

**Distributed at the Planning and Development Council Meeting of March 9, 2020
Re: Item 3 – Public Meeting Report, Official Plan Amendment, Calloway REIT
(Hopedale) Inc., 1431, 1455, 1515 & 1521 Rebecca Street, File No. OPA 1625.01**

March 7, 2020

Mr. Paul Barrette, Senior Planner

Town of Oakville

1225 Trafalgar Road

Oakville ON L6H 0H3

Re: Calloway REIT (Hopedale Inc.) – 1515 and 1521 Rebecca Street – OPA
1625.01

Dear Mr. Barrette,

I am a long time resident of Hopedale and live on Stanbury Road.

I have reviewed the proposed amendment and associated documents and I object to the passage of this amendment.

Under Bylaw 2017-079, 28.2.3 Submissions for site specific amendments must demonstrate that proposed amendments do not undermine the Town's Urban Structure in terms of directing growth to identified nodes and corridors, are compatible with surrounding land uses and do not establish undesirable precedents if approved.

This submission undermines the Town's Urban Structure and creates an undesirable precedent by opening the entire block to reconsideration as a Growth Area with densities exceeding Medium Density.

My further comments are attached.

Thank you for the opportunity to comment.

Sincerely,

Diane Green

██████████ Stanbury Rd.

cc: Mayor Rob Burton, Oakville Town Council, M.Simeoni, Town Clerk
Gordon Jermane, President, Hopedale Residents Association
Pamela Knight, President, Coronation Park Residents Association

REQUIREMENTS FOR SITE-SPECIFIC AMENDMENTS

28.2.1 The Town shall evaluate site-specific amendments to this Plan within the context of the goals, objectives and policies of this Plan.

28.2.2 The proponent of an official plan amendment shall submit reports to the satisfaction of the Town demonstrating the rationale for the amendment in accordance with the submission requirements set out in Part F of this Plan.

28.2.3 Submissions must demonstrate that the proposed amendment:

| REQUIREMENT | Response |
|---|---|
| a) is consistent with the Town's mission and guiding principles | Does not demonstrate consistency with the Town's mission and guiding principles. |
| b) does not undermine the Town's urban structure in terms of: | The proposal undermines the Town's Urban Structure: |
| i) directing growth to identified nodes and corridors, and ensuring their timely development in a manner that makes effective and efficient use of existing and planned investment and achieves the planned objectives for these areas; | By directing growth in the form of a high density retirement tower to an area outside identified nodes and corridors and by failing to achieve the planned objectives for the area as specified in the Livable Oakville Official Plan. |
| ii) protecting natural heritage systems | By opening the door to unforeseen increased sanitary flows to the existing sewage treatment plant which is surrounded by a natural heritage designated woodlot which is a well known habitat for birds. A previous expansion of the plant resulted in removal of part of the woodlot. It is not clear that this proposal would not open the door for further intensification on the site with resultant impacts on the treatment plant. |
| iii) protecting waterfront open space, parks and other public open space; | By increasing sanitary flows by 34% off the site towards an existing sewage treatment plant adjacent to a natural heritage woodlot, park and waterfront open space already impacted by odors from the plant. |
| iv) conserving cultural heritage resources; and, | |
| v) the maintenance of the character of established residential areas, employment areas and major | Does not maintain the character of established residential areas, by increasing density to high density, and reducing available commercial |

| | |
|---|--|
| commercial areas. | services to the surrounding community. |
| c) is consistent with Provincial, Regional and Town plans for multi-modal transportation systems, municipal services, infrastructure and public service facilities. | Is not consistent with these plans, for example by increasing sanitary flows by 34% off the site. |
| d) does not result in adverse fiscal impacts for the Town. | Does not demonstrate that adverse fiscal impacts will not result for the Town. |
| e) is an appropriate use for the land. | Is an inappropriate use for the land which is zoned as Community Commercial and is the only such zoned area in SouthWest Oakville. |
| f) is compatible with existing and planned surrounding land uses. | Is incompatible with existing and planned surrounding land uses, which include an existing Community Commercial establishment on the site and existing Low Density Residential areas around the site |
| g) is not more appropriately considered under a required comprehensive Official Plan review or a municipal comprehensive review | Is more appropriately considered under a required comprehensive Official Plan review or a municipal comprehensive review |
| h) does not establish an undesirable precedent if approved. | Would establish an undesirable precedent if approved, by opening up the block to high density multiple uses not compatible with existing and planned uses |
| i) satisfies all other applicable policies of this plan.” | <p>Other policies may apply, e.g.:</p> <ul style="list-style-type: none"> • Submitted Shadowing report demonstrates shadowing on the townhouses from the tower. • Submitted Grading report appears to raise the residential grade above the pre-development grade on the east side. • Submitted Arborist report indicates the removal of healthy mature trees. Does the proposal increase the tree canopy? Does the proposal include native plants? • Arborist states: <i>“Based on our investigations, we are of the opinion that trees 96-97, 105-114, 119-129, 143-144, 154-156, and 216 should be removed due an assured conflict with proposed construction activities”</i> – why is this a justification for removing the trees? |

