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Ministry of Municipal Affairs,
Suite 401, 159 Cedar Street,
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January 23, 2017

Regarding: OPA No.1, EBR Registry No. 102-9514

Dear Mr. Brown:

This letter offers comments with respect to the referenced Official Plan Amendment by the Town of Parry Sound, By-law 2016-6694 passed December 20, 2016.

Summary:

Parry Sound Council by a 4 to 3 vote passed By-law 2016-6694 that amended the Town's Official Plan to:

3.2 The purpose of the Amendment is to add a policy to Section 3.2.3 "to permit either one bank or one financial office" on the subject property.

The Town's current Official Plan states:

3.2.1.6 In order to ensure the viability and vitality of the Central Business District, certain "core" commercial uses shall be limited to the Central Business District and not permitted elsewhere. These include: Full Service Banks; Beer and Liquor Stores; and uses whose principal function is the serving and consumption of alcohol."

Coincident with the passing of By-law 1016-6694, Parry Sound Town Council also passed By-law 2016-6686 which states:

Section 26 "Special Provisions" of By-law No. 2004-4653, as amended, is hereby further amended by replacing "SP26.59" with the following:

"26.59 Despite the provisions of the By-law, the lands described as part of Lot 26, Concession 1, geographic Township of McDougall now in the Town of Parry Sound more particularly described as part of Part 1, Plan 42R-16633, may be used for all the uses allowed by the District Commercial (C5) zone including Home Improvement Establishment and either a Bank or Financial Office, but excluding department stores, warehouse membership clubs, home and auto supply stores, theatres/cinemas, Liquor Control Board of Ontario liquor stores and Brewer's Retail beer stores subject the following restrictions:

- a) a total maximum floor space limit of 11,705 square metres gross leasable area;*
- a) (i) a maximum ground floor area limit for a Bank or a Financial Office of 375 square metres which is located in the area as largely illustrated on Schedule "I" to By-law 2016-6686;*
- b) a maximum floor space limit for a supermarket of 4,645 square metres gross leasable area including mezzanine, storage, office and associated service space;*
- c) a maximum floor space limit for a home improvement establishment of 4,645 square metres gross leasable area including any garden centre, indoor storage and office space;*

- d) a maximum floor space limit for non-department store Department Store Type Merchandise uses of 1,858 square metres gross leasable area;
- e) a maximum floor space limit for other ancillary service/commercial space uses of 2,415 square metres gross leasable area;
- f) a minimum unit size for non-department store Department Store Type Merchandise uses of 371 square metres; and
- g) a minimum parking space width of 2.7 metres provided that all other requirements of the District Commercial (C5) zone are met.”

By a 4 to 3 vote, Parry Sound Council has decided to undermine a core zoning principle of the Town of Parry Sound Official Plan, the requirement that alcohol outlets, bars and banks are restricted to the Downtown. Council’s decision not only undermines the Official Plan but is also at odds with the consensus of the Town of Parry Sound businesses and residents as evidenced by the comments submitted in response to the proposed rezoning and Official Plan amendment (OPA). The decision also conflicts with the Staff recommendation to deny the rezoning application and OPA. The bottom line is that the proposed OPA has the potential to not only depress the Downtown, but may also induce other banks and businesses to flee the Downtown and Parry Sound.

Council perhaps has taken comfort in the Urban Metrics Market Justification Letter (MJL) submitted by the rezoning applicant that states “*it is evident that the relocation of the RBC currently located in the Parry Sound Mall to the Oastler Park Shopping Plaza will not have any adverse affects on the Central Business District*”. The MJL also states “*The proposed new RBC site benefits from a number of locational characteristics that set it apart from the current location on Joseph Street and make it more ideal from a market perspective*”.

A number of arguments are offered below suggesting that the OPA required to permit relocation of the RBC to the new location is detrimental to the interests of the Parry Sound Downtown and the Town as a whole. An approval of the requested Official Plan Amendment also creates a precedent that makes it difficult for businesses to understand, or anticipate, what other changes might be sprung upon them by Parry Sound Council.

