clients have made significant investments in infrastructure and now want to capitalise on this investment under the rights accorded under the prevailing zoning.

Ms. Bradley's has raised questions about Kanata's diligence in implementing its Official Plan policies with respect to development on Penex's "Regional Shopping Centre" site by allowing in excess of 25,000 sq. m of retail GLA before a market study is completed which demonstrates that the existing form of retailing will not jeopardise development of the third phase of the "Regional Shopping Centre". Ms. Bradley's clients believe that Kanata cannot contemplate placing limits on retail development in the Terry Fox Business Park while violating Kanata Official Plan policy on Penex's "Regional Shopping Centre" site.

Notwithstanding Ms. Bradley's client's support for Kanata's LOPA 46, Ms. Bradley has recently asked for relief from the 45% GLA limit placed on food and household products in "Large Retail Warehouses"; the 20% GLA restriction placed on "Accessory Commercial Development"; the addition of a "Planned Commercial Service Centre", Business Park Retail Outlet, Accessory Commercial Uses and Planned Retail Centres as permitted uses on her client's lands south of Palladium Dr. but still within the Terry Fox Business Park.

Comment

Kanata staff have rejected all of Ms. Bradley's suggested revisions to the policies of LOPA 46. As Ms. Bradley's requested revisions would have the effect of further loosening the policy framework for retail warehousing in Kanata's business parks, Regional staff do not support her request either.

Corel Centre

The Corel Centre is supportive of the Coopers & Lybrand Study and favours the new GLA threshold policies and the protection for the third phase of Penex's "Regional Shopping Centre. The Corel Centre would also like to see more clarification on the definition of "accessory retail" which Coopers and Lybrand has not forwarded.

Imperial Oil & GEC Simpson Realty Inc.

Imperial Oil owns land on the northeast corner of the Campeau Dr. Terry Fox Dr. intersection addressed by Kanata's LOPA 45 and ZBLA 151-98, both of which are under appeal to the OMB. Kanata's LOPA 45 proposes to redesignate and zone the subject lands for a "Community Commercial" centre. Imperial Oil expressed concern that their property interests had not been addressed by the Coopers & Lybrand study as they are outside the Terry Fox Business Park and the Regional Shopping Centre.

OBJECTIONS

In the course of Kanata's circulation of and deliberations on LOPA 46, objections were received from Penex, Loblaws, Sun Life, North American and Colonnade. A summary of these objections follows. Due to the volume of correspondence received during the preparation of Kanata's LOPA 46, only a summary of the nature of the objections/comments are noted in this report. In order to reduce the number of attachments to this report the copies of the letters of objection were not attached but are available from the Planning & Development Approvals Dept.

Penex

Dennis Eberhard of Penex has noted Penex's strong support for the conclusions of the Coopers and Lybrand report with respect to the business park retailing threatening the viability of retailing on the "Regional Shopping Centre" site. Not surprisingly, Penex strongly opposed the policies of the adopted version of Kanata's LOPA 46 owing to the absence of effective land use controls which will protect the retail primacy of the "Regional Shopping Centre" site from retail uses in Kanata's business parks.

Loblaws

Steve Zakem of Aird & Berlis, Loblaws solicitor, has indicated that Loblaws supports the general thrust of the Coopers and Lybrand report as it recognises the importance of retailing to the Kanata Town Centre and that it should be given a chance to develop. Loblaws points out that expensive infrastructure costs front-ended by Penex on the Regional Shopping Centre site will be jeopardised if retailing is allowed to flourish in Kanata's business parks. Given the job growth of Kanata's high technology industry, Loblaws believes Kanata ought to preserve business parks for office commercial uses. Loblaws urges Kanata to uphold the requirement for a market study and site specific ZBLA for retail warehousing in Kanata's business parks. Further, Loblaws requests that Kanata Council remove the provisions that have been interpreted to permit retail warehousing in the Terry Fox Business Park. Loblaws oppose the adopted version of Kanata's LOPA 46 as it removes the most effective land use controls on retailing in Kanata's business parks and undermines the retail primacy of Penex's "Regional Shopping Centre".

Sun Life

Michael Polowin of McCarthy Tetrault, Sun Life's solicitor, has indicated that his client opposes Kanata's LOPA 46 as it does not impose land use controls on retailing in Kanata's business parks.

Sun Life fears that poorly controlled retail warehouse development in Kanata's business parks will undermine their investment in Hazeldean Mall and Penex's investment in the "Regional Shopping Centre". Conversely, Sun Life supports the conclusions of the Coopers & Lybrand Study.

North American

Patrick Devine of Goodman and Carr, North American's solicitor, expressed concern over the inadequate and improper consultative process leading up to the presentation of the Coopers & Lybrand Study. Mr. Devine insists that Kanata must have more than one site zoned for retail warehousing to permit market competition. North American believes that their lands at the southwest corner of the Highway 417 Terry Fox Dr. interchange are ideal for retail warehousing purposes in view of its location and visibility. North American do not support the findings of the Coopers & Lybrand Study but support the general intent of Kanata's LOPA 46 with the exception of the extent of the "Special Industrial (MR-2)" designation.

Colonnade

Cal Kirkpatrick representing Colonnade Developments and the Canadian Imperial Bank of Commerce, voiced his opposition to Kanata's LOPA 46 in that it introduces uses which are incompatible with Kanata's original and Colonnade's current vision for the Terry Fox Business Park. Mr. Kirkpatrick warned Kanata Council that they are risking the "retailization" of the Terry Fox Business Park by adopting LOPA 46. Mr. Kirkpatrick underscored that the proposed site plan approval process is a poor substitute to a more rigorous market study review, transportation study and secondary plan. Insofar as the secondary plan is concerned, Mr. Kirkpatrick voiced his support for this exercise in that it would assist in identifying how high-technology business parks and retail warehousing can co-exist.