| | |
|--|---|
| | <ul style="list-style-type: none">• Submitted Servicing report shows post-development sanitary flows from the retirement home rated at only 123 persons, but the proposal is for 161 units (potentially multi-person), therefore flow appears underestimated.• Maximum ponding depth in parking areas is not to exceed 250mm, and no ponding shall be located in a fire route, but submission shows .3 m. ponding allowed above catch basins in 100 year event?• In general, proposed lotting pattern is not compatible with predominant lotting pattern of surrounding neighbourhood, which is low density residential with large areas of pervious area to retain stormwater on site. Proposed lot plans do not demonstrate innovative stormwater management techniques to retain water on site.• Submitted Transportation report addresses changes with regards to the 108,825 sq. ft. subject to the OPA, i.e. primarily Target? Therefore there will be an increase in traffic due to this change in use as the Target store is currently unoccupied.• But the Transportation report does not address the overall changes portrayed in the Retail Analysis of an additional reduction of 92,000 sq. ft. of “ancillary retail commercial” space from current according to Figure 1.1. . The purpose of TDM is to reduce single occupancy motor vehicle use, but the report does not address the consequence of increased trips due to the reduction of this” ancillary retail commercial” space in the only zoned area for Community Commercial uses within SouthWest Oakville. Therefore the report does not address increase in trips as residents seek retail services farther afield. |
|--|---|

PROPOSED AMENDMENT RATIONALE

The applicant's supplied Basis for the Draft Amendment consists of 8 statements:

Items 1 through 4 address the Policy framework, namely the Provincial Policy Statements, The Growth Plan, The Regional Plan and the Livable Oakville Plan. The amendment is stated to be consistent with the PPS and conforming to the other three plans.

Response:

The Provincial Policy analysis references policies related to greyfields four times. However the term greyfield is not used within the PPS2014 or current PPS2020.

5. The proposed redevelopment will be compact and represents a modest form of **intensification** within the built-up area that will provide a mixture of residential and institutional uses.

Response:

Livable Oakville directs intensification towards Growth Areas. Intensification in the residential areas is only permitted if the character of the area is preserved and the overall urban structure is upheld. This amendment attempts to create an unacceptable precedent as explained below.

On page 5 of Appendix E of their Planning Justification Report they state in reference to Livable Oakville:

*Evaluation: The proposal seeks to provide **modest intensification** within a stable residential community in southwest Oakville, by introducing 86 residential units and a 5 to 9 storey retirement home. Although the Subject Lands are not designated Low, Medium, or High Density Residential, the Development Site does abuts Low Density Residential, and therefore in an abundance of caution we have considered this policy. The policy requires an evaluation of Policy 11.1.9 as included below.*

They further state on Page 6:

Policy 11.3.2 states that (medium density residential) density range is to be between 30 to 50 dwelling units per site hectare.

*Evaluation: Though the proposed OPA does not seek to redesignate the site to a residential designation, it is important to note that the OP defines **medium density residential uses as having a density range between 30 to 50 dwelling units per site hectare, thereby demonstrating that the proposal is considered as medium density residential infill.***

The proposal cannot be considered as medium density residential infill:

- The retirement home at 161 units per .435 ha equates to 370 units per hectare and thus exceeds even the High Density Residential criteria in Livable Oakville of 51 to 185 units per hectare (Policy 11.4.2).
- Including both townhouse and retirement together equates to 247 units over 2.895 ha for a combined density of 85 units per ha which also exceeds the Medium Density Residential criteria of 30 to 50 units per hectare (Policy 11.3.2).
- In terms of height policies in Livable Oakville, the applicant seeks to redesignate the area at building heights equivalent to
 - Main Street 1 for the Townhouses, i.e. between two and four stories (Policy 12.2.2).
 - Urban Core for the retirement residence, i.e. between eight and twelve stories (Policy 12.5.2)
- Allowing the applicant to proceed with High Density intensification on part of the area subject to the amendment would create an unacceptable precedent and open the entire block for further intensification as a Strategic Growth Area and as Urban Core.

6. The amendment will allow for the redevelopment to utilize a portion ***of an existing greyfield*** site that is currently underutilized lands, by maximizing the potential of lands within the settlement area.

Response:

In the Planning Justification Report the applicant describes the South Oakville shopping centre as a 'greyfield' seventeen times. With respect to the Livable Oakville plan, the applicant states:

Policy 10.7.1 states where the redevelopment of large greyfield or brownfield sites for residential land uses is proposed, intensification policies provided in section 11.1.9 shall apply. Such redevelopment shall also be planned in a comprehensive manner.

"Greyfields means previously developed properties that are not contaminated. They are usually, but not exclusively, former commercial properties that may be underutilized, derelict or vacant."

Evaluation: The proposed amendment seeks to permit residential and institutional uses on a portion of the Development Site. The proposed residential uses will conform to policies in 11.1.9 as required.

Specific to the Draft Amendment, the applicant states that

"The proposed development has been assessed against the policies of the Provincial Policy Statement, the Growth Plan for the Greater Golden Horseshoe, the Region of Halton Official Plan, and Livable Oakville Plan.

"6. The amendment will allow for the redevelopment to utilize a portion of an existing greyfield site that is currently underutilized lands....."

