CITY OF PETERBOROUGH DOWNTOWN ECONOMIC ANALYSIS – UPDATE, PETERBOROUGH, ONTARIO

PREPARED FOR THE CITY OF PETERBOROUGH

urbanMetrics inc.
market, economic and strategic advisors

February 25, 2015 *(Revised December 7, 2015)*

February 25, 2015

Ken Hetherington
The City of Peterborough
City Hall, 500 George Street North
Peterborough, Ontario
K9H 3R9

Dear Mr. Hetherington:

RE: City of Peterborough Downtown Economic Analysis – Update, Peterborough, Ontario

urbanMetrics inc. ('urbanMetrics') is pleased to submit our report which provides an update to the Downtown Economic Analysis – March 5, 2008, ('2008 DEA'). The purpose of this study is to provide an updated assessment of the economic health of the downtown, which identifies changes in the structure, function and performance of downtown Peterborough, accounting for changes that have occurred in the local market in recent years. This study is intended to identify opportunities and constraints with respect to downtown economic development, building on the work of the 2008 DEA.

The work plan and methodology used by urbanMetrics have been designed specifically to address the authorized scope of work. The analyses and appendices in the attached report detail our study findings and recommendations, which represent our best judgements based on information available to us at the time our research was conducted. Accordingly, the findings and recommendations presented herein should be reviewed and interpreted with reference to changing circumstances and economic conditions.

We appreciate the opportunity to conduct this assignment on behalf of the City of Peterborough and we look forward to discussing the results of our report with you.

Yours truly,
urbanMetrics inc.

Rowan Faludi

Rowan Faludi, CMC MCIP, RPP, PLE
Partner

Table of Contents

Executive Summary **1**
1 Introduction **10**
1.1 Study Objectives 10
1.2 Study Approach 10
1.3 Study Area 12
1.4 Background 13
2 Trade Area Delineation **16**
3 Trade Area Characteristics **20**
3.1 Demographic Characteristics 20
4 Commercial Competition **22**
4.1 Inventory of Commercial Space 22
4.2 Inventory Trends 24
4.3 Vacancy Rate Review 27
4.4 Comparison to Other Downtowns 27
4.5 Inventory of Major Office, Institutional and Cultural/Entertainment Uses 29
4.5.1 Major Office/Institutional Vacancy 31
4.5.2 Entertainment/Cultural Facilities 32
4.6 Designated/Proposed Sites 33
5 Downtown Trends & Customer Profile **34**
5.1 Comparison of Online and On-Street Survey Results 34
5.1.1 Downtown Customer Demographic Characteristics 34
5.1.2 Downtown Customer Visitation 36
5.1.3 Customer Assessment of Downtown Peterborough 40
5.2 Rental Rate Review 45
5.3 Downtown Development Activity 46
5.3.1 Recently Completed Development Projects 46
5.3.2 Future Development Projects 47
5.4 City of Peterborough Commercial Development Activity 48
5.5 Summary of Downtown Trends and Customer Profile 49
6 Economic Performance Measures **50**
6.1 Recommended Downtown Performance Measurements 50
6.2 People Activity 50
6.2.1 Residential Population 50

6.2.2 Pedestrian and Vehicular Traffic 52
6.2.3 Events 52
6.3 Development Activity 53
6.3.1 Value of Building Permits 53
6.3.2 Commercial & Residential Development 54
6.3.3 Financial Incentives 56
6.4 Business activity 57
6.4.1 Vacancy Rates 57
6.4.2 Number of Employees 58
6.4.3 Business Change 59
6.5 Areas of Concern & Need for Improvement 60
7 Downtown Warranted Commercial Space 61
7.1 Urban Growth Centre Population Forecast 61
7.2 Total Commercial Space Needs Based on Growth Plan Targets 62
7.3 Per Capita Space Analysis 63
8 Summary & Recommendations 65
Appendix A – Timeline and Overview of Significant Economic Development Events Since 2008 DEA 75
Appendix B – 2014 On-Street Survey Results 78
Appendix C – 2014 Online Survey Results 82
Appendix D – NAICS Categories 86

LIST OF FIGURES

Figure 1-1: Downtown Peterborough Study Area 13
Figure 1-2: Causes of Downtown Decline and Existing Conditions in Downtown Peterborough 14
Figure 2-1: Summary of Customer Distribution from Online & On-Street Surveys 2014 16
Figure 2-2: Overview of Customer Distribution from Online & On-Street Surveys 2007 and 2014 17
Figure 2-3: Map of Customer Distribution from Online and On-Street Surveys 2014 18
Figure 2-4: Trade Area Map 19
Figure 3-1: Trade Area Demographic Characteristics 20
Figure 4-1: Summary of Retail and Service Space in Downtown Peterborough 24
Figure 4-2: Downtown Inventory Comparison 2000, 2007 & 2014 25
Figure 4-3: George Street Fashion District 26
Figure 4-4: Hunter Street Cafe District 26
Figure 4-5: Downtown Inventory Compared to Downtown Areas in Other Communities 28
Figure 4-6: Major Office, Institutional and Cultural/Entertainment Facilities in Downtown Peterborough 30
Figure 4-7: Examples of Major Professional Offices in Downtown Peterborough 30
Figure 4-8: Estimated Office Vacancy in the Largest Downtown Office Buildings 31
Figure 4-9: Examples of Office Vacancy Rates in Other Downtown Office Buildings 32
Figure 5-1: Gender of Survey Respondents 35
Figure 5-2: Age Distribution of Survey Respondents 35
Figure 5-3: Household Size of Survey Respondents 36
Figure 5-4: Frequency of Trips to Downtown 37
Figure 5-5: Primary Motivations for Travel Downtown 38
Figure 5-6: Mode of Transportation for Trips Downtown 39
Figure 5-7: Assessment of Parking in Downtown 40
Figure 5-8: Competitiveness of Downtown Peterborough 41
Figure 5-9: Entertainment, Cultural and Recreational Opportunities in Downtown Peterborough 42
Figure 5-10: Image and Public Safety 43
Figure 5-11: City of Peterborough Economic Situation During the Past 5 Years 44
Figure 5-12: Downtown Peterborough Economic Situation During the Past 5 Years 44
Figure 5-13: Comparison of Downtown Peterborough Average Net Rental Rates 2008 & 2015 (Occupied Space) 45
Figure 5-14: 270 Charlotte Street – Charlotte Medical Arts Building 46
Figure 5-15: 234 Hunter Street West – Mixed-Use Residential/Commercial 46
Figure 5-16: 443 Reid Street – St. Peter’s School Redevelopment 47
Figure 5-17: 475 George Street – YMCA Redevelopment 47
Figure 6-1: Recommended Downtown Performance Measures (from 2008 DEA) 50
Figure 6-2: Residential Population in Downtown Peterborough 51
Figure 6-3: City of Peterborough Central Area and Urban Growth Centre Boundaries 51
Figure 6-4: Event Attendance 53
Figure 6-5: Value of New Construction, Renovations & Expansions in Downtown Peterborough 54
Figure 6-6: Historic Trends in Annual Building Permit Values 54
Figure 6-7: Residential Development in Downtown Peterborough 55
Figure 6-8: Historic Trends in Residential Development (Units Constructed Annually) 56
Figure 6-9: Downtown Community Improvement Plan (‘CIP’) Incentives 57
Figure 6-10: Comparison of Downtown Retail Vacancy Rates 58
Figure 6-11: Residential Rental Vacancy Rate Comparison 58
Figure 7-1: Peterborough Urban Growth Centre Population & Employment Forecast 62
Figure 7-2: Downtown Peterborough Population Forecast 62
Figure 7-3: Downtown Peterborough Per Capita Space Analysis 64

Executive Summary

Recognizing the evolving nature of economic conditions in downtown Peterborough, the City has identified a need to quantify and measure recent changes in order to understand prevailing market trends, as well as the current structure, function and performance of the Central Area. Building on previous research conducted by urbanMetrics on behalf of the City of Peterborough, we have been engaged to update the Downtown Economic Analysis – March 5, 2008 (‘2008 DEA’) to reflect changes that have occurred in Downtown Peterborough in recent years.

The specific objectives of the 2008 DEA are still relevant and applicable to the updated analysis described in this report. Accordingly, the objectives of this study include:

- Providing a review of the state of the downtown commercial structure and economy;
- Providing an understanding of how the downtown functions and its role in serving Peterborough residents and as a broader regional service centre;
- Providing context as to how Peterborough’s downtown is performing compared to other downtowns in Ontario and elsewhere;
- Identifying the key impediments to the success of the downtown and opportunities to ensure its continued vibrancy; and,
- Providing recommendations to enhance the economic health of the downtown.

This study builds on the 2008 DEA in order to provide updated recommendations with respect to maintaining and enhancing the economic vitality of downtown Peterborough. We have reviewed our previous recommendations in the existing context for downtown Peterborough, in order to determine which recommendations are no longer a priority; those which require continued commitment in future years; and to identify new recommendations that will help to ensure the economic vitality of downtown Peterborough in the future. To ensure the future economic vitality of downtown Peterborough it is essential for the City to work together with the DBIA and other stakeholders to develop a clear implementation plan for these recommendations.

Our key findings, which have also been documented at the conclusion of our study include the following:

1. **Policies and programs must be geared towards residential intensification in downtown Peterborough, with particular focus on the Urban Growth Centre.**

A strong downtown residential market and local population base continues to be the key to successful downtowns, by ensuring visitation outside of regular business hours and on weekends for downtown retail and service commercial business. Furthermore, downtown Peterborough has been designated an Urban Growth Centre (‘UGC’) and is planned to increase its density from 100 to 150 residents and jobs per hectare by 2031 according to the targets established by the Growth Plan. The Commercial Core, as defined by the Official Plan, was recently expanded to be consistent with the UGC boundaries. This level of future growth would require the addition of approximately 4,800 new residents and jobs.

Between 2006 and 2011, there was limited progress made towards achieving the Growth Plan intensification targets in downtown Peterborough. However, in recent years, the City has been more successful at marketing the downtown to a broader spectrum of Peterborough residents and the surrounding market area. New projects have included developments targeted at higher income young professionals, as well as seniors and individuals with disabilities. Many of these developments have benefitted from financial incentive packages, which are now available to developers through the Central Area Community Improvement Plan (‘CIP’).

Since the CIP was introduced there has been a considerable increase in the number of residential units constructed annually. However, this level of growth must be sustained or increased in future years in order to reach Growth Plan intensification targets. As a result, the downtown residential market should continue to be geared towards a variety of market segments in future years.

We would recommend that there be a continued commitment to achieving the Growth Plan target of 150 persons and jobs per hectare within the UGC. We would also recommend that a specific residential target is established for the remainder of downtown Peterborough (i.e. located outside of the Urban Growth Centre) in order to bolster the demand for downtown retailers and services, and to support City-wide intensification objectives.

Recognizing that there are only limited sites available for additional ground floor development in the future, downtown Peterborough will continue to be forced to grow “upwards” and not “outwards” to achieve the Provincial growth targets. Residential intensification should continue to take the form of infill on vacant and under-utilized sites and the redevelopment of obsolete sites (e.g. 234 Hunter Street, 443 Reid Street, etc.). The encouragement of residential occupancies on the second and third floors of commercial buildings will also be increasingly important as vacant sites and prime infill sites are redeveloped (e.g. 475 George Street).

2. Protect downtown Peterborough as the major office and government centre

It remains crucial that downtown Peterborough continues to be designated as the location for major office and government functions. New large scale office and government projects must continue to be directed to the downtown area, and particularly within the area designated as the Urban Growth Centre (e.g. new Charlotte Medical Arts building). The relocation of major office users (e.g. Federal Government office formerly located at 185 King Street) to new office developments located outside of the downtown area has had a negative impact on the overall economic viability of the downtown area in recent years.

In the future, smaller scale offices should also continue to be encouraged to locate in the downtown area, although it is recognized that they may also be required to serve local residents and businesses in other parts of the City. Downtown Peterborough has been somewhat successful in this regard, as evidenced by the increase in office space in these types of buildings located in the periphery of the downtown area (e.g. new offices on Rubidge Street, Reid Street and Aylmer Street).

The introduction of financial incentives available through the CIP has been instrumental to increasing the supply of office space in the downtown area in recent years, although there has been no corresponding increase in employment density in the UGC. Downtown office vacancy rates are currently high, and major declines in occupancy have been observed in recent years. Downtown office lease rates have subsequently been declining, which has put additional pressure on property owners. As a result, continued commitment to attracting and retaining office users in the downtown area is central to ensuring that employment density continues to rise, rather than being subject to cyclical fluctuations. In general, major office development should be not be encouraged in locations outside of downtown Peterborough in order to help stabilize rental rates and reduce vacancies.

3. Protect against further erosion of the downtown retail function

From an economic perspective the downtown area is currently functioning well, although it continues to be faced with competition from retail developments in peripheral locations throughout the City. In the future, it will continue to be important to actively monitor the amount of commercial space developed outside of the downtown core and ensure that it corresponds with population growth. It will also be critical to maintain and enhance the quality of tenants in order to improve the diversity of retail and services facilities available in the downtown area. Future retail space built outside the downtown should coincide with future population growth and should not adversely impact the downtown, or the planned commercial hierarchy in the City of Peterborough.

There are a number of existing Official Plan policies which require the completion of a market impact study to substantiate the need for new commercial space and to illustrate that new development won't have a detrimental impact on the downtown area. These policies are critical for the City of Peterborough to ensure that downtown is able to:

- Maintain its current strength as a retail centre;
- Add new space required to achieve its growth centre targets; and,
- Attract more middle market retailers and chains to enable it to broaden its appeal throughout the entire City.

Continued commercial development in outlying locations has the potential undermine the economic vitality of the downtown, negatively impacting the quality of tenants, vacancy rates and average net rental rates throughout the downtown area. Therefore, it is critical for the City to actively monitor vacancy rates, lease rates and other market trends to ensure that the economic health of the downtown area is not further undermined in future years. Maintaining and/or enhancing the quality of tenants will also help to ensure the economic vitality of downtown Peterborough in future years.

To help protect against further erosion of the downtown retail function, representatives from the Downtown Business Improvement Area ('DBIA') should collaborate with members of Council and City staff to develop a downtown retail attraction and retention strategy. This type of program could potentially be developed in partnership other local business organizations (e.g. the Ashburnham (East City) Business Improvement Area). The implementation of a business attraction and retention strategy is discussed in greater detail as part of Recommendation # 15, which follows.

4. Explore opportunities to establish an institutional and academic hub downtown

Downtown Peterborough remains an important centre for institutional uses including Provincial Government offices (e.g. Ministry of Natural Resources Peterborough County Courthouse, and City Hall) It is also home to a variety of non-government organizations, a number of which are tenants in Peterborough Square.

Along with institutional uses, a number of mid-sized cities (e.g. Brantford, Cambridge, Kitchener, London, Oshawa) have successfully partnered with universities and/or colleges to establish downtown campuses. These types of initiatives help to stimulate economic, social and cultural development in the downtown. The student population supplements the regular population base and helps to support downtown businesses and helps to create a critical mass of customers.

As of 2014, the estimated enrollment at Trent University, including full and part-time undergraduate and graduate students, was 8,060[1]. Currently, Trent only has a limited presence in Downtown Peterborough. Fleming College has approximately 15,900 full-time and part-time students, including a growing population of international students has also been noted by Fleming College, particularly in recent years[2].

These two institutions represent a significant addition to the City's total population and should be encouraged to invest in new downtown facilities, as future expansion opportunities arise. There must be greater collaboration between the DBIA and these post-secondary institutions, in order to explore potential facilities that would be well-suited to a location in downtown Peterborough. The introduction of

[1] Enrolment by university: 2014 preliminary full-time and part-time enrolment at AUCC member institutions. Association of University and Colleges of Canada.
[2] http://flemingcollege.ca/news/record-breaking-summer-enrolment-at-fleming-college/

post-secondary facilities in the downtown core would help to increase the ratio of staff and students working and/or living in the downtown area, and provide additional support for downtown businesses. A larger student population would also help to promote a more multicultural downtown area, recognizing that post-secondary institutions typically attract students from diverse cultural backgrounds.

Outside of new facilities in the downtown area, there are also initiatives that could be introduced to encourage greater synergy between post-secondary institutions and the downtown area. For example, the Frost Student Association shuttle bus which was established in the Fall of 2014, provides a connection between the two Fleming College campuses, including a stop in downtown Peterborough. This service provides students from the Lindsay Campus with easy access to the downtown area, helping to expand the regional customer base for downtown businesses.

5. Confirm downtown as a centre for cultural and entertainment uses

Entertainment facilities such as the Showplace Performance Centre, Market Hall Performing Arts Centre, and Galaxy Cinemas are located within close proximity in the downtown core and collectively form a small entertainment cluster. Since 2008, the City has been somewhat successful in enhancing the clustering effect in the downtown area, by establishing definable corridors between key institutions by means of urban design features and the encouragement of investment in complementary uses such as dining and tourist retail and services. For example, the following developments provide key examples of these types of investments:

- Development of the Hunter Street Café District;
- Renovations to the Market Hall Performing Arts Centre; and
- New pedestrian walkway extending along the waterfront to improve connectivity between the Peterborough Marina and Millennium Park.

Future projects, namely the development of the Louis Street Urban Park, will help to further enhance the clustering effect, by establishing a new definable corridor on Charlotte Street (i.e. similar to the improvements on Hunter Street), while also specifically addressing this long-term strategy, by providing a downtown location for the farmer’s market. There is also a future trail network, extending south from Del Crary Park along Crescent Street and the south side of Little Lake, which is planned over the next several years, which will help to further reinforce the downtown area, as the primary location for cultural and entertainment uses.

Although the City has been successful at reinforcing the downtown area as the centre for cultural and entertainment uses, there should be a continued focus on this recommendation in future years to avoid major cultural and entertainment uses choosing locations outside of the downtown area. For example, although the DEA recommended a new location for the Canadian Canoe Museum in downtown Peterborough, a new location just east of the downtown area, at the Peterborough Lift Lock, was identified in 2014, despite opposition from the DBIA.

The Official Plan should continue to include specific policies which direct all major cultural and entertainment uses to the downtown area, whenever possible. The development of these facilities in locations outside of downtown Peterborough should generally be discouraged, unless it has been demonstrated there is no suitable downtown location available.

6. Develop a downtown brand

As of 2008 Peterborough and area residents were generally not well informed with regards to what downtown had to offer (e.g. selection of goods and services) and its functional characteristics, (e.g. the availability of parking; public safety). There was also considerable variance between the survey of downtown residents and the telephone survey of Peterborough and area residents. Both of these conditions continue to exist based on our updated survey research.

Public safety, parking availability, cleanliness, and attractiveness of storefronts were all rated much lower by the general public (i.e. 2014 online and 2007 telephone surveys) compared to downtown visitors (i.e. 2007 and 2014 on-street surveys). This continues to point to perceptual gaps on the part of the general public with respect what downtown Peterborough has to offer.

In order to address the negative perception of the downtown area, the 2008 DEA recommended establishing a brand, focusing on the positive attributes of downtown that distinguish the area from suburban malls or large format retailers, while also highlighting the unique character and charm of the downtown area. However, greater buy-in from both the municipality and the downtown business sector to ensure the vitality of the core (i.e. introduction of financial incentives and policies; private investment in redevelopment initiatives).

In 2010, the DBIA engaged a local advertising firm, BrandHealth Communications (‘BrandHealth’) to develop a series of five rebranding campaign concepts for the downtown area in order to address the negative perception and highlights appealing elements of the downtown experience. Three new logos/slogans for downtown Peterborough were also developed as part of the rebranding exercise. Following extensive market research and series of focus groups, a marketing/branding strategy based around the slogan “Make It Your Own Downtown” was selected by a steering committee. This rebranding strategy uses the signage from downtown business to tell a story and encourages downtown visitors to create their own story. In 2011, banners were also installed in order to identify different areas throughout the downtown and distinguish what each area represents.

Recognizing that a comprehensive branding strategy has already been undertaken for the downtown area, this is no longer considered a priority. Nevertheless, various programs could be introduced to build on the “Make It Your Own Downtown” strategy. For example, a contest could be organized to encourage downtown customers to tell their own downtown story using social media, in order to promote interaction with downtown business and provide word-of-mouth advertising. This type of program could be introduced as part of a communications and marketing strategy for the downtown area. This type of program is discussed in greater detail as part of Recommendation # 16.

7. Review traffic circulation in the downtown

Recognizing that a large number of the workshop participants from the 2008 DEA noted that the one way traffic scheme on George and Water Streets works against efficient shopping trips and results in traffic speeds that detract from enjoyable pedestrian movement. As a result, it was suggested that the City should explore whether economic vitality in the downtown area could be improved by converting Water and George Streets to permit two-way traffic.

The downtown road network was subsequently evaluated in detail as part of the Peterborough Comprehensive Transportation Plan in June 2012. This study concluded that even with a series of short and long term improvements to the downtown road network, the existing one-way traffic flow on these streets provides the only reasonable transportation network for the downtown area. Based on these conclusions, a review of traffic circulation in downtown Peterborough is no longer considered a priority.

8. Enhance accessibility for pedestrians and cyclists

The City of Peterborough has been successful at enhancing accessibility in the downtown area for pedestrians and cyclists (e.g. Hunter Street improvements; extension of Otonabee River Tail connecting Millennium Park and Del Crary Park). However, the Transportation Master Plan indicates that the existing transportation network is impacted by poor connectivity for cyclists, particularly in the downtown area. It also highlights hazardous trail crossings and intersections for pedestrian and cyclists alike. As a result, it is important to continue ensure that this infrastructure is adequate and investments in future years are made in accordance with population growth and corresponding increases in demand.

Recommendations from the Downtown Cycling Master Plan should be used to guide future investments/programs used to enhance accessibility for pedestrians and cyclists in the downtown area. Planned future streetscape improvements on George and Charlotte Streets will also be critical in order to enhance the downtown environment for pedestrian and cyclists in future years.

9. Establish a strategy to make downtown inviting for seniors and families

As noted in the 2008 DEA, many downtowns, including Peterborough, are intimidating for specific population segments – some of which have the potential to be keys to success, including seniors, families and youth. The following elements were previously highlighted as being of particular concern and continue to create challenges today:

- *Mobility within downtown*, including reduced traffic flow, pedestrian crossings, high visibility signage, rest areas, as well as, sidewalks wide enough to eliminate pedestrian jostling and to accommodate scooters and walkers.
- *Image and the perception of safety*, including addressing panhandlers and other marginalized population groups that concentrate in the downtown area.
- *Services attractive to seniors and families*, including, health services, recreation facilities, events/attractions, waterfront trails, and cultural attractions.
- *Retiree and accessible housing*, including market condominiums, retirement residences and accessible housing facilities.

The image and perception of safety is the most important factor influencing how inviting the downtown area is for seniors and families. While positive steps have been made to accommodate these important market segments, it will be essential to continue to make downtown more inviting for all markets in future years. As a result, a new recommendation has been added as part of the updated Downtown Economic Analysis, which specifically addressed the image and perception of safety in downtown Peterborough.

10. Initiate a downtown-specific tourism development strategy

The downtown area has a variety of tourism venues including the Peterborough Marina, Millennium Park, Del Crary Park, and the Peterborough Art Gallery, amongst others. It benefits from a strong and growing cluster of restaurants and pubs that are appealing to the tourist market. As noted previously successful downtowns are also tourism centres. The 2008 DEA and the CAMP indicated that the City requires a more detailed tourism strategy specific to the downtown core. No such study has been completed to-date that is specific to downtown Peterborough.

The inventory of downtown tourist products has been improved since 2008 (e.g. renovations to Market Hall Performing Arts Centre; Otonabee River Trail extension; Hunter Street Café District). New downtown events have also been introduced, which are drawing increasingly high volumes of downtown visitors. However, heritage and culture are themes that continue to be well positioned to attract more tourists to the downtown area. The implementation of urban design elements such as gateway features and signage could also be used to distinguish downtown Peterborough and the unique character and experiences it offers. If downtown Peterborough is expected to function as a tourism centre, there should also be a downtown tourist information centre (at least on a seasonal basis). These types of initiatives should be included in a downtown-specific tourism development strategy.

The 2008 DEA indicated that a hotel with additional conference facilities would also benefit the core based on feedback from local residents. We would recommend that a City-wide hotel market analysis is undertaken to determine the demand for additional hotel rooms. A hotel analysis would help to confirm whether there is an opportunity for the development of additional hotel rooms in the downtown area. A City-wide hotel market analysis would involve an inventory of existing hotel facilities, identification of regional tourism trends, comparison hotel occupancy statistics and hotel yields per employee/residents and calculation of future hotel potential. As part of the recommended hotel demand study it will also be important to identify potential locations for hotel development in the downtown area. For example, the Holiday Inn located at 150 George Street that was recently listed for sale by Fortis Properties.

11. Develop downtown urban design guidelines

Refreshing the Downtown Urban Design Guidelines was a key recommendation of the 2008 DEA in order to promote economic development in the area and help to sustain the historic character of downtown Peterborough. This recommendation was also highlighted in the Central Area Master Plan and would help to support other recommendations detailed in this report. Despite these recommendations the urban design guidelines for the downtown area have not been updated to-date. Any future review of downtown urban design guidelines must be undertaken in accordance with the existing policy framework.