STAFF COMMENT

The lands which area the subject of Kanata's LOPA 46 are designated "Business Park" on Schedule 'B' of the 1997 Regional Official Plan (ROP). The policies associated with these designations permit retailing as well as a number of complementary business park uses including office commercial development. The Region's interest in Kanata's LOPA 46 is based on the policies of Section 4.7 of the 1997 ROP that have not been appealed to the OMB. However, in view of the fact that Section 4.7, Policy 7 of the 1997 ROP has been appealed to the OMB, Section 3.2.3.2, Policy 7 of the 1988 ROP prevails. This policy permits retail development up to 10,000 sq. m GLA until a "Regional Shopping Centre" of 50,000 sq. m is established in the Kanata Town Centre. Penex's "Regional Shopping Centre" has yet to achieve the 50,000 sq. m GLA threshold and as a result no other shopping centre may be developed within Kanata beyond 10,000 sq. m GLA.

The basis for the ROP retail policies is to create a retail hierarchy in each urban centre which satisfies the need for goods and services of the target populations. Both ROPs also speak to the importance of establishing a significant retail presence in town centres and protecting the retail primacy of "Regional Shopping Centres" against premature development of shopping centres over 10,000 sq. m GLA. The 10,000 sq. m GLA threshold is important because it represents a scale of shopping centre that traditionally has offered goods and services of a daily or weekly nature (e.g.,

food, personal services, etc.), hence the term "Neighbourhood Shopping Centre". As "Neighbourhood Shopping Centres" have not typically attracted the same mix of tenants as "Regional Shopping Centres", it was thought that this scale of retail development would not compete with "Regional Shopping Centres" for higher order retail tenants.

Another dimension to retail development in the suburban town centres is transit. Nowhere is this more critical than where "Regional Shopping Centres" are cornerstones in the development of suburban town centres. A consistent objective in both ROPs is the integration of a transitway station into the design of suburban "Regional Shopping Centres". Penex's "Regional Shopping Centre" in the Kanata Town Centre is no exception and this development has the added feature of a park & ride lot immediately adjacent to the transitway station. Through the approval and registration of Penex's "Regional Shopping Centre" subdivision application (i.e., 06T-89017), Regional staff secured provisions which will result in the transitway station and park and ride lot becoming integral components of the third phase of the "Regional Shopping Centre" in the rents charged and land values for Penex's "Regional Shopping Centre".

The advent of retail warehousing has changed retailing significantly. This fact has been reported on extensively by Kanata's numerous retail consultants as well as the retail consultants retained by the Region to advise on policy matters germane to the 1997 ROP and the OMB mediation or hearing to resolve Kanata's retail policy impasse. Although it is difficult to get unanimity amongst retail consultants, there is mounting evidence that suggests if retail warehousing is allowed to develop on relatively inexpensive business park or industrial lands unfettered by appropriate land use controls, it can have a devastating impact on fledgling and traditional town centres. What's more, Coopers & Lybrand and Malone Given Parsons have cautioned that Kanata may undermine its ability to offer an adequate supply of lands suitable for high technology businesses if these same lands are developed for retail purposes.

The Coopers & Lybrand Study noted that pressure to develop competing retail uses in business parks on the periphery of the Kanata Town Centre has already resulted in the opening of a Canadian Tire and Staples/Business Depot, two retail uses which could have effectively served as anchors for Penex's "Regional Shopping Centre". This situation led Coopers & Lybrand to conclude that the high infrastructure costs and shortage of available anchor tenants for Penex's "Regional Shopping Centre" has created a situation where it is vulnerable to competition from retail warehouse development in Kanata's business parks.

Coopers & Lybrand recommended Kanata impose a number of land use controls on retail development in business parks and industrial areas. A number of these lands use controls were proposed by a 27 Oct. 1998 staff report. However, these were not adopted by Kanata Council on the 17 Nov. 1998. Regional staff believe that Kanata staff's 27 Oct. 1998 recommendations were reasonable and appropriate given Coopers & Lybrand's findings and the Region's interests in Kanata exercising its jurisdiction to protect its existing retail hierarchy while accommodating new retail uses in a sensitive and responsible manner. Accordingly, Regional staff recommend that two modifications be made to Kanata's LOPA 46 to ensure that it conforms with the ROP and that the implementing ZBLAs for LOPA 46 be amended to establish that retail warehousing may be permitted in Kanata's business parks and industrial areas but only by further site specific ZBLA detailing, maximum lot area, GLA, coverage, setbacks, heights, etc.

