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**Re: Formal Resubmission of Official Plan and Zoning By-Law Amendment Applications
388 Phillip Street, Waterloo**

The Planning Partnership ("TPP") serves as the planning consultant for 388 Phillip Inc. (the "Owner") regarding the proposed re-use of the existing building at 388 Phillip Street (the "Subject Site").

TPP has collaborated closely with City Staff to determine the most appropriate strategy to implement the proposed Official Plan Amendment ("OPA") and Zoning By-law Amendment ("ZBA") applications for the proposed re-use of the existing building at the Subject Site. These applications will allow a portion of the existing building to be re-used as a grocery store ("Food Store" as defined by the Zoning By-law), which will deliver an important service and amenity to the community, at a crucial time when significant intensification is planned. The remaining space within the existing building will be dedicated to primary and ancillary uses already permitted under the current Zoning By-law.

The OPA and ZBA applications will also allow the existing geothermal system at The Hub to be extended to the Subject Site. This will optimize the capacity of the existing geothermal system, making use of the existing Permit to Take Water and avoiding the need to drill any new vertical wells.

We are pleased to make this formal resubmission following extensive discussions with City staff, which will incorporate minor revisions to the implementation strategy for the proposed re-use and geothermal extension. Specifically, the following changes have been made to the Draft ZBA:

- A Holding Symbol (H1) has been incorporated into the Draft ZBA, which would require confirmation of sufficient water servicing capacity from the Region of Waterloo prior to permission for the proposed food store use being enacted. We strongly disagree with any restriction on the use of a lawfully existing building with existing service connections, especially considering the substantial property taxes that are still being required while at the same time the building's use is being restricted. Notwithstanding this, we have agreed to implement a Holding Symbol in order to facilitate Council consideration of the OPA and ZBA applications before the summer/election break. Any further delay in consideration of the applications will jeopardize the lease agreement with the food store tenant.
- A second Holding Symbol (H2) has also been incorporated into the Draft ZBA, which would prohibit the development of any new building or structure in the northern portion of the Subject

Site until a comprehensive master plan is prepared, to the satisfaction of the City, to demonstrate how an active transportation connection can be accommodated.

- The maximum size restriction has been fine-tuned by separating the permission for the proposed food store and the other related ancillary uses that are also proposed (and already permitted). This enables the size restriction for the food store to be reduced to 5,500 square metres, which represents approximately 46% of the total building floor area. At the same time, the Draft ZBA also proposes to preserve the 3,175 square metre floor area limit that was set for other ancillary uses through Minor Variance A-39/24.
- Based on further discussions with City and Regional staff, the Draft ZBA also now permits a horizontal pipe extension to extend a geothermal system, while also maintaining the prohibition on vertical wells and boreholes. We also note that the existing Zoning By-law likewise permits any new geothermal wells or boreholes at The Hub.

We look forward to further fine-tuning the Draft ZBA in consultation with City and Regional staff.

In addition to these updates to the Draft ZBA, we are also pleased to provide the following responses to outstanding comments provided in the City of Waterloo comment letter, dated February 2, 2026:

Proposed Food Store Use

*In considering the context of the subject lands, including but not limited to, the surrounding residential developments, the location within the Research and Technology Park Station Area, and the proximity of post secondary institutions, **Staff do not object to the proposed food store use, subject to the applicable floor area restrictions as proposed by the Applicant.***

However, Staff are currently not in support of the proposed food store use being implemented as an ancillary use within the site-specific amendment. The proposed use will occupy 64% of the building floor area and will no longer be ancillary or incidental to any primary use within the building. As such, implementation of the proposed use as an ancillary use does not align with existing policies within the Official Plan or the Zoning Bylaw. At this time Staff are further reviewing the applicable policies to determine the appropriate method to implement the proposed use within the site specific amendment.

As noted above, the Draft ZBA has been revised to reduce the maximum floor area limit for the food store to 46% of the total building floor area, thereby maintaining its consideration as an ancillary use.