12. Develop a monitoring report for downtown

The series of performance measures described in Section 6 of this report should be compiled into an Annual Downtown Monitoring Report. This report is essential in order to track the annual economic performance of the downtown area. This type of report allows the City to identify and analyze trends, while also evaluating strengths, weaknesses, threats and opportunities. The creation of an annual monitoring report would offer the following benefits to the City of Peterborough:

- Provide a basis for measuring economic success in the downtown area (i.e. strengths and weaknesses);
- Help to identify and react to market trends;
- Provide a clear understanding of the effectiveness of incentive programs in terms of attracting investment to downtown Peterborough;
- Help to improve the public perception of downtown Peterborough by highlighting annual progress and change; and
- Improve transparency and provide guidance in regards to downtown policies, programs and funding.

13. Designate a Community Improvement Plan (CIP) Area

The use of a CIP is a primary planning tool available to municipalities to facilitate private sector investment through incentive programs. The City of Peterborough Central Area CIP was introduced following the 2008 DEA, with the objective of stimulating revitalization and investment in downtown Peterborough. The CIP included a series of financial incentives for property owners and developers, which have been instrumental in promoting the redevelopment and revitalization of downtown Peterborough in recent years. <u>Recognizing that a CIP has already been designated for downtown Peterborough, this recommendation is no longer a priority.</u>

However, it is important to recognize that CIP programs have been essential to encourage recent private sector investments, which are contributing to the revitalization of downtown Peterborough. In the future, the City of Peterborough should actively track and compare the amount of investment leveraged through each respective incentive program to the value of grants issued as part of that program. This analysis would identify which CIP programs are most effective in terms of encouraging revitalization in the downtown area.

14. Safety & Security Strategy

Improving the image of downtown Peterborough is one of the most critical factors to encourage economic development. Feedback from local residents and business owners indicates that downtown Peterborough is negatively impacted by safety concerns in the downtown area. It is important to recognize that much of this is related to perception, rather than actual safety concerns. As a result, educating downtown residents will be among the most important aspects of a safety and security strategy for downtown Peterborough.

There are a variety of ways that the overall image and perception of safety in downtown Peterborough could be improved. It is generally recognized that a critical mass of downtown residents and employees helps to ensure safety and security in downtown environments. The perception of safety is heightened with more activity in the downtown area. Therefore, more people living and shopping downtown will improve help to improve safety and security.

The cleanliness of the downtown area (or lack thereof) also contributes the perception of safety in the downtown area and should be addressed as part of the safety and security strategy. Lack of police enforcement continues to be a major issue. A number of other programs have been introduced to improve the perception of safety and security in downtown Peterborough, including the installation of videos cameras and additional policing throughout the downtown area. These programs should be evaluated and monitored to determine the impact on the perception of safety and security in order to inform future policies and downtown initiatives.

15. Business Attraction & Retention Strategy

To help protect against further erosion of the downtown retail function a downtown retail attraction and retention strategy should developed, with buy-in and cooperation from Council, City staff and the Downtown Business Improvement Area (‘DBIA’). This type of program is essential in order to improve the selection of goods and services available in the downtown area and the overall economic vitality of the downtown area.

Attracting a greater variety retailers and commercial services, particularly destination/anchor retailers, and improving the quality of tenants will help to reinforce downtown Peterborough as a compelling shopping destination relative to other areas of the City and improve the shopping experience for downtown customers. A business retention and attraction strategy for downtown Peterborough should be used to:

a) Identify and support downtown businesses that are experiencing economic difficulties by offering education programs for downtown business owners and encouraging collaboration.

b) Encourage property owners to market available properties prior to businesses closing/relocating in order to facilitate a seamless transition when tenant changes occur.

c) Identify potential retailers, which are not already located in the downtown, which could be help to broaden the range of retail and service commercial uses available in the downtown area.

16. Marketing & Communications Strategy

The existing marketing and communications programs for the downtown area should be refined to capture more of the local market in the City of Peterborough, and build on the downtown rebranding strategy developed by BrandHealth. Although the downtown rebranding strategy was introduced in 2010, the disconnect between the results of the online survey and on-street surveys, in terms of the quality and selection of goods and services available in the downtown area suggests that there may be a lack of knowledge or awareness regarding what the downtown area has to offer. While Recommendation # 6 addresses branding, the development of refined market and communications program has the potential to make a significant contribution to the economic vitality of downtown Peterborough in future years.

One of the prominent features of the marketing and communications program should be an increased emphasis on social media (e.g. Facebook, Twitter, etc.). This type of marketing is becoming increasingly important as social media becomes more engrained in our daily lives. There should also be a greater focus on downtown events, which help to increase exposure and potential sales for downtown businesses. An emphasis on social media and downtown events has proven to be an effective downtown economic development strategy in other municipalities.

Recent initiatives launched by the DBIA have already begun to address these recommendations. For example, there has been a much greater focus on downtown events during the past couple of years, with funds that were previously directed to advertising now being reallocated to an event support program. This program has enabled to DBIA to support a number of new large events in downtown Peterborough (e.g. Craft Beer Festival, Country Fest; Fashion Week; Pulse). The social media footprint of the DBIA has also doubled in the past couple of years, including regular engagement from the executive director and communications manager. However, continued commitment to these types of initiatives is required in future years.

As part of a new downtown marketing and communications strategy there are a variety of programs that could be introduced to increase awareness what downtown Peterborough has to offer. For example, a loyalty card program could be introduced which provides an incentive (e.g. 10% discount) for local residents; welcome packages could be delivered to new residents of the City of Peterborough educating them about the history of the downtown area, as well as various local business and upcoming events, in order to minimize apathy towards the downtown; and/or the City could introduce pedestrian hours on specific days, where vehicular traffic is blocked from specific streets in order to facilitate a pedestrian shopping environment (i.e. expand and building in Pulse event). This type of program could be offered in conjunction with sales a promotional events at downtown businesses.

1 Introduction

Recognizing the evolving nature of economic conditions in downtown Peterborough, the City has identified a need to quantify and measure recent changes in order to understand prevailing market trends, as well as the current structure, function and performance of the downtown area. Building on previous research conducted by urbanMetrics on behalf of the City of Peterborough, namely the Downtown Economic Analysis – March 5, 2008 ('2008 DEA') and the City-wide Retail Market Analysis – March 11, 2009 ('2009 RMA'), we have been engaged to update the 2008 DEA to reflect changes that have occurred in downtown Peterborough in recent years. This report summarizes our updated findings with respect to the City of Peterborough Downtown Economic Analysis.

1.1 Study Objectives

The specific objectives of the 2008 DEA are still relevant and applicable to the updated analysis described in this report. As such, the objectives of this study include:

1) Providing a review of the state of the downtown commercial structure and economy;
2) Providing an understanding of how the downtown functions and its role in serving Peterborough residents and as a broader regional service centre;
3) Providing context as to how Peterborough's downtown is performing compared to other downtowns in Ontario and elsewhere;
4) Identifying the key impediments to the success of downtown and opportunities to ensure its continued vibrancy; and,
5) Providing recommendations to enhance the economic health of the downtown.

This study builds on the 2008 DEA in order to provide updated recommendations with respect to maintaining and enhancing the economic vitality of downtown Peterborough. These recommendations provide an update to the 13 recommendations presented in the 2008 DEA, and have taken into consideration incentive and monitoring programs, methods of encouraging public investments, business attraction/retention programs and policy framework changes, amongst other strategies. The work plan and methodology used by urbanMetrics have been designed specifically to address these objectives and update our previous analysis to reflect current economic conditions.

1.2 Study Approach

The following outlines our study approach, which is intended to update our previous findings and recommendations. Our updated study has employed quantitative and qualitative analyses to identify current issues and prevailing market trends in downtown Peterborough, in order to provide insight into opportunities to strengthen its function as focal point for the City of Peterborough and the broader regional area. The following provides a brief overview of the four primary tasks and corresponding work steps involved in undertaking our updated assessment of downtown Peterborough.

Task 1: Background Review

- ***Review of Relevant Background Reports*** – The relevant reports published since the completion of the 2008 DEA have been reviewed, including:
    - City of Peterborough Official Plan – December 31, 2009 ('Official Plan');

- Central Area Master Plan – May 7, 2009 (‘CAMP’);
- Retail Market Analysis – March 11, 2009 (‘2009 RMA’); and
- Any other relevant documents.

- ***Delineation of Trade Area –*** Based on the consumer research undertaken as part of the 2009 RMA, a Trade Area has been delineated for the downtown area and compared with the downtown customer draw determined as part of the 2008 DEA. The results of on-street and online survey research conducted by urbanMetrics in 2014 have also been used to confirm the extent of the Trade Area.

- ***Determine Market Dimensions of Trade Area*** – Historic and current demographic data, including population, per capita income, and other demographic data have been obtained and evaluated for downtown Peterborough. As part of this review, the targeted population and employment density in the Urban Growth Centre, as defined in Places to Growth: The Growth Plan for the Greater Golden Horseshoe has also been considered. This information has been utilized as the basis for determining the opportunity for additional retail space in the local market in future years.

- ***Competition Analysis*** – Analyzing the supply of commercial space (i.e. retail and service space), including historic trends in the local market, current conditions, and proposed/designated space is an important component of any market analysis. In order to determine the supply of competitive space, urbanMetrics analysis has included the following components:

  - An updated inventory of the existing retail and service space in downtown Peterborough.
  - An inventory of all institutional, cultural/entertainment, and office space has been recorded and compared to previous inventory data from the 2008 DEA.
  - An inventory of all existing designated sites or major proposals for new competitive developments.

- ***Downtown Comparative Review*** – A comparative analysis of downtown Peterborough has been undertaken relative other downtowns in Ontario to account for any recent changes in the local, regional and/or national markets.

- ***Rental Rate and Vacancy Review*** – An analysis of rental rates for retail, service, office and restaurant has been conducted in the downtown and elsewhere in Peterborough for comparison purposes.

Task 2: Downtown Performance Measures and Analysis

- ***Review of Economic Performance Measures*** – A review of economic performance measures and benchmarks for downtown Peterborough, which were recommended in the 2008 DEA has been conducted. This review as considered whether or not the performance measures continue to be (a) measurable; (b) based on data that is readily available; (c) comparable over time, with other jurisdictions, and/or with best practices; and (d) relevant to planning and municipal strategic objectives with respect to downtown Peterborough. The performance measures will be compared to the 2008 DEA to identify changes, areas of concern, and areas of improvement.

Task 3: Downtown Customer Surveys

- ***Downtown Customer Intercept Survey*** – For the downtown core, which has a pedestrian oriented function, as well as multi-purpose function, on-street customer interviews are typically a reliable means of determining retail customer patterns and defining the Trade Area for the downtown. In addition, on-street interviews have been used to obtain additional information not available through licence plate surveys.

- ***Online Survey*** – To supplement the on-street survey results, urbanMetrics has also deployed an online survey to identify place of residence, purpose of trip, shopping patterns, and other customer characteristics, as described above.

Task 4: Warranted Commercial Space Analysis

- ***Calculate Warranted Additional Commercial Space in Future Years*** – A similar methodology has been used to determine the amount of warranted commercial space in Peterborough's downtown area as the methodology employed in the 2008 DEA.

Task 5: Conclusions and Preparation of Report

- ***Report Preparation*** – Based on the findings of our updated research program, we have prepared our report documenting our analysis and conclusions.

1.3 STUDY AREA

The City of Peterborough provided boundaries for the Central Area that were used in the 2008 DEA. For the purposes of this updated analysis we have used the same boundaries[3]. As illustrated in Figure 1-1, the downtown area is comprised of the following six sub-areas:

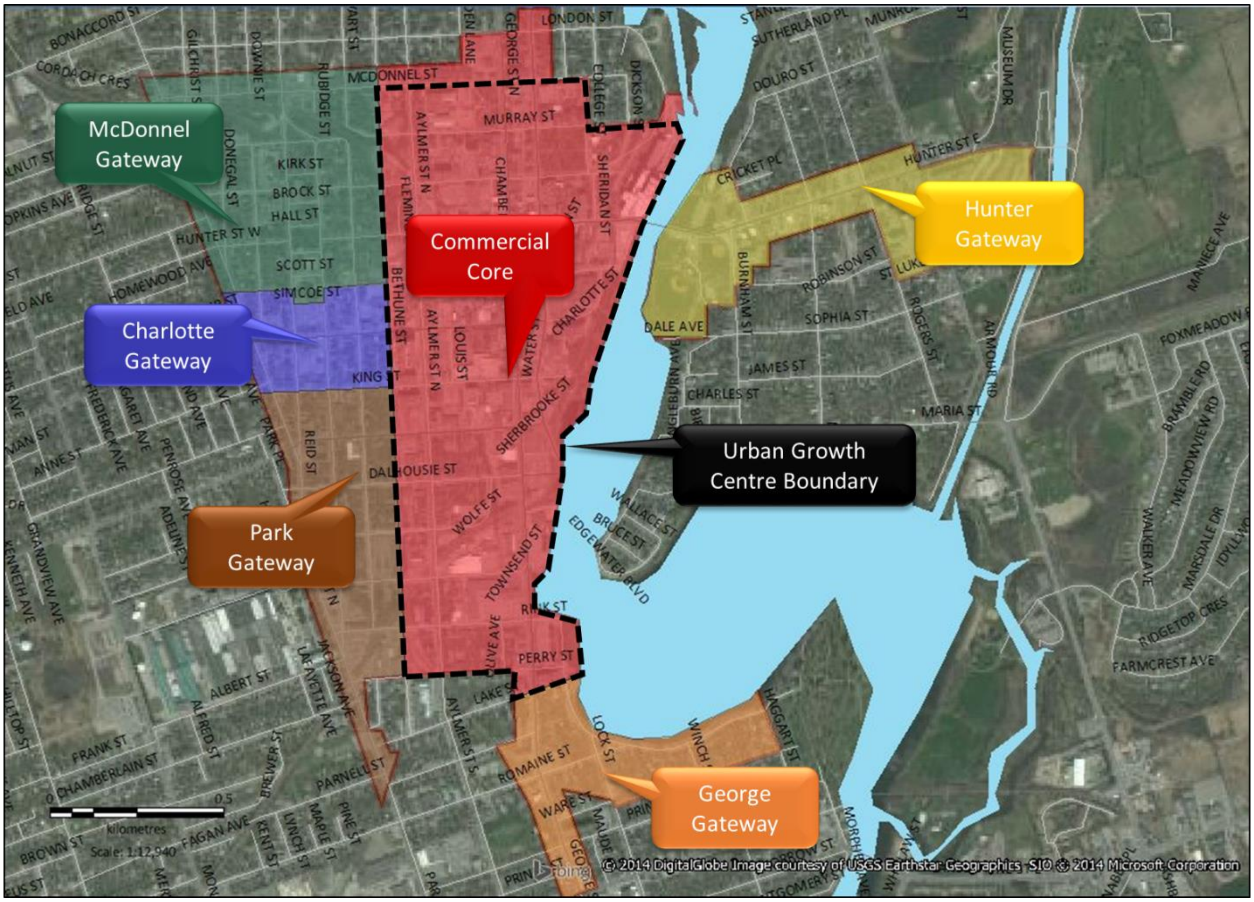
1) Commercial Core;
2) Hunter Gateway;
3) George Gateway;
4) Park Gateway;
5) Charlotte Gateway; and
6) McDonnel Gateway.

The overall boundary is consistent with the Central Area Boundary as defined in the City of Peterborough Official Plan, December 31, 2009 ('Official Plan'). The six sub-areas have been used for analytical purposes and are not explicitly defined in the Official Plan[4].

Downtown Peterborough has been identified as an Urban Growth Centre according to Places to Grow: The Growth Plan for the Greater Golden Horseshoe ('The Growth Plan'). As a result, it is subject to minimum population and employment targets established by the Provincial government. The impact of the Growth Plan in regards to downtown Peterborough has been discussed in greater detail later in this report. For illustrative purposes, we have overlaid the boundaries of the Urban Growth Centre with the downtown Peterborough Study Area in Figure 1-1.

[3] The City of Peterborough initiated an Official Plan Amendment in March 2013, in order to expand the boundaries of the Commercial Core to be consistent with the boundaries of the Urban Growth Centre, as defined in Places to Grow: Growth Plan for the Greater Golden Horseshoe. The blocks added as part of this amendment are already included in the Commercial Core as defined in Figure 1-1.
[4] Section 10.6.1 of the Official Plan makes reference to gateways at George Street South, Park Street, Charlotte Street and Hunter Street East.

Figure 1-1: Downtown Peterborough Study Area



SOURCE: urbanMetrics inc.

1.4 BACKGROUND

As described in the 2008 DEA, downtown Peterborough has been shaped over time by a combination of suburban competitive challenges, along with capital and policy responses aimed at attracting and retaining investment in the core. In recent years, some of these issues have been addressed through municipal programs/policies and/or private market responses, including a number of recent initiatives discussed throughout this report. In Figure 1-2, we have provided an overview of the challenges highlighted in the 2008 DEA and re-evaluated these challenges in the existing context of downtown Peterborough.

Figure 1-2: Causes of Downtown Decline and Existing Conditions in Downtown Peterborough

Primary Causes of Downtown Decline – 2008 DEA	**Impacts of Downtown Decline/Existing Conditions – 2014 DEA**
The natural outward flow of urban growth and commercial investment away from the core.	Continues to be an issue although there has been greater focus on maintaining and improving economic vitality in the downtown area in recent years. Policies and programs like the Central Area Master Plan have helped to mitigate the impact of downtown decline in Peterborough, although continued commitment in these types of initiatives will be critical in the future.
Higher development and land assembly costs downtown and the difficulties in fulfilling the operational requirements of many commercial users.	Financial incentives available through the Downtown Community Improvement Plan ('CIP') have helped to reduce these challenges. The introduction of these types of incentives was a key recommendation of the 2008 DEA. Specific types of retail uses continue to be too space-intensive to locate in the downtown area.
Apathy towards downtown investment by young suburban residents with no historic association with the downtown.	Continues to be a major challenge in downtown Peterborough – and there is a trend of increasing indifference/lack of connection with the downtown area based on recent survey research.
The financial difficulties of the department store sector and its retreat from downtown.	With the retrenchment of the department store sector in Canada, this issue is not relevant to future growth prospects. The former Zellers department store in the downtown area has been redeveloped as a medical office building, which generates regular traffic in the downtown area.
Policy and public sector approaches in the 1970s and 1980s aimed at attracting mega-projects downtown without ensuring sustainable market support.	This challenge has also been addressed through re-use. Although Peterborough Square has struggled with high vacancy levels and commercial tenants relocating elsewhere, the majority of the space in the mall is now occupied, with retail tenants and a strong concentration of office/institutional tenants.
Lack of residential growth in and adjacent to downtown.	There has historically been very little downtown residential growth, which continued from 2006 to 2011. During the past few years a number of residential projects have been constructed in downtown Peterborough and other projects are underway.
The issues involved where marginalized population groups concentrate in the downtown core.	These issues continue to persist in downtown Peterborough. There are still perception concerns with safety in the downtown area based on survey research. Media reports also suggest that panhandlers and vacancy are contributing to this perception.
The costs of congestion in an environment not adequate to cope with large volumes of traffic.	Parking is a more commonly identified issue in downtown Peterborough than traffic congestion. Street Improvements have also been made on Hunter Street and are planned on Charlotte Street, in order to create an environment that is more conducive to pedestrians.

SOURCE: urbanMetrics inc.

Today, downtown Peterborough remains an integral component of the City's commercial hierarchy[5], although its structure, function and composition of land uses have evolved in response to changing economic conditions. Notably, the retail function of the downtown area has continued to diminish relative to other areas of the city in recent years. Reversing this trend to protect further erosion of the downtown retail function is important.

However, the service commercial function has expanded and the downtown area continues to play a vital multi-functional role as a regional employment, entertainment, residential and cultural centre, that is supported by a broad array of supporting retail and service commercial facilities. Specific commercial sectors have also established strong concentrations in the downtown area (e.g. fashion and restaurants), adding to the niche retail function of the area.

During the past five years downtown Peterborough has continued to be faced with a broad range of challenges that are typical of downtown areas in mid-sized municipalities throughout Canada. Notwithstanding some persistent challenges, there have also been several major successes in terms of economic development in the downtown area in recent years, including new municipal economic

[5] Information from the Downtown Business Improvement Association indicates that the downtown accounts for more than 30% of the commercial tax base in the City of Peterborough.

development initiatives and private market responses. In **Appendix A** we have provided a timeline and overview of significant events that have occurred in terms of economic development in downtown Peterborough since the 2008 DEA.

Continued commitment to economic development initiatives will allow downtown Peterborough to successfully attract and retain investment in future years. Investment in new development projects, along with ongoing commitment to economic development initiatives are keys to improving the perception and attraction of downtown Peterborough. These types of initiatives are essential for the downtown area to overcome suburban competitive challenges and other causes of downtown decline in Canadian municipalities.

2 Trade Area Delineation

It is important to understand the customers that provide support for the downtown area, in order to identify opportunities for economic development in downtown Peterborough. The four primary markets for downtown retailers and service commercial establishments operating in the downtown area include:

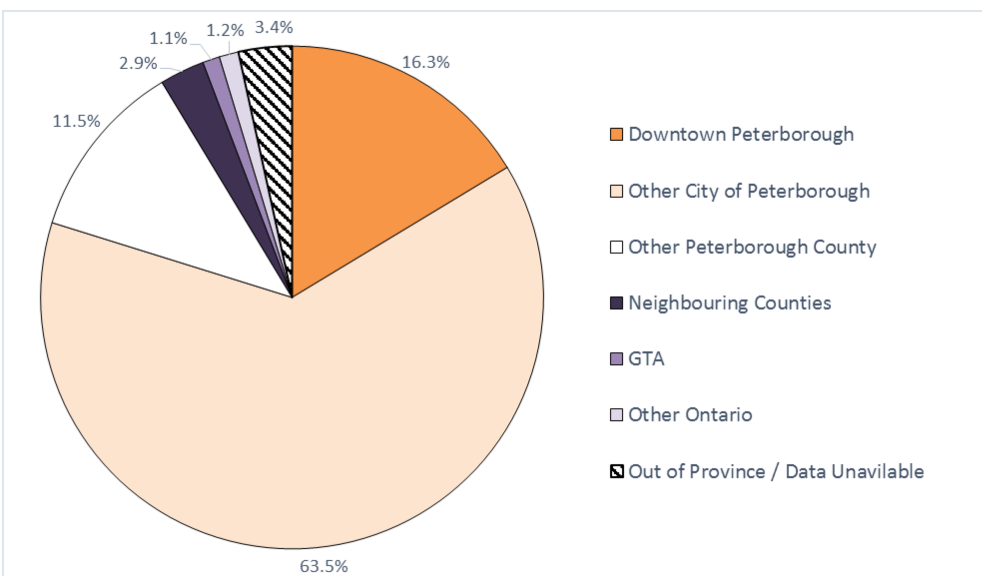
- Downtown Population;
- Regional Population;
- Downtown Workforce; and
- Tourists.

As part of this study previous customer origin license plate surveys and on-street surveys from the 2008 DEA have been reviewed. To supplement this data we have also conducted 185 on-street surveys in the downtown area, and an additional 529 online surveys[6]. The results of our updated survey research have been summarized in Appendix B and Appendix C.

These surveys have provided valuable input in order to confirm the extent of the Trade Area. This survey data is considered more reliable than other types of surveys (i.e. license plate surveys), recognizing that these survey methods include persons traveling by means other than by automobile. This research has been used to indicate the geographic extent and drawing power of the existing commercial facilities in downtown Peterborough.

The customer origin from the online surveys and the updated on-street surveys are summarized in Figure 2-1.

Figure 2-1: Summary of Customer Distribution from Online & On-Street Surveys 2014



SOURCE: urbanMetrics inc.

[6] There was a total of 639 responses, and 529 (83%) of these responses were fully completed surveys.

Based on the results of the on-street surveys, the majority (78.5%) of downtown Peterborough customers originated from within the City of Peterborough. These results were confirmed by the results of the online survey research, which indicate that 81.0% of downtown Peterborough customers originated from within the City of Peterborough, as illustrated in Figure 2-2.