PROPOSED MODIFICATIONS

Modification No. 1

PART B - THE AMENDMENT, <u>Details</u>, Part E, be modified by deleting the policies of Section 6.9.4 and replacing them with the following:

- 1. The submission and acceptance by the City of Kanata of:
 - a) a market study that demonstrates there will be no adverse impact on the Regional Shopping Centre in the Kanata Town Centre and other significant retail nodes until such time as the Regional Shopping Centre achieves 50,000 sq. m of gross leasable floor area, at which time, this requirement will only be imposed at the discretion of the City.
 - b) a site plan application under Section 41 of the Planning Act.
 - c) a traffic impact study to identify what roadway/intersection modifications are required to support the scale of development proposed.
 - d) other information as may be required by the City.
- 2. A site specific zoning by-law amendments shall be required for a Retail Warehouse, Large Retail Warehouse and a Planned Retail Centre shall be required to establish minimum and maximum lot area, parking and loading requirements as well as gross leasable area, building height, setback and landscaping provisions.
- 3. An internal restaurant is permitted as an accessory use.
- 4. The maximum gross leasable floor area for Retail Warehouse, Large Retail Warehouse and Planned Retail Centre uses shall not exceed 10,000 sq. m per lot if located in any Business Park as defined in the City of Kanata Official Plan. This policy shall apply until the Regional Scale Retail Facility as defined in the RMOC Official Plan, located in the Kanata Town Centre, develops 50,000 sq. m gross leasable floor area. When this threshold has been met, Retail Warehouses, Large Retail Warehouses and Plannned Commercial Centres can exceed 10,000 sq. m of gross leasable floor area but not the lesser of 35,000 sq. m of gross leasable floor area or the maximum gross leasable floor area permitted in the site specific implementing zoning by-law.
- 5. The City of Kanata shall require or undertake the preparation of a secondary plan for the business parks where retail warehouses are proposed, to establish how best to interface retail warehousing with traditional office commercial uses through an appropriate pattern of land use and roads; confirm infrastructure requirements including alignments; as well as create design guidelines for architecture, signage, landscaping, and lighting."

6. Retail Warehouses, Large Retail Warehouses and Planned Retail Centres shall not be permitted in Kanata's business parks and industrial areas for a period of three years following the date the Ontario Municipal Board approves LOPA 46 and the implementing zoning by-law amendments.

Comment

Modification No. 1 proposes to reinstate the requirements for a market study, traffic study and a secondary plan for retail warehousing in Kanata's business parks that had been recommended to Kanata Council on 27 Oct. 1998 by Kanata staff. Kanata's staff recommendations in this regard were generally consistent with the findings of the Coopers & Lybrand Study. This study recognised that introducing retail warehousing in Kanata's business parks in general, and the Terry Fox Business Park in particular, is a delicate issue given that maintaining the retail primacy of the "Regional Shopping Centre" in the Kanata Town Centre remains a priority in both the Region's and Kanata's Official Plans. Consequently, Coopers & Lybrand recommended that retail warehousing in business parks be permitted but that such proposals be subject to planning policies such as the requirement for a market study to assess the impact on the "Regional Shopping Centre" in the Kanata Town Centre as well as other significant retail nodes (e.g., Hazeldean Mall) and a traffic study.

Coopers & Lybrand also recommended the imposition of other planning policies including the imposition of the requirement for a site specific ZBLA; a master concept plan, a GLA minimum of 1,858 sq. m (20,000 sq. ft.); a minimum lot are of 1.65 ha (4 ac.) and a maximum of two uses per lot; and phasing scheme where retail warehousing would not be allowed into Kanata's business parks until either 30,000 sq. m (323,000 sq. ft.) of gross leasable floor area is constructed on the third phase of the "Regional Shopping Centre" or three years from the date Kanata Council adopts this provision in the implementing ZBLA. Coopers & Lybrand also recommended that food retailing, warehouse membership clubs (e.g., Price Club/Costco) and department stores not be permitted in Kanata's business parks and industrial areas. Kanata staff did not recommend implementing the maximum use per retail warehouse lot policy, nor the phasing policy, nor the prohibition on warehouse membership clubs as these policies were perceived to be too onerous. Nevertheless, Kanata staff did recommend prohibiting department stores and supermarkets from the business parks and industrial areas. Although Regional staff agree with Kanata's staff approach to most of these matters, Coopers & Lybrand's phasing scheme does have merit in creating an environment which will nurture the development of Penex's "Regional Shopping Centre" but rather than using GLA as the tool to determine the appropriate timing of retail warehouse development in Kanata's business parks and industrial areas Regional staff recommend a three year period for reasons of clarity and certainty.

Whereas Kanata staff had originally recommended the imposition of a holding zone on Kanata's business parks to regulate the development of retail warehouses until the study requirements were satisfied, Regional staff are recommending that site specific ZBLAs be required to ensure that future decisions of Kanata Council with respect to the appropriateness of the zoning for retail warehousing in business parks be subject to OMB appeal if warranted. This approach will satisfy the concerns of Kanata's existing retailers. Should this policy be upheld, it would require further amendment to the proposed ZBLAs designed to implement Kanata's LOPA 46.

Coopers & Lybrand's recommendation with respect to the minimum size of retail warehousing (i.e., 20,000 sq. ft.) is addressed through proposed Modifiction No. 2.

Modification No. 2

PART B - THE AMENDMENT, <u>Details</u>, Part F, Section 7, Retail Warehouse, Point 2, be modified by deleting reference to 20,000 sq. ft. and replacing it with 30,000 sq. ft.

Comment

Since Kanata staff began consulting with external agencies on appropriate land use policies for retail warehousing, Regional staff have consistently encouraged Kanata to increase the minimum threshold for retail warehousing from 1,858 sq. m (20,000 sq. ft.) GLA as it was deemed too low to afford effective protection for Penex's "Regional Shopping Centre" from market encroachment by retail warehouses. Regional staff were recently advised by Scott Morgan, a retail consultant retained to assist in the preparations for the anticipated OMB hearing on Kanata's retail policies, that the 1,858 sq. m (20,000 sq. ft.) GLA threshold does not adequately address the trends in the size of tenants currently being attracted to "Regional Shopping Centres". Moreover, the OMB has already rendered a decision (i.e., on the Invar development) in favour of the Region of Durham's argument that 2,787 sq. m (30,000 sq. ft.) GLA minimum threshold for retail warehouses.