- The applicant makes four references to greyfields in its Provincial Policy Analysis; however the PPS2014 does not contain policies that refer to greyfields.
- The applicant describes the entire South Oakville Centre as a former commercial site in the condition of being under-utilized, derelict, or vacant and suggests that this means intensification policies under 11.1.9 should apply.
- However, the block does not meet that definition, as it is not a former commercial site and it has been in continuous use in its designation as Community Commercial land.
- The SmartREIT Quarterly Financial Reports state that South Oakville Centre has experienced Occupancy Rates of 97% or higher since June of 2016. In the most recent quarter (2019 Q4 December) the Centre is listed as having a 100% Occupancy Rate.

7. The proposed amendment will permit a ***mixed use*** development which is compatible with adjacent land uses.

Response:

The proposed amendment will introduce a development which is incompatible with adjacent land use, all of which is designated low density residential. The subject area is not a designated Growth Area. Livable Oakville defines Mixed Use:

12. The Mixed Use designations provide areas where residential, commercial and office uses are integrated in a compact urban form at higher development intensities

12.1.2 Mixed use development will be focused on lands located within Oakville's Growth Areas and along identified corridors.

- The proposed amendment will establish an unacceptable precedent by applying the term mixed-use to the site.

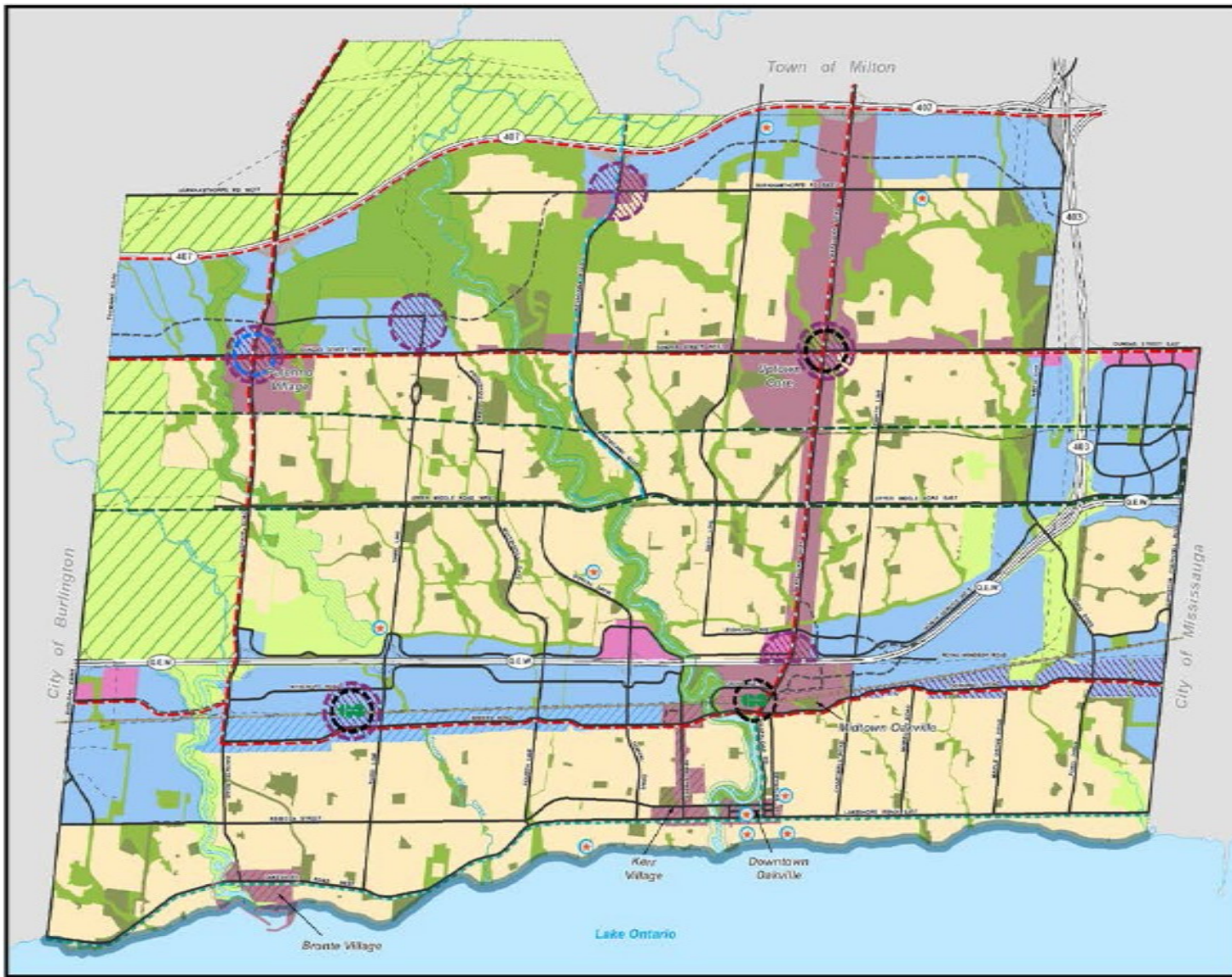
8. The proposed amendment will not create undue impact on any environmental or sensitive land uses within the area.