Figure 2-2: Overview of Customer Distribution from Online & On-Street Surveys 2007 and 2014

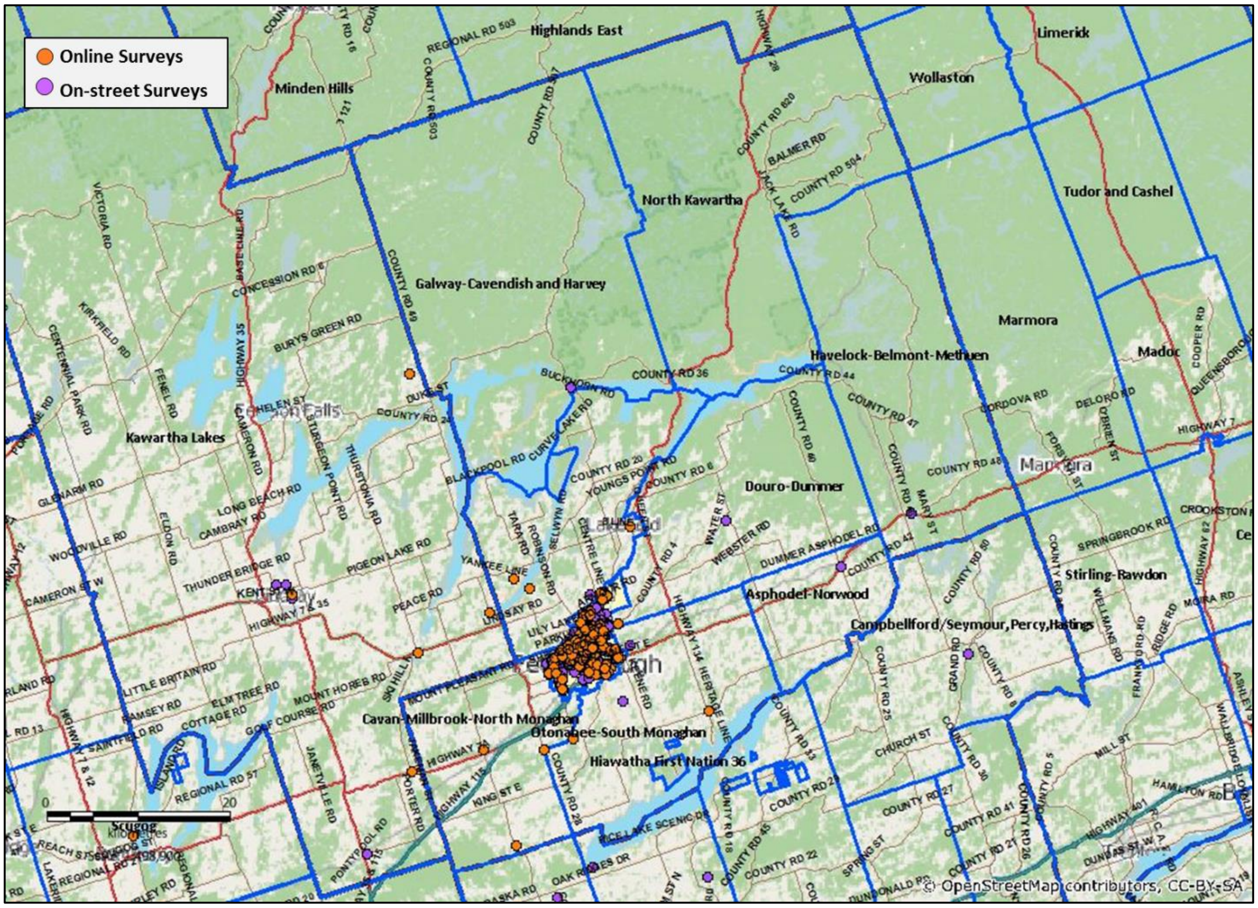
	2007 SURVEY						2014 SURVEY					
	Telephone		On-Street		Total		Online		On-Street		Total	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Downtown Peterborough	**21**	**8.1%**	**39**	**14.2%**	**60**	**11.3%**	**80**	**14.8%**	**39**	**21.4%**	**119**	**16.3%**
Other City of Peterborough	**141**	**54.4%**	**167**	**60.9%**	**308**	**57.8%**	**358**	**66.2%**	**104**	**57.1%**	**462**	**63.5%**
Asphodel-Norwood	2	0.8%	3	1.1%	5	0.9%	3	0.6%	0	0.0%	3	0.4%
Cavan-Millbrook-North Monaghan	5	1.9%	4	1.5%	9	1.7%	10	1.8%	3	1.6%	13	1.8%
Douro-Dummer	3	1.2%	0	0.0%	3	0.6%	5	0.9%	1	0.5%	6	0.8%
Galway-Cavendish and Harvey	0	0.0%	0	0.0%	0	0.0%	4	0.7%	0	0.0%	4	0.5%
Havelock-Belmont-Methuen	0	0.0%	2	0.7%	2	0.4%	2	0.4%	0	0.0%	2	0.3%
North Kawartha	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Otonabee-South Monaghan	3	1.2%	1	0.4%	4	0.8%	9	1.7%	3	1.6%	12	1.6%
Smith-Ennismore-Lakefield	11	4.2%	18	6.6%	29	5.4%	38	7.0%	6	3.3%	44	6.0%
Subtotal: Other Peterborough County	**24**	**9.3%**	**28**	**10.2%**	**52**	**9.8%**	**71**	**13.1%**	**13**	**7.1%**	**84**	**11.5%**
Haliburton County	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Hastings County	0	0.0%	1	0.4%	1	0.2%	1	0.2%	0	0.0%	1	0.1%
Northumberland County	6	2.3%	1	0.4%	7	1.3%	6	1.1%	2	1.1%	8	1.1%
Kawartha Lakes	8	3.1%	11	4.0%	19	3.6%	6	1.1%	6	3.3%	12	1.6%
Subtotal: Neighbouring Counties	**14**	**5.4%**	**13**	**4.7%**	**27**	**5.1%**	**13**	**2.4%**	**8**	**4.4%**	**21**	**2.9%**
GTA	**44**	**17.0%**	**16**	**5.8%**	**60**	**11.3%**	**6**	**1.1%**	**2**	**1.1%**	**8**	**1.1%**
Other Ontario	**4**	**1.5%**	**11**	**4.0%**	**15**	**2.8%**	**8**	**1.5%**	**1**	**0.5%**	**9**	**1.2%**
Out of Province / Data Unavailable (1	**11**	**4.2%**	**0**	**0.0%**	**11**	**2.1%**	**5**	**0.9%**	**15**	**8.2%**	**25**	**3.4%**
Total	**259**	**100.0%**	**274**	**100.0%**	**533**	**100.0%**	**541**	**100.0%**	**182**	**100.0%**	**728**	**100.0%**

SOURCE: urbanMetrics inc. *based on on-street survey and online surveys conducted during October 2014 and August/September 2007.*

1) Some surveys could not be geocoded because postal code information from survey responses did not correspond with the comprehensive list of postal codes in Ontario.

Figure 2-3 illustrates the geographic distribution of survey respondents from both the online and the on-street surveys conducted during October 2014.

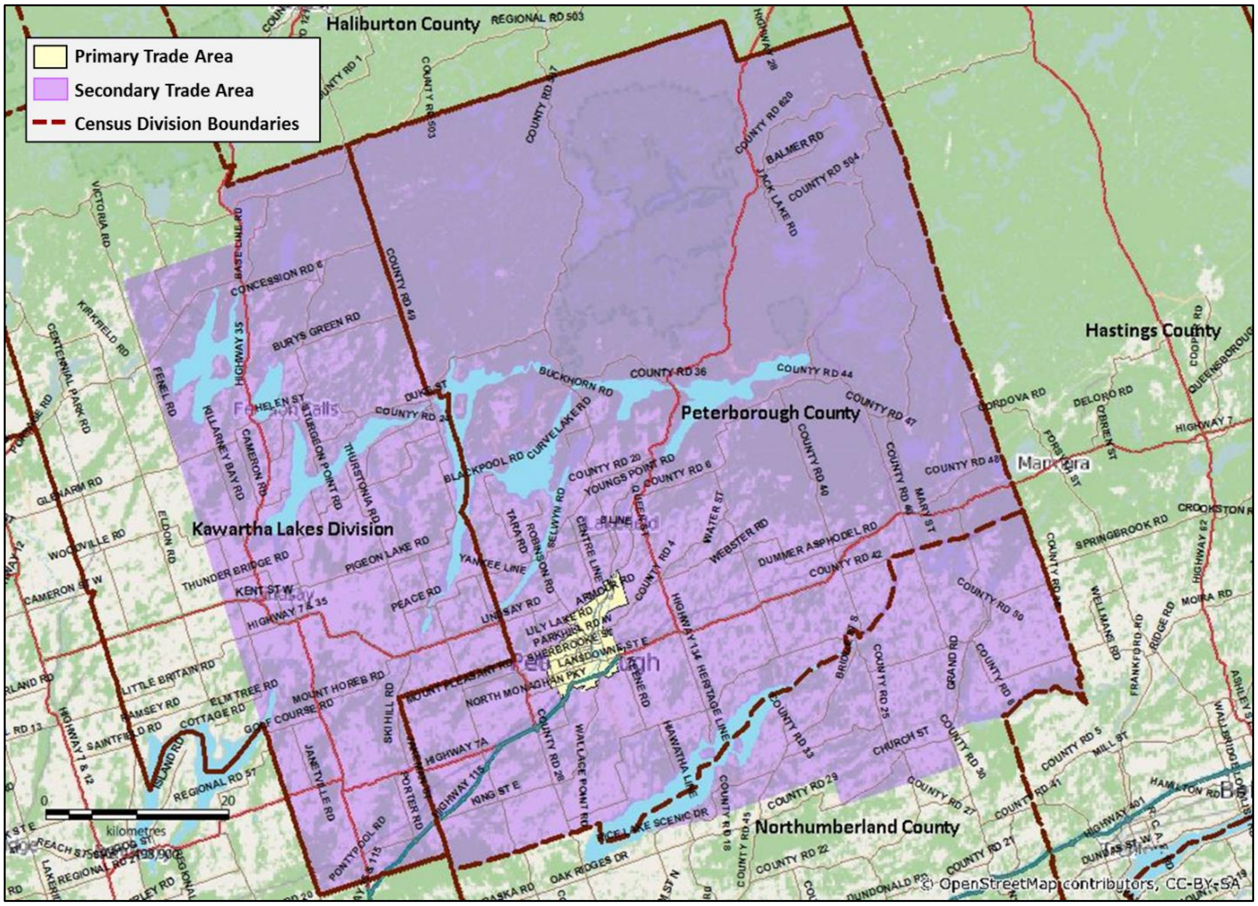
Figure 2-3: Map of Customer Distribution from Online and On-Street Surveys 2014



SOURCE: urbanMetrics inc.

The results of the survey research from the 2008 DEA compared to the updated survey research would make it appear as though the proportion of visitors to downtown Peterborough who are originating from outside the City of Peterborough and Peterborough County is declining, although the downtown area continues to draw customers from a large geographic area. This decline can be attributed in part to fluctuating employment levels, loss of major office tenants and a decline in the variety/quality of retailers in the downtown area. Based on a review of previous research conducted as part of the 2008 DEA, and the results of updated survey research, a Trade Area has been delineated in Figure 2-4, which reflects the geographic area from which the majority of the customer support for downtown Peterborough is derived. This Trade Area is consistent with the Trade Area defined in the 2008 DEA.

Figure 2-4: Trade Area Map



SOURCE: urbanMetrics inc.

The survey results indicate that downtown Peterborough's role as the primary regional retail centre has continued to diminish since the 2008 DEA. The lack of large scale anchors continues to make the downtown area less desirable compared to the major suburban shopping destinations, particularly for more space-intensive retailers. However, from a retail perspective, the primary role of the downtown commercial core is to serve the markets already in the downtown core for other reasons (e.g. employment). As a result, recent fluctuations in employment have had a negative impact on the overall vitality of the downtown area in recent years, as detailed in Section 4.5.1.

Downtown Peterborough also continues to be home to unique niche retailers that exert a more regional draw than most other downtown retailers. For example, the developing cluster of fashion retailers located on George Street, which collectively comprise Peterborough's 'Fashion District' have enhanced the niche retail function of the downtown area. The Hunter Street Café District has also contributed to enhancing the niche retail function and the regional attraction of downtown Peterborough. In Section 4.1 of this report, we have described these growing niche clusters in the context of the current function of downtown Peterborough and the updated inventory of retail and service commercial space.

3 Trade Area Characteristics

3.1 DEMOGRAPHIC CHARACTERISTICS

Figure 3-1 illustrates the demographic characteristics of Downtown Peterborough residents compared to the City as a whole, the Secondary Trade Area and Ontario. Similar to the 2008 DEA, downtown Peterborough continued to be characterized by low income levels, in addition to small households with fewer children at home compared to the City of Peterborough and the broader regional area. The largest share of the downtown population is in the 20 – 29 age group (29%) followed by the 70+ age group (14%) and the 0 – 19 age group (13%). Downtown Peterborough also has a higher proportion of residents in the 20 - 29 and 70+ age groups compared to the City of Peterborough as a whole, the Secondary Trade Area, and Ontario. These characteristics are indicative of the high proportion of seniors, singles and the prevalence of apartments units in the downtown area.

Figure 3-1: Trade Area Demographic Characteristics

	Downtown Peterborough	Primary Trade Area (City of Peterborough)	Secondary Trade Area	Ontario
Population (2011)	6,288	80,775	134,258	13,263,544
% by Age Group				
0-19	13%	21%	19%	24%
20-29	29%	15%	9%	13%
30-39	12%	11%	9%	13%
40-49	11%	13%	14%	15%
50-59	11%	14%	18%	15%
60-69	8%	11%	16%	10%
70+	14%	15%	14%	10%
Persons Per Household (2011)	1.8	2.3	2.4	2.6
Average Household Income (2006)	$34,398	$59,972	$66,026	$77,967
% to Ontario	44%	77%	85%	100%
Average Individual Income (2006)	$21,216	$31,772	$32,889	$38,099
% to Ontario	56%	83%	86%	100%
Average Per Capita Income (2006)	$18,874	$26,425	$27,115	$30,723
% to Ontario	61%	86%	88%	100%
% of Private Dwellings by Type (2011)				
Single/Semi/Row	25%	69%	90%	70%
Apartment (Low Rise)	53%	23%	8%	13%
Apartment (High Rise)	22%	7%	1%	16%
Movable	0%	0%	1%	0%
% of Private Dwellings by Size (2011)				
1 person	48%	30%	23%	25%
2 persons	34%	37%	43%	32%
3 persons	10%	15%	14%	16%
4 persons	5%	12%	13%	16%
5 persons	2%	4%	5%	6%
6+ persons	1%	2%	2%	4%

SOURCE: urbanMetrics inc.*, based on Statistics Canada 2006 and 2011 Census, including adjustments to account for net undercoverage.*

The downtown residential population of 6,288 residents represents 7.8% of the City's overall population, which is a relatively small base compared to the market available to suburban shopping areas. The proportion of the total City of Peterborough population concentrated in the downtown area has declined since the 2008 DEA. However, for many nearby residents, the downtown core is the closest retail destination, and serves an important function by providing convenient access to a variety of retailers and services. The propensity of downtown residents to shop downtown is illustrated by the results of both the on-street and online surveys. Although the downtown area accounts for a relatively small percentage of the Trade Area population, approximately 15% of downtown customers live in downtown neighbourhoods, according to the results of the on-street intercept survey.

Capturing the regional population base remains the key to the continued economic vitality of downtown. The regional population base in this context is defined as the City population living outside of the downtown core, in addition to the population of the surrounding counties, for which Peterborough continues to function as the primary regional service centre. The downtown area continues to draw customers from across the entire City and the broader regional area.

Peterborough's population also remains demographically skewed towards both the youngest and oldest age cohorts. Approximately 22% of the population is under 19, while 24% is over 60 based on 2011 Census data. In other words, about half of the City's population is either outside of the workforce or is approaching retirement. As a result, it will be important for the City of Peterborough to continue to focus on accommodating retailers and services that cater to children, families and seniors, rather than just the working-age population, which is common practice in the downtown area of many other municipalities.

As noted in the 2008 DEA, this can be accomplished through urban design (e.g. wider sidewalks to accommodate seniors and persons with disabilities), programming (e.g. innovative children's play areas), activities catering to non-traditional market segments (seniors walking tours), festivals and events, and other techniques. Many of these initiatives have already been planned or implemented in downtown Peterborough (e.g. streetscape improvements, introduction of new festivals/events, new programming and recreational activities) but continued commitment is required to ensure that downtown Peterborough realizes its economic potential. The key success factor in this regard is the development of amenities to attract persons from outside of the downtown and those who may desire the downtown area as a place to live and work.

Given Peterborough's location in the centre of a scenic recreational and cottage area, it functions as a gateway to the surrounding Kawarthas region. As a result, the tourist market continues to play an integral role in supporting local businesses, including those situated in the downtown core. The tourist market helps to supplement the regional population base, and provides additional support for downtown retailers and services.

4 Commercial Competition

Downtown Peterborough is intended to act as a focal point for the municipality and the broader regional area and to provide the largest and the most diverse concentration of central place functions in the City of Peterborough. It is comprised of a diverse assortment of commercial uses including retail, office, service, and entertainment facilities, along with other commercial businesses that serve a regional market area[7]. As part of the 2008 DEA, urbanMetrics compared the comprehensive commercial inventory of the City of Peterborough conducted in 2000, with an updated inventory conducted in 2007. This comparison was used to illustrate changes and trends for each retail and service commercial category.

The results of previous inventory work in downtown Peterborough from 2000 and 2007 have been compared to an updated inventory of the existing retail and service commercial space in the downtown area, which was conducted during October 2014.

This analysis has been used to evaluate current trends, and the changes which have occurred since the completion of 2008 DEA, on a store category and location basis. The commercial inventory includes the estimated size (square feet), municipal address, location, store name and commercial category for all ground-floor commercial units in the downtown area. The inventory database also includes the specific commercial area land use designations from the City of Peterborough Official Plan – Schedule "I".

In addition to the inventory of retail and service space, all ground-floor institutional, cultural/entertainment, and office space has been inventoried and compared to previous inventory data from the 2008 DEA. This fieldwork goes beyond a typical retail inventory, which generally focuses on ground floor retail and service commercial activities. Any existing designated sites or major proposals for new commercial developments have also been identified in downtown Peterborough.

4.1 Inventory of Commercial Space

An updated inventory has been undertaken by urbanMetrics staff using established methodologies. The inventory has been based on:

- Results of previous inventory fieldwork;
- Information from the City of Peterborough Planning Division;
- Publicly available information from local property owners;
- Estimated size from fieldwork (i.e. on-site pacing); and
- Estimated size from aerial/satellite imagery measurements and other geographic information systems ('GIS') software.

The updated inventory of commercial space in downtown Peterborough has been categorized for the following retail store types based on the North American Industry Classification System ('NAICS'). The inventory of commercial space in the downtown includes FSR, NFSR and services as described below. ***Appendix D*** provides a detailed listing of each NAICS category.

[7] See Section 4.3.2 of the City of Peterborough Official Plan, Section 3.0 of the City of Peterborough Central Area Community Improvement Plan and/or the City of Peterborough Central Area Master Plan – Chapter 3.

Food Store Retail ('FSR') – consists of:

- Supermarkets;
- Grocery stores;
- Convenience stores; and
- Specialty food stores.

Non-Food Store Retail ('NFSR') – consists of:

- Pharmacies and Personal Care Stores (i.e. drug stores, optical stores, nutrition and cosmetic stores);
- Clothing and Accessories Stores (i.e. shoe stores, jewellery and luggage/leather goods stores);
- Furniture, Home Furnishings and Electronics Stores (i.e. furniture, furnishings, computer, camera and photographic supply stores);
- Building and Outdoor Home Supplies Stores (i.e. home improvement centres, hardware stores, paint and wallpaper stores, nursery/garden centres, and a wide range of building material stores);
- General Merchandise Stores (i.e. department stores, warehouse membership clubs, home and auto supply stores, variety stores, and dollar stores); and
- Miscellaneous Retail Stores (i.e. sporting goods, toy, hobby, book, florist, office supply, fabric/wool, gift stores, and pet/pet supply stores).

Services – consists of:

- Food Services (i.e. restaurants, fast food, and drinking establishments);
- Personal Care Services (i.e. hair salons and dry cleaners);
- Entertainment Services (i.e. theatres, arcades, bowling alleys, and similar establishments);
- Financial Services (i.e. banks, trust companies and credit unions);
- Insurance and Real Estate Services;
- Professional, Scientific and Technical Services (i.e. legal, accounting, architectural, management, marketing, and similar establishments);
- Office Administration Services (i.e. employment services, business services (printing, copying, etc.), and travel agencies);
- Health Care Services (i.e. offices of physicians, dentists, and other health care practitioners); and,
- Consumer Goods Rental and Repair Services.

The results of the 2014 inventory illustrate that downtown Peterborough currently contains 1,475,440 square feet of retail and service commercial space. This includes 132,270 square feet of FSR space, including a 44,950 square foot No Frills supermarket and a 21,400 square foot FreshCo. supermarket. There is also 393,510 square feet of space occupied by NFSR retailers. In addition to these FSR and NFSR facilities, there is 811,620 square feet of commercial service space concentrated in downtown Peterborough.

In the 2008 DEA it was noted that downtown Peterborough is particularly well represented with respect the remainder of the City of Peterborough in terms of the supply of retail space, particularly clothing, fashion and accessories stores, as well as sporting goods stores. Downtown Peterborough was also well represented in terms of a number of commercial service categories (i.e. office administration; health care services; social services; entertainment and recreation; insurance and real estate services; professional, scientific and technical services; and eating and drinking establishments). In recent years, these commercial service categories have become more prominent in the downtown area, while NFSR establishments have become less common, as summarized in Figure 4-1.

Figure 4-1: Summary of Retail and Service Space in Downtown Peterborough

Commercial Category	Charlotte Gateway	Commercial Core	George Gateway	Hunter Gateway	McDonnel Gateway	Park Gateway	Total Downtown Peterborough
Automotive		1,050			5,480		6,530
Beer, Wine & Liquor Stores	2,200	8,700					10,900
Supermarkets & Grocery Stores		67,750		6,800			74,550
Convenience & Specialty Food Stores	6,500	34,720	2,700	9,050	3,950	800	57,720
FSR Subtotal	6,500	102,470	2,700	15,850	3,950	800	132,270
Clothing Stores	1,500	56,260		2,650			60,410
Computer & Software Stores		3,780			3,050		6,830
Department Stores							0
Furniture Stores		28,850					28,850
Home Centres & Hardware Stores		9,650					9,650
Home Electronics & Appliance Stores		7,450		1,700			9,150
Home Furnishings Stores		24,810	5,230			7,470	37,510
Miscellaneous Retailers	4,700	78,870	1,040	970	3,460	12,840	101,880
Other General Merchandise Stores		5,800					5,800
Pharmacies & Personal Care Stores	1,600	27,760		11,780	2,120		43,260
Shoe, Clothing Accessories & Jewellery Stores		23,370					23,370
Specialized Building Materials & Garden Stores		6,250			3,050		9300
Sporting Goods, Hobby, Music & Book Stores		57,500					57,500
NFSR Subtotal	7,800	330,350	6,270	17,100	11,680	20,310	393,510
Consumer Goods Rental		5,450		1,100	3,050		9,600
Entertainment & Recreational Activities	2,050	83,050		3,600		2,720	91,420
Finance	5,350	57,640	960	2,950			66,900
Food Services & Drinking Places	1,720	163,350	7,530	27,150	1,350	3,500	204,600
Health Care & Social Services	30,720	96,870	4,220	11,660	12,440	2,240	158,150
Insurance & Real Estate	4,530	38,590		1,800		400	45,320
Personal & Household Goods Repair & Maintenance		12,800			5,420	2,940	21,160
Personal Care Services	8,390	38,380	4,360	10,450	10,030	2,330	73,940
Professional, Scientific & Technical Services	16,590	41,820	1,360	11,780	2,300		73,850
Selected Office Administrative Services	2,610	49,030					51,640
Educational Services	750	12,940			1,350		15,040
Services Subtotal	72,710	599,920	18,430	70,490	35,940	14,130	811,620
Vacant	8,190	103,560		2,370	3,050	3,440	120,610
Total Downtown Peterborough	97,400	1,146,050	27,400	105,810	60,100	38,680	1,475,440

SOURCE: urbanMetrics inc. *based on inventory fieldwork conducted during October 2014.*

4.2 Inventory Trends

In general, services tend to be well represented in most downtown areas throughout Ontario, as is the case in Peterborough. However, it is a sign of strength the downtown Peterborough has a developing 'Fashion District' that attracts customers living throughout Peterborough and the broader regional area. A strong and growing food services component is also important element of downtown Peterborough, which supports the attraction of area for the downtown population, the regional population, downtown employees and visiting tourists alike.

Categories which continue to not be well represented downtown compared to the rest of the City are generally those store types that require large parcels, including department stores and home improvement retailers. As noted in the 2008 DEA, the nature of the department store industry in Canada makes it unlikely that a new department store will locate in a mid-sized core like Peterborough in the foreseeable future. Although there has been a decline in both retail categories during the past five years, specialized building materials stores and furniture stores often do not function well in downtown areas given size and intensive space requirements, so their relative under representation in downtown Peterborough is not considered an issue. However, the continued operation of two supermarkets in downtown Peterborough is unusual compared to other mid-sized municipalities in Ontario. These supermarkets are important from the perspective of attracting and maintaining the downtown residential base, which provides critical support to other commercial establishments in the downtown area.

Retailing in the core has continued to decline during the past five years, although there has been a notable increase in the concentration of services located in downtown Peterborough. As a result, the distribution of space between various retail and service commercial categories in downtown Peterborough has become more like other downtown areas throughout Ontario. The existing retail and service commercial space in downtown Peterborough has been compared in detail to the space in other downtown areas throughout Ontario in Section 4-3 of this report.

The 2008 DEA indicated that the downtown area lost approximately 146,450 square feet of commercial space between 2000 and 2007[8]. This was attributed to the conversion of a portion of Peterborough Square to non-retail space combined with other tenant relocations and conversions to service space. During the past five years, conversions from retail to service oriented space have continued, as indicated by the decline in NFSR space, as illustrated in Figure 4-2. There has also been a slight increase in vacant space since the 2008 DEA. Changes in vacancy rates for retail and service commercial space have been detailed in the following subsection.

Figure 4-2: Downtown Inventory Comparison 2000, 2007 & 2014

Store Category	2000	2007	2014	Change 2000 - 2007	Change 2007 - 2014
Automotive	1,050	2,850	6,530	1,800	3,680
Food Store Retail	93,650	115,600	132,270	21,950	16,670
Non-Food Store Retail	564,650	491,800	393,510	-72,850	-98,290
Services	n/a	637,000	811,620	n/a	174,620
Vacant	175,750	78,400	120,610	-97,350	42,210
TOTAL (excluding services)	**835,100**	**1,325,650**	**1,464,540**	**-146,450**	**138,890**

SOURCE: urbanMetrics inc. This table may overstate changes between 2007 and 2014 because of differences in methodology (i.e. some additional commercial service categories have been excluded that were previously excluded from inventory).