CONSULTATION

The required public meeting under Section 17(15) of the Planning Act, 1990 was held on 27 Oct. 1998. In addition to the formal public meeting, Kanata Council conducted public discussions regarding LOPA 46 on 17 Nov. 1998 and 12 Jan. 1998. Moreover, numerous stakeholder sessions have taken place in conjunction with the various retail studies Kanata has undertaken in preparation for an anticipated OMB hearing(s). Various representatives of the retail development community and public have spoken in favour and in opposition to Kanata's LOPA 46. These parties have been informed of the date and time that Planning and Environment Committee will deal with Kanata's LOPA 46.

FINANCIAL IMPLICATIONS

The approval of Kanata's LOPA 46 will facilitate the development of retail and business park uses in Kanata's business parks and industrial areas with all the attendant development charge and property tax revenue accruing to the Region. As Kanata's LOPA 46 represents the successor document to Kanata's LOPAs 32 and 36 which have already been referred to the OMB, LOPA 46 could be joined to these other LOPAs in time for the OMB pre-hearing in Apr. 1999. Regional staff time will be required to participate in the OMB's mediation session on Kanata's LOPA 46 as well as prepare and give evidence on Kanata's LOPA 46 at the OMB pre-hearing and hearing if matters cannot be resolved through mediation.

In the event that the OMB hearing does indeed take place in Sept. 1999, additional consultant resources will be required to present marketing evidence to the OMB beyond that presently within

the Legal Dept. budget. Following the Apr. 1999 OMB pre-hearing, a further report dealing with the need for additional resources will be submitted to Planning and Environment Committee and Council if the scheduling of the hearing has not changed.

Approved by N. Tunnacliffe, MCIP, RPP

APPROVAL PAGE AMENDMENT NO. 46 TO THE OFFICIAL PLAN OF THE CITY OF KANATA

I hereby certify that Amendment No. 46 to the Official Plan of the City of Kanata, which has been adopted by the Council of the City of Kanata, was approved by the Council of the Regional Municipality of Ottawa-Carleton on 1999, under Sections 17 and 21 of the Planning Act, 1990, except:

A. the following which was modified under Section 17(34) of the Planning Act, 1990:

Modification No. 1

PART B - THE AMENDMENT, <u>Details</u>, Part E, be modified by deleting the policies of Section 6.9.4 and replacing them with the following:

- 1. "The submission and acceptance by the City of Kanata of:
 - a) a market study that demonstrates there will be no adverse impact on the Regional Shopping Centre in the Kanata Town Centre and other significant retail nodes until such time as the Regional Shopping Centre achieves 50,000 sq. m of gross leasable floor area, at which time, this requirement will only be imposed at the discretion of the City.
 - b) a site plan application under Section 41 of the Planning Act.
 - c) a traffic impact study to identify what roadway/intersection modifications are required to support the scale of development proposed.
 - d) other information as may be required by the City.
- 2. A site specific zoning by-law amendments shall be required for a Retail Warehouse, Large Retail Warehouse and a Planned Retail Centre shall be required to establish minimum and maximum lot area, parking and loading requirements as well as gross leasable area, building height, setback and landscaping provisions.
- 3. An internal restaurant is permitted as an accessory use.
- 4. The maximum gross leasable floor area for Retail Warehouse, Large Retail Warehouse and Planned Retail Centre uses shall not exceed 10,000 sq. m per lot if located in any Business Park as defined in the City of Kanata Official Plan. This policy shall apply until the Regional Scale Retail Facility as defined in the RMOC Official Plan, located in the

Kanata Town Centre, develops 50,000 sq. m gross leasable floor area. When this threshold has been met, Retail Warehouses, Large Retail Warehouses and Planned Commercial Centres can exceed 10,000 sq. m of gross leasable floor area but not the lesser of 35,000 sq. m of gross leasable floor area or the maximum gross leasable floor area permitted in the site specific implementing zoning by-law.

- 5. The City of Kanata shall require or undertake the preparation of a secondary plan for the business parks where retail warehouses are proposed, to establish how best to interface retail warehousing with traditional office commercial uses through an appropriate pattern of land use and roads; confirm infrastructure requirements including alignments; as well as create design guidelines for architecture, signage, landscaping and lighting.
- 6. Retail Warehouses, Large Retail Warehouses and Planned Retail Centres shall not be permitted in Kanata's business parks and industrial areas for a period of three years following the date the Ontario Municipal Board approves LOPA 46 and the implementing zoning by-law amendments."

Modification No. 2

PART B - THE AMENDMENT, <u>Details</u>, Part F, Section 7, Retail Warehouse, Point 2, is modified by deleting reference to 20,000 sq. ft. and replacing it with 30,000 sq. ft.

Dated this	day of February 1999.
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Clerk, Regional Municipality of Ottawa-Carleton

<u>COMPONENTS</u>

Part A - The Preamble does not constitute part of this Amendment

<u>Part B - The Amendment</u>, consisting of the following text and map (designated Schedule "A"), constitutes Amendment No. 46 to The Official Plan of the City of Kanata.

Also attached is <u>Part C - The Appendices</u> which does not constitute part of this amendment.

