

## REPORT TO COUNTY COUNCIL

### Application for Official Plan Amendment OP 23-08-7 - KerMar Holdings Inc.

**To:** Warden and Members of County Council

**From:** Director of Community Planning

## RECOMMENDATION

---

1. That Oxford County Council not approve the application to amend the Oxford County Official Plan (File No. OP 23-08-7) as submitted by KerMar Holdings Inc., for lands located at 671 Broadway, in the Town of Tillsonburg, to establish a special development policy to permit a medical centre as an additional permitted use on Service Commercial designated lands.

## REPORT HIGHLIGHTS

---

- The purpose of the Official Plan Amendment is to create a special policy area to include 'medical centre' as an additional permitted use on the subject lands.
- The medical centre use is proposed to be located within a new 15-unit plaza, currently under construction.
- Planning staff recommend that the proposed Official Plan Amendment not be supported, as it does not maintain the strategic goals and objectives of the Official Plan to encourage commercial uses, including a 'medical centre', to be located in the Central Area of the Town of Tillsonburg.

## Implementation Points

There are no implementation measures required resulting from the recommendations contained in this report.

## Financial Impact

The refusal of this of this application will have no financial impact beyond what has been approved in the current year's budget.

## Communications

In accordance with the requirements of the Planning Act, notice of complete application regarding this proposal was provided to surrounding property owners on August 1, 2023, and notice of public meeting was issued on September 25, 2023.




Staff received one email with respect to the proposed addition of 'medical use' to the subject lands regarding whether a methadone clinic is included in the definition of 'medical use'. This correspondence is included in Attachment 4 to this report.

## 2023-2026 STRATEGIC PLAN

Oxford County Council approved the **2023-2026 Strategic Plan** on September 13, 2023. The Plan outlines 39 goals across three strategic pillars that advance Council's vision of "Working together for a healthy, vibrant, and sustainable future." These pillars are: (1) *Promoting community vitality*, (2) *Enhancing environmental sustainability*, and (3) *Fostering progressive government*.

The recommendation in this report supports the following strategic goals:

### Strategic Plan Pillars and Goals

PILLAR 1	PILLAR 2	PILLAR 3
		
<b>Promoting community vitality</b>	<b>Enhancing environmental sustainability</b>	<b>Fostering progressive government</b>
<p>Goal 1.3 – Community health, safety and well-being</p> <p>Goal 1.4 – Connected people and places</p>		

## DISCUSSION

### Background

**Owner**                      KerMar Holdings Inc.  
8104 Evans Road, Chilliwack, BC V2R 5R8

**Agent**                        Grassmere Construction Ltd.  
49 North Street East, Tillsonburg, ON N4G 1B4

## Location

The subject lands are described as Part of Lot 1, Plan 41M-103 in the Town of Tillsonburg. The lands are located on the west side of Broadway, between North Street West and the municipal boundary with the Township of South-West Oxford and are known municipally as 671 Broadway.

## County of Oxford Official Plan

Existing: Schedule 'T-1' Town of Tillsonburg Land Use Plan  
- 'Service Commercial'

Proposed: Schedule 'T-1' Town of Tillsonburg Land Use Plan  
- 'Service Commercial' with a specific development policy to permit a 'medical centre' as an additional use on the subject lands.

## Town of Tillsonburg Zoning By-Law No. 3295

Existing Zoning: Service Commercial Zone (SC)

Proposed Zoning: Special Service Commercial Zone (SC-Special)

## Proposal

The purpose of the applications for Official Plan and Zoning By-law amendment is to permit a 'medical centre' as an additional use on the subject lands.

The subject property is approximately 1.68 ha (4.15 ac) in area. A 15-unit plaza is currently under construction and the applicant proposes to have a mix of commercial and retail uses, including medical uses (e.g. doctor, dentist, x-ray services). Surrounding land uses include existing and planned Service Commercial development to the north, northeast and east and existing residential development to the south.

Plate 1 - Location Map and Existing Zoning illustrates the location of the subject property and the existing zoning in the immediate vicinity.

Plate 2 - 2020 Aerial Map, provides an aerial view of the subject lands.

Plate 3 - Applicant's Sketch, provides the dimensions of the subject lands and highlights the location of the two plaza buildings currently under construction.

## Comments

### 2020 Provincial Policy Statement

The 2020 Provincial Policy Statement (PPS) provides policy direction on matters of provincial interest related to land use planning and development. Under Section 3 of the Planning Act, where a municipality is exercising its authority affecting a planning matter, such decisions “shall be consistent with” all policy statements issued under the Act.

The PPS recognizes that the vitality and regeneration of settlement areas is critical to the long-term economic prosperity of our communities. Development pressures and land use change will vary across Ontario. It is in the interest of all communities to use land and resources wisely, to promote efficient development patterns, protect resources, promote green spaces, ensure effective use of infrastructure and public service facilities, and minimize unnecessary public expenditures.