It is important to note that there has also been an increase in service space concentrated in the downtown area since the 2008 DEA, which generally corresponds with the decrease in retail space. For example, the majority of Peterborough Square is now occupied by service tenants, and a number of services previously located at 185 King Street ('Jackson Square') have relocated within the downtown core, or elsewhere in the City of Peterborough.

The total retail and service commercial space included in the 2014 inventory is 139,450 square feet higher than 2007, which suggests that the retail and service commercial function of the core has been maintained and expanded moderately since the 2008 DEA. A significant portion of the vacant retail space that had been converted non-retail space between 2000 and 2007 is once again being used for

[8] The comparison did not include services space, which was not recorded as part of the inventory conducted in 2000. Subsequently, a portion of the space loss in the downtown could also include the conversion of retail tenants/vacant space to the services category.

retail and service commercial purposes, adding to the total supply of space in downtown Peterborough[9]. Although notable improvements have been realized in the downtown area during the past five years, including the increased supply of retail and service commercial space, the vacancy rate for the downtown area has actually increased[10]. However, it remains at a relatively healthy level at approximately 8%.

Notably the former Craftworks Furniture Store, which was previously highlighted as an example of a unique niche retailer in the downtown area that exerts a more regional draw than most downtown retailers, has moved to a new location in Selwyn, Ontario (as of 2009). Other notable downtown retailers that have also closed or relocated outside of downtown Peterborough include:

- Bargain Shop (Other General Merchandise Store) – 91 George Street – 12,750 square feet;
- Tweed & Hickory (Clothing Store) – 351 George Street – 12,100 square feet; and
- Dollar Discount (Other General Merchandise Store) – 385 George Street – 10,800 square feet.

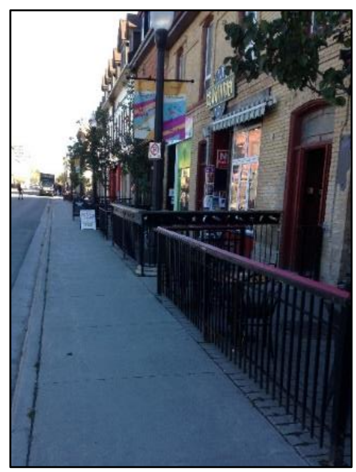
Figure 4-3: George Street Fashion District

SOURCE: urbanMetrics inc.

Despite these closures, other unique retailers highlighted in the 2008 DEA (i.e. Wild Rock Outfitter and Knock on Wood) continue to operate in the downtown core, helping to maintain the niche retail function of downtown Peterborough.

The 2008 DEA noted the niche retail function of downtown Peterborough and importance of building on this as a key to future success. Although the total supply of retail space in the downtown area has experienced a moderate decline during the past five years, downtown Peterborough has been successful at adding to its niche retail function, with a developing concentration of fashion retailers located on George Street, including Flavour Fashion, Gentry Apparel, Pensieri Shoes, Plush Boutique, and Save Our Soles. Collectively, these stores make up Downtown Peterborough's growing 'Fashion District' which is shown in Figure 4-3.

Figure 4-4: Hunter Street Cafe District



SOURCE: urbanMetrics inc.

There have also been a number of other notable commercial developments in the downtown area since the 2008 DEA, which have helped to enhance the downtown area. For example, the intersection of Hunter Street and Aylmer Street has undergone a significant transformation, including new commercial and residential space. There is a new five-storey mixed use-building at the northwest corner of the intersection, featuring restaurant and retail space, with 15 residential units constructed above. There are also a number of new restaurants that have opened on Hunter Street (e.g. Black Honey, Gabby's, Jim's Pizzeria (relocation), Kettle Drum's). This area is now being marketed as the Hunter Street West Café District and is shown in Figure 4-4.

[9] However, this table may overstate changes between 2007 and 2014 because of differences in methodology

[10] Only refers to retail and service commercial space (i.e. excluded office space). There has been a considerable increase in office vacancy in the downtown area, which has been discussed in Section 4.4 of this report.

4.3 Vacancy Rate Review

The vacancy rate for downtown Peterborough has increased slightly since the 2008 DEA, rising from 5.9% to 8.2%. As a result, the total supply of vacant space in downtown Peterborough has increased from 78,400 to 120,610. The majority of this increase in vacancy can be attributed to the following stores, which have closed or relocated:

- 225 Charlotte Street – Shoppers Drug Mart (9,280 square feet)11;
- 385 George Street North – Dollar Discount (10,800 square feet);
- 351 George Street North – Tweed & Hickory (12,100 square feet);
- 91 George Street North – Bargain Shop (9,350 square feet); and
- 246 George Street North – Craftworks (6,130 square feet).

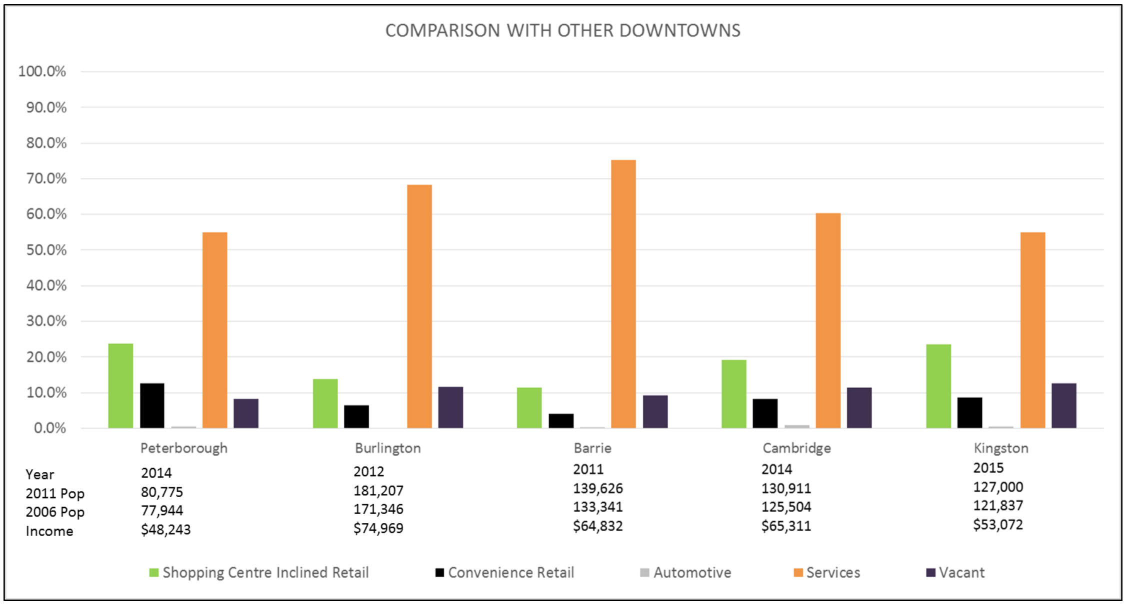
Despite this increase in vacancy, downtown Peterborough maintains a healthy vacancy level compared to other mid-sized municipalities, which typically have a vacancy rate ranging between 5% and 15%. In the following subsection, we have compared the updated commercial inventory in downtown Peterborough, with a selection of mid-sized municipalities in Ontario.

4.4 Comparison to Other Downtowns

Figure 4-5 provides a comparison of the downtown Peterborough retail and service commercial inventory, with inventory fieldwork conducted in four other mid-sized municipalities in Ontario. For the purposes of our analysis, we have focused the comparison on Burlington, Barrie, Cambridge and Kingston.

[11] Shoppers Drug Mart also opened a new 11,500 square foot store, located at 250 Charlotte Street.

Figure 4-5: Downtown Inventory Compared to Downtown Areas in Other Communities



	Peterborough		Burlington		Barrie		Cambridge		Kingston	
2011 Population [1]	80,775		181,207		139,626		130,911		127,000	
2006 Population [1]	77,944		171,346		133,341		125,504		121,837	
Median Household Income (2006 Census) [2]	$48,243		$74,969		$64,832		$65,311		$53,072	
Shopping Centre Inclined Retail										
General Merchandise Stores	5,800	0.4%	11,850	1.1%	9,700	0.7%	31,800	3.1%	32,800	2.2%
Apparel and Accessories Stores	83,780	5.7%	58,300	5.5%	49,100	3.3%	44,300	4.3%	112,700	7.7%
Furnishings and Electronics Stores	82,340	5.6%	46,800	4.4%	14,300	1.0%	58,800	5.7%	46,700	3.2%
Home Improvement Stores	18,950	1.3%	3,500	0.3%	9,900	0.7%	3,400	0.3%	20,600	1.4%
Miscellaneous Stores	159,380	10.8%	23,833	2.3%	85,100	5.8%	57,000	5.6%	132,800	9.0%
Total Shopping Centre Inclined Retail	**350,250**	23.7%	**144,283**	13.7%	**168,100**	11.4%	**195,300**	19.1%	**345,600**	23.5%
Convenience Retail										
Supermarkets and Grocery Stores	74,550	5.1%	26,300	2.5%	14,900	1.0%	35,000	3.4%	44,900	3.1%
Convenience and Specialty Food Stores	57,720	3.9%	22,955	2.2%	15,200	1.0%	27,000	2.6%	33,200	2.3%
Beer, Wine and Liquor Stores	10,900	0.7%	6,400	0.6%	4,600	0.3%	0	0.0%	12,100	0.8%
Pharmacy and Personal Care Stores	43,260	2.9%	12,000	1.1%	26,300	1.8%	23,100	2.3%	35,700	2.4%
Total Convenience Retail	**186,430**	12.6%	**67,655**	6.4%	**61,000**	4.1%	**85,100**	8.3%	**125,900**	8.6%
Automotive Supplies Stores	**6,530**	0.4%	**0**	0.0%	**1,100**	0.1%	**9,000**	0.9%	**6,300**	0.4%
Services										
Food Services and Drinking Places	204,600	13.9%	150,866	14.3%	136,400	9.2%	81,800	8.0%	325,400	22.2%
Entertainment and Recreation Establishments	91,420	6.2%	69,800	6.6%	61,900	4.2%	124,500	12.2%	39,200	2.7%
Financial Services	66,900	4.5%	33,000	3.1%	54,500	3.7%	40,600	4.0%	46,600	3.2%
Health Care Services	158,150	10.7%	121,538	11.6%	281,900	19.1%	49,900	4.9%	51,300	3.5%
Personal Care Services	73,940	5.0%	76,000	7.2%	64,400	4.4%	41,500	4.1%	54,600	3.7%
Business Services/Other Services	216,610	14.7%	266,873	25.4%	511,400	34.7%	279,800	27.3%	288,800	19.7%
Total Services	**811,620**	55.0%	**718,077**	68.3%	**1,110,500**	75.3%	**618,100**	60.3%	**805,900**	54.9%
Total Occupied Space	**1,354,830**	91.8%	**930,015**	88.4%	**1,340,700**	90.9%	**907,500**	88.6%	**1,283,700**	87.4%
Vacant	**120,610**	8.2%	**121,684**	11.6%	**134,700**	9.1%	**116,800**	11.4%	**184,500**	12.6%
Total Space Downtown	**1,475,440**	**100.0%**	**1,051,699**	**100.0%**	**1,475,400**	**100.0%**	**1,024,300**	**100.0%**	**1,468,200**	**100.0%**
Year of Inventory	2014		2012		2011		2014		2015	

SOURCE: urbanMetrics based on information provided by each municipality and updated by urbanMetrics where required.
1) Census undercount adjustment for each municipality has been calculated based on the 2006 and 2011 Census population and Table 3.6-1 from Statistics Canada Catalogue # 91-214-X Annual Demographic Estimates: Subprovincial Areas 2006 to 2013.
2) Refers to city-wide or town-wide median household incomes.

The comparison of the downtown inventories from different communities with downtown Peterborough, yields similar results to previous comparisons, as described below:

- Peterborough has a smaller population than Burlington, Barrie, Cambridge and Kingston but a significantly larger downtown compared to Burlington and Cambridge in terms of square feet of retail and service commercial space. Kingston and Barrie both have a similar amount of retail and service commercial space located in the downtown area, but a lower amount of space per capita.

- Downtown Peterborough has the highest proportion of shopping centre inclined retail space of all the downtowns examined. Conversely, Peterborough has the smallest services component in percentage terms. This points to the strength of downtown Peterborough as a retail destination compared to other mid-sized municipalities in Ontario. At the same time, it is important to note that the proportion of services in downtown Peterborough has increased significantly since the 2008 DEA, bringing the supply of service business closer to Burlington, Barrie, Cambridge and Kingston.

- None of the downtowns have department store anchors. The lack of department store anchors is no longer a concern given the weakened nature of the department store industry in Canada, which makes it unlikely that a new department store will locate in a small to mid-sized core like Peterborough in the foreseeable future.

- Peterborough's convenience retail component (i.e. food, pharmacies, and personal care stores) is larger than all of the other downtowns, in terms of percentage and the total supply of space. This can be attributed in part to the presence of a major food stores such as No Frills and FreshCo. The amount of convenience and specialty food stores space, as well as pharmacies, has also increased since the 2008 DEA. Downtown convenience retailing continues to be important to serve both the local residential base and the downtown workforce.

- Total restaurant and fast food space represents approximately 14.0% of the downtown Peterborough inventory. It was previously noted that downtown Peterborough lacks well known chains and does not have a sizeable restaurant cluster. The continued development of the Hunter Street Café District has helped to fill this void, and increase the overall supply of food services and drinking places located in the downtown area.

- Despite some stores closing and/or relocating outside of the downtown area, a number of successful and unique independent retailers have been retained, including Cottage Toys, Wild Rock Outfitters, and John Roberts Clothiers. These types of stores generally thrive in the eclectic, historic and urban environment characteristic of downtown Peterborough. The ability to attract this type of retailing continues to be a key to differentiating the downtown area from suburban shopping settings.

4.5 Inventory of Major Office, Institutional and Cultural/Entertainment Uses

Figure 4-6 summarizes the major office, institutional and cultural/entertainment facilities currently located in downtown Peterborough. Due to access limitations we have provided a size estimate for each of these buildings based on fieldwork in downtown Peterborough and measurements using geographic information systems ('GIS') software. We have also relied on discussions with local real estate brokers/property owners and a review of publicly available listing information.

In order to maintain consistency with the 2008 DEA, the retail and service commercial inventory described in Section 4.2 of this report does not include most multi-storey office, institutional and cultural/entertainment facilities. As a result, a more detailed analysis of the major office, institutional and cultural/entertainment facilities in downtown Peterborough has been undertaken.

The downtown area continues to be the primary location for major offices in Peterborough, including both small professional firms and major corporate enterprises. The downtown area also remains a popular location for institutional facilities, most notably government offices such as the Ontario Ministry of Natural Resources, and Peterborough City Hall. The largest office, institutional and cultural/entertainment facilities located in downtown Peterborough have been summarized in Figure 4-6. Some examples of major office buildings in downtown Peterborough are also illustrated shown in Figure 4-7.

Figure 4-6: Major Office, Institutional and Cultural/Entertainment Facilities in Downtown Peterborough

Type	Area	Address	Building Name	Estimated Office Space (square feet)
Major Office	Commercial Core	300 Water St.	Ministry of Natural Resources	352,500
	Commercial Core	185 King St.	Jackson Square Professional Offices	71,300
	Hunter Gateway	380 Armour Rd.	Times Square Office Building (Westclox) (1	66,000
	Commercial Core	364 Water St.	Bell Call Centre	46,000
	Hunter Gateway	14 Hunter St. E	Kawartha Credit Union (Pepsi)	38,300
	Commercial Core	270 George St. N	The Promenade (Peterborough Crown Attorney)	37,400
	Commercial Core	159 King St.	King George Centre (CNIB)	34,000
	Charlotte Gateway	270 Charlotte St.	Charlotte Medical Arts (professional offices)	28,000
	Commercial Core	170 Simcoe Street	Turnbull Medical Building	27,000
	Park Gateway	294 Rink St.	Professional Office Building	20,100
	Commercial Core	201 George St. N	Professional Offices (BDO Chartered Accountants & Brokerlink)	18,200
	Commercial Core	140 King St.	McGillen Keay Law Firm	16,800
	Commercial Core	555 George St. N	Professional Offices	15,500
	Commercial Core	415-425 Water St.	Professional Office Building	14,000
	Commercial Core	459 George St. N	Offices that Work!	10,500
	Commercial Core	192 Hunter St. W	Green Stop / Peterborough Communication Support Systems	9,900
	George Gateway	387 George St. S	Century 21	9,400
	Commercial Core	244 Aylmer St. N	Royal Lepage	7,500
Institutional	Commercial Core	345 Aylmer St. N	Peterborough Public Library	40,000
	Commercial Core	500 George St. N	Peterborough City Hall	36,400
	Commercial Core	70 Simcoe St.	Ontario Court of Justice	18,700
	Commercial Core	470 Water St.	Ontario Ministry of the Attorney General	18,500
Cultural / Entertainment	Commercial Core	320 Water St.	Galaxy Cinemas (2	51,000
	Commercial Core	290 George St.	Showplace Performance Centre	17,600
	Commercial Core	140 Charlotte St.	Market Hall Performing Arts Centre	2,000
	Commercial Core	250 Crescent St.	Peterborough Art Gallery	9,000

SOURCE: urbanMetrics inc. *based on inventory fieldwork conducted during October 2014.*

1) Part of a mixed use building which also includes 152 apartment units.

2) Galaxy Cinemas is located in Peterborough Square, which also includes more than 100,000 square feet of office space. The largest office tenants in Peterborough Square include the Sykes Call Centre, which is estimated at approximately 17,400 square feet and the Ministry of Community and Social Services which is estimated at approximately 11,700 square feet.

Figure 4-7: Examples of Major Professional Offices in Downtown Peterborough

SOURCE: urbanMetrics inc.

4.5.1 Major Office/Institutional Vacancy

Given that downtown area has historically been the primary location for major office/institutional facilities, and recognizing the economic importance of the office market in downtown Peterborough, an evaluation of the downtown office inventory has been undertaken to provide an initial assessment the health of the downtown office market.

The estimated vacancy rate in the six largest downtown office buildings has been illustrated in Figure 4-8. Much of this vacant space can be attributed to the loss of major office tenants during the past five years, which have impacted the overall economic viability of the downtown area. For example, TD Insurance closed its offices located at 270 George Street (April 2014); Teleperformance closes the Wind Mobile call centre at 364 Water Street (December 2011); and, the federal government failed to renew lease at the 185 King Street Jackson Square offices (June 2012).

Figure 4-8: Estimated Office Vacancy in the Largest Downtown Office Buildings

Type	Area	Address	Building Name	Estimated Office Space (square feet)	Estimated Vacant Office Space (square feet)	Office Vacancy Rate (%)
Major Office	Commercial Core	300 Water St.	Ministry of Natural Resources	352,500	0	0.0%
	Commercial Core	185 King St.	Jackson Square Professional Offices	71,300	71,300	100.0%
	Hunter Gateway	380 Armour Rd.	Times Square Office Building (Westclox) (1	66,000	8,965	13.6%
	Hunter Gateway	14 Hunter St. E	Kawartha Credit Union (Pepsi)	48,000	0	0.0%
	Commercial Core	364 Water St.	Bell Call Centre	46,000	12,111	26.3%
	Commercial Core	270 George St. N	The Promenade (Peterborough Crown Attorney)	37,400	13,669	36.5%

SOURCE: urbanMetrics inc. *based on inventory fieldwork conducted during October 2014.*
1) Part of a mixed use building which also includes 152 apartment units.

It is also important to emphasize that there is a considerable amount of vacant space in other downtown office buildings, based on discussions with local real estate brokers and property owners. Some notable examples of high vacant rates in other downtown office buildings have been summarized in Figure 4-9. High office vacancy rates in the downtown area have subsequently impacted net rental rates, which have declined significantly since the 2008 DEA. Typical net rental rates for downtown office space have declined by more than $5 per square foot since 2008 and now average only $8 per square foot[12].

[12] Downtown rental rates have been discussed in greater detail in Section 5.2 of this report.

Figure 4-9: Examples of Office Vacancy Rates in Other Downtown Office Buildings

Area	Address	Estimated Office Space (square feet)	Vacant Office Space (square feet)	Office Vacancy Rate (%)
Commercial Core	150 King St. (1	16,000	3,994	25.0%
Commercial Core	160 Charlotte St.	8,600	5,502	64.0%
Commercial Core	420 George St. (1	6,000	3,000	50.0%
Commercial Core	159 King St. (1	18,070	6,209	34.4%
Commercial Core	459 George St. (2	6,630	5,300	79.9%
Commercial Core	123 Simcoe St.	5,128	3,200	62.4%
Commercial Core	238 Rink St.	3,498	3,498	100.0%
Commercial Core	230 Brock St.	2,200	2,200	100.0%
Park Gateway	241 - 245 Rubidge St.	2,500	2,500	100.0%

SOURCE: urbanMetrics inc. *based on discussions with local real estate brokers and downtown property owners.*

1) Excludes ground floor commercial (i.e. space that could be occupied by retail tenants).
2) Excludes ground floor commercial (i.e. space that could be occupied by retail tenants). Includes basement office space.

Furthermore, with high vacancy rates in major downtown office buildings, there are fewer potential customers in the downtown area and a reduced amount of regular foot traffic. Downtown office employment is critical to support other downtown business and the overall vibrancy of downtown Peterborough.

However, although recent closures noted above have had a negative impact on downtown Peterborough in recent years, these changes are somewhat cyclical. The cyclical nature of changes in downtown employment is illustrated by the recent announcement that 364 Water Street has been occupied by a new call centre and the future relocation of the Peterborough County-City Health Unit to 185 King Street. These two developments would help to replace the majority of the employment lost as a result of the office closures discussed above, respectively adding 400[13] and 140 new employees in the downtown area[14]. There have also been new office developments in recent years (e.g. Charlotte Medical Arts building), which have helped to offset employment declines noted above.

It remains critical that downtown Peterborough continues to be designated as the location for major office and government functions. Since the 2008 DEA, some office development has occurred in peripheral locations (i.e. new federal government offices at 1161 Crawford Drive), which has contributed to current challenges in regards to office vacancy and lease rates in the downtown area. Continued office development outside of the downtown area has the potential to undermine the economic vitality of the downtown office market, and erode its function as the primary location for major office uses. In the future new large scale office and government projects must be directed to the downtown area, and particularly within the Urban Growth Centre (i.e. similar to the new Charlotte Medical Arts building).

4.5.2 Entertainment/Cultural Facilities

The 2008 DEA indicated that the presence of cultural and entertainment uses could be improved by attractions that would appeal to both local residents and tourists. Since that time, the most notable improvement to the range of cultural and entertainment uses offered in the downtown area was the 2010 renovation of the Market Hall Performing Arts Centre, which included interior and exterior renovations.

[13] New call centre to employ 400. The Peterborough Examiner, September 10, 2014.
[14] DNS Real Estate Limited – Peterborough office.

There are also a number of ongoing and future projects that will supplement the existing supply of downtown cultural and entertainment uses, including:

- There is also a new urban park that has been approved to convert the former Louis Street parking lot into a public space featuring a splash pad/skating rink and space for a farmers' market. The addition of a park was recommended as part of the CAMP and the Louis Street site was identified as the optimal location out of 6 sites that were analyzed extensively prior to receiving approval Council approval.

- The Art Gallery of Peterborough recently renovated the existing Crescent street location and also has plans for future expansion. A 2014 study undertaken by Lundholm Architects recommended the expansion of the existing space, or construction of an entirely new space in another location, in order to increase the size of the gallery to approximately 20,000 square feet.

- The Peterborough Public Library is also considering a 10,000 square foot expansion to the existing 40,000 square foot main branch located on Aylmer Street in the downtown area.

Although the City has been successful at reinforcing the downtown area as the centre for cultural and entertainment uses, there should be a continued focus on this recommendation in future years to avoid major cultural and entertainment uses choosing locations outside of the downtown area. For example, although the DEA recommended a new location for the Canadian Canoe Museum in downtown Peterborough, a new location just east of the downtown area, at the Peterborough Lift Lock, was identified in 2014, despite opposition from the DBIA.

The Official Plan should continue to include specific policies which direct all major cultural and entertainment uses to the downtown area, whenever possible. The development of these facilities in locations outside of downtown Peterborough should generally be discouraged, unless it has been demonstrated there is no suitable downtown location available.

4.6 Designated/Proposed Sites

Based on information from the City of Peterborough Planning Division, there are limited existing planned/designated sites or major proposals for new commercial developments within downtown Peterborough. There is some limited commercial space included as part of mixed-use developments currently underway or proposed in the downtown area. The only development sites which include plans for the addition of a significant amount of new commercial space in the downtown area have been described below and discussed in greater detail in Section 5.3.1 of this report:

- 185 Hunter Street – the site was rezoned in 2012 to allow for a mixed-use development including up to 225 residential units and 65,000 square feet of commercial space15.

- 475 George Street – the proposed redevelopment would feature 10,000 square feet of street-level retail space, with construction expected to begin in the first half of 2015.

There are also a number of smaller commercial projects, such as the conversion of ground floor residential units into commercial space, but projects of this scale will not have a significant impact on the commercial function of downtown Peterborough.

[15] Based on information from corporate website www.tvm.ca/developemnt.

5 Downtown Trends & Customer Profile

As indicated in Section 2, urbanMetrics conducted 185 on-street “face to face” surveys in the downtown area, and an additional 529 online surveys in order to identify place of residence, purpose of trip, shopping patterns, and other customer characteristics for downtown visitors and Peterborough residents[16]. We have used the results of the downtown survey conducted as part of the 2008 DEA to guide the design of this survey. In particular, the on-street and online surveys have been used to gauge:

- Profile of both downtown shoppers and persons not visiting downtown on a regular basis;
- An understanding of what motivates visits to the downtown area;
- Perceptions of downtown;
- Reasons why some residents may not visit the downtown area on a regular basis;
- Modes of transportation to and from the downtown area;
- Issues to be addressed in future planning; and,
- A general assessment of how the economic situation has changed during the past five years in the downtown area and the entire City of Peterborough.