Core Points:

- The Official Plan should only be amended after a suitable process of community review and discussion regarding the scope and implications of the proposed amendment(s). This review should include appropriate impact studies by a qualified neutral party.
- The relevant portions of the existing Official Plan exist to protect the Parry Sound Downtown. The proposed amendment directly conflicts with this intent.
- The proposed amendment to the Town’s Official Plan has the potential to cause material damage to the Town, its businesses and its residents, based on a simple business case analysis as presented in Section 2 (below).

Definitions

Downtown: the Parry Sound Downtown also referred to as the Central Business District.

North End: the Parry Sound Mall (Mall) and the near-by businesses in a small strip mall like configuration. This is the current location of the RBC.

South End: the highway accessible commercial area that includes Home Depot, Wal-Mart, Sobeys, Canadian Tire, Shoppers Drug Mart, Rexall and several near-by businesses located in strip mall configurations.

3-B: (Banks, Bars & Booze), the Parry Sound Official Plan requirement that banks, alcohol distributing and alcohol serving establishments be located in the Downtown.

Point of Consideration:

- 1. **Official Plan:** The Town of Parry Sound Official Plan is a document that has been prepared with the input of Staff, Council and the Community. It defines the core strategy for the Town, and establishes the day-to-day planning rules and considerations for the Town, businesses and residents. Changes to the plan should only be done with the full involvement of the community and after appropriate deliberation. Any changes to the plan should include appropriate community impact assessments prepared by a qualified neutral party.

- 2. **Zero Sum Game:** The RBC’s rezoning Market Justification Letter makes the case that the new location offers RBC better business opportunities by providing improved visibility, proximity to the major big box stores (Walmart, Home Depot, Canadian Tire, Sobeys), and the opportunity to create a drive-through kiosk. This suggests that the applicant expects to capture more business if the rezoning and OPA are approved. But the current banking situation in town is a zero-sum situation. The only additional banking business that can be captured is current or future business taken from the other banks; all of which are in the Downtown. There is no practical banking business that can be secured from outside of the Downtown. Other than the banks in the Downtown, the closest banks are located more than 80 km away, (Huntsville, Bracebridge, Orillia). Therefore, the expected gains for RBC implies reduced business for the Downtown banks and less traffic to the Downtown, negatively impacting Downtown businesses. This contrasts with the Market Justification Letter that states *“it is evident that the relocation of the RBC currently located in the Parry Sound Mall to the Oastler Park Shopping Plaza will not have any adverse effects on the Central Business District”*. It should be noted that the Market Justification Letter relies heavily on a 2004 market study prepared in support of the original South End ‘Big Box’ development, before that development was complete, and may not be representative of the current business environment.

It is understood that if the relocation of the RBC were approved the current landlord would be permitted to place another bank in the same location. This is an argument that has been presented in public forum(s) and it seems that Parry Sound Council and Staff agree that the Mall would be permitted to replace the RBC with another bank, not necessarily one from the downtown. This suggests that if the RBC move were permitted the Downtown banks would be competing with two out-of-the-downtown banks which would surely negatively impact their business, and reduce traffic to the Downtown.

- 3. **Non-Transferable Exemptions:** One argument made in support of the OPA is that since the current RBC location benefits from a zoning exemption as a result of an earlier municipal boundary adjustment that it would be reasonable to ‘transfer’ this exemption to the new location. The exemptions though, are not the same, and exemptions are rarely, if ever, transferable. A business that was exempted from certain building fire code requirements, a back door for example, by virtue of being constructed before the regulation was implemented, and for which the burden of coming in compliance would be unreasonably onerous, would not expect to carry that exemption to a new location. The intention of an exemption is to allow a business to continue to operate as it has in its current location and configuration and not be subject to additional conditions because of more recent regulations. General practice is that new properties, and major revisions to existing properties, are required to comply with all applicable regulations, notwithstanding any ‘grandfathered’ exemptions. RBC as an existing non-conforming business should not be able to ‘transfer’ that status, or be given preferential treatment, based on their current non-conforming status.