Response:

- The proposed amendment creates an unacceptable precedent with the potential to open the entire block for redevelopment at high densities more appropriate to Urban Core. It could therefore generate unknown volumes of sewage to be directed toward the sewage treatment plant on Lakeshore Blvd. which is nestled within a high quality natural heritage designated woodlot well known as bird habitat and adjacent to waterfront park areas and residential properties that are already impacted by odor from the plant.

CONCLUSION

The proposed amendment rationale and text do not comply with the requirements for Site-Specific Amendments under Bylaw 2017-079, 28.2.3 and as a consequence should be rejected.



SCHEDULE A1 URBAN STRUCTURE

LEGEND¹

- PARKWAY BELT
- GREENBELT
- GREENBELT - URBAN RIVER VALLEY
- NATURAL HERITAGE SYSTEM
- PARKS, OPEN SPACE & CEMETERIES
- WATERFRONT OPEN SPACE
- NODES AND CORRIDORS
- EMPLOYMENT AREAS
- MAJOR COMMERCIAL AREAS
- RESIDENTIAL AREAS
- MAIN STREET AREA
- EMPLOYMENT MIXED USE CORRIDOR
- REGIONAL TRANSIT NODE
- PROPOSED REGIONAL TRANSIT NODE
- NODES AND CORRIDORS² FOR FURTHER STUDY
- MAJOR TRANSPORTATION CORRIDOR³
- PROPOSED MAJOR TRANSPORTATION CORRIDOR
- REGIONAL TRANSIT PRIORITY CORRIDOR
- NOBILITY LINK
- MAJOR ACTIVE TRANSPORTATION CONNECTIONS
- SCENIC CORRIDOR
- UTILITY CORRIDOR
- PROVINCIAL PRIORITY TRANSIT CORRIDOR
- MAJOR TRANSIT STATION
- HERITAGE CONSERVATION DISTRICTS/⁴ CULTURAL HERITAGE LANDSCAPES

NOTE 1: This Schedule does not represent land use designations.

NOTE 2: In addition, the south side of Dundas is recognized as having the potential for intensification, subject to further study to more precisely delineate the extent of such areas.

NOTE 3: Transportation corridors, with the exception of Provincial Highways, permit all transportation modes including transit, pedestrian and bicycle facilities.

NOTE 4: Heritage Conservation Districts and cultural heritage landscapes are elements of the urban structure. As additional Heritage Conservation Districts and cultural heritage landscapes are protected and registered under the Ontario Heritage Act, they shall be added to Schedule A1, Urban Structure.

1:50,000
September 26, 2017

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2017 URBAN STRUCTURE - SCHEDULE A1

Shirley Singh, Buddy Singh [REDACTED]

[REDACTED] **Third Line,**

Oakville. On. L6L4A4

9 Mar 2020

Attn: Town of Oakville, Planning Development Council. File No. OPA 1625.01, Ward 2.

By Electronic Mail and attendance to Statutory Public Meeting.

Dear Sirs/Madam,

We are owners of above property, we are responding to your mailed notice to residents.

We object to this proposed amendment to add 3 and 9 Storey dwelling units on 2.9ha land.

The proposed addition of 247 Units with so many persons is untenable for logistical reasons.

1. It is cramming 247 families into a small space without egress-one way entrance only.
2. It is an emergency disaster waiting to happen, no access for Fire, Ambulance Police.
3. 247 Air Conditioners, Heaters and power systems overloads the carbon footprint.
4. Imagine City vehicles manoeuvring waste removal, along with regular traffic.
5. Inadequate Visitor-Handicap Park spaces available after placing residents' park below.
6. Proposal is not in accordance with the existing neighbourhood character.
7. This area is not adequately situated to allow high-density safe living quarters.

This area should remain designated as it is for multiple neighbourhood stability reasons, which we will articulate at tonight's meeting.

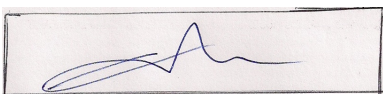
We left North York to live in Oakville, just because of this type of over saturation of human beings in close quarters.

Public health concerns of residents and neighbours should also be taken into consideration.

At this very moment we are in a Corona Virus epidemic, we should try to avoid this in Oakville,

Thank you for the opportunity to participate in this very important Town of Oakville meeting of residents.

Yours sincerely,



Buddy Singh, Shirley Singh
Property Owners

Memo

To: Town of Oakville, Council
From: Siddharth Jaishankar (Owner/Resident at [REDACTED] Thornhill Dr.)
Subject: Hopedale Redevelopment Proposal
Date: March 9, 2020

Introduction

I am the owner and current resident at [REDACTED] Thornhill Drive, in the low-density residential neighbourhood to the east of the proposed redevelopment of Hopedale Mall / South Oakville Centre ("Hopedale Mall").

