

The Corporation of the City of Kawartha Lakes

Council Report

Report Number DEV2018-005

Date: November 13, 2018

Time: 2:00 p.m.

Place: Victoria Room

Ward Community Identifier: All

Title: Liquidation Sales Task Force Recommendations

Author and Title: Chris Marshall, Director

Recommendations:

That Report DEV2018-005, **Liquidation Sales Task Force Recommendations**, be received;

That staff be instructed to incorporate an appropriate definition for the regulation of Liquidation Sales into the City's Zoning By-laws to regulate the location of these uses;

That staff be instructed to limit the number and duration of liquidation sales events through an amendment to Bylaw 2016-210, a Bylaw to License, Regulate and Govern Transient Trader Businesses in Kawartha Lakes;

That the Liquidation Sales Task Force be dissolved, as the mandate to make recommendations regarding regulation of Liquidation Sales in accordance with the executed Minutes of Settlement has been fulfilled; and

That the members of the Liquidation Sales Task Force be thanked for their service.

Department Head:_____

Financial/Legal/HR/Other:_____

Chief Administrative Officer:_____

Background:

In 2010, local businesses appealed to the Ontario Municipal Board to remove “Liquidation Sales” as a permitted use at the Lindsay Agricultural Society property, arguing that the use was not consistent with the zoning of the property. On October 5, 2016, the OMB issued a written decision stating “Liquidation Sales at the Lindsay Agricultural Society would be limited to 3 events per year that are no more than 3 consecutive days each.” Also, that the City of Kawartha Lakes agrees to establish a Task Force to review the Transient Traders Licensing By-law in accordance with direction previously received from Council on March 5, 2013.

At the Council Meeting of November 22, 2016, Council adopted the following resolution:

RESOLVED THAT Report LIC2016-004, **Licensing of Transient Traders, Liquidation Sales, and Door-to-Door Sales**, be received;
THAT the Transient Trader By-law attached to Report LIC2016-004 be approved and forwarded for adoption, exclusive of the portions regarding Liquidation Sales; and
THAT the establishment of a Task Force to review the regulation of Liquidation Sales in accordance with the executed Minutes of Settlement, be assigned to the Director of Development Services.

CARRIED

At the June 27, 2017 Council meeting, the following resolution was adopted:

CR2017-563

RESOLVED THAT Report PLAN2017-043, **Recommended Terms of Reference for City of Kawartha Lakes Liquidation Sales Task Force**, be received;
THAT the Terms of Reference for the City of Kawartha Lakes Liquidation Sales Task Force in the form attached as Appendix A to Report PLAN2017-043, be approved and adopted by Council; and
THAT Councillor Dunn be appointed to the City of Kawartha Lakes Liquidation Sales Task Force.

CARRIED

The Liquidation Sales Task Force Terms of Reference is attached to this report as Appendix A.

In 2018, the Liquidation Sales Task Force members were appointed by Council and there were four meetings held to review the regulation of Liquidation Sales. The Task Force completed the following tasks on the amendments to the Transient Trader Businesses By-law pertaining to the Liquidation Sales:

- Definitions were amended
- The consensus of the Task Force is the City cannot prohibit the Liquidation Sales but the municipality can regulate them.

The Transient Trader Businesses By-law pertaining to the Liquidation Sales is attached to this report as Appendix B.

The Task Force agreed the recommendation to Council would provide three options to consider:

- 1) Status quo
- 2) Prohibit the Liquidation Sales; or
- 3) Regulate Liquidation Sales

The Task Force agreed to have a draft recommendation and advertise in the local newspapers to hold two public open houses prior to forwarding a report to Council. There was a public meeting held at the Lindsay Public Library on October 24, 2018 and in the Fenelon Falls Community Centre on October 25, 2018. The members agreed to include a number of options for Council to consider.

This report addresses that direction.

Rationale:

The Liquidation Sales Task Force met four times in 2018 and invited relevant stakeholders to take part in the discussion. The members of the Task Force are of the opinion that these Liquidation Sales Events are not good for the City's economy as the holders of these events do not pay any taxes in the community, do not have a permanent location in the City and other than a small rental fee for the venue they hold the Liquidation Sales Event in, do not contribute to the economy of the City. These events pull large amounts of money out of the community by bringing in large volumes of household goods selling them and taking the money out of the community. This is in direct competition with local businesses that sell the same goods in established stores in the City.

Option 1 Status Quo

The first option that the Task Force considered was status quo which would mean that liquidation sales events could take place in any business that permits public assembly such as hotels and golf courses. It was argued that there was a place for this kind of retail use as it provides residents with another retail option.

Although this form of retail does provide people with a cheap option for purchasing various household items and sports equipment, it was agreed that the negative impact on existing City of Kawartha Lakes businesses outweighed any benefits they provide to residents. As a result the status quo option is not being recommended.

Option 2 Prohibit Liquidation Sales

Due to the negative impact Liquidation Sales has on local businesses, the Task Force members were anxious to prohibit this use in the City. After much discussion this option was not put forward as staff explained that the City cannot outright prohibit uses. Even if the City were to change the zoning to ensure that Liquidation Sales events were not permitted in the City, the businesses such as the Admiral Inn and the Lindsay Exhibition would still be able to hold these events as they would be considered non-conforming uses.

Option 3 Regulate Liquidation Sales

The recommended option is to regulate Liquidation Sales Events by adding this use to the definition sections of the Zoning Bylaws but not include this use in any zone. In this way, the Liquidation Sales Event would be clearly defined as a use but if it is not included as a permitted use in any zone then it is not permitted in the City. If a business wanted to include this use in their zoning, they could go through a zoning amendment application to have this use added to their zone. As part of the zoning amendment process, the public would be given the opportunity to provide input on the application.

In this option, businesses that are already holding Liquidation Sales Events would be able to continue to do so as they would be considered non-conforming after the Zoning Bylaws were amended. In order to regulate the number of duration of the Liquidation Sales Events (which the zoning cannot do), staff are recommending that Bylaw 2016-210, a Bylaw to License, Regulate and Govern Transient Trader Businesses in Kawartha Lakes be amended to include a definition of Liquidation Sales Events and a section be added that limits the number of Liquidation Sales Events to 3 per year per property and each of these events be restricted to one day per event.

The net result of this recommendation is that Liquidation Sales Events would not be permitted anywhere in Lindsay other than the Admiral Inn and the Lindsay Exhibition grounds. The only way that a Liquidation Sales Event could be held anywhere else in the City of Kawartha Lakes would be if a property owner rezoned their property to add this use to their zone and this would include a public process at which local businesses could provide input on the application through a public hearing.

Other Alternatives Considered:

Three options were considered

Financial/Operation Impacts:

This Task Force does not have an allocated budget and all members are volunteers. Regulating these events will protect existing retail businesses in the community from this kind of sales event.

Relationship of Recommendation(s) to the 2016-2019 Strategic Plan:

The City's Corporate Strategy Plan outlines Council's vision of a Vibrant and Growing Economy, an Exceptional Quality of Life and a Healthy Environment. This report aligns with the vision of a Vibrant and Growing Economy.

Consultations:

City Solicitor
City Manager of Planning
Steve Podolsky, Vice President of the BIA
Harry Stoddard, Manager of the Lindsay Exhibition

Attachments:

Appendix A – Liquidation Sales Task Force Terms of Reference



Appendix A - Report
DEV2018-005.pdf

Appendix B – By-law 2016-210 Transient Trader Businesses – amended definitions



Appendix B - Report
DEV2018-005.pdf

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Department Head: Ron Taylor, CAO

Department File: D00-99-022