PART A - THE PREAMBLE

1. Purpose

The purpose of this Amendment is to set out policies in the City of Kanata Official Plan with respect to retail uses and business park uses in the Terry Fox Business Park located north and south of Highway 417

Location

The lands affected by this amendment consist of three principal areas t = t are shown on the attached Location Plan and described as follows:

<u>Area A</u> is the portion of the Terry Fox Business Park located to the north and west of the interchange of Terry Fox Drive and Highway 417 in Parts of Lots 2 and 3, Concession 2 of the former Township of March and now in the City of Kanata;

<u>Area B</u> is the portion of the Terry Fox Business Park located between Highway 417 and Maple Grove Road and between Terry Fox Drive and Silver Seven Road (formerly First Line Road) in Parts of Lots 1 and 2. Concession 2, in the former Township of March and now in the City of Kanata; and,

<u>Area C</u> is the portion of the Terry Fox Business Park located between Highway 417 and Maple Grove Road and between Silver Seven Road (formerly First Line Road) and the Carp River in Lots 1 and 2, Concession 1, in the former Township of March and now in the City of Kanata.

3. Basis

The City of Kanata has experienced rapid growth during the 1990's primarily as a result of the success of high technology employment developments in the business parks. Accompanying this growth are expanded residential and commercial sectors. The other significant change in Kanata was the development of the Corel Centre and the construction of a few large retail establishments such as Canadian Tire, Business Depot and Home Depot in the Terry Fox Business Park and Wal-mart and Loblaws on the Regional Shopping Centre Site in the Town Centre Community.

Between 1990 and 1995 the City of Kanata took action to manage future commercial growth by the adoption of Official Plan Amendment No. 24. This amendment set out policies regarding the Regional Shopping Centre and the Town Centre located on both sides of Highway 417 and east of Terry Fox Drive. Amendment No. 24 set out a strategy to maximize the opportunity for the development of the Regional Shopping Centre and other elements of the Town Centre Community. This strategy established the pre-eminence of the Regional Shopping Centre in terms of planned retail commercial function and policies

were set out to protect against the weakening of the potential of this development. Amendment No.24 was given final approval on February 22nd, 1994 and forms part of the City of Kanata Official Plan.

The other action taken by the City of Kanata was the adoption of Amendment No. 32, which applies to Area A, part of Area B and Area C as described above. This Amendment was intended to permit retail warehouse uses in the Terry Fox Business Park and the north-west section of the Town Centre Community on the Regional Shopping Centre site. Through Amendment No. 32, Retail Warehouse uses were to be subject to certain traffic and land use controls. In late 1995 this amendment was followed by Amendment No. 36, which added the portion of Area B adjacent to the interchange of Highway 417 and Terry Fox Drive to the areas where retail warehouse uses would be permitted subject to traffic and land use controls. Both Official Plan Amendments and their implementing zoning bylaws have been referred to the Ontario Municipal Board by a land owner/ end user on the Regional Shopping Centre Site.

In addition, the City of Kanata received an application in 1995 to amend the Terry Fox Business Park Zoning By-law (Bylaw 138-93). This application proposed to both limit and remove certain retail permissions from the Terry Fox Business Park By-law. The zoning amendment was filed by the same land owner/ end user on the Regional Shopping Centre site that appealed Official Plan Amendment No.'s 32 and 36. This issue was settled at the Ontario Municipal Board in July 1998, with a board order that modified the provisions of By-law 138-93.

With Official Plan Amendment No. 36 under appeal, a perspective commercial developer of the lands affected by this amendment filed a separate amendment in 1996. As this Official Plan Amendment application is for retail warehouse uses in the Terry Fox Business Park, staff have indicated that the application is premature until such time as there is a decision on Official Plan Amendment No.'s 32 and 36.

The City of Kanata is also undertaking a comprehensive review and update of the City of Kanata Official Plan and has commissioned a study of commercial and industrial policies throughout the entire municipality. This study known as the "Employment and Commercial Land Use Study" was completed in the November 1998 and has been received by Council for information purposes. The study makes recommendations on how Kanata's commercial and industrial policies should be organized and updated. As well it supports the City's current position on Retail Warehouse Uses in the Terry Fox Business Park.

In view of some of the above events, the City of Kanata commissioned in 1997 a study entitled "Study of Retail Uses in Employment Areas". The study was prepared by Coopers & Lybrand and Lloyd Phillips & Associates.

The purpose of this study is two-fold:

- i) To provide the City of Kanata with a better understanding of the advantages and disadvantages of permitting retail land uses in the City's employment areas; and,
- ii) To guide the City in planning for the retail land uses that may be appropriate for these employment areas.

This study and staff's preliminary response on the matter was received by City Council on March 3, 1998. After a one week deferral, staff were directed to engage in additional consultation and discussion on the findings with

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stakeholders in the business parks and the adjacent residential communities. On March 26 1998 staff held an open house meeting with the above groups and explained the consultants findings and staff's preliminary position on this matter. A subsequent meeting was held with Council in the spring of 1998 and after considering the community and stakeholder comments, Council directed staff to bring back a report on the matter.

Supplementary staff recommendations on the study were considered by City Council on October 6, 1998. At this meeting Council directed that an Official Plan Amendment and zoning by-law amendments be prepared to permit Retail Warehouse Uses in selected areas of the Terry Fox Business Park and that these amendments be brought forward for consideration at a public meeting to be held on October 27th 1998.