4. **2014 Official Plan Amendment:** The Town of Parry Sound's Official Plan was updated in 2014 with the input and approval of Parry Sound staff, council, residents and businesses. As such it represents the best shared opinions of how Parry Sound should move forward. At no point in the Official Plan review was any mention made of revising the Official Plan with respect to limiting or lifting the restriction of banks, alcohol distributors and alcohol serving establishments to the Downtown (3-B). Any such change in policy and the Official Plan should be done with full community involvement. This is a major point made by most of the comments received by the Town in opposition to the rezoning and Official Plan amendment. There is a sense that amendments to the Official Plan of this sort create a 'slippery slope' that can have unintended negative consequences.
5. **Negative Public Comments:** Of the public comments received 4 were in favour, and 13 were opposed to the rezoning and necessary Official Plan amendment. One additional letter supported the rezoning with the suggestion that it apply to all C5 zones.
6. **Negative Staff Recommendation:** Town of Parry Sound Staff in their Report and Recommendation recommended that the rezoning and OPA be denied.
7. **Bare Majority Approval:** Town Council, by a 4 to 3 vote approved both the rezoning request and the necessary change to the Official Plan. This is hardly a strong endorsement for an action that is at odds with the Town's Official Plan and the general sentiment of the community as expressed in letters to the Town in response to the rezoning application. The comments made by Councillors in support of their votes to approve the rezoning and OPA included (all paraphrased):
 - a. The Town is not growing and we need to change things. (Note: Parry Sound is one of the very few municipalities in the District to show strong population growth in the most recent census.)
 - b. We shouldn't restrict where businesses can locate. (Note: This may be a reasonable belief but it is at odds with the Town's Official Plan, not only for 3-B businesses.)
 - c. We want to save the jobs. (Note: As discussed in Sections 2 & 12, banking in Parry Sound is a zero-sum game, a departure of RBC from Parry Sound would mean business and jobs would flow to the established banks in the Downtown rather than leave Parry Sound.)
 - d. No other core businesses (banks, bars, alcohol outlets) would be permitted to move from the Downtown. (Note: This intentionally, or unintentionally, advantages a single business, the RBC, at the expense of others while creating uncertainty and an unfair business environment.)
8. **Business Clarity:** Businesses require clear and consistent regulations and implementation to make informed investments. Arbitrarily approving a rezoning application and the necessary OPA to benefit a single business may create a state of confusion for existing businesses about what the Official Plan actually means and how they, as businesses, might be impacted. This can cause businesses to reconsider or even suspend plans for investment in the Downtown. Does the Town intend to favour the South End and further amend policy to assist development there? And if they do, should a Downtown business hold off on investments pending clarification? Or should a Downtown business make plans to relocate now to secure a future competitive edge if the 3-Bs are permitted to freely relocate? The seemingly arbitrary decision by a bare majority of Council may also suggest that there are no rules and, if pushed, Council will forego policy and the Official Plan in favour of individual business requests.