Section 1.1.3.1 of the PPS directs that Settlement Areas will be the focus of growth and their vitality and regeneration shall be promoted. Further, Section 1.7.1 directs that the long-term economic prosperity should be supported by, among other matters, maintaining and, where possible, enhancing the vitality and viability of downtowns and main streets.

Section 1.3.1 of the PPS states that planning authorities shall promote economic development and competitiveness by:

- providing an appropriate mix and range of employment to meet long-term needs;
- providing opportunities for a diversified economic base, including the maintenance of a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses and take into account the needs of existing and future businesses;
- planning for, protecting, and preserving employment areas for current and future uses; and,
- ensuring the necessary infrastructure is provided to support current and projected needs.

### County of Oxford Official Plan

The subject lands are designated ‘Service Commercial’ according to the Land Use Plan for the Town of Tillsonburg.

Section 8.3.3 establishes that areas designated Service Commercial are intended for a broad range of commercial uses that, for the most part, are not suited to locations within the Central Area because of requirements for site area, access, or exposure, or due to compatibility conflicts with residential development.

New uses permitted within the Service Commercial designation include hotels, motels, hotel/conference facilities, automotive sales and services, furniture warehouses, farm implement sales, personal services, convenience commercial uses, automobile service stations, gas bars, car wash facilities, retail sales of automobile supplies, automated teller machines or kiosks, tourism information outlets or kiosks, recreation and entertainment uses, restaurants and fast food outlets, retail food stores, uses which require large areas for on-site storage of goods or vehicles

and other types of commercial uses that offer service to the travelling public, business and industry.

The scale of uses within a Service Commercial designation generally range from 325 m<sup>2</sup> (3,500 ft<sup>2</sup>) to 4,645 m<sup>2</sup> (50,000 ft<sup>2</sup>). Uses of less than 325 m<sup>2</sup> (3,500 ft<sup>2</sup>) are encouraged to locate in the Central Area, consistent with the vision for the Central Area as articulated in the Official Plan.

Section 8.3.2 in the Official Plan states the vision for the Central Area and the strategic approach for how to manage growth of the Central Area in accordance with the desired vision.

The Central Area Vision, in Section 8.3.2.1 of the Official Plan, intends that the Central Area of the Town of Tillsonburg to remain as the most functionally diverse area of the Town, and that it will serve as the primary business, cultural, and administrative centre. The Central Area will be a multi-functional core with complementary sub-areas which will increase the functional diversity of uses and activities in the core, which in turn, will increase the number of people living and working in the Central Area over the long term.

It is intended that the retail function of the Central Area is to be promoted by continuing to permit a full range of uses in the commercial core, operationalized through the Zoning By-Law, thereby limiting the type, size, and scale of retail uses which are permitted outside the commercial core.

With respect to office and business/professional uses in the Central Area, Section 8.3.2.2.2 of the Official Plan directs that a strategic initiative of the Town is to ensure that the Central Area shall be promoted as a place of employment and focus of economic activity for the Town. Further, that primary employment function of the Central Area is maintained. This is facilitated by designating the Entrepreneurial District within the Central Area, which permits the conversion of residences for offices, business, health care and personal services, and, by limiting the type, size and scale of major office, cultural and public administrative buildings outside the Central Area.

Section 8.3.2.2.1 establishes that the Central Area will be the priority location for shopping area facilities and other uses that serve the primary trade area. New commercial development should, where feasible, be in the Central Area to complement the existing commercial structure of the Central Area. In accordance with Section 8.3.3.1, new or expanding retail developments outside of the Central Area requiring a planning approval will be subject to planning and market impact studies which show to the satisfaction of the County and the Town of Tillsonburg, that the type and size of proposed facilities are warranted, that no suitable Central Area locations are available for such facilities, and that the planned function of Tillsonburg's Central Area will not be significantly prejudiced or impacted.

#### [Town of Tillsonburg Zoning By-law No. 3295](#)

The subject property is currently zoned 'Service Commercial Zone (SC)', according to the Town of Tillsonburg Zoning By-law. Permitted uses within the 'Service Commercial Zone (SC)' include a wide variety of service-oriented commercial uses.

Section 4.108 in the Town's Zoning By-law defines 'MEDICAL CENTRE' as "A building or part thereof, other than a hospital, used solely for the purpose of consultation, diagnosis and treatment of human patients by one or more legally qualified physicians, dentists, optometrists, chiropractors,

osteopaths, chiropractors, or drugless practitioners, together with their qualified assistants, and without limiting the generality of the foregoing, the building may include administrative offices, waiting rooms, treatment rooms, laboratories, pharmacies and dispensaries accessory to and directly associated with the centre and shall not include accommodation for in-patient care or rooms for major surgery. The area for the accessory sale and display of drugs, supplements and other medical related products shall not exceed 55 m<sup>2</sup> (592 ft<sup>2</sup>). A medical centre shall not include a methadone clinic or methadone dispensary.”