On-street surveys were conducted face-to-face with customers in downtown Peterborough during October 2014. Online surveys were also used to gather responses over a two week period during October 2014. Social media outlets, including Facebook and Twitter were used to distribute the online survey, in order to generate a higher volume of responses. The results of our updated survey research are described in the following subsections and summarized in ***Appendices B*** and ***C***.

5.1 Comparison of Online and On-Street Survey Results

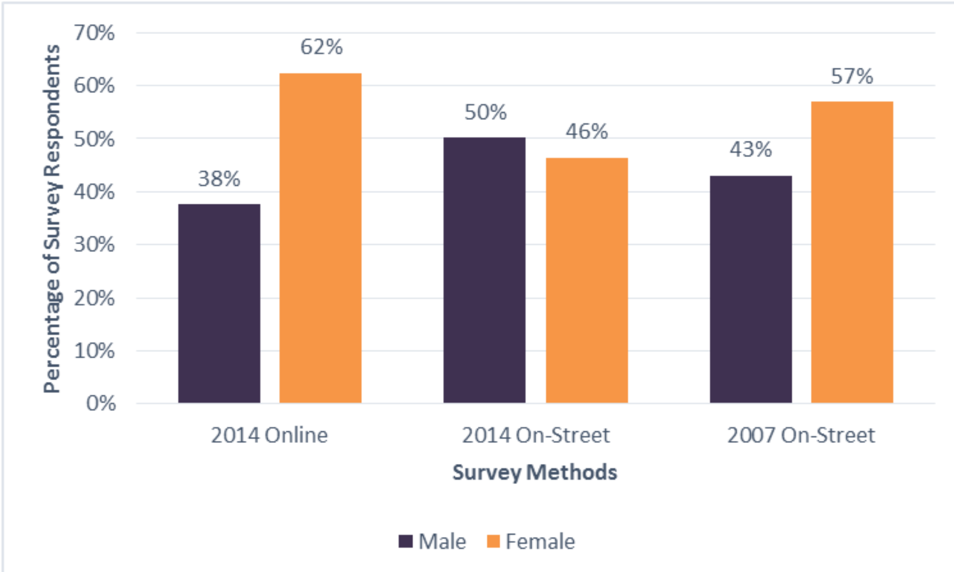
5.1.1 Downtown Customer Demographic Characteristics

Figure 5-1 through 5-3 provide a profile of downtown customers based on the results of our online and on-street surveys. These figures help to provide a better understanding of the demographic characteristics of downtown customers, including gender, age and household size.

As illustrated in Figure 5-1, the 2014 online survey results are more skewed towards a female demographic, similar to the results of the 2007 on-street survey[17]. However, the 2014 on-street survey captured a relatively even distribution of survey respondents between males and females.

[16] There was a total of 639 responses, and 529 (83%) of these responses were fully completed surveys.
[17] 2014 online and on-street surveys were conducted in October 2014. The 2007 on-street and telephone surveys were conducted in August/September 2007.

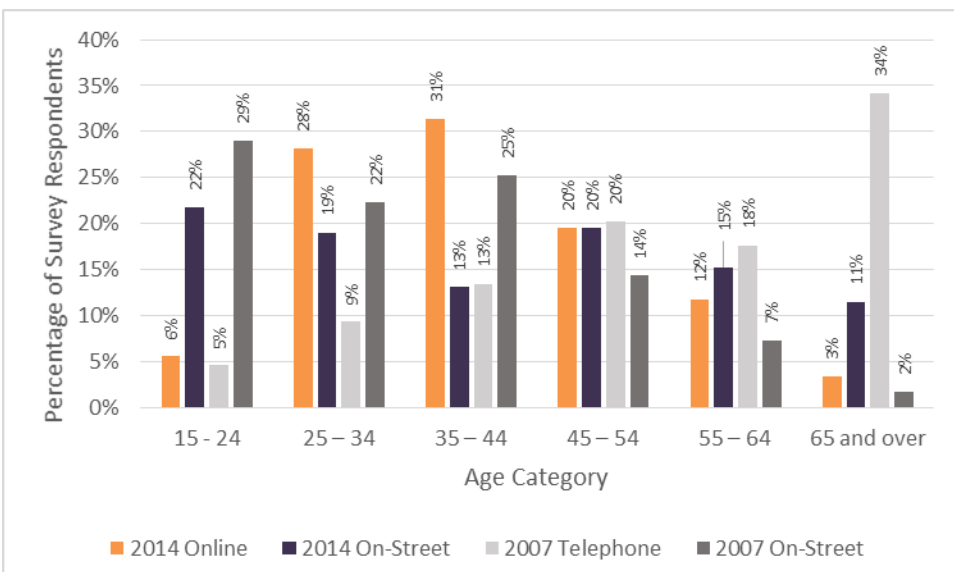
Figure 5-1: Gender of Survey Respondents



SOURCE: urbanMetrics inc.

Figure 5-2 indicates that the on-street survey had a more uniform distribution of survey respondents across all age categories, while more than 50% of the online survey respondents were between 25 and 44 years of age. The results of both the on-street and telephone survey from 2007 were somewhat skewed towards an older demographic, whereas the 2014 survey results are more representative of the entire population.

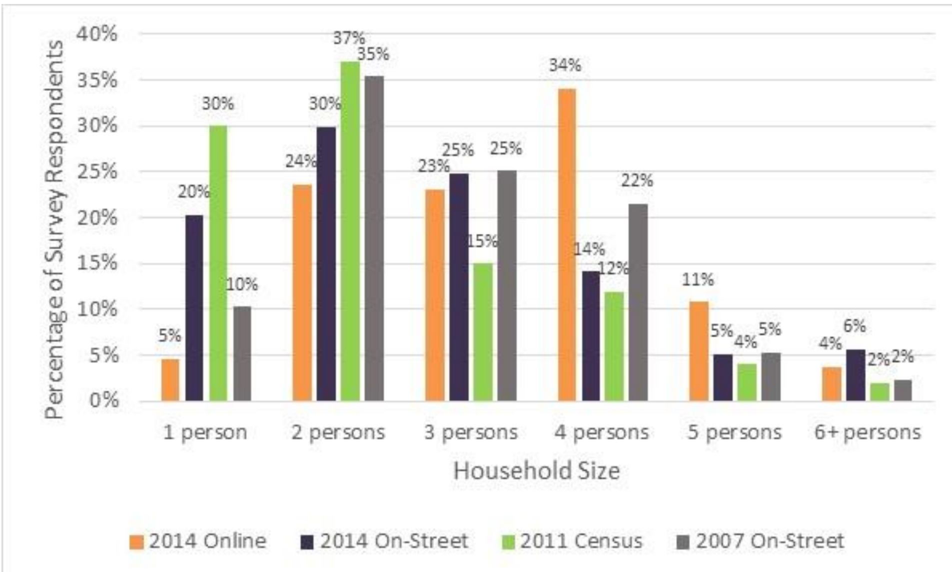
Figure 5-2: Age Distribution of Survey Respondents



SOURCE: urbanMetrics inc.

Figure 5-3 compares the results of the online and on-street surveys in terms of household size. The most common response for the on-street surveys was two person households, followed by three person and one person households. The high percentage of one person households for the on-street surveys reflects the high concentration of singles living in the downtown area as described in Section 3 of this report. The online surveys captured a demographic with slightly larger household sizes compared to the on-street surveys. For the online surveys, four person households were the most common response, followed by two person and three person households. There was a much lower percentage of one person households captured in the online survey, which suggests that many of these respondents do not actually live in the downtown area, but elsewhere in the City of Peterborough. The updated on-street survey results exhibit a similar distribution as 2011 Census data and the results of the 2007 on-street survey, with respect to average household size.

Figure 5-3: Household Size of Survey Respondents



SOURCE: urbanMetrics inc.

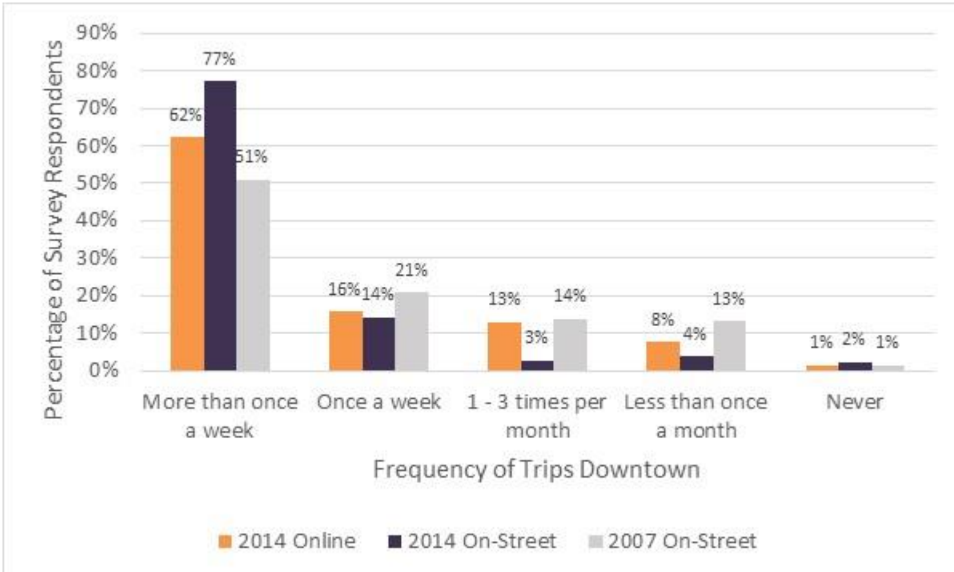
5.1.2 Downtown Customer Visitation

Figures 5-4 through 5-7 compare the results of our on-street and online survey research regarding downtown customer visitation, recognizing that downtown retailers and services are dependent on regular customer traffic to provide economic stability.

As indicated in Figure 5-4, downtown Peterborough is performing well in terms of its ability to attract regular customers. Approximately 78% of online survey respondents, and 91% of on-street survey respondents indicated that they visit downtown Peterborough at least once each week, which is a positive economic indicator for the downtown area, which points to regular customer traffic for downtown retailers and service providers.

Notably, there has been a significant increase in the percentage of survey respondents who indicated they make trips to downtown Peterborough “more than once a week” since 2007. The percentage of survey respondents who indicated that they make trips to downtown Peterborough “less than once a month” has also declined, which indicates that regular visitors are becoming more prevalent. Many of the regular visitors to downtown Peterborough likely work in the local area, as illustrated in Figure 5-5.

Figure 5-4: Frequency of Trips to Downtown

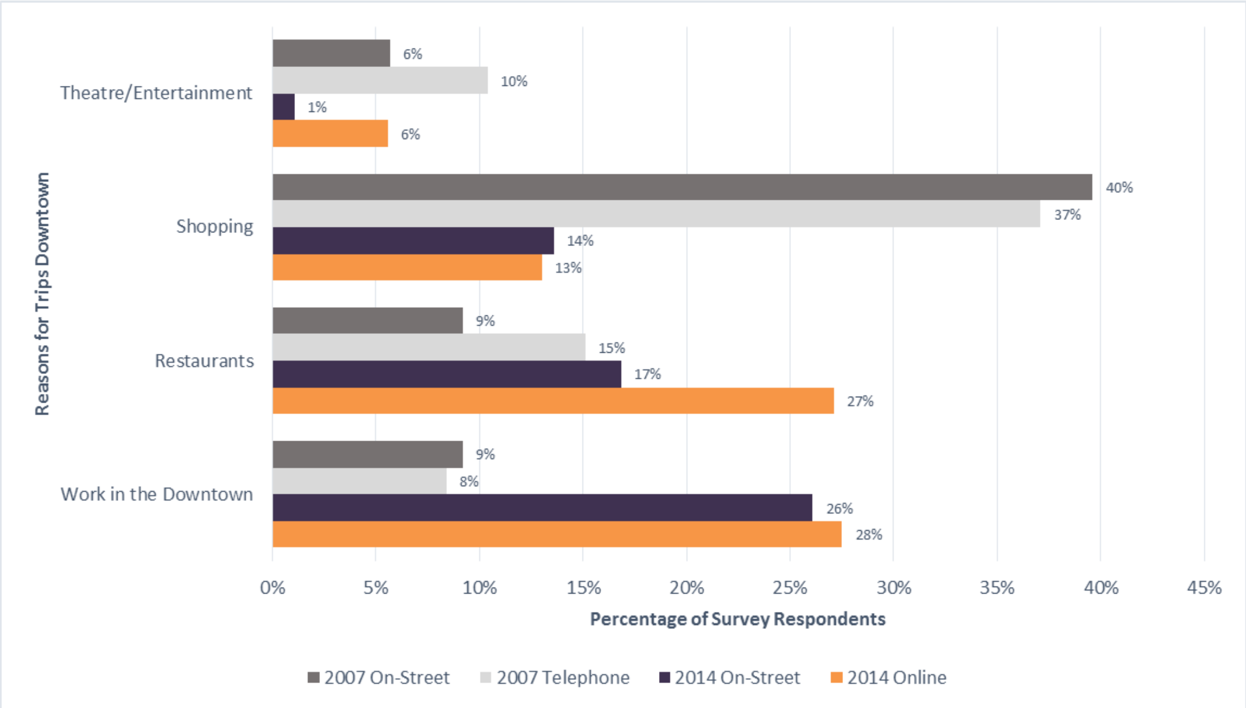


SOURCE: urbanMetrics inc.

The most common motivation for traveling downtown was for employment purposes (i.e. "work in downtown"), which indicates that the downtown area maintains a strong office/employment function despite some recent office closures (i.e. TD Insurance, Jackson Square – Federal Government offices). Recognizing employment is the primary motivation for visiting downtown Peterborough confirms the importance of maintaining downtown employment levels in order to guarantee regular traffic and customers. Figure 5-5 also indicates that visiting restaurants or coffee shops is another common motivation for traveling downtown. This can be attributed to the opening of new restaurants in the downtown area, particularly the Hunter Street Café District.

Notably, the percentage of survey respondents who indicated that they make trips downtown for "shopping" has declined dramatically since 2007, whereas the percentage of survey respondents who work in the downtown has increased by a similar amount. These changes indicate that the downtown retail function has continued to erode, transitioning towards a more service and office oriented function.

Figure 5-5: Primary Motivations for Travel Downtown



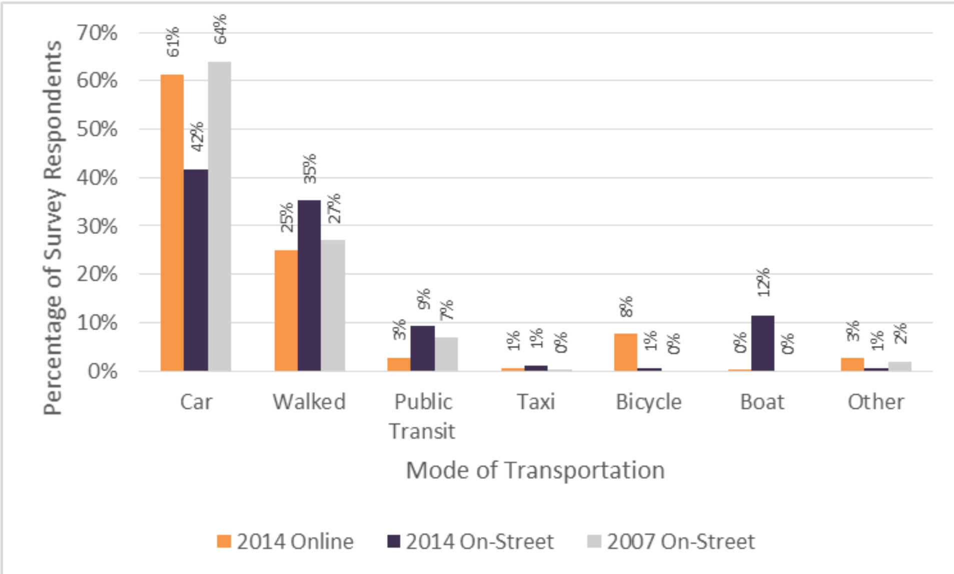
SOURCE: urbanMetrics inc.

As illustrated in Figure 5-6, the online survey results indicate that car travel is the most common mode of transportation for those who travel to downtown Peterborough (i.e. 61% of survey respondents traveled by car). Although the majority of online survey respondents indicate they typically travel by car when visiting the downtown area, 25% also indicated they walked downtown, which suggests that there is a strong population of customers living in the local area.

Alternatively, the results of the on-street surveys indicate a more even distribution in terms of the mode of transportation when traveling downtown. For example, the on-street survey results indicate that 42% of survey respondents travel downtown by car, and 35% travel on foot.

A much higher percentage of on-street survey respondents indicated they travel downtown via public transportation, or boat, compared to the online survey. These results are similar to the 2008 DEA, where it was noted that only 7% of survey respondents travel downtown using public transit, despite the central terminal for Peterborough Transit being located in the downtown area. The lack of transit usage is not uncommon for communities like Peterborough where parking is relatively inexpensive and traffic congestion is limited.

Figure 5-6: Mode of Transportation for Trips Downtown



SOURCE: urbanMetrics inc.

The 2008 DEA noted a number of issues associated with parking in downtown Peterborough, namely, availability and cost, as well as the presence of surface parking lots which break up the commercial streetscape. As illustrated in Figure 5-7, the on-street survey results indicate that only 56% of survey respondents felt that parking was reasonably priced, compared to approximately 75% in the 2008 DEA. The online survey results are more consistent with the research from the 2008 DEA and indicate that 74% of respondents believe parking in downtown Peterborough is reasonably priced.

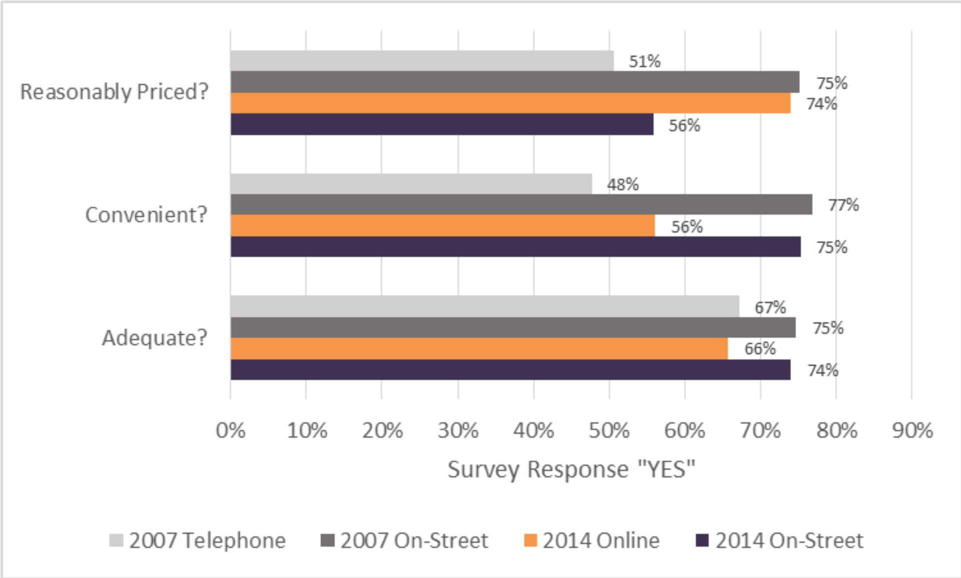
Similar to the 2008 DEA, approximately 75% of on-street survey respondents indicated that parking is convenient in the downtown area. At the same time, on 56% of online survey respondents indicated that parking is convenient, which mirrors the results of the telephone survey from the 2008 DEA. Approximately 74% of on-street survey respondents indicated that parking is adequate in the downtown area, also much like the 2008 DEA, while 66% of online survey respondents agreed that parking is adequate.

Although recent survey research suggests that parking price and convenience in the downtown area needs improvement, it is important to emphasize that the downtown area offers almost double the number of parking spaces available at either Lansdowne Place or Portage Place, the two primary suburban shopping centres in the City of Peterborough. In our experience, downtown parking issues in Peterborough are a combination of:

- Perception and locational factors resulting from one-way streets on George and Water;
- Many downtown parking lots are not visible to passing vehicular traffic; and/or
- Customer preferences to park directly in front of downtown retailers and services.

As a result, parking issues in Peterborough can be attributed to other factors, including the geographic distribution of parking facilities and traffic circulations patterns, rather than price/convenience.

Figure 5-7: Assessment of Parking in Downtown



SOURCE: urbanMetrics inc.

5.1.3 Customer Assessment of Downtown Peterborough

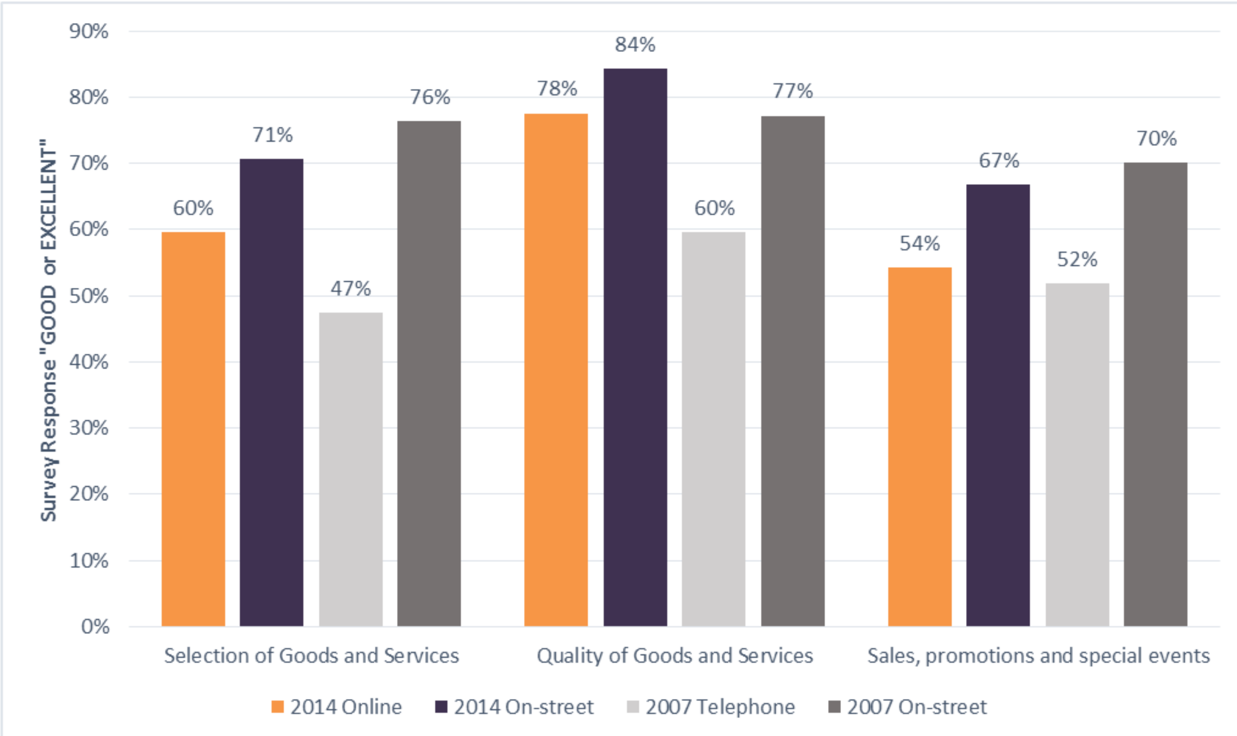
The 2008 DEA emphasized the importance of attracting new investment in order to minimize future retail market erosion in downtown Peterborough. Figures 5-8 through 5-12 summarize the results of the on-street and online survey research focusing on customer assessments of the downtown area.

To compete with major retailers, the majority of which are concentrated in peripheral locations in Peterborough, the downtown area will need to continue to ensure that it maintains an attractive mix of commercial goods and services that is unique from other areas of Peterborough. Based on the on-street surveys, the downtown area is performing well in terms of overall visitor satisfaction, although the results of the online surveys indicate that visitor satisfaction may not be as high as reflected by the on-street surveys. Figure 5-8 illustrates visitor satisfaction in regards to the competitiveness of the shopping environment in downtown Peterborough.

The survey results indicate that conditions have improved since 2007, particularly in terms of the quality of goods and services. Although visitor satisfaction is relatively high in terms of the quality of goods and services available, the results of both the online and on-street surveys indicate that downtown Peterborough could benefit from greater selection of goods and services, as well as, more sales promotions and special events.

Overall, these survey results are favourable and indicate that downtown customers are generally satisfied with downtown shopping environment, however there are significant opportunities for improvement, particularly in terms of selection and sales/promotions. With commitment to improving the selection of goods and services available in downtown Peterborough, while also offering new sales, promotions and special events (e.g. Fashion Week), there is potential for the existing retailers and service providers to attract new customers, and more importantly return customers.