On October 27th 1998 City Council held a public meeting on retail uses in the Terry Fox Business Park and considered a staff report which recommended that

- New policies for retail uses in the Terry Fox Business park, different from those of Official Plan Amendment No.'s 32 and 36 be adopted in form of Official Plan Amendment No. 46.
- That new implementing zoning by-laws for these proposed retail policies be approved and that these permissions be subject to a holding symbol which would require, prior to removal of the holding symbol, traffic and market impact studies to be completed.
- That the Ontario Municipal Board be requested to modify the amendments before the Board with the policies and zoning provisions contained herein.
- That Council approve a secondary planning study for the Terry Fox Business Park which would help clarify compatibility issues between traditional business park land uses and new Retail Warehouse Uses.

Council deferred making a decision on these recommendations at the October 27th meeting and directed staff to remove the requirement for traffic and market studies. The holding symbol was not to be applied and additional lands in Area B of the Terry Fox Business Park were to be zoned for Retail Warehouse Uses.

On November 17th 1998 staff brought forward the changes that Council requested at October 27th meeting. At this meeting Council supported the recommendation of the report that the Ontario Municipal Board modify the provisions of Official Plan Amendment No.'s 32 and 36 and their implementing by-laws with the new provisions contained in the staff report. The Official Plan and Zoning provisions attached to the November 17th report reflected the changes that Council requested to the documents on October 27th 1998. One exception supported by Council at the November 17th meeting was the reinstatement of the previous area zoned for retail warehouse uses in Area B of the Terry Fox Business park.

On December 14 1998 the Ontario Municipal Board held a pre-hearing on Official Plan Amendment No.'s 32 and 36. The board member at this meeting agreed that a private Official Plan Amendment application on the Regional Shopping Centre site in the Town Centre Community could be added to the pending proceedings. The Board member also agreed that the matters before the board should now be mediated and that Official Plan and zoning provisions adopted by Council Resolution on November 17th 1998 for retail uses in the Terry

Fox Business Park should now take the form of amendments and be passed by bylaws prior to mediation.

Official Plan Amendment No. 46 complies with the direction of the Ontario Municipal Board and is intended to implement City Council's direction from the October 27th and November 17th 1998 Council meetings.

1997 Regional Official Plan

In July 1997 the Regional Municipality of Ottawa-Carleton adopted a new Official Plan. This plan is intended to replace the 1988 Regional Official Plan. The new Regional Official Plan has proposed updated policies for employment areas and retail development in these areas. This amendment has had regard for these policies. Certain new Regional Official Plan policies that relate to retail land uses in employment areas within Kanata and other suburban areas have been appealed and have now been consolidated with the Ontario Municipal Board proceedings on Official Plan Amendment No.'s 32 and 36.

PART B - THE AMENDMENT

Introduction

All of this part of the document entitled Part B - The Amendment, consisting of the following text and attached map designated Schedule "A" to Amendment No 46 to the Official Plan of the City of Kanata.

Details

The following specific changes are made to the City of Kanata Official Plan:

- A. Section 5.7.1, BACKGROUND, is amended by deleting the words Terry Fox Drive and inserting First Line Road north of Highway 417 in the last sentence of the first paragraph.
- B. Section 5.7.5.5 is amended by replacing the existing text with the following:

"LOW DENSITY EMPLOYMENT AREA"

The Low Density Employment Area designation applies to an area located in the south-east part of the Town Centre near the interchange of Highway 417 and Eagleson Road and to an area to the north-west of the interchange of Highway 417 and Terry Fox Drive.

South-East Area

In the Low Density Employment Area located in the south-east area of the Town Centre, existing development consists of light industrial buildings and a motel. It is intended that future development will consist of low-rise buildings containing office and light industrial or retail uses. Retail uses north of Hearst Way will be limited as follows:

- total retail GLA will not exceed 10,000 m²;
- building sizes will be in the range of 2,800 m² to 4,700 m²;
- any building shall be limited to two tenants.

Opportunities to intensify development over time will be encouraged but total retail GLA within the designation will be limited to $10,000 \text{ m}^2$.

North-West Area

In the Low Density Employment Area located north and west of the interchange of Highway 417 and Terry Fox Drive the permitted uses shall include the following:

- 1. Restricted Industrial uses subject to the policies of this Plan, including office uses;
- 2. Automotive Commercial Uses, subject to the policies of this Plan;
- 3. Large Retail Warehouse, subject to the policies of Section 6.9.4 of this Plan;
- 4. Retail Warehouse, subject to the policies of Section 6.9.4 of this Plan.
- 5. Business Park Retail Outlet;
- 6. Planned Retail Centre, subject to the policies of Section 6.9.4 of this Plan;
- 7. Accessory Commercial Development.
- 8. Home Renovation Centre.

The standards established for certain uses, such as retail warehouse type uses, shall be guided by the applicable policies and definitions of this Plan. The zoning by-law shall set out specific regulations on uses, performance standards and restrictions.