I purchased my current residence in September 2019 and did not participate in the public consultation sessions that I understood to have occurred on May 1 and May 2, 2019, and which the current owner, Calloway REIT (Hopedale) Inc. ("Calloway REIT" or the "Owner"), purports to have incorporated into its current redevelopment proposal.¹

As a result of being a new resident of the affected community (if this redevelopment proposal were to go ahead), I am writing to you with my thoughts and observations on the proposal and laying out in a logical manner the reasons why I believe this redevelopment proposal should be thwarted and thereby not allowed to further proceed.

My Credentials and Background

By way of background, I am a Managing Director at Duff & Phelps' Toronto office. Duff & Phelps is a global financial advisory firm.² I am a Chartered Professional Accountant ("CPA"), CFA³ Charterholder and a Chartered Business Valuator ("CBV").

I am also a licensed REALTOR® and a sales representative with Right At Home Realty in Burlington.

I want to impress upon you that I am approaching this redevelopment proposal as a sophisticated individual when it comes to financial and value-related matters. To be clear, my views herein are solely mine and in no way involve my employer, Duff & Phelps Canada Limited.

¹ Planning Justification Report dated December 2019 prepared by MacNaughton Hermsen Britton Clarkson Planning Limited ("MHBC") (the "Planning Justification Report"), pg. 8.

² My bio can found here: <https://www.duffandphelps.ca/our-team/sid-jaishankar>

³ Chartered Financial Analyst.

The Redevelopment Proposal – Summary of Salient Facts and Assertions by Owner

The Development Site is located on the north side of Rebecca Street, east of Third Line, and west of an existing low rise residential neighbourhood (Figure 1). Of the total area of the Subject Lands, the Development Site occupies approximately 2.9 ha (7.16 acres) and occupies approximately 94 m (308.5 ft) of the frontage along Rebecca Street with approximately 225 m (738 ft) along the eastern lot line adjacent to the low rise residential dwellings. Of note, the Development Site excludes the two-storey commercial block (1461 Rebecca Street) and Oakville Transit Bus stop fronting onto Rebecca Street, and the cul-de-sac of Stanbury Road along the eastern property line.⁴

The Subject Lands are subject to the Town of Oakville Zoning By-law 2014-014 (“ZBL”) and are zoned “Community Commercial, Special Provision 54” (C2-54) on Map 19 (Figure 9). The C2 Zone permits a range of commercial and retail uses, while the special provision requires a minimum easterly side yard setback of 30 m and maximum building height to 3-storeys.⁵

Put simply, I understand that the proposed Development Site⁶ has had a commercial (C2) zoning for an extended period to date.

The Owner is proposing to redevelop the Development Site with a **mixed use** development consisting of **a townhouse residential units and a 5 to 9-storey institutional retirement residence fronting onto Rebecca Street. The Development Site consists of two separate development blocks or parcels** that outline the locations of the proposed retirement block and residential block. **Parcel “B” consists of 2.47 ha (6.1 acres) and will contain townhouse units, and represents the majority of the Development Site. The residential component will consist of 86 townhouses units ranging between 2 and 3-storey in height** with a density of 35 units per hectare (of the area of the Development Site for residential uses). Each unit will have access to private outdoor amenity space in the form of yards, balconies, and patios. **The layout includes five (5) blocks of street townhouse units.** Units located along the exterior of the Development Site will be oriented on a north-south axis while interior units will be oriented on an east-west and north-south axis to promote compact built form and optimal site design. Blocks oriented along the eastern property line will be two storeys in height and will provide an enhanced landscape buffer ranging between 2 to 7 m wide to promote privacy and reduce overlook to the existing low rise dwellings to the east that will support the transition of height. **Efforts will be made⁷** to maintain existing trees within this landscaped buffer as part of common element areas in the future rear yard of the proposed development. Detailed design of the buffer will be refined in future Zoning By-law Amendment and Site Plan Approval applications.⁸

...

Each proposed townhouse unit is proposed to have 2 parking spaces per unit. The parking spaces will be located internally within the garages for the rear lane townhouses, and will be located on the front yard surface parking pads and within the garages for the standard townhouse units. **The**

⁴ Source: Planning Justification Report, pg. 2.

⁵ Source: Planning Justification Report, pg. 5.

⁶ Which is a component of the Subject Lands.

⁷ In other words, nothing is guaranteed, and everything is subject to change. The Owners will have to be taken at their word that attempts will be made on a “best efforts” basis.

⁸ Source: Planning Justification Report, pg. 6; emphasis added by me.

proposed townhouse blocks will provide a total of 172 parking spaces and 22 on-street visitor parking spaces...⁹

Parcel “C” consists of 0.43 ha (1.07 acres) and fronts onto Rebecca Street to the south. Parcel C is proposed for a 5 to 9 storey retirement residence consisting of 161 units representing a breakdown of 131 Independent Supportive Living (ISL) units, and 30 Assisting Living (AL) units. The retirement lands will provide separate parking from the proposed residential area in the form of both surface and underground parking with a projected total of 93 parking spaces, in which approximately 15 parking spaces will be surface parking and 78 parking spaces are below grade on one level.¹⁰

...