Figure 5-8: Competitiveness of Downtown Peterborough

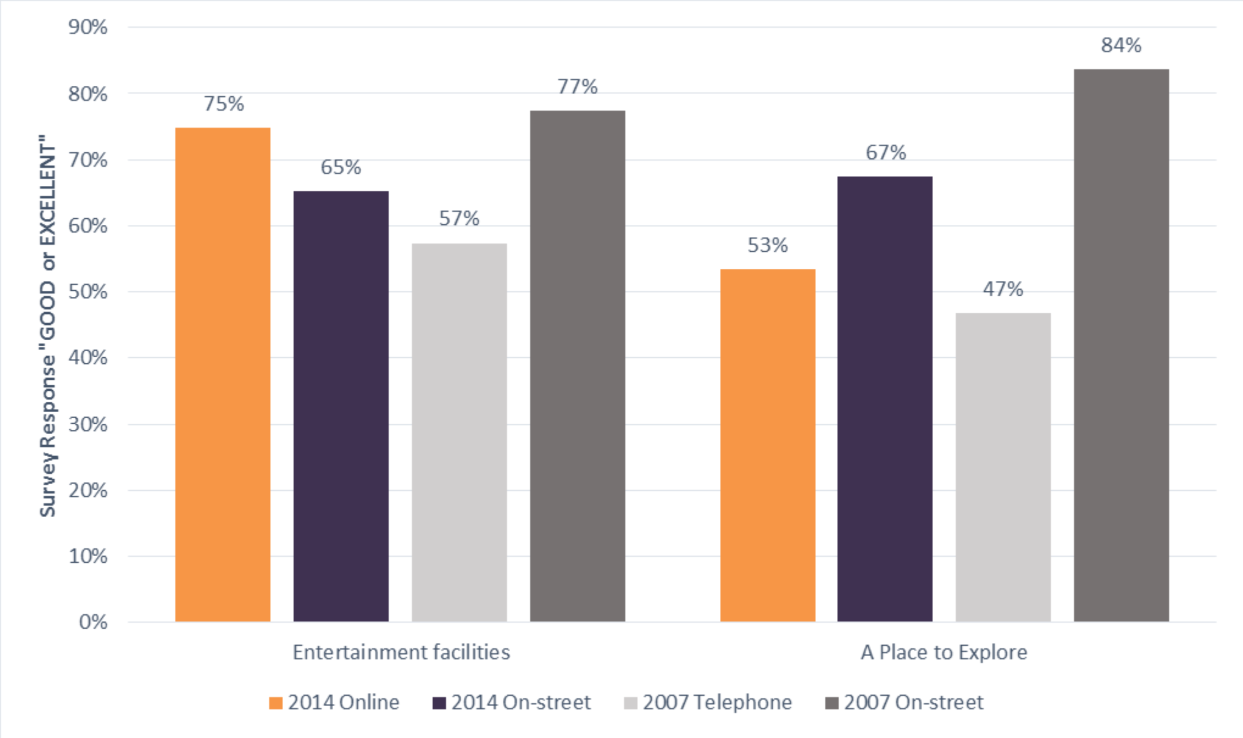


SOURCE: urbanMetrics inc.

In addition to the supply of retail and service commercial uses, a broad range of cultural, entertainment, and recreation facilities are also located in the downtown area and have a significant impact on the local economy. As illustrated in Figure 5-9, the online and on-street survey respondents had varying perceptions of downtown Peterborough in regards to entertainment, cultural and recreational opportunities. Overall, the majority of respondents indicated that the existing entertainment facilities downtown are “good” or “excellent”.

In general, the perception of entertainment facilities in the downtown has remained relatively constant since the 2008 DEA. However, fewer survey respondents rated downtown as a “good” or “excellent” place to explore. This decline can be partially attributed to declining safety and public image in the downtown area, as illustrated in Figure 5-10.

Figure 5-9: Entertainment, Cultural and Recreational Opportunities in Downtown Peterborough



SOURCE: urbanMetrics inc.

Image and public safety issues are a concern for many downtown areas, and these challenges have not escaped Peterborough. The results online and on-street survey results provide an indication of the public perception of the downtown area in terms of its image and safety. As illustrated in Figure 5-10 on-street survey respondents generally had a better image of the downtown compared to online survey respondents. Notably, when you compare these figures to the survey research from the 2008 DEA it is evident that the perception and image of downtown Peterborough has declined in recent years in terms of:

- Safety
- Cleanliness of public spaces
- Attractiveness of signage

All of these factors have the potential to have a significant impact on retailers and services. For example, customers may be reluctant to visit downtown locations and may choose competitive suburban locations instead if safety can't be guaranteed. Even more concerning, a poor downtown image and lack of safety can motivate business owners to close operations[18] or relocate outside of the downtown area.

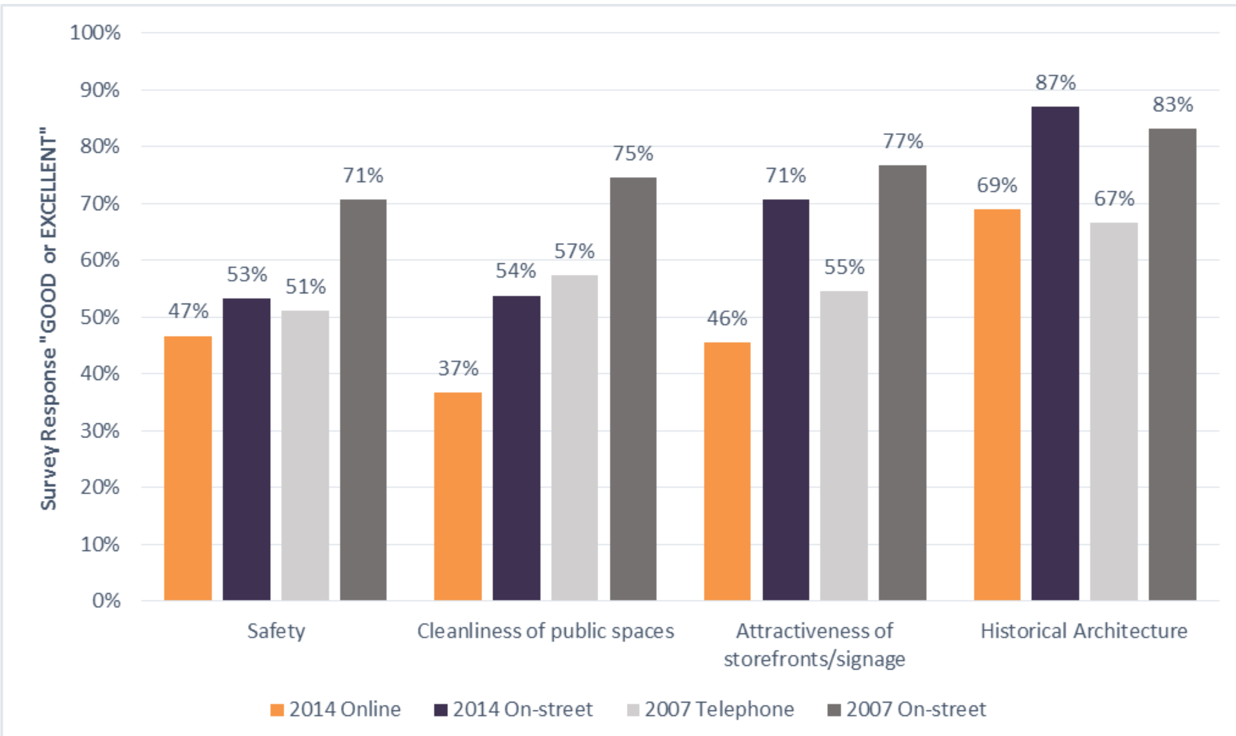
Despite the survey results, police statistics indicate that the downtown area less crime compared to any other area of the City of Peterborough. Although it appears that the lack of safety in downtown

[18] Tweed & Hickory pulls out of downtown. The Peterborough Examiner, November 1, 2013.

Peterborough is a perception, not a reality, there have been a number of measures considered in order to address safety concerns including, the installation of security cameras and additional police patrols[19].

A number of other programs have been introduced to improve the perception of safety and security in downtown Peterborough, including the installation of videos cameras and additional policing throughout the downtown area. These programs should be evaluated and monitored to determine the impact on the perception of safety and security in order to inform future policies and downtown initiatives. Other examples of policies that are currently in place to help ensure safety and security for downtown customers include the Ontario Safe Streets Act (1999), which prevents aggressive solicitation and panhandling; and more recently a new municipal public nuisance by-law approved by Council to deter loitering and disturbances downtown.

Figure 5-10: Image and Public Safety

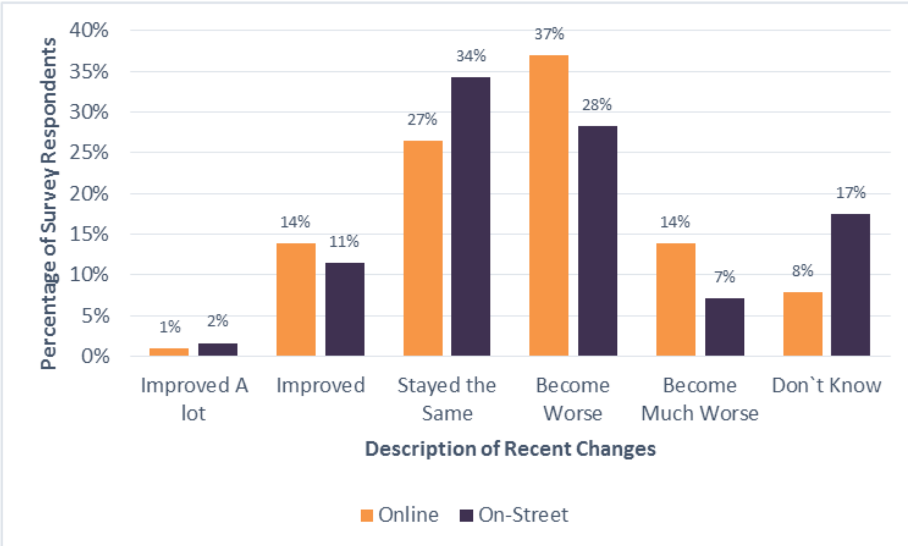


SOURCE: urbanMetrics inc.

Survey respondents were also asked to comment on how economic conditions have evolved in the City of Peterborough during the past five years in order to get a sense of what progress has been made from the perspective of customers. As illustrated in Figure 5-11, the majority of survey respondents indicated that the economic situation in the City of Peterborough has “stayed the same” or “become worse” during the past five years.

[19] On December 18, 2014 the Peterborough Police Service announced it would launching a 30-day pilot project in 2015 that will increase the police presence in downtown Peterborough.

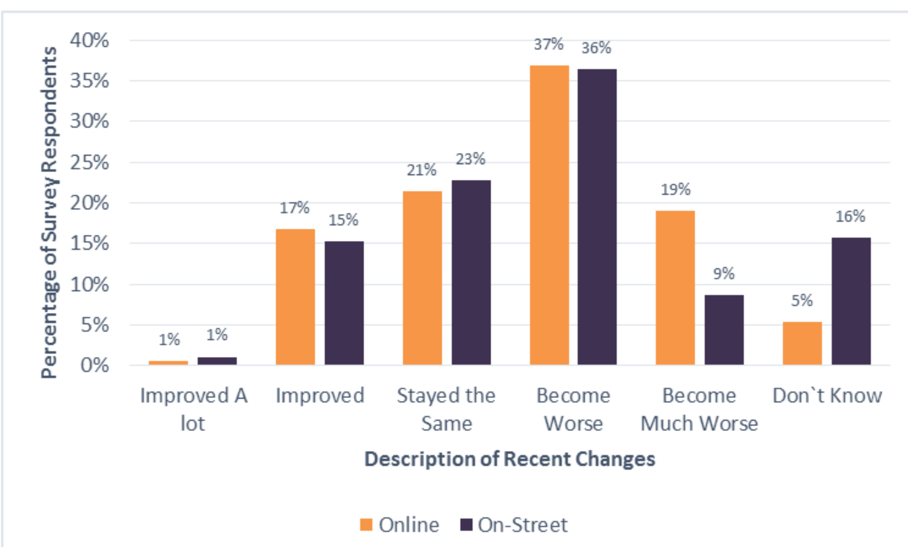
Figure 5-11: City of Peterborough Economic Situation During the Past 5 Years



SOURCE: urbanMetrics inc.

Figure 5-12 indicates that the majority of survey respondents had the same opinion regarding the downtown area as the City of Peterborough in general. A slightly higher percentage did state that the economic situation "improved" in downtown Peterborough, which suggests that the economic situation in the downtown area has actually improved to some extent compared to the City of Peterborough as a whole. However, it appears that recent improvements in the downtown area (e.g. streetscape improvements, introduction of new festivals/events, improved cultural and entertainment facilities, private investments in new developments projects, etc.) have gone largely unnoticed by survey respondents. As a result, it is clear that a continued strong commitment is required in the future in order to enhance the public perception of downtown Peterborough. Improving the perception of safety, cleanliness of public spaces and the selection of good and services will be particularly important in future years in order to avoid the continued deterioration of the downtown area.

Figure 5-12: Downtown Peterborough Economic Situation During the Past 5 Years

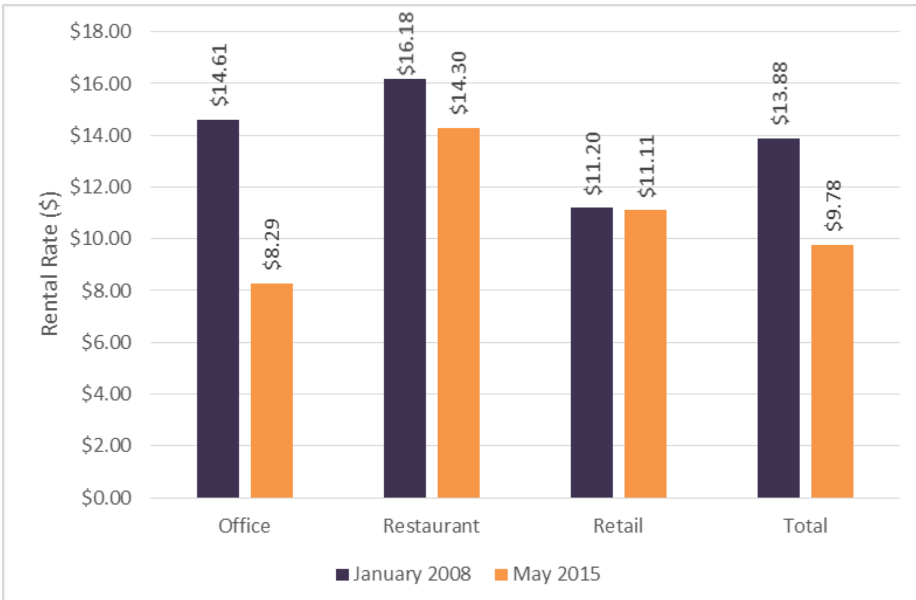


SOURCE: urbanMetrics inc.

5.2 Rental Rate Review

As part of our analysis, urbanMetrics has conducted a detailed review of rental rates for retail, office and restaurant uses located in downtown Peterborough. We have relied on discussions with property owners and real estate brokers, along with any relevant publicly available data (e.g. active online real estate listings). As part of this review, we have also discussed factors affecting downtown leasing, and trends in regard to rental rates (historic, current and project future changes). Figure 5-13 illustrates the average net rent for various types of occupied commercial space in downtown Peterborough in 2008, compared to 2015.

Figure 5-13: Comparison of Downtown Peterborough Average Net Rental Rates 2008 & 2015 (Occupied Space)



SOURCE: urbanMetrics inc. *based on discussions with property owners and real estate brokers and recent real estate listings. 2008 figures have adjusted to account for Inflation, which has been calculated based on information from the Bank of Canada Inflation Calculator, according to consumer price index ('CPI') data.*

Typical commercial rental rates are relatively uniform throughout downtown Peterborough, with the commercial core generally recording the highest average rents, followed by the Charlotte Gateway, and the George Gateway. The net rent for occupied retail space in the downtown area is generally less than $10, in addition to approximately $5/ft^2 for taxes, maintenance and insurance ('TMI').

Notably, average rental rates for all types of occupied retail and service commercial space (i.e. office, restaurant and retail) have declined significantly in recent years, largely due to the challenging office market conditions in the downtown area[20]. Overall, commercial rental rates have declined by approximately $5.00 per square foot since 2008, which reflects a deterioration of economic conditions in the downtown area, which was also noted by survey respondents in Figure 5-12.

[20] It is important to note that the timing of the 2008 DEA coincided with the onset of a global economic downturn, which had a major impact on many municipalities throughout Ontario. As a result, the lease rates in the 2008 DEA were likely depressed.

5.3 Downtown Development Activity

5.3.1 Recently Completed Development Projects

The level of private investment in new development projects reflects economic vitality of the downtown area. Since the completion of the 2008 DEA, the downtown area has experienced a considerable amount of new development, which reflects favourably on the future economic prospects for downtown Peterborough. There have been a variety of recent developments that have helped to address many of the recommendations from the 2008 DEA by:

- protecting downtown Peterborough as the major office centre;
- providing examples of residential intensification and housing marketed towards a broader spectrum of individuals;
- confirming the downtown as a centre for cultural and entertainment uses; and
- protecting against further erosion of the downtown retail function.

Some notable recent developments in downtown Peterborough have been highlighted below:

- 270 Charlotte Street – Charlotte Medical Arts Building, a 28,000 square foot medical office building constructed by Seven Hills Developments in 2014 which provides added medical office space for the growing concentration of medical facilities located in the downtown area. The Charlotte Medical Arts Building replaced a number of home electronics and appliance stores previously located on Charlotte Street.
- 250 Charlotte Street – a new 11,500 square foot Shoppers Drug Mart store was constructed opposite its former location on Charlotte Street and opened in June 2014. The new Shoppers Drug Mart store replaced a number of specialized building materials and garden stores previously located on Charlotte Street.
- 234 Hunter Street – a new five storey mixed-use residential/commercial building at the northwest corner of Hunter Street and Aylmer Street comprised of 4,000 square feet of ground level commercial space, occupied by Freshii, Green Eyewear and Dr. Diane Trevis, in addition to 17 apartments on the upper four storeys completed in May 2014.

Figure 5-14: 270 Charlotte Street – Charlotte Medical Arts Building

SOURCE: urbanMetrics inc.

Figure 5-15: 234 Hunter Street West – Mixed-Use

SOURCE: urbanMetrics inc.

- 207 – 209 Murray Street – a new 16 unit accessible apartment building geared towards seniors and/or tenants with disabilities. The development features 2 and 3 bedroom units ranging between 650 and 800 square feet (May 2012).

Figure 5-16: 443 Reid Street – St. Peter's School Redevelopment

SOURCE: TVM Developments .

- 140 Charlotte Street – a major renovation to the Market Hall Performing Arts Centre began in February 2010 on the federally funded project to restore the interior and exterior of the buildings. These renovations were ultimately completed in March 2011.
- 443 Reid Street – former St. Peter's School located on Reid Street was acquired by TVM Developments and converted into 48 accessible and affordable residential units. Construction began in 2008, with occupancy beginning in May 2009.
- 170 Simcoe Street – the former Zellers building at the northwest corner of George Street and Simcoe Street was redeveloped as medical office building, which opened in July 2008.

5.3.2 Future Development Projects

In addition to these recently completed projects, there are a number of projects that are currently underway, or being proposed, which will help to further strengthen the economic vitality of the downtown area. These projects help to support a number of different downtown functions including employment, tourism, commercial, residential and recreation. The most notable developments currently underway or being planned in downtown Peterborough include:

Figure 5-17: 475 George Street – YMCA Redevelopment

SOURCE: Atria Development Corp.

- 475 George Street – the former YMCA located at the intersection of George and Murray Streets was been sold to Atria Development Corp. ('Atria') which has plans to redevelop the 107,000 square foot building, which dates back to 1892. The proposed redevelopment would feature 139 apartments and 10,000 square feet of street-level retail space. The estimated cost for the project has been estimated between $25 million and $30 million. However, the timeline for development is uncertain at this time. Atria was motivated to invest in this redevelopment project because of the quality of heritage building, but also because of its location in downtown Peterborough[21].
- 185 Hunter Street – TVM Developments ('TVM') acquired the 5 acre site formerly occupied by Peterborough Regional Health Centre in October 2009. The site was rezoned in 2012 to allow for a mixed-use development including up to 225 residential units and 65,000 square feet of commercial space[22]. There are also plans to offer community service providers with below market rents as part of the redevelopment. TVM saw value in the property as a landmark site in the downtown area (i.e. Hunter Gateway).

  This development is being carried out over a series of phases, which began with the redevelopment of the former Nurse's Residence located at 185 Hunter Street East. Occupancy began during the summer of 2013, with the first floor occupied by Community Care Peterborough, and remaining floors (i.e. 2 – 4) occupied by 30 residential units. The second phase of the

[21] Atria buys former YMCA building, Peterborough Examiner, Friday, October 10, 2014.
[22] Based on information from corporate website www.tvm.ca/developemnt.

redevelopment project began in October 2014, and will transform the main hospital building at 384 Rogers Street into 69 rental residential units. Occupancy for the second phase is expected in late 2015.

In **Appendix A** of this report, we have provided a more comprehensive overview of notable recent developments completed since the 2008 DEA, along with an overview of significant future projects planned in downtown Peterborough.

5.4 City of Peterborough Commercial Development Activity

The 2008 DEA noted that most downtowns have experienced a steady erosion of their retail function due to the outward migration of residential development and the corresponding increase in commercial development in peripheral locations. Outside of the downtown area, there has also continued to be a considerable amount of commercial development since the 2008 DEA was completed, including:

- **Lansdowne Place** – The expansion of Lansdowne Place almost doubled the size of the mall, increasing the total space from approximately 260,000 square feet to 450,000 square feet. There are currently 103 stores and commercial services that comprise the shopping centre, which was expanded over three phases beginning in April 2007.

  - Phase 1 included renovations to the upper level of the mall and the addition of an Old Navy store (opened November 1, 2007).

  - Phase 2 included the addition of a 92,000 square foot Loblaws supermarket (opened January 22, 2009).

  - Phase 3 included renovations to the lower level of the mall in order to connect with the new Loblaws supermarket (Fall 2009 – Spring 2010).

  Lansdowne Place was sold by KingSett Capital to the Healthcare of Ontario Pension Plan on July 22, 2010 following the completion of the renovations described above.

- **Portage Place** – has experienced significant changes during the past decade, namely the relocation of the Walmart department store anchor to a nearby property on Chemong Road and the subsequent redevelopment of the former Walmart space with a Gold's Gym (now Goodlife Fitness), Urban Planet and combination of several other stores. A 32,000 square foot Talize second hand merchandise store opened on March 8, 2014. Other new additions to the site, including a Rexall pharmacy and Boston Pizza restaurant, have helped to attract customers to the mall, although it has never fully rebounded after the Walmart relocation, instead relying on Metro and the LCBO as anchors.

- **Costco** – the 2008 DEA noted the proposed Costco warehouse membership club store to be built at Crawford Drive and the Parkway. This 145,000 square foot store has since been constructed, and was open to the public beginning in October 2, 2008. In 2013, a gas station was added to the existing Costco development.

  There is also a major new retail and restaurant development being proposed adjacent to the Costco site, at the southeast corner of The Parkway and The Queensway. The site is known municipally as 545 The Queensway and 909 Cameron Street. This site has been approved for the development of a 108,000 square foot commercial development.

In terms of other notable commercial developments in Peterborough that are situated outside of the downtown area, the former Zellers location was not acquired as part of Target's expansion into Canada. Instead the former Zellers location at the Parkway Centre (i.e. Lansdowne Road West and The Parkway) was acquired by Walmart and converted into a second Peterborough location in October 2012. The other Walmart location on Chemong Road was also expanded by approximately 45,000 square feet March 2012 in order to accommodate an expanded range of supermarket items. As a result, the store was increased from 133,693 square feet to 177,809 square feet. Recent changes in the City-wide commercial inventory are detailed in the update Retail Market Analysis.

5.5 Summary of Downtown Trends and Customer Profile

Our customer profile and evaluation of downtown trends indicated that despite recent progress in terms of economic development (e.g. high frequency of trips downtown, strong attraction of restaurants/food services, high quality goods and services) the general perception of downtown Peterborough has become worse since the 2008 DEA. The survey responses of many customers indicated that they had a negative perception of the selection of goods and services, safety, cleanliness of public spaces, attractiveness of storefronts, and overall economic situation in downtown Peterborough. Commercial rental rates and the quality of tenants in the downtown area have also declined in recent years.

However, there are a number of recently completed and ongoing development projects that are helping to counter negative perceptions of downtown Peterborough. In future years it will be critical for the City of Peterborough to be committed to improving the selection of goods and services available for potential customers in downtown Peterborough. Information gathered from the added police patrol pilot program should be used to guide the development of a strategy to address concerns related to the safety and cleanliness of public spaces in downtown Peterborough.

6 Economic Performance Measures

6.1 RECOMMENDED DOWNTOWN PERFORMANCE MEASUREMENTS

As part of the 2008 DEA, urbanMetrics reviewed annual downtown monitoring reports undertaken in a number of municipalities, in order to track and analyze activity in the downtown area on a regular basis. These reports are used to evaluate the success of downtown revitalization programs and community improvement plans and monitor statistical trends (e.g. business attraction and retention; population change; level of investment).

We evaluated the performance measures used in each municipality to track the following indicators:

- People Activity;
- Development Activity; and
- Business Activity.

Based on a review of downtown performance measures used by other municipalities, in combination with an analysis specific to Peterborough, the following economic performance measures and benchmarks were recommended for downtown Peterborough:

Figure 6-1: Recommended Downtown Performance Measures (from 2008 DEA)

People Activity	Development Activity	Business Activity
Residential Population	Value of Building Permits	Vacancy Rates
Pedestrian and Vehicular Traffic	Commercial Development	Business Change
Events	Residential Development	Number of Employees
	Financial Incentives	

SOURCE: urbanMetrics inc.