Geothermal Connection

Staff note that at this time the Region of Waterloo has provided comments stating that the Region is in the process of updating its Water Supply Strategy, and through this work concerns have been identified regarding water servicing capacity; as such the Region has indicated they are not in a

position to support approval of this application at this time. Staff recommends the Applicant pursue further discussion with the Region of Waterloo to better understand how the water servicing can be addressed as it pertains to this particular application. City of Waterloo staff would be willing to be a participant within these discussions as required.

In our meeting on April 1, 2026, Regional Hydrogeological staff confirmed that they have no concerns with the extension of the existing geothermal system, provided that no new wells are drilled on the Subject Site or at The Hub, and that the drawing of geothermal water at The Hub continues to comply with the existing Permit to Take Water. The application team previously confirmed that the proposed extension would function in a linear fashion (i.e. geothermal water would first be directed to the proposed data centre on the Subject Site for cooling, with hot water then directed to The Hub), and in compliance with the existing Permit to Take Water. In addition, as noted above, the Draft ZBA has been updated to specify that only a horizontal extension of the existing geothermal system is permitted on the Subject Site, with vertical wells and/or boreholes being prohibited. The City has confirmed that wells/boreholes are also prohibited at The Hub.

Overall, the proposed extension of the existing geothermal system will simply allow for its further optimization.

Pedestrian Connection

As noted by both Community Planning and Transportation Staff within both the presubmission consultation, within Schedule 'J3' of the Official Plan, there is an Active Transportation Connection identified on the north side of the property.

This development as currently proposed makes use of the existing building, with no new floor area proposed. However, due to the large size of the current lot, there are opportunities for the building to expand further, without the need to require relief from the Zoning By-law and proceed directly to Site Plan Approval.

As previously stated, east-west access between Philip Street and Albert Street should be preserved through the consideration of any new development to allow for this mid-block pedestrian connection. In considering the proposed development as well as the potential for future expansion and redevelopment, staff would like to further discuss how this Active Transportation Connection can be protected and evaluated when redevelopment of the site is proposed.

This may include the implementation of a holding provision, which would be required to be lifted if there was any further expansion of the building floor area; this would not impede the currently proposed development as no new building floor area has been proposed. Staff would like to discuss this further with the applicant to determine the best process forward.

As noted above, a second holding provision has been incorporated into the Draft ZBA to prohibit any new buildings or structures on the northern portion of the Subject Site until a Master Plan is prepared to the satisfaction of the City, which demonstrates how the Active Transportation Connection conceptually identified in the Town's Official Plan can be addressed.

Transportation Impact Study

If the subject site is designed to accommodate all modes of transportation, including cycling, then transportation Staff agree with the 45% mode split based on the 2022 TTS data. How many bicycle parking spaces are proposed to support the subject site? Staff strongly encourage the applicant to provide bicycle parking for patrons of the proposed grocery store and the proposed office/co-working space. If bicycle parking spaces are not provided, then the mode split used in the trip generation calculation may need to be adjusted.

The 45% modal split we used was essentially just based on walking trips (see the top row of Table 1 in the attached report). If we add cycling (1% to 3%) and transit (8% to 16%) to this estimate, the mode split is higher at around 55%. We purposely went with a mode split higher than 40% but less than 55%, so that we weren't under-estimating or over-estimating non-vehicle trips.

If bike parking were to be provided, we would technically bump up the 45% estimate (perhaps in the 47% range) to account for this 1% to 3% of trips by bike. We'd see a nominal decrease in vehicle trips, equal to the percentage difference in the mode split assumptions (for example, vehicle trips would be 2% lower if we went with a mode split of 47% rather than 45%), but this wouldn't be expected to change the conclusions or recommendations of the study.

**Note: Response provided by Paradigm Transportation Solutions*

In addition to the comment responses and additional information provided in this letter, the enclosed resubmission also includes updated versions of the Draft OPA and Draft ZBA.

We appreciate the ongoing collaboration with Staff and remain committed to continuing these discussions throughout the approval process. As discussed and noted above, we hope that this resubmission will allow the OPA and ZBA applications to be advanced for City Council consideration at the July 13th City Council meeting.

Should you have any questions or require further clarification, please do not hesitate to contact the undersigned.

Sincerely,



Brandon Simon | BES, MCIP, RPP
Partner



Lama Saidoun | BURPI
Land Use Planner