The overall site design will **allow for the transition of the proposal into the surrounding neighbourhood**¹¹ to the east by locating the tallest portion (9-storeys) of the retirement building along the western property line of the block. The retirement building will provide stepping along the southern portion of the building to 5-storeys to provide appropriate transition to Rebecca Street to the south and the 3-storey residential units within the Development Site and surrounding area. Overall a high quality built form will be provided to maintain and build on the existing residential uses adjacent to the Development Site.¹²

History of the Subject Lands

Referring to Table II¹³ to the Phase One Environmental Site Assessment dated December 20, 2019 prepared for the Owner by EXP Services Inc., (“Environmental Report”), set out below is the excerpted historical use of the Subject Lands / Development Site:

| Year | Name of Owner | Description of Property Use | Property Use | Other Observations from Aerial Photographs, Fire Insurance Plans, Etc. |
|--------------|-------------------------------|-----------------------------|--------------------------|---|
| 1844 | Crown | Vacant land | Agriculture or Other Use | Chain of Title |
| 1844-1859 | Peter Fisher | | | |
| 1859-1862 | James Belyea | | | |
| 1862-1875 | John Belyea | | | |
| 1875-1910 | Mary Ann Belyea | | | |
| 1910-1942 | Alexander Belyea | | | |
| 1942-1952 | Ernest Spalding | | | |
| 1952-1969 | Yetta Barnes | | | |
| 1969-2005 | Hopedale Developments Limited | Commercial buildings | Commercial Use | Based on the reviewed aerial photographs, the Site was developed with commercial buildings since at least 1974. Based on the records review, the Site buildings have been occupied by commercial (retail) tenants since the late 1960s. |
| 2005-2007 | Shiphope Ltd. | | | |
| 2007-Present | Calloway REIT (Hopedale) Inc. | | | |

In conjunction with the above table and publicly available information, and based on information accessible to me from GeoWarehouse¹⁴ as a result of being a licensed REALTOR®, I observe that:

⁹ Source: Planning Justification Report, pg. 6; emphasis added by me.

¹⁰ Source: Planning Justification Report, pg. 6; emphasis added by me.

¹¹ This is a professional way of saying that the redevelopment proposal does not conform with the current surrounding low-density residential neighbourhoods/park in the surrounding area.

¹² Source: Planning Justification Report, pg. 6; emphasis added by me.

¹³ Table of Current and Past Uses of the Phase One Property.

¹⁴ A well-accepted, reliable, web-based, centralized property information source.

- The Subject Lands have been utilized for commercial use since at least 1974 (i.e. for more than 45 years to a current date);
- The Subject Lands were purchased by / transferred to Shiphope Ltd. (the immediately previous owner) on January 20, 2005 for \$26 million;¹⁵
- Shiphope Ltd., a private Toronto-based ownership group, purchased Hopedale Mall¹⁶ and undertook a “modern makeover” in the 2005-2006 timeframe; and¹⁷
- Following the extensive renovations, the Subject Lands, were purchased by the Owner from Shiphope Ltd. for \$59.225 million on March 30, 2007,¹⁸ wherein both parties to the transaction are sophisticated, prudent parties acting at arm’s length and under no compulsion to act.

The Owner’s Pitch to the Community and the Town

Overall, the proposed retirement building will provide for **much needed aging in place opportunities within this community and the Town as a whole**.¹⁹

The proposed development represents a **modest** intensification that is transit supportive, and will allow for redevelopment on a portion of greyfield lands through infill within a settlement area which will assist the Town in meeting growth beyond the 20-year time horizon. This will **support the Town’s** projected housing needs by introducing a variety of units to increase the housing supply, and would **diversify the mix and range** of housing options for a broad age spectrum of users including families and seniors.²⁰

The proposal will efficiently utilize existing infrastructure including municipal water and sewage services, utilities, roads and transit within proximity of the Development Site, and will **support the financial well-being of the Region and Town of Oakville’s economy through providing development charges**.²¹

The Subject Lands currently consist of a shopping centre that hosts a variety of commercial and retail services and are comprised of approximately 33,046.24 m² (355,706.79 ft²) of the available retail space. Of note, approximately half of this space has been **vacant despite continuous efforts by the Owner to retain tenants**. The **most notable of these vacancies is the former Target store** located on the eastern portion of the Subject Lands (i.e. the Development Site).²²

With the **ever changing Canadian retail market and shift towards online shopping**, the **partial redevelopment** of the Subject Lands **is essential to revitalize the eastern portion of the property from its current greyfield condition**. The proposed redevelopment will allow

¹⁵ Source: GeoWarehouse.

¹⁶ As known at the time.

¹⁷ Source: <https://www.insidehalton.com/news-story/2905536-hopedale-undergoes-a-modern-makeover/>

¹⁸ Source: GeoWarehouse; I am not privy to the cost incurred by Shiphope Ltd. for its extensive renovations, but needless to say, this represents a significant lift in a short timeframe in the value of the property for its actual and understood commercial use at that time.

¹⁹ Source: Planning Justification Report, pg. 6; emphasis added by me.

²⁰ Source: Planning Justification Report, pg. 9; emphasis added by me.

²¹ Source: Planning Justification Report, pg. 9; emphasis added by me.