Following the completion of the 2008 DEA, the City of the Peterborough Central Area Master Plan (‘CAMP’) was released in May 2009. The CAMP highlighted the recommendations of the 2008 DEA and recommended initiating an Annual Monitoring Report to provide an annual assessment of the downtown area in order to identify strengths and weaknesses. However, despite these recommendations, no Annual Monitoring Report has been developed by the City of Peterborough to-date. As a result, there remains a lack of information regarding the state of the downtown area, and recent changes that have occurred.

The recommended performance measures in Figure 6-1 continue to be relevant with respect to evaluating downtown Peterborough. We have provided an assessment of downtown Peterborough based on these same recommended performance measures in the following subsections. Our assessment illustrates that the recommended performance indicators are both measurable and based on data that is readily available. These performance measures allow for comparison with other municipalities and/or best practices in order to gauge the success of downtown Peterborough.

6.2 PEOPLE ACTIVITY

6.2.1 Residential Population

Residents in the central area play an integral role in supporting downtown businesses. Subsequently, continued population growth is critical to ensure the sustainability of the downtown as a commercial, cultural and entertainment hub for the City of Peterborough and the broader regional area. As illustrated in Figure 6-2, the downtown population actually experienced a slight decline between the 2006 and 2011 Census.

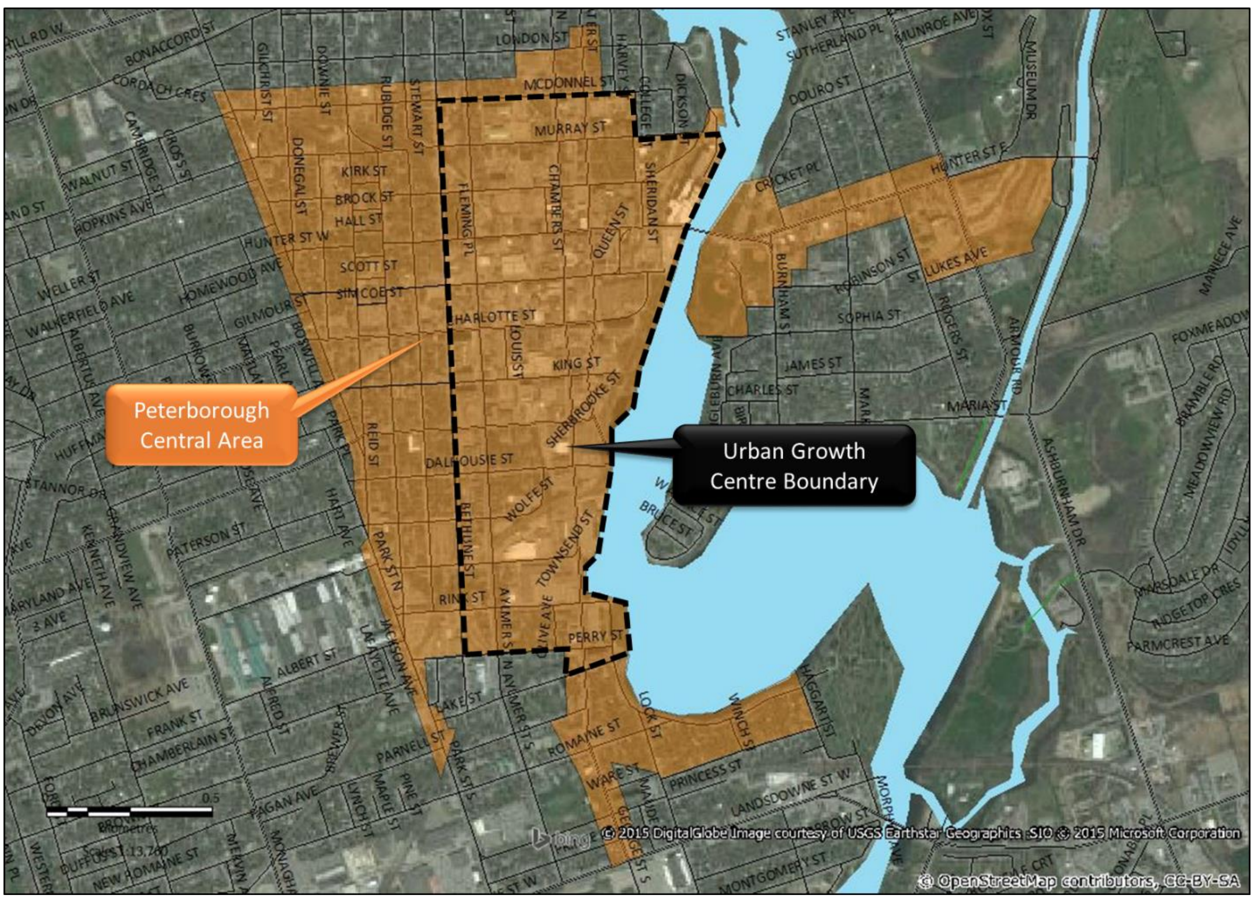
Figure 6-2: Residential Population in Downtown Peterborough

	2001	2006	2011
Population	5,888	6,489	6,288
% Change		2.0%	-0.6%

SOURCE: urbanMetrics inc. *based on the 2001, 2006 and 2011 Census data. Figures have been adjusted to account for net undercoverage.*

Although there was a slight decline in the downtown population between the 2006 and 2011 Census, there have been some notable new residential developments in the downtown in recent years, which have added to the downtown population since 2011. There are also a couple of major residential projects currently underway in the downtown area, which will further increase the downtown population. Furthermore, the continued existence of two downtown supermarkets is evidence of a strong local population base in the downtown area. The boundaries of the City of Peterborough Urban Growth Centre are illustrated in relation to the broader Central Area boundaries in Figure 6-3.

Figure 6-3: City of Peterborough Central Area and Urban Growth Centre Boundaries



SOURCE: urbanMetrics inc.

6.2.2 Pedestrian and Vehicular Traffic

The 2008 DEA noted feedback from local residents that the one way traffic scheme on George and Water Streets works against efficient shopping trips and results in traffic speeds that detract from enjoyable pedestrian movement. As a result, it was suggested that the City should explore whether or not economic vitality in the downtown area could be improved by converting Water and George Street to permit two-way traffic. In response to this recommendation, the downtown road network was evaluated in detail as part of the Peterborough Comprehensive Transportation Plan in June 2012. This study concluded that even with a series of short and long term improvements to other downtown roads, the existing one-way traffic flow on these streets provides the only reasonable transportation network for the downtown area. It also concluded that the existing road network provides greater opportunity to integrate cycling infrastructure in the downtown area.

The level of traffic at key locations provides an indication of the inflow and volume of people and vehicles throughout a given day. This data can provide valuable insight into future parking supply needs and transportation management. Recognizing that the cars continue to be the most common mode of transportation to/from downtown Peterborough[23], evaluating traffic is particularly important to assess people activity. In future years, it is recommended that the City of Peterborough undertake a monitoring program to track average annual daily traffic (‘AADT’) at key locations throughout downtown Peterborough.

It would also be beneficial to evaluate pedestrian traffic flows in key location throughout the downtown area. Recognizing that streetscape improvements are planned on Charlotte Street and George Street, the City of Peterborough should actively monitor pedestrian traffic on Charlotte Street and George Street before, during and after investments have taken place, to determine the impact of these planned streetscape improvements.

6.2.3 Events

Attendance at events reflects the drawing power of the downtown area as a place for public gatherings, festivals and celebrations, which create benefits for local residents, visitors and businesses alike. For example, these type of events are essential for downtown businesses, creating increased pedestrian traffic, which provides greater exposure with potential customers. Downtown events also add to the range of cultural and entertainment activities available to local residents and visitors.

Since the 2008 DEA, there has been a range of new events organized in the downtown core (e.g. the Caribbean Festival, which began in 2010; and Fashion Week, which began in 2014). Based on information from the Downtown Business Improvement Association (‘DBIA’) indicates that there were more 30 festivals and events in 2014, with the greatest number of events in July, August and September.

During the past five years, there has also been considerable progress in terms of attracting more people to downtown events. If we compare attendance at downtown events in 2007 to the attendance at downtown events in 2014, the increasing draw of the downtown Peterborough is evident.

Although some events from 2007 no longer exist, other new events have been introduced and the overall level of attraction for downtown events has increased. In 2007, the most popular downtown event attracted approximately 13,000 people to the downtown area, whereas in 2014, multiple events attracted at the least that many people, and the largest event had an attendance of approximately 25,000, as illustrated in Figure 6-4.

[23] See Figure 5-6.

Figure 6-4: Event Attendance

Event	2007 Attendance	2014 Attendance
Caribbean Festival	n/a	1,000 - 1,500
St. Patrick's Day Parade	n/a	2,000
Canada Day Parade	n/a	3,000
Taste of the Downtown	n/a	4,000
Hootenay on Hunter	n/a	8,000
Santa Claus Parade	n/a	15,000 - 17,000
ReFrame Film Festival *(3 days)*	n/a	15,000 - 17,000
Rib Fest *(3 days)*	12,000	25,000
Street Fest *(to be replaced by George Street Shuffle)*	7,500	4,000 - 6,000
Jazz Festival	> 13,000	*final year 2010*
Busker Fest	1,200	*final year 2011*
Blues Festival	3,500	*final year 2013*

SOURCE: urbanMetrics inc., *based on Downtown Business Improvement Association.*

In addition to these existing events, there are also a number of new events that are expected to be introduced in the upcoming year, including the George Street Shuffle[24] and the Spark Photo Festival are respectively expected to draw 4,000 to 6,000 and 3,000 to 4,000 in attendance. The Purple Onion Festival is another new event planned in 2015 which will help to attract more visitors to the downtown area. Pulse is a newly introduced open streets event in downtown Peterborough that was organized to *“create a vibrant, playful, and active car-free corridor between Peterborough's downtown and the Saturday Farmers' Market. Streets once filled with cars instead fill with families pushing strollers, dog-walkers, cyclists and roller-skaters, art installations and more.”*

Overall, there has been a much greater focus on downtown events during the past couple of years, with funds that were previously directed to advertising now being reallocated to an event support program. This program has enabled to DBIA to support a number of new large events in downtown Peterborough (e.g. Craft Beer Festival, Country Fest; Fashion Week; Pulse). However, continued commitment to implementing more events of this type would be beneficial to the downtown area, and help to supplement the existing customer base and attract more visitors and spending in the downtown area.

6.3 DEVELOPMENT ACTIVITY

6.3.1 Value of Building Permits

Building permit values, which capture new construction, renovations, and expansions provide an indication of the overall economic health of the downtown area. The value of building permits also reflects public and private sector confidence in the future economic prosperity of the downtown area. Since the 2008 DEA average annual value of building permits has increased, as illustrated in Figure 6-5. The value of building permits has also been calculated, taking into account annual inflation according to the consumer price index (‘CPI’).

[24] Event has been tentatively name George Street Shuffle based on discussion with representatives from the Downtown Business Improvement Association. This event involved closing George Street to pedestrian traffic and would be similar to the former Street Fest event noted in the 2008 DEA.

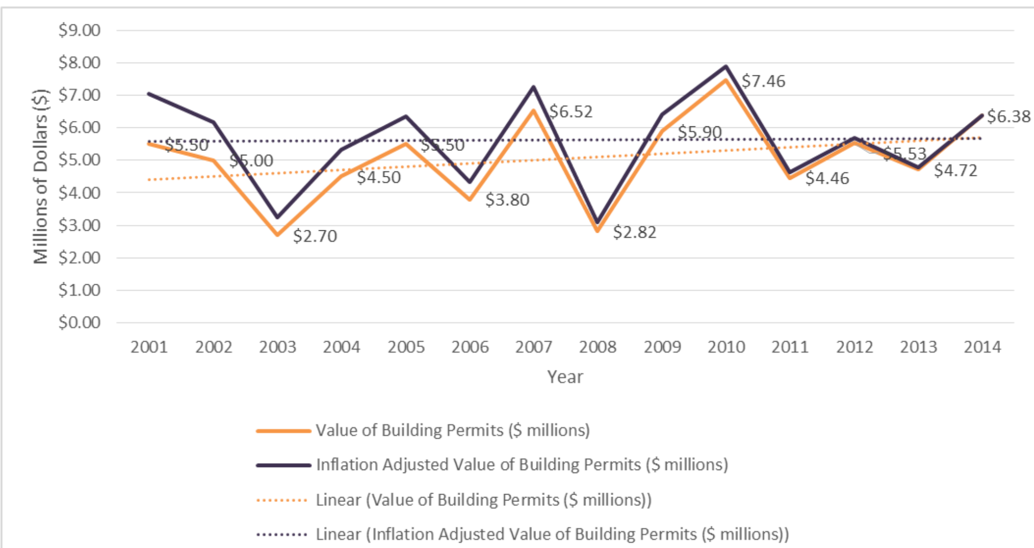
Figure 6-5: Value of New Construction, Renovations & Expansions in Downtown Peterborough

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Value of Building Permits ($ millions)	$5.50	$5.00	$2.70	$4.50	$5.50	$3.80	$6.52	$2.82	$5.90	$7.46	$4.46	$5.53	$4.72	$6.38
Inflation Adjusted Value of Building Permits ($ millions)	$7.03	$6.16	$3.26	$5.32	$6.36	$4.32	$7.25	$3.10	$6.40	$7.90	$4.62	$5.68	$4.79	$6.38

SOURCE: urbanMetrics inc. *based on data from the City of Peterborough Planning Division. Inflation calculated based on information from the Bank of Canada Inflation Calculator, which relies on consumer price index ('CPI') data.*

In 2008 building permit values declined well below average values between 2001 and 2007, although it is important to recognize that this timing also coincided with a major downturn in the global economy. The peak year was in 2010, at $7.46 million ($7.90 million adjusted for inflation), and much of this total can be attributed to the renovations to the Market Hall Performance Centre. Overall, there has been an increasing trend in terms of the value of building permits in downtown Peterborough, as illustrated in Figure 6-6. The increasing value of building permits reflects increasing investor confidence and interest in downtown Peterborough. Increased private investment is critical in order to generate excitement and interest in downtown Peterborough, in order to build momentum that leads to greater investment in revitalization opportunities in future years.

Figure 6-6: Historic Trends in Annual Building Permit Values



SOURCE: urbanMetrics inc. *based on data from the City of Peterborough Planning Division. Figures have not been adjusted for inflation.*

6.3.2 Commercial & Residential Development

Since the 2008 DEA, intensification and infill development has been encouraged in the downtown area to help ensure that downtown Peterborough continues to be a major residential and employment node. Residential development activity in downtown Peterborough since the 2008 DEA is summarized in Figure 6-7.

Figure 6-7: Residential Development in Downtown Peterborough

Year	Units Created	Notes
2007	8	
2008	50	48 units in former St. Peter's School on Reid Street
2009	16	
2010	0	
2011	21	16 units at 207 Murray Street
2012	183	30 Units at Former Nurses' Residence, 185 Hunter Street East; Zoning approved for 140 units - conversion of former YMCA
2013	84	17 units at 234 Hunter Street West; Zoning approved for redevelopment of part of Rink and Olive Streets with 64 units
2014	118	42 units at former Knox United Church; 64 units at Phase 2 of former St. Joseph's Hospital

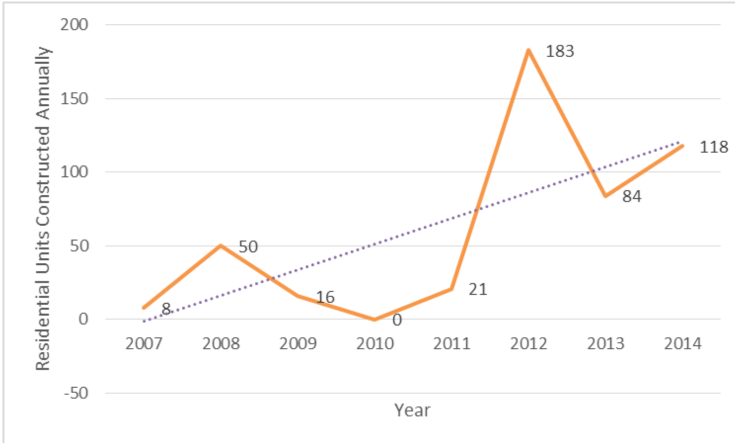
SOURCE: urbanMetrics inc. *based on data from the City of Peterborough Planning* Division.
1) This includes 140 units related to the conversion of the former YMCA. However, it is important to note that these units have yet to be constructed and the development timeline is currently uncertain.
2) This includes 64 units as part of a redevelopment at Rink and Olive that has yet to be constructed and the development timeline is currently uncertain.

In addition to the developments summarized above, it is also important that the redevelopment of the former Peterborough Regional Health Centre is ultimately planned to include a total of 225 residential units[25], along with 65,000 square feet of commercial space developed in a series of phases. The increasing level of residential development in the downtown area is beneficial for downtown retail and service commercial businesses, providing increased traffic and adding to the local population base. It also reflects growing investor confidence and interest in downtown Peterborough.

Similar to recent trends in terms of building permit values, the number of residential units created on annual basis has been increasing, illustrated in Figure 6-8 Since the CIP was introduced there has been a considerable increase in the number of residential units constructed annually. However, this level of growth must be sustained or increased in future years in order to reach Growth Plan intensification targets. As a result, the downtown residential market should continue to be geared towards a variety of market segments in future years. These targets are discussed in greater detail in Section 7.1 of this report.

[25] As a result, there is remaining potential for 134 residential units, which are not reflected in Figure 6-5. This project has been described in greater detail in Section 5.3.1 of this report.

Figure 6-8: Historic Trends in Residential Development (Units Constructed Annually)



SOURCE: urbanMetrics inc. *based on data from the City of Peterborough Planning Division.*
1) This includes 140 units related to the conversion of the former YMCA. However, it is important to note that these units have yet to be constructed and the development timeline is currently uncertain.
2) This includes 64 units as part of a redevelopment at Rink and Olive that has yet to be constructed and the development timeline is currently uncertain.

In terms of commercial development, recent inventory fieldwork indicates that 139,540 square feet of commercial space has been added in downtown Peterborough during the past five years. This includes a new Shoppers Drug Mart store, a number of retail and service commercial establishments occupying former residential properties, and new commercial space constructed as part of mixed-use developments (e.g. 234 Hunter Street West – Freshii, GreenEyeWear, and Dr. Diane Trevis street level retail, with 17 residential units constructed above). Other notable commercial projects include the construction of the Charlotte Medical Arts Building and new restaurants in the Hunter Street Café District (e.g. Kettle Drums and Jim's Pizzeria). These increases in residential and commercial development are positive indicators in terms of the strength and economic vitality of the downtown area. Despite these changes, it is important to emphasize that there are minor differences in regards to the inventory methodology – as a result, increases in commercial space may be overstated.

6.3.3 Financial Incentives

The success of financial incentive programs can be evaluated based on the amount of private sector investment leveraged through public sector funding programs. When the 2008 DEA was undertaken, the only financial incentive programs offered by the City of Peterborough were the Heritage Tax Relief Program and the Development Changes Exemption. Based on the recommendations of the 2008 DEA, and the CAMP which followed, a number of additional financial incentives were introduced in Downtown Peterborough in September 2011 as part of the Central Area Community Improvement Plan ('CIP'), which are summarized in Figure 6-9.

Figure 6-9: Downtown Community Improvement Plan ('CIP') Incentives

Incentive Program	Description	Funding Available
Façade Improvement Grant	A grant to property owners who rehabilitate building facades within the Central Area	50% of eligible costs up to $15,000 per property address with one façade (an additional $15,000 available more corner lots/properties with multiple facades
Central Area Revitalization (Tax Increment Based) Grant	A grant to property owners based on the incremental increase in municipal taxes resulting from revitalization work	Implemented over a period of 9 years, with grant equal to 100% of tax increase for the first five years and the full tax rate gradually phased in during years 6- 9
Brownfields Tax Assistance	A grant that refunds the property tax increase on a brownfields property that requires remediation work to assist with the costs of site environmental rehabilitation	Only applicable to properties requiring site environmental remediation
Municipal Brownfields Rehabilitation Grant Program	A grant that refunds the property tax increase on a property that requires remediation work to assist with the costs of building environmental rehabilitation	Only applicable to properties with buildings proposed for environmental remediation
Municipal Incentive Grant	Grant that refunds planning fees and cash-in-lieu of financing requirements for new developments	100% refund of fees for new residential projects and a 50% refund of fees for all other project types
Residential Conversion and Intensification Grant	A grant to property owners who redevelop or convert their properties for residential purposes	$10 per square foot of habitable floor space

SOURCE: City of Peterborough, Peterborough Central Area Financial Incentives

The Heritage Tax Relief Program and the Development Changes Exemption also continue to be offered. Establishing these incentives by means of the Central Area CIP was important to encourage greater private sector investment in downtown Peterborough.

The redevelopment of the Knox United Church and conversion into 41 affordable apartments provides an example of a project which has taken advantage of incentives programs offered in downtown Peterborough. Financial incentives for this project would be approximately $40,000 per unit, or $1.6 million in total, including waiving building permit fees and tax increment grants to offset future increases in property value resulting from the redevelopment of the property. The redevelopment of the former YMCA at George Street and Murray Street provides another example of a major redevelopment project expected to take advantage of financial incentives to facilitate the project and offset the estimated construction costs, which range between $25 and $30 million[26].

In the future, the City of Peterborough should actively track and compare the amount of investment leveraged through each respective incentive program to the value of grants issued as part of that program. This analysis would identify which CIP programs are most effective in terms of encouraging revitalization in the downtown area.

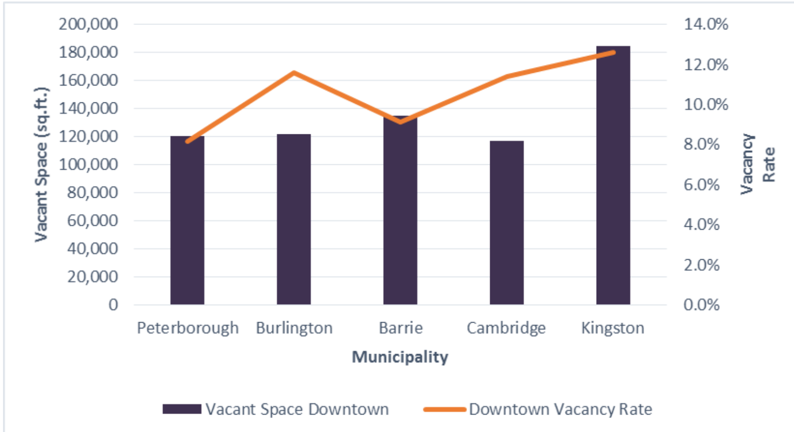
6.4 Business Activity

6.4.1 Vacancy Rates

According to the updated retail and service commercial inventory, the vacancy rate for Downtown Peterborough is now 8.2%. Although there has been a moderate increase in vacancy since the 2008 DEA, the updated vacancy level recorded for the downtown area does not raise concern, given that a healthy vacancy rate is typically between 5% and 10% for mid-sized municipalities in Ontario, as illustrated in Figure 6-10.

[26] Frank, Sarah. Former YMCA building to be transformed into 139 rental units. MyKawartha, October 22, 2014.

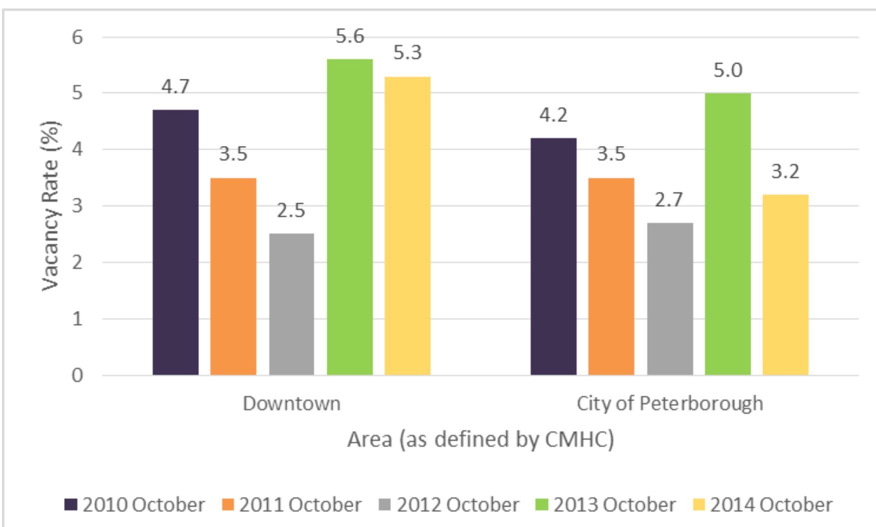
Figure 6-10: Comparison of Downtown Retail Vacancy Rates



SOURCE: urbanMetrics inc.

Vacancy rates for rental residential units in the downtown area have been comparable to the broader City of Peterborough since 2010 according to data from the Canada Mortgage and Housing Corporation (‘CMHC’). However, in 2014 rental vacancy rates in the City of Peterborough declined to almost 3%, whereas vacancy rates in the downtown area remained above 5%. Rental residential vacancy rates in the downtown are compared to the City of Peterborough in Figure 6-11.

Figure 6-11: Residential Rental Vacancy Rate Comparison



SOURCE: urbanMetrics inc. *based on data from the City of Peterborough Planning Division.*

6.4.2 Number of Employees

The level of downtown employment plays a particularly important role in terms of supporting the economic vitality of the area by ensuring regular pedestrian traffic and customer support, which is essential for local businesses to thrive. As described in Section 4.4 of this report, there have been some notable office closures during the past five years which have reduced pedestrian traffic and diminished the regular customer base for downtown business, subsequently impacting the overall economic health of downtown Peterborough.

