



City of
Peterborough

To: Members of the Planning Committee

From: Ken Hetherington, Manager, Planning Division

Meeting Date: February 8, 2016

**Subject: Report PLPD16-005
Downtown Economic Analysis (DEA) Update**

Purpose

A report to present the findings of the Downtown Economic Analysis Update completed by urbanMetrics inc.

Recommendations

That Council approve the recommendations outlined in Report PLPD16-005 dated February 8, 2016, of the Manager, Planning Division, as follows:

- a) That the Downtown Economic Analysis Update, dated February 25, 2015, revised December 7, 2015, prepared by urbanMetrics inc., be received.
- b) That the Downtown Economic Analysis Update be formally released as a Planning Study for the City of Peterborough to guide any refinements to municipal policies and strategies regarding the Central Area, in particular, the Official Plan Update and the Mayor's Downtown Revitalization Report.

Budget and Financial Implications

There are no direct budget and financial implications arising out of the recommendation to receive the report.

Background

In 2007/2008, urbanMetrics inc. completed a Downtown Economic Analysis and a city-wide Retail Market Analysis for the City. urbanMetrics was selected as a result of a comprehensive call for proposals. The Downtown Economic Analysis (DEA) provided an assessment of the health of the downtown area, provided an understanding of its role/function and identified key opportunities and constraints. The conclusions and recommendations in the DEA were based on an extensive work program that included a comparative review of downtown Peterborough with other downtowns, on-street, license plate and telephone surveys, an inventory of retail and service commercial space and other market research. The conclusions of the DEA were reinforced in the new Central Area Master Plan adopted in the Official Plan in 2009.

At the December 9, 2013 City Council meeting, Council requested that staff prepare a report on the costs and merits of updating the 2007 Downtown Economic Analysis (DEA) completed by urbanMetrics to account for changes that have occurred since 2007. In response to Council's resolution, staff contacted urbanMetrics to discuss options associated with an update. In the meantime, and without staff knowledge, the DBIA also contacted urbanMetrics to discuss an update to the DEA. As a result, Planning met with the DBIA to discuss a joint initiative in updating the DEA. City Staff and the DBIA came to a cost sharing arrangement and urbanMetrics was retained to complete the update.

Included in the update to the DEA are the following components:

- a) An updated inventory of all Downtown retail, service, institutional, cultural/entertainment and office uses and a comparison to previous inventories, where they exist, to determine the relative shifts in the composition of these major components in the Downtown. The objective is to build a clear profile of the physical composition of the downtown and the trends in that composition.
- b) A Downtown-specific research program, in the form of intercept surveys of downtown shoppers, to determine what trade area residents like and dislike about the Downtown and the changes they would like to see in the future, and the purpose of their Downtown trips. This research activity is supported by on-line surveys and personal on-street surveys of visitors in the Downtown. The objective is to build a clear profile of who frequents the Downtown and why, and who doesn't frequent the Downtown and why.
- c) A comparative citywide analysis of rental rate trends for retail, service, office and restaurant uses. Downtown rental rates are analyzed to assess whether the rental streams are sufficient incentive to the maintenance of existing buildings, redevelopment and new development.
- d) Identification of relevant economic performance indicators for Downtown Peterborough.

- e) A comparative analysis of Downtown Peterborough with other successful Ontario downtowns including any incentives (municipal and otherwise) that contributed to the positive economic health of the benchmark Ontario Downtowns.
- f) Recommendations designed to enhance the economic health of Downtown Peterborough based on the findings of the DEA research program.

The DEA update concludes that Downtown Peterborough continues to be successful in a variety of key areas, however, there are also some challenges that continue to exist:

Successes:

- The downtown area benefits from a strong regional and local population base that is expected to experience considerable growth during the next two decades.
- Downtown Peterborough boasts a diverse assortment of retail and service commercial uses, including growing concentrations of niche retailers/service (i.e. Café District and Fashion District).
- The downtown area also continues to exhibit low retail vacancy rates relative to other mid-sized municipalities in Ontario, and the supply of retail and service commercial space has increased in downtown Peterborough in recent years, supported in part by the successful re-tenanting of Peterborough Square with a focus on office/institutional users, as well as new development projects.
- There is an increasingly diverse supply of major office, institutional, cultural and entertainment facilities, along with new projects planned in future years.
- There is a considerable amount of commercial space being added as part of mixed-use developments.
- Downtown Peterborough benefits from a high percentage of frequent or regular visitors who provide customers for retailers and services.
- The downtown area offers goods and services that are widely considered high quality.
- Commercial rents have been increasing, which reflects increasing confidence and interest in the downtown area.
- There has been a significant amount of recent development activity in the downtown area, including major redevelopment projects, as well as new development projects.
- Implementation of the Central Area Community Improvement Plan has made financial incentives available to assist property owners in upgrading and redeveloping downtown properties.

Challenges:

- Rising retail and service commercial vacancy levels between 2007 and 2014.
- Increases in street front services and offices that have replaced retail space, which has declined in recent years.
- Continued investment in competitive retail and service commercial developments located outside of the downtown area.
- Image and public safety in the Downtown are issues of concern for many downtown customers and business owners.
- There is an overriding negative perception of downtown Peterborough in regards to recent economic development progress, safety, cleanliness, quality of signage/storefronts, and parking convenience/price.

The DEA itself is not an expression of municipal policy. It is a research document prepared by a respected consulting team of planners and land economists who specialize in market research and commercial planning. UrbanMetrics has considerable experience in other Ontario downtowns.

The DEA update will provide the basis for any refinements to municipal policy and enhancement strategies, many of which will be captured in the update of the Official Plan and the Mayor's Downtown Revitalization Report.

The recommendations of the DEA are concisely stated in the Executive Summary of the Final Report, attached as Exhibit A. Staff and consultants will present the key findings of the DEA, and the project consultants will be in attendance to respond to Planning Committee questions.

Submitted by,

Concurred with,

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Attachments:

Exhibit A – urbanMetrics – Final Report (December 7, 2015)