²² Source: Planning Justification Report, pg. 10; emphasis added by me.

economic investment through modest intensification to occur on the Development Site that will reinvigorate and support the remaining commercial services.²³

The **Development Site is underutilized, with the former Target department store having been largely vacant since 2015 ... A modest increase in density can be achieved²⁴** on the Development Site as supported by these documents in order to efficiently utilize the lands, and optimize existing municipal and transit infrastructure. This **modest intensification** allows for a development which is **compatible²⁵** with the surrounding existing and planned land uses, while expanding the mix and tenure of housing choices in this area of the Town.

My Recommendation, Observations and Related Rationale

As a stakeholder and concerned resident of the affected Community,²⁶ I recommend and urge you to reject the aforementioned proposal and continue to maintain a commercial use for the Subject Lands as a whole (including the Development Site) for the following reasons:

- 1) The Owner, Calloway REIT, is a financially sophisticated for-profit enterprise and is in the business of making a profit and enhancing value for its shareholders. This is its primary and driving objective.
 - a) The Owner took an investment position and effectively made a bet on the Hopedale Mall when it purchased it for \$59.225 million in March 2007.
 - b) The onus is not on the Community and the Town of Oakville to “bail out” the Owner (for the Subject Lands’ poor investment performance) by helping the Owner unlock the next best alternative “highest and best use” value now that the Subject Lands (and in particular the Development Site) have been negatively impacted by the loss of its anchor tenant (Target) in 2015;
 - i) Accepting the redevelopment proposal, including re-zoning the Development Site from a commercial use to a mixed use, is an indirect “bail out” of the Owner as it essentially transfers property value from the surrounding low-density neighbourhoods to the Development Site and Subject Lands in general.
 - ii) The development of townhouses will be progressive and value accretive to the Owner (vis a vis being surrounding by “multi-million dollar homes in a quiet neighbourhood”²⁷), while it will be regressive (or value-destroying) to current residential property owners in the Community being in close proximity to the proposed redevelopment. This is basic economics from the purported “modest” increase in density being proposed by the Owner.
 - iii) All else being equal, in addition to the regressive impact of the proposed redevelopment on property prices to the Community, the Planning Justification Report

²³ Source: Planning Justification Report, pg. 10; emphasis added by me.

²⁴ On the presumption that the purported “modest” increase in density in this specific neighbourhood is desired by the Community and the Town of Oakville.

²⁵ The question at hand is not purported compatibility, but rather desirability for the Community and the Town of Oakville.

²⁶ That will be impacted by the Owner’s redevelopment proposal.

²⁷ One can be reasonably certain that the sale of the proposed townhouses will be marketed as such.

effectively admits that the redevelopment proposal does not conform with the current surrounding low-density residential neighbourhoods/park in the surrounding area and therefore uses words like “transition”²⁸ to mask the issue.

- iv) Further, the negative intangible impacts from additional noise, traffic, congestion, density and the nature of the proposed development not being congruent to the nature of the surrounding neighbourhood and Community simply cannot be quantified. This represents irreparable harm and the Community cannot be made whole even if monetary compensation was offered²⁹ in this regard.
 - c) Notwithstanding the compensation,³⁰ if any, received from Target³¹ for breach of its contract with the Owner in respect of the Hopedale Mall, it is for the Owner to come to terms and recognize the impairment in the value of its investment (as purchased for its current commercial use). It must recognize market effects in a competitive industry and economy. It is called capitalism and capital markets for a reason. If the Owner is unhappy with its current investment, it should crystallize its existing investment value for its as-existing commercial use and sell it in the open market for (fair) market value. A new owner can realize appropriate investment returns on its investment by purchasing at a substantially lower price than what the Owner paid for the Subject Lands in 2007 and this would be reflected in lower lease costs, and thereby attract new businesses in return. The commercial use can be viable if the price is right. Whether or not the Owner is saddled with an investment cost that does not likely allow it to earn sufficient returns is not our concern. It is the Owner’s problem and it should take the hit.
 - i) Again, the redevelopment proposal is nothing but a value-transfer (at the expense of the Community, including residential property owners) to a financially sophisticated enterprise which is in the business of making money. Furthermore, if in fact the Owner (and/or its shareholders) has received compensation from Target and effectively already been “made whole”,³² the value lift and incremental cash flows to come to the Owner from the redevelopment proposal is nothing but a “wind-fall” to the Owner. It is unwarranted for the Community and the Town of Oakville to effectively fund this potential windfall.
- 2) The Owner has not demonstrated, in my view, that it has taken reasonable steps to mitigate the loss of its anchor tenant (Target) in 2015. I agree that the loss of Target as an anchor tenant was detrimental to the economics of the Owner’s investment in the Subject Lands. However:
- a) As discussed above, the Owner has likely received, or will receive in due course, compensation from Target for breach of its contract. We do not know the details of the financial settlement.³³

²⁸ Refer to page 3 of this document.

²⁹ Which I understand not to be the case.

³⁰ As an anchor tenant, it is quite possible that the contract with Target had clauses for various additional heads of damages related to the impact on co-tenancies and the like.

³¹ Be it Target Canada Co., Target Corporation in the US, or affiliated entities.

³² Including in respect of co-tenancies, etc.