- C. Section 5.8 entitled, "BUSINESS PARKS (KANATA NORTH, KANATA SOUTH, TERRY FOX AND EDGEWATER)", is amended by adding the following new subsection:
 - " 5.8.4 Policies for Retail Warehouse Uses in the Terry Fox Business Park
 - 5.8.4.1 In the area designated MR-1 on Schedule A of this Plan, located between Highway 417 and Palladium Drive and on the west side of Terry Fox Drive and east of Silver Seven Road, the following policies shall apply:
 - 1. The permitted uses in this area shall be Restricted Industrial Uses, a hotel and Accessory Commercial Development. Retail Warehouse, Large Retail Warehouse, Planned Retail Centre and Business Park Retail Outlet are specifically not permitted. This is intended to ensure that the planned function of this area is for non-retail employment uses, preferably high technology and office uses. Development in this area shall be compatible in building form, massing and architectural treatment to existing office developments on the south side of Palladium Drive.
 - 5.8.4.2 In the area designated MR 2 on Schedule A of this Plan, located on the east side of Silver Seven Road, adjacent to the south side of Highway 417, the following policies shall apply:

- 1. The permitted uses of this area shall be those permitted by Restricted Industrial Uses, Accessory Commercial Development, Retail Warehouse, Large Retail Warehouse, Planned Retail Centre and Business Park Retail Outlet. These uses are to be developed at the same or similar grade and elevation to that of Silver Seven Road. The intent of this policy is to prevent retail warehouse and other retail development from locating on the highly visible portion of the area adjacent to Terry Fox Drive.
- 2. A landscaped buffer strip shall be required for uses other than Restricted Industrial Uses on the area in this designation that abut areas designated MR - 1 on Schedule A of this Plan.
- 3. A landscaped entry treatment shall be required along the east side of Silver Seven Road for the area within this designation.
- 5.8.4.3 In the area designated MR-3 on Schedule A of this Plan, located south of Highway 417 and north of Palladium Drive and between Silver Seven Road and the Carp River, the following policies shall apply:
 - 1. The permitted uses shall include:
 - Restricted Industrial Uses, subject to the policies of this Plan;
 - (b) Automotive Commercial Uses, subject to the policies of this Plan. In this regard, Automotive Commercial Uses are not permitted on lands directly adjacent to Highway 417 and/or Silver Seven Road;
 - (c) Business Park Retail Outlet;
 - (d) Home Renovation Centre;
 - (e) Large Retail Warehouse, subject to the policies of Section 6.9.4 of this Plan;
 - (f) Retail Warehouse, subject to the policies of Section 6.9.4 of this Plan;
 - (g) Planned Retail Centre, subject to the policies of Section 6.9.4 of this Plan;
 - (h) Accessory Commercial Development.
 - 2. A landscaped buffer strip shall be required on the parts of the area in this designation that abut areas designated MR.
 - 3. A landscaped entry treatment shall be required along the west side of Silver Seven Road for the area within this designation."

D. Section 6.9.2, Permitted Uses is amended by adding the following text at the end of this subsection:

⁶ Retail Warehouse, Large Retail Warehouse, Business Park Retail Outlet, Planned Retail Centre and Accessory Commercial Uses, all as defined in this Plan, are only permitted where specifically noted in certain locations in the urban business parks and subject to the policies contained in this Plan."

E. Section 6.9, INDUSTRIAL, is amended by adding a new subsection 6.9.4, after subsection 6.9.3, as follows:

"6.9.4 Policies for Retail Warehouse Uses in Business Parks

MODIFICATION
Retail Warehouse, Large Retail Warehouse and Planned Retail Centre may be permitted subject to the following:

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NO._____ UNDER SECTION 17 (3*/OF THE PLANNING ACT. The minimum and maximum lot area for a Retail Warehouse. Large Retail Warehouse and a Planned Retail Centre shall be established in the implementing zoning by-law for these uses.

2. An internal restaurant is permitted as an accessory use.

- 3. The maximum gross leasable floor area for Retail Warehouse, Large Retail Warehouse and Planned Retail Centre uses shall not exceed 10,000 square metres per lot if located in the Low Density Employment Area of the Town Centre or in any Business Park, as defined in the City of Kanata Official Plan. This policy shall apply until a Regional-Scale Retail Pacility as defined in the RMOC Official Plan and located in Kanata's Town Centre Community, develops to 50,000 square metres gross leasable floor area. When this threshold has been met, those uses can exceed 10,000 square metres per lot but cannot exceed the lower of 35,000 square metres of gross leasable floor area or the maximum gross leasable floor area per development acre permitted in the implementing zoning by law.
- 4. Minimum parking, loading and landscaping requirements shall be established in the implementing zoning by law.
- F. Section 11.3 entitled, "GLOSSARY", is amended by adding the following definitions in alphabetical and numerical order:
 - 1. Accessory Commercial Development

Accessory Commercial Development means retailing, restaurants, commercial service uses, offices and other services that are subordinate and accessory to the main business park uses, such as manufacturing, research and development, or other similar uses, subject to the following:

- 1. Accessory Commercial Development shall be naturally incidental to the main use and located on the same lot as the primary use.
- 2. Accessory Commercial Development up to 20% of the gross leasable floor area of the premises occupied by the primary use shall be permitted, provided that:

- a) the manufactured product being retailed is made or assembled on the premises or by the company occupying the premises.
- b) Minor sundry products typically sold in cafeterias, gift shops, restaurants, tuck shops or other similar accessory retail establishments can be retailed from the premises, and;
- c) Accessory Commercial Development cannot be a main use, and;
- d) the Accessory Commercial Development provides parking and loading at retail parking and loading rates established in the zoning by-law, and;
- e) the Accessory Commercial Development is located wholly within the building containing the primary use.
- 3. Accessory Commercial Development is not a main use and shall be included in the calculation of all accessory uses.
- 2. Business Park Retail Outlet

Business Park Retail Outlet means a building or structure or part thereof with the following characteristics:

- 1. The use or uses are located primarily within a building or structure or part thereof, and may have a seasonal outdoor area or a semienclosed storage and loading area.
- The products offered shall include at least one of products such as appliances, furniture, carpeting, floor covering, paint and wall coverings, doors, windows, plumbing supplies, electrical supplies, heating supplies, kitchen and bathroom cabinets and fixtures, specialty tools, garden supplies.
- 3. The products are primarily stored, displayed and retailed in the same space and may be in a warehouse format or a showroom format, with a separate storage space.
- 4. A Department Store, Junior Department Store*, Large Retail Warehouse, Retail Warehouse, a Supermarket, and primary uses that include the retail sale of food and/or health and beauty aids, other than a restaurant are excluded.