‘Medical Centre’ is a permitted use within the Central Commercial Zone (CC), Entrepreneurial Zone (EC), Major Institutional Zone (IN2), and Service Commercial Existing Plaza Zone (SC-E). The SC-E zoning category was applied to existing commercial plazas to recognize many uses that were already present on these properties when the current zoning by-law was developed.

### Agency Comments

The Downtown Tillsonburg BIA (DTBIA) indicated support for this application conditional on the developer paying a defined fee to the DTBIA to support marketing and promotion fee to the downtown core area. This correspondence is included in Attachment 4 to this report.

The Tillsonburg Chamber of Commerce indicated support for this application.

Tillsonburg Economic Development & Marketing provided the following comments.

- No concerns with the proposed addition of “medical uses” as a permitted use on this property.
- Require clarification on the term “medical uses”. Would this be similar or the same as the use defined in the current zoning bylaw as a “medical/dental centre”.
- Would the property also require a “business professional office” use added to complement these uses within a “medical/dental centre” use?
- How do the uses permitted for this property (including the proposed “medical uses”) compare to all the uses, including the additional uses, added to the 678 Broadway property as per that rezoning?

Town of Tillsonburg Building Services, and Oxford County Public Works indicated that they do not have any comments or concerns.

### Town of Tillsonburg Council

Town of Tillsonburg Council recommended support of the proposed Official Plan amendment and approved the proposed zoning by-law amendment’ in-principle’, at the Council’s Town’s regular meeting of October 10, 2023.

### Planning Analysis

The application for Official Plan Amendment proposes to permit a medical centre as an additional permitted use on the subject lands, on a site-specific basis.

The Applicant submitted a justification letter on September 26, 2023, attached to this report as Attachment 5. The letter indicates that a Lease Agreement with Roulston Pharmacies-Discount Drugs for approximately 510.96 m<sup>2</sup> (5,500 ft<sup>2</sup>) of space in the plaza is dependent on having 'medical centre' as a permitted use in the plaza.

The policy framework for employment areas in Tillsonburg as contained in the Official Plan is structured to ensure that the Central Area of the Town, encompassing the Central Business District and the Entrepreneurial District, remains as the most functionally diverse area of the Town. Furthermore, that the Central Area will serve as the primary business, cultural, and administrative centre within the Town. Supporting elements of the policy framework include Official Plan policies directing business, professional, retail, and other uses to the Central Area first, and limiting the proliferation of these uses elsewhere in the Town.

The Official Plan's strategic goal is to provide a range of locations for new or expanded retail facilities within the Central Area, wherever possible and practical. New commercial development should, wherever feasible, be in the Central Area to complement the existing commercial structure of the Central Area.

Planning staff are of the opinion that adding 'medical centre' as a permitted use on the subject lands does not maintain the general intent and purpose of the Official Plan. Service Commercial areas are not intended to accommodate a broad range of commercial uses that are typically characteristic of the Central Area and/or would directly compete with the Central Area. It is the opinion of staff that the applicant's justification does not sufficiently demonstrate that the proposed medical centre use could not be accommodated within the Central Area (i.e. that an existing site and location is not feasible due to required land area or building area requirements). Planning staff note that if there are no available sites within the Central Business District, the Official Plan policies facilitate the conversion of lands in the Entrepreneurial District to office and medical uses; it is not clear if this possibility was explored.

The clear policy direction in the Official Plan is to direct professional, retail, and business offices to the Central Area first, and only permit business uses in Service Commercial areas that have demonstrated they are not suited to the Central Area because of their land area, building area, access or exposure requirements, or compatibility requirements.

## **CONCLUSIONS**

---

Planning staff are of the opinion that the addition of 'medical centre' as a permitted use within service commercial areas is not consistent with the relevant policies of the PPS as they pertain to supporting the viability and vitality of downtowns and main streets and does not support the strategic initiatives and objectives of the Official Plan.

## SIGNATURES

---

### Report author:

Original signed by \_\_\_\_\_  
Laurel Davies Snyder, RPP, MCIP  
Development Planner

### Departmental approval:

Original signed by \_\_\_\_\_  
Gordon K Hough, RPP  
Director of Community Planning

### Approved for submission:

Original signed by \_\_\_\_\_  
Benjamin R. Addley  
Chief Administrative Officer

## ATTACHMENTS

---

- Attachment 1 - Plate 1 - Location Map and Existing Zoning
- Attachment 2 - Plate 2 - 2020 Aerial Map
- Attachment 3 - Plate 3 - Applicant's Sketch
- Attachment 4 - Public Comments
- Attachment 5 - Applicant Justification Letter