³³ Source: <https://www.smartcentres.com/app/uploads/2016/03/Settlement-With-Target.pdf>

- b) The owners of other malls, such as those of the Burlington Mall, appear to have taken reasonable steps to mitigate the loss of Target, by spending money to overhaul and re-brand the malls and taking steps to make the mall a place for community gatherings and attract new tenants. Refer to the following excerpt:³⁴

Burlington Mall turns 50 this year and as part of a \$60-million overhaul, the centre is being rebranded with a focus to become a community gathering place. It's now called '**Burlington Centre**', and landlords RioCan and KingSett Capital have been responsible for renovating and adding several new retailers as part of the mall's repositioning.

"We see Burlington Centre as a template for how community malls can operate going forward," says General Manager Heidi McGaw. "This community-oriented vision informs how we operate and the services we provide to our shoppers. We are not just Burlington Centre, we aspire to be *Burlington's Centre*."

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- c) In contrast, at least anecdotally, the Owner has effectively done the opposite. See the following excerpt in the comments section of an online news article:³⁵



Yvonne Keogh

With all the gentrification going on stores like Walmart and Giant Tiger aren't likely. This mall is owned by shareholders who don't care about community. When it changed from HOPEdale to South Oakville place store rents were hiked up 70%, and benches were removed to discourage community gatherings. I remember when the mall was a community gathering place - that is a dying trend. Residents will need to fight to keep it as a mall/community space. There will be a chance to voice your concerns, give suggestions on Thurs., May 2, 2019 at 5pm-8pm meeting at the former Target location South Oakville Mall

- i) In fact, if the allegation in the above excerpt is true, that existing businesses had their lease/rent costs significantly increased likely in order to persuade them to move out of the Development Site, then the Owner has at the very least contributed to its own harm and this certainly is anything but reasonable mitigation. Such behaviour would only help further the Owner's narrative/pitch of a decaying commercial property that is a drag on the Community, with the redevelopment proposal being the Community's alleged best solution.
- 3) The Owner asserts that the proposed redevelopment is in the best interest of the Community and the Town of Oakville.

³⁴ Source: <https://www.retail-insider.com/retail-insider/2018/8/burlington-mall-rebrands-for-centre-overhaulphotos>

³⁵ Source: <https://www.inhalton.com/5-things-wed-like-to-see-in-oakvilles-former-target-location>

- a) Again, the Owner is a for-profit enterprise. Its key objective is to make money for its shareholders. If the best interest of the Community and the Town of Oakville was the primary focus and at the heart of its decision making process, the redevelopment proposal would have been floated far earlier. To again reiterate an earlier point, the Owner purchased the property in March 2007 with a view to making an appropriate return on its investment (as a commercial use property). The best interest of the Community and the Town of Oakville is now being pitched as part of the redevelopment proposal in order for the Owner to rescue or rehabilitate this underperforming financial investment.
- b) In addition, I understand that the Hopedale area in question is not part of the Town's "high growth" plan. As a result, all the analysis around the Region's and the Town's official plan(s), and the redevelopment proposal purportedly being in compliance with those plans, is just cover and "ticking the boxes" for what this proposal really is – a surreptitious value transfer and bail-out from the Community, without characterizing it as such. The redevelopment proposal allows for a very profitable monetization and exit strategy for the Owner from the Development Site, with a concurrent expected additional support for the pre-existing commercial space on the Subject Lands to come from the "modest" intensification.
- c) Alleging that redevelopment proposal "*support[s] the financial well-being of the ... Town of Oakville's economy through providing development charges*" is, frankly, offensive and reads like a (financial) carrot being waved in front of the Town in order to elicit the desired behaviour.³⁶ This is a calculated assertion by the Owner in the hope that the decision makers at the Town are not financially astute, and that some development charges that may be received will offset, and importantly be equitable to, the obvious detrimental impact to the Community and surrounding neighbourhoods to the Development Site.
- d) The proposed intensification in density is anything but "modest". Experts, such as those retained by the Owner to produce the reports contained in OPA 1625.01,³⁷ sometimes use such words to mask the significant and material magnitude of the said impact. We are speaking about 86 2- to 3-storey townhouses, a plethora of parking spots to service them, a 9-storey building, and the list goes on. Such development, in my view, is unwelcome and not conforming to the nature of the surrounding neighbourhood that we all love and have invested in, emotionally and financially. As mentioned earlier, notwithstanding the negative financial impact to us residents, the negative intangible impacts simply cannot be measured and cannot be undone. I again reiterate that the redevelopment proposal will cause irreparable harm to the Community.

I hope this memo is of assistance to you, as the next community meeting to discuss the current redevelopment proposal is slated to be held on March 9, 2020. I wanted to get my thoughts to you, the decision makers, in advance of this meeting so that you could consider and reflect on the points that I make in opposition to this re-zoning and redevelopment proposal on the Development Site.

If you would like further discuss, or have any questions, please do not hesitate to contact me.

³⁶ Source: Planning Justification Report, pg. 9; emphasis added by me.

³⁷ The Official Plan Amendment package put forward by the Owner.

Yours truly,

A handwritten signature in blue ink that reads "Sid J." with a horizontal line underneath.

Siddharth Jaishankar CPA, CA, CFA, CBV