* Junior Department Store is also known as a Mass Merchant or Discount Department Store.

- 5. The businesses offering the products may provide or be engaged in design, production, installation, repair and maintenance services related to the products.
- 3. Home Renovation Centre

Home Renovation Centre means a building or structure that provides retailing and/or wholesaling of building, decorating, renovating materials, supplies, fixtures, equipment and tools. Heating, air conditioning, plumbing materials, supplies and equipment are also permitted. The Home Renovation Centre may have a garden centre and seasonal outdoor sales areas. 4. Large Retail Warehouse

Large Retail Warehouse means a building or structure occupied and used by a single user with the following characteristics:

1. The use is located primarily within a building and may have an accessory restaurant use*, garden and seasonal outdoor area;

* The restaurant use may have a sit down and/or take function.

- 2. The minimum gross leasable floor area is 5,000 square metres (53,821 square feet);
- 3. The maximum gross leasable floor area cannot exceed 10,000 square metres (107,642 square feet) until such time as a Regional-Scale Retail Facility as defined in the RMOC Official Plan and located in Kanata's Town Centre Community develops to 50,000 square metres (538,213 square feet) gross leasable floor area. When this threshold has been met, a large retail warehouse may have a maximum gross leasable floor area of 13,006 square metres (140,000 square feet).
- 4. The maximum amount of 45% of the gross leasable floor area may be used for the storage, display and retailing of food, household paper products, health and beauty aids, household chemicals and non-prescription pharmaceuticals;
- 5. A Department Store, Junior Department Store*, a Business Park Retail Outlet, a Supermarket and primary uses that include the retail sale of food and/or health and beauty aids, other than a restaurant are excluded.

* A Junior Department Store is also known as a Mass Merchant or Discount Department Store.

5. Planned Commercial Service Centre

Planned Commercial Service Centre means a development with the following characteristics:

- 1. The development is located within a Business Park or a Low Density Employment Area, as defined in the City of Kanata Official Plan.
- 2. The use or uses are located in a building or buildings.
- 3. The uses are restricted to the following:
 - a) retail business
 - b) office
 - c) financial office
 - d) restaurant
 - e) repair business
 - f) personal service business.
- 4. The maximum aggregate gross leasable floor area of all uses shall not exceed 4,647 square metres (50,000 sq. ft.) and a retail business shall not exceed 464.5 square metres on the lot (5,000 sq. ft.).

- 5. The maximum lot area for a Planned Commercial Service Centre shall be established in the implementing zoning by-law.
- 6. Planned Retail Centre

Planned Retail Centre means a development having the following characteristics:

- 1. The use or uses shall consist of at least two or more or the following uses located on the same lot:
 - a) Large Retail Warehouse
 - b) Retail Warehouse
 - c) Business Park Retail Outlet.
- 2. The maximum aggregate gross leasable floor area of the above listed uses cannot exceed 10,000 square metres (107.642 square feet) until such time as a Regional-Scale Retail Facility as defined in the RMOC Official Plan located in Kanata's Town Centre Community develops to 50,000 square metres (538.213 square feet) gross leasable floor area. When this threshold has been met, a Planned Retail Centre may have a maximum aggregate gross leasable floor area of 35.000 square metres (376,749 sq. ft.).
- 3. The individual buildings or structures shall be freestanding and there shall be a common parking lot located on the same lot as the uses.
- 7. Retail Warehouse

Retail Warehouse means a building or structure or part thereof with the following characteristics:

MODIFICATION

NO. 2 UNDER SECTION 17 (3.4)O THE PLANNING ACT

- 1. The use or uses are located within a building or a part of a building.
- The minimum gross leasable floor area for an individual use is 1,852.0 square metres (20+000 square feet).
- 3. The maximum gross leasable floor area for an individual use is 4,999 square metres (53,810 square feet).
- 4. The retail products are primarily stored, displayed and retailed in the same space and may be in a warehouse format with a minor area available for accessory storage and/or servicing.
- 5. A Department Store, Junior Department Store*, a Business Park Retail Warehouse, a Supermarket and primary uses that include the retail sale of food, other than a restaurant are excluded.
 - * Junior Department Store is also known as a Mass Merchant or Discount Department Store.
- G. Schedule B entitled "Urban Area Land Use" is amended by redesignating those lands in accordance with Schedule "A" attached.

Implementation

The Implementation and Interpretation of this Amendment shall be in accordance with the policies contained in this Amendment and in accordance with the policies of the City of Kanata Official Plan.

PART C - THE APPENDICES

1. APPENDIX 1 - PUBLIC NOTICE

In accordance with Sections 17 and 21 of the Planning Act, R.S.O. 1990 as amended from time to time, the City of Kanata provided notice of this Amendment in the Kanata Kourier Standard on the 18th of September 1998. A copy of this notice is attached herewith.

2. APPENDIX 2 - PUBLIC MEETING

The Public Meeting was held as part of the Regular Council Meeting on the 27th of October 1998. Relevant excerpts of the minutes from that meeting are attached as Appendix 2 to this document.

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