9. **Expansion Opportunity at Current Site:** The RBC has been provided options to expand their presence at their current North End non-conforming location. In public presentations, the developer of the Parry Sound Mall has said that they are willing to expand the bank's current footprint and to construct an outdoor kiosk. The issue it would appear is that the RBC wishes to move to a new location to enhance their business prospects. As noted earlier this can only come at the expense of the existing Downtown banks, which would in turn reduce downtown traffic and overall Downtown business.
10. **Postal Service Experience:** A few years ago, the Canadian Postal Service opened a satellite postal office in the Shopper's Drug Mart in the South End of Parry Sound. The existing post office continues to operate in the Downtown. It is my observation that the new postal office has significantly reduced traffic at the downtown facility. This makes sense as people can do a little bit of shopping while conducting their business at the post office. People from the surrounding municipalities who need postal services also find this location more convenient as it is much closer to the Highway 400 exit. The post office extension to the South End may well be a real-world indicator of how the Downtown will fare with a relocation of the RBC to the South End.
11. **Tri-Nodal Community:** Given the existing layout of Parry Sound, the interests of the Town, and the Downtown, might be best served by maintaining a concentration of services in three locations: South End, Downtown, and North End. This has largely been the *status quo* for the Town for the past ten years. A tri-nodal arrangement of services encourages people to travel the short distance from either one of the two poles through, and perhaps to the Downtown, to reach the other pole for services. If the North End pole is further weakened by the loss of the RBC there will be less reason for people, especially those from the surrounding communities, to do anything more than visit the South End and then return home. As much of the business of Parry Sound comes from the surrounding communities, a one-pole, easy on and easy off highway location, would not be in the best interests of a vibrant downtown. This is assumed to be one of the original considerations underlying the Town's current Official Plan policy regarding the 3-B locations.
12. **RBC Threat:** RBC has suggested that it might leave Parry Sound if it's rezoning application and the necessary OPA is refused, with a consequent loss of jobs. One of the reasons given by more than one Councillor who voted in favour of the rezoning and OPA was the desire to 'save the jobs'. The threat by the RBC is probably a bluff. The banking opportunity in Parry Sound is less related to teller service banking and more heavily weighted to mortgages and investment banking. With the population of West Parry Sound increasingly greying, there is considerable interest in, and need for, investment services. These services are far more profitable than the usual chequing and savings accounts. Closing of the RBC Parry Sound branch would require RBC customers to travel 80 km each way to visit an RBC bank. If this were the case most people would likely transfer their accounts and investments to a new bank, one in the Downtown. If the RBC were to leave Parry Sound it is likely that the existing banks would need to hire additional personnel, presumably experienced bank employees, to handle the additional business.
13. **Free Parking:** The Town of Parry Sound approved free parking in 2016 to support business in the Downtown. This has had a net effect of raising local taxation by about 1% in terms of additional taxes and lost services. It would be a shame if this investment were to be lost with the unintended shifting of business and traffic to the South End where there is no need for free on street parking.

14. **The Simcoe Experience:** There is strong evidence that permitting more highway concentrated businesses has a negative impact on downtowns. Simcoe in Southwestern Ontario provides some idea of what happens when core services move from the downtown to an easy-on/easy-off highway location.
(<http://www.simcoereformer.ca/2015/08/20/vacant-storefronts-alarm-councillor>)
15. **Plan First:** It is possible that the Parry Sound Downtown can be enhanced by additional development at both the North and South Ends. This might even involve relaxing or eliminating the 3-B restrictions and amending the Town's Official Plan. However, this needs to be done in consultation with the whole community with clear intent, and an understanding of the desired and possible consequences.

The approval by Parry Sound Council of By-laws 2016-6694 (OPA) and 2016-6686 (rezoning) is at odds with the interests of the Parry Sound Downtown, the expressed interest of the public, and the Town. The Official Plan amendment should be denied.

If Council wishes to change the Official Plan as to where 3-B businesses can locate it should do so in an open and inclusive manner. By-laws 2016-6686 and 2016-6694 unfortunately provide a single business, the Royal Bank of Canada, with a business advantage that comes at the expense of the Parry Sound Downtown, and with the possibility of serious negative economic consequences for the whole Parry Sound community.

Personal Statement:

I, Josef Bossart, operate a pharmaceutical consulting practice working with international clients. My current services include business analysis, product forecasting, and the authoring of industry position papers. I have no financial or other interest in any Parry Sound Downtown business or property. My wife and I own a residential property in Parry Sound, outside of the Downtown.

I believe that it is the responsibility of citizens to help ensure there is full transparency with regards to municipal government activities, including appropriate community participation and consultation. In this respect, I regularly attend the council meetings of the Town of Parry Sound and provide pre-meeting analysis and post-meeting commentary at my blog site: parrysounds.com.

Sincerely,



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cc: Taylor Elgie, Principal Planner, Town of Parry Sound