Although these recent office closures (i.e. TD Insurance – 270 George Street; Teleperformance – 364 Water Street; and, Federal Government – 185 King Street) have had a negative impact on downtown Peterborough in recent years, these changes are considered cyclical. The majority of jobs that were lost as a result of these closures are expected to be replaced, as a new call centre tenant has been secured for 364 Water Street and the Peterborough County-City Health Unit has identified 185 King Street as a potential future location.

Going forward it will be important for the City of Peterborough to actively track downtown employment levels in order to evaluate the economic impact of employment fluctuations. Active monitoring of employment levels will better equip downtown stakeholders to develop strategies to mitigate impacts of potential employment declines.

Evaluating changes in the number of employees is critical because it provides an indication of the employment strength and can also help to supplement measurements of business change. In future years, the City of Peterborough should actively track business activity within the downtown area, using a survey that is circulated to each business in order to identify key characteristics, including:

- General description of primary business activities (i.e. type of employment);
- Number of years in operation at this location;
- Average annual revenue;
- Reasons for locating downtown;
- Number of full-time employees;
- Number of part-time employees; and
- Number of seasonal employees.

This type of survey would not only allow the City of Peterborough to assess the strength of the downtown area and actively track business activity, but also evaluate annual progress towards Provincial population and employment targets, which are discussed in greater detail in Section 7 of this report.

6.4.3 Business Change

The number and type of new businesses reflects changes in the local economy towards specific market sectors. If the City of Peterborough conducted an annual survey of downtown businesses as recommended in the previous subsection, it would also allow business change to be tracked and monitored. A survey of downtown business could be used to track yearly changes in the total number of businesses, and fluctuations in the number of businesses operating in specific categories.

This type of analysis could be used to identify strong location quotients for downtown Peterborough and develop strategies to exploit any clear competitive advantages. It would also provide background input used to develop business attraction and retention strategies that target specific economic sectors.

A comparison of average asking lease rates[27], provides another indication of the overall demand for space in the downtown area. When comparing average asking lease rates in the downtown area to other locations elsewhere in Peterborough a slight discount is evident, and there has been a major decline in net rental rates for commercial space downtown since the 2008 DEA. The average commercial rent for occupied commercial space is currently only $10.78[28]. It is also important to emphasize that actual rental

[27] See Section 5.2 of this report.
[28] See Figure 5-13.

rates are typically much lower than asking rents, particularly in the downtown area, where many landlords/property owners offer significant discounts and incentives to prospective tenants. Furthermore, many downtown tenants are reluctant to sign long-term leases, which is detrimental to the stability of the downtown commercial market.

6.5 Areas of Concern & Need for Improvement

The greatest area of concern with respect to economic performance measures is that the City of Peterborough has not developed an annual monitoring report for the downtown area as recommended in the 2008 DEA. Although a number of the recommendations from the 2008 DEA have been implemented, most importantly the Central Area CIP, it is important that the City of Peterborough establish a program to actively monitor economic changes in the downtown area.

The development of an annual monitoring report which actively tracks each of the downtown performance measures highlighted in the previous subsections would offer the following benefits:

- Provide a basis for measuring economic success in the downtown area (i.e. strengths and weaknesses);
- Help to identify and react to market trends;
- Provide a clear understanding of the effectiveness of incentive programs in terms of attracting investment to downtown Peterborough;
- Help to improve the public perception of downtown Peterborough by highlighting annual progress and change; and
- Improve transparency and provide guidance in regards to downtown policies, programs and funding.

Aside from establishing an annual monitoring report which encompasses each recommended downtown performance measure, it will be critical for the City to focus on improving the perception of downtown Peterborough (i.e. selection of goods and service, safety, cleanliness of public spaces), in order to promote economic development.

Maintaining and increasing the level of employment in downtown Peterborough will also be essential in future years. Downtown retailers depend on a strong local employment base, which provides crucial support for downtown retailers and services. Given the importance of downtown employment, a comprehensive business attraction and retention strategy should be implemented in downtown Peterborough. This type of program would not only help to contribute towards achieving Provincial density targets, but also offset cyclical fluctuations in employment.

7 Downtown Warranted Commercial Space

As part of our updated Downtown Economic Analysis, we have calculated the warranted commercial space in downtown Peterborough based on per capita space ratios and the projected population in the downtown area according to growth plan density targets. Our warranted commercial space analysis for the downtown area is summarized in the following subsections.

7.1 Urban Growth Centre Population Forecast

The projected population in downtown Peterborough has been calculated based on the Ontario Ministry of Infrastructure, *Growth Plan for the Greater Golden Horseshoe, 2006 – Office Consolidation, June 2013* ('Growth Plan'). This document provides the updated population forecasts in Schedule 3 which assume that there will be more growth in the City of Peterborough and elsewhere in the Trade Area than considered in our previous calculations of warranted commercial space. For the purposes of our projections, it has been assumed that the updated Growth Plan forecasts and related municipal population forecasts are reasonable.

The Growth Plan identifies downtown Peterborough as an Urban Growth Centre. As a result, it is required that the downtown area is *"planned to achieve, by 2031 or earlier, a minimum gross density target of 150 residents and jobs combined per hectare."* Although the population and employment forecast have been updated for the City of Peterborough, the density targets established in Section 2.2.4 of the Growth Plan have not been revised. Therefore, the minimum density target of 150 residents and jobs per hectare continues to be applicable in the downtown Peterborough Urban Growth Centre.

For the purposes of this study we have assumed that the majority of the growth occurring in the downtown area will be concentrated within the Urban Growth Centre, which is located within the Commercial Core[29]. We also anticipate that there will also be some additional intensification elsewhere in downtown Peterborough (i.e. outside of the Urban Growth Centre).

The City of Peterborough conducted a conformity exercise to ensure consistency with the Growth Plan, which indicated that approximately 4,800 new residents and jobs would be required within the downtown Peterborough Urban Growth Centre between 2001 and 2031 with a ratio of residents to jobs per hectare of 24:76[30]. The number of additional residents and jobs has been calculated in Figure 7-1 based on the Census population (i.e. 2001, 2006 and 2011) and the ratio of residents to jobs per hectare. For 2031, the population has been based on the size and the Growth Plan density target (i.e. 150 residents and jobs/hectare).

[29] See Figure 1-1.
[30] City of Peterborough, Planning Peterborough to 2031: How the Growth Plan for the Greater Golden Horseshoe will affect the City of Peterborough, April 20, 2009 (p. 47-48).

Figure 7-1: Peterborough Urban Growth Centre Population & Employment Forecast

		Peterborough Urban Growth Centre				Growth	Growth
		2001	2006	2011	2031	2011 - 2031	2001 - 2031
Size (hectares)		96	96	96	96	0	0
Density (population + employment/hectare)		100	100	100	150	50	50
Total Population & Employment (1		9,513	10,675	10,117	14,400	4,283	4,888
Population (Census) (2	*24%*	*2,283*	*2,562*	*2,428*	*3,456*	*1,028*	*1,173*
Employment (3	*76%*	*7,230*	*n/a*	*n/a*	*10,944*	*n/a*	*3,715*

SOURCE: urbanMetrics inc.
1) Calculated based on the Census population and the ratio of persons and jobs per hectare (24:76).
2) 2001, 2006 and 2011 Census data. The 2031 population is based on Planning Peterborough to 2031: How the Growth Plan for the Greater Golden Horseshoe will affect the City of Peterborough (p. 47-48).
3) Planning Peterborough to 2031: How the Growth Plan for the Greater Golden Horseshoe will affect the City of Peterborough (p. 47-48).

Overall, little progress was made in terms of achieving Growth Plan density targets between 2001 and 2011. Taking into consideration density targets and recent population changes, we have estimated that 1,028 new residents would be added in the Urban Growth Centre by 2031. Additional intensification outside of the Urban Growth Centre, elsewhere in downtown Peterborough will also be required in order to achieve City-wide density targets. As a result, total population growth in downtown Peterborough has been estimated at 1,500± residents between 2011 and 2031. The projected 2031 population for downtown Peterborough is approximately 7,800 residents, as summarized in Figure 7-2.

Figure 7-2: Downtown Peterborough Population Forecast

Target Population Growth in Downtown Peterborough Urban Growth Centre 2011 - 2031	1,028
Estimated Population Growth Elsewhere in Downtown Peterborough (1	472
Subtotal - Downtown Peterborough Population Growth 2011 - 2031	1,500
Downtown Peterborough Population 2011 (2	6,288
Downtown Peterborough Population Estimate 2031	**7,788**

SOURCE: urbanMetrics inc.
1) urbanMetrics estimate, which has considered existing/planned projects (i.e. redevelopment of former Peterborough Regional Health Centre property on Hunter Street East) and the potential for intensification on other properties elsewhere in the downtown area.
2) See Figure 3-1 (or Figure 6-2) of this report. Refers to 2011 Census population adjusted for net undercoverage.

7.2 Total Commercial Space Needs Based on Growth Plan Targets

As noted above, between 2001 and 2031, the inferred Growth Plan employment target for the Downtown Growth Centre would be some 3,715 employees, based on the existing employee/resident ratio of 76:24. We would assume that the vast majority of these would be in office, institutional, or retail jobs, which would have employment densities ranging from approximately 250 square feet per person (office) to some 400 square feet per person (retail). Using an average ratio of 325 square feet per employee, would mean that the downtown would require some 1,207,213 square feet of additional retail/office/institutional space over the study period. While some new commercial development, discussed in Section 4, has occurred since 2001, the amount of development represents only a fraction of that which would be required to achieve the Urban Growth Centre target.

7.3 Per Capita Space Analysis

The following provides an overview of the methodology and assumptions utilized to determine the warranted additional per capita commercial space requirements by new downtown residents in downtown Peterborough by 2031. This analysis should be considered preliminary and will be updated in conjunction with the full commercial market study that is currently underway.

As illustrated in Figure 7-2, the population in downtown Peterborough is projected to increase by approximately 1,500 residents by 2031 (based on the Growth Centre target and urbanMetrics estimates). We have used this population forecast as the basis for our per capita space analysis, which is summarized in Figure 7-3 and described in greater below.

Column A:

Based on our experience in other similar sized markets in Ontario, as well as our review of the existing commercial supply situation in downtown Peterborough (see Figure 4-1) we have estimated downtown residents' space per capita requirements for each retail and service commercial category.

Column B:

The space per capita ratios have been applied to the anticipated future population to provide an estimate of the total space required by downtown Peterborough residents. Assuming 45.0 square feet per capita, the additional population living in the downtown area in future years could support an estimated 67,500 square feet of retail and service space.

Column C:

Target local shares, or the percentage of space that could be supported locally by downtown residents have been estimated for food store retailers (FSR), non-food store retailers (NFSR), and a range of service establishments based on the results of previous telephone survey research conducted in the City of Peterborough. We have not included department stores in our calculations as this type of store is not likely to be represented in the downtown area.

The downtown Peterborough shares (i.e. local capture rates) have been varied by category. For local serving retail and services (e.g. supermarkets, health care, personal services), a higher target local share has been utilized, with lower target shares for comparison goods (e.g. general merchandise, apparel, home furnishings) and services which could be served regionally.

Column D:

The target local shares have been applied to the square feet that could be supported by downtown Peterborough residents in order to calculate the additional space that could be supported locally by additional future residents living in the downtown Peterborough.

The resulting figures indicate that some 31,013 square feet of additional commercial space would be warranted in downtown Peterborough by 2031[31]. This includes 10,950 square feet of services space; 6,600 square feet of FSR space; 12,900 square feet of NFSR space; and 563 square feet of liquor, beer, wine space.

[31] We would note that this excludes inflow expenditures by non-downtown residents.

Figure 7-3: Downtown Peterborough Per Capita Space Analysis

Category	Trade Area Residents Per Capita Space Requirements (1	Total Space Required by Trade Area Residents	Target Trade Area Capture Rate	Trade Area Space Supported by Trade Area Residents
DOWNTOWN PETERBOROUGH	A	B	C	D
Projected Population Growth by 2031 ***1,500***		(A x Pop'n)		(B x C)
FOOD STORE RETAIL (FSR)				
FSR: Grocery, Convenience & Specialty Food	*1.5*	2,250	80%	1,800
FSR: Supermarket & Grocery	*4.0*	6,000	80%	4,800
SUB TOTAL	***5.5***	**8,250**	**80%**	**6,600**
NON FOOD STORE RETAIL (NFSR)				
NFSR: Department Store	*4.0*	6,000	0%	0
NFSR: Other General Merchandise	*1.5*	2,250	50%	1,125
NFSR: Building & Outdoor Supply Stores	*3.0*	4,500	60%	2,700
NFSR: Health and Personal Care Stores	*2.0*	3,000	75%	2,250
NFSR: Clothing & Accessories Stores	*3.0*	4,500	30%	1,350
NFSR: Furniture, Home Furnishings & Electronics Stores	*3.0*	4,500	30%	1,350
NFSR: Miscellaneous Retailers	*5.5*	8,250	50%	4,125
SUB TOTAL	***22.0***	**33,000**	**39%**	**12,900**
OTHER RETAIL				
Other: Liquor / Beer / Wine	*0.5*	750	75%	563
SUB TOTAL	***0.5***	**750**	**75%**	**563**
SERVICES				
Services: Financial Services	*2.0*	3,000	60%	1,800
Services: Eating & Drinking Establishments	*3.5*	5,250	40%	2,100
Services: Personal Care Services	*2.0*	3,000	60%	1,800
Services: Entertainment & Fitness Establishments	*3.0*	4,500	40%	1,800
Services: Other Services	*3.0*	4,500	40%	1,800
Services: Insurance and Real Estate Services	*1.0*	1,500	35%	525
Services: Health Care Services	*1.5*	2,250	40%	900
Services: Professional, Scientific & Technical Services	*1.0*	1,500	15%	225
SUB TOTAL	***17.0***	**25,500**	**43%**	**10,950**
GRAND TOTAL	***45.0***	**67,500**		**31,013**

SOURCE: urbanMetrics inc.

1) urbanMetrics estimates based on the Southern Ontario average for communities similar to Peterborough.

8 Summary & Recommendations

Downtown Peterborough continues to be successful in a variety of key areas highlighted below:

- 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.
- 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 facilitated a number of recent downtown redevelopment projects.

Despite these successes, there are also some challenges that continue to exist in downtown Peterborough:

- Rising retail and service commercial vacancy levels;
- Increases in street front services and offices which have replaced retail space, which has declined in recent years (i.e. declining quality of commercial tenants);
- Significant declines in average commercial rental rates;
- Continued investment in competitive retail and service commercial developments located outside of the downtown area;
- Image and public safety are concerns 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 findings and recommendations detailed in this report have built on the 2008 DEA in order to provide updated recommendations with respect to maintaining and enhancing the economic vitality of downtown

Peterborough. We have reviewed our previous recommendations in the existing context for downtown Peterborough, in order to determine which recommendations are no longer a priority; those which require continued commitment in future years; and to identify new recommendations that will help to ensure the economic vitality of downtown Peterborough in the future. Our key findings and recommendations include the following:

1. Policies and programs must be geared towards residential intensification in downtown Peterborough, with particular focus on the Urban Growth Centre.

A strong downtown residential market and local population base continues to be the key to successful downtowns, by ensuring visitation outside of regular business hours and on weekends for downtown retail and service commercial business. Furthermore, downtown Peterborough has been designated an Urban Growth Centre ('UGC') and is planned to increase its density from 100 to 150 residents and jobs per hectare by 2031 according to the targets established by the Growth Plan. The Commercial Core, as defined by the Official Plan, was recently expanded to be consistent with the UGC boundaries. This level of future growth would require the addition of approximately 4,800 new residents and jobs.

Between 2006 and 2011, there was limited progress made towards achieving the Growth Plan intensification targets in downtown Peterborough. However, in recent years, the City has been more successful at marketing the downtown to a broader spectrum of Peterborough residents and the surrounding market area. New projects have included developments targeted at higher income young professionals, as well as seniors and individuals with disabilities. Many of these developments have benefitted from financial incentive packages, which are now available to developers through the Central Area Community Improvement Plan ('CIP').

Since the CIP was introduced there has been a considerable increase in the number of residential units constructed annually. However, this level of growth must be sustained or increased in future years in order to reach Growth Plan intensification targets. As a result, the downtown residential market should continue to be geared towards a variety of market segments in future years.

We would recommend that there be a continued commitment to achieving the Growth Plan target of 150 persons and jobs per hectare within the UGC. We would also recommend that a specific residential target is established for the remainder of downtown Peterborough (i.e. located outside of the Urban Growth Centre) in order to bolster the demand for downtown retailers and services, and to support City-wide intensification objectives.

Recognizing that there are only limited sites available for additional ground floor development in the future, downtown Peterborough will continue to be forced to grow "upwards" and not "outwards" to achieve the Provincial growth targets. Residential intensification should continue to take the form of infill on vacant and under-utilized sites and the redevelopment of obsolete sites (e.g. 234 Hunter Street, 443 Reid Street, etc.). The encouragement of residential occupancies on the second and third floors of commercial buildings will also be increasingly important as vacant sites and prime infill sites are redeveloped (e.g. 475 George Street).

2. Protect downtown Peterborough as the major office and government centre

It remains crucial that downtown Peterborough continues to be designated as the location for major office and government functions. New large scale office and government projects must continue to be directed to the downtown area, and particularly within the area designated as the Urban Growth Centre (e.g. new Charlotte Medical Arts building). The relocation of major office users (e.g. Federal Government office formerly located at 185 King Street) to new office developments located outside of the downtown area has had a negative impact on the overall economic viability of the downtown area in recent years.

In the future, smaller scale offices should also continue to be encouraged to locate in the downtown area, although it is recognized that they may also be required to serve local residents and businesses in other parts of the City. Downtown Peterborough has been somewhat successful in this regard, as evidenced by the increase in office space in these types of buildings located in the periphery of the downtown area (e.g. new offices on Rubidge Street, Reid Street and Aylmer Street).

The introduction of financial incentives available through the CIP has been instrumental to increasing the supply of office space in the downtown area in recent years, although there has been no corresponding increase in employment density in the UGC. Downtown office vacancy rates are currently high, and major declines in occupancy have been observed in recent years. Downtown office lease rates have subsequently been declining, which has put additional pressure on property owners. As a result, continued commitment to attracting and retaining office users in the downtown area is central to ensuring that employment density continues to rise, rather than being subject to cyclical fluctuations. In general, major office development should be not be encouraged in locations outside of downtown Peterborough in order to help stabilize rental rates and reduce vacancies.

3. Protect against further erosion of the downtown retail function

From an economic perspective the downtown area is currently functioning well, although it continues to be faced with competition from retail developments in peripheral locations throughout the City. In the future, it will continue to be important to actively monitor the amount of commercial space developed outside of the downtown core and ensure that it corresponds with population growth. It will also be critical to maintain and enhance the quality of tenants in order to improve the diversity of retail and services facilities available in the downtown area. Future retail space built outside the downtown should coincide with future population growth and should not adversely impact the downtown, or the planned commercial hierarchy in the City of Peterborough.

There are a number of existing Official Plan policies which require the completion of a market impact study to substantiate the need for new commercial space and to illustrate that new development won’t have a detrimental impact on the downtown area. These policies are critical for the City of Peterborough to ensure that downtown is able to:

- Maintain its current strength as a retail centre;
- Add new space required to achieve its growth centre targets; and,
- Attract more middle market retailers and chains to enable it to broaden its appeal throughout the entire City.

Continued commercial development in outlying locations has the potential undermine the economic vitality of the downtown, negatively impacting the quality of tenants, vacancy rates and average net rental rates throughout the downtown area. Therefore, it is critical for the City to actively monitor vacancy rates, lease rates and other market trends to ensure that the economic health of the downtown area is not further undermined in future years. Maintaining and/or enhancing the quality of tenants will also help to ensure the economic vitality of downtown Peterborough in future years.

To help protect against further erosion of the downtown retail function, representatives from the Downtown Business Improvement Area (‘DBIA’) should collaborate with members of Council and City staff to develop a downtown retail attraction and retention strategy. This type of program could potentially be developed in partnership other local business organizations (e.g. the Ashburnham (East City) Business Improvement Area). The implementation of a business attraction and retention strategy is discussed in greater detail as part of Recommendation # 15, which follows.

4. Explore opportunities to establish an institutional and academic hub downtown

Downtown Peterborough remains an important centre for institutional uses including Provincial Government offices (e.g. Ministry of Natural Resources Peterborough County Courthouse, and City Hall) It is also home to a variety of non-government organizations, a number of which are tenants in Peterborough Square.

Along with institutional uses, a number of mid-sized cities (e.g. Brantford, Cambridge, Kitchener, London, Oshawa) have successfully partnered with universities and/or colleges to establish downtown campuses. These types of initiatives help to stimulate economic, social and cultural development in the downtown. The student population supplements the regular population base and helps to support downtown businesses and helps to create a critical mass of customers.

As of 2014, the estimated enrollment at Trent University, including full and part-time undergraduate and graduate students, was 8,060[32]. Currently, Trent only has a limited presence in Downtown Peterborough. Fleming College has approximately 15,900 full-time and part-time students, including a growing population of international students has also been noted by Fleming College, particularly in recent years[33].

These two institutions represent a significant addition to the City's total population and should be encouraged to invest in new downtown facilities, as future expansion opportunities arise. There must be greater collaboration between the DBIA and these post-secondary institutions, in order to explore potential facilities that would be well-suited to a location in downtown Peterborough. The introduction of post-secondary facilities in the downtown core would help to increase the ratio of staff and students working and/or living in the downtown area, and provide additional support for downtown businesses. A larger student population would also help to promote a more multicultural downtown area, recognizing that post-secondary institutions typically attract students from diverse cultural backgrounds.

Outside of new facilities in the downtown area, there are also initiatives that could be introduced to encourage greater synergy between post-secondary institutions and the downtown area. For example, the Frost Student Association shuttle bus which was established in the Fall of 2014, provides a connection between the two Fleming College campuses, including a stop in downtown Peterborough. This service provides students from the Lindsay Campus with easy access to the downtown area, helping to expand the regional customer base for downtown businesses.

5. Confirm downtown as a centre for cultural and entertainment uses

Entertainment facilities such as the Showplace Performance Centre, Market Hall Performing Arts Centre, and Galaxy Cinemas are located within close proximity in the downtown core and collectively form a small entertainment cluster. Since 2008, the City has been somewhat successful in enhancing the clustering effect in the downtown area, by establishing definable corridors between key institutions by means of urban design features and the encouragement of investment in complementary uses such as dining and tourist retail and services. For example, the following developments provide key examples of these types of investments:

- Development of the Hunter Street Café District;
- Renovations to the Market Hall Performing Arts Centre; and

[32] Enrolment by university: 2014 preliminary full-time and part-time enrolment at AUCC member institutions. Association of University and Colleges of Canada.
[33] http://flemingcollege.ca/news/record-breaking-summer-enrolment-at-fleming-college/

- New pedestrian walkway extending along the waterfront to improve connectivity between the Peterborough Marina and Millennium Park.

Future projects, namely the development of the Louis Street Urban Park, will help to further enhance the clustering effect, by establishing a new definable corridor on Charlotte Street (i.e. similar to the improvements on Hunter Street), while also specifically addressing this long-term strategy, by providing a downtown location for the farmer’s market. There is also a future trail network, extending south from Del Crary Park along Crescent Street and the south side of Little Lake, which is planned over the next several years, which will help to further reinforce the downtown area, as the primary location for cultural and entertainment uses.

Although the City has been successful at reinforcing the downtown area as the centre for cultural and entertainment uses, there should be a continued focus on this recommendation in future years to avoid major cultural and entertainment uses choosing locations outside of the downtown area. For example, although the DEA recommended a new location for the Canadian Canoe Museum in downtown Peterborough, a new location just east of the downtown area, at the Peterborough Lift Lock, was identified in 2014, despite opposition from the DBIA.

The Official Plan should continue to include specific policies which direct all major cultural and entertainment uses to the downtown area, whenever possible. The development of these facilities in locations outside of downtown Peterborough should generally be discouraged, unless it has been demonstrated there is no suitable downtown location available.

6. Develop a downtown brand

As of 2008 Peterborough and area residents were generally not well informed with regards to what downtown had to offer (e.g. selection of goods and services) and its functional characteristics, (e.g. the availability of parking; public safety). There was also considerable variance between the survey of downtown residents and the telephone survey of Peterborough and area residents. Both of these conditions continue to exist based on our updated survey research.

Public safety, parking availability, cleanliness, and attractiveness of storefronts were all rated much lower by the general public (i.e. 2014 online and 2007 telephone surveys) compared to downtown visitors (i.e. 2007 and 2014 on-street surveys). This continues to point to perceptual gaps on the part of the general public with respect what downtown Peterborough has to offer.

In order to address the negative perception of the downtown area, the 2008 DEA recommended establishing a brand, focusing on the positive attributes of downtown that distinguish the area from suburban malls or large format retailers, while also highlighting the unique character and charm of the downtown area. However, greater buy-in from both the municipality and the downtown business sector to ensure the vitality of the core (i.e. introduction of financial incentives and policies; private investment in redevelopment initiatives).

In 2010, the DBIA engaged a local advertising firm, BrandHealth Communications (‘BrandHealth’) to develop a series of five rebranding campaign concepts for the downtown area in order to address the negative perception and highlights appealing elements of the downtown experience. Three new logos/slogans for downtown Peterborough were also developed as part of the rebranding exercise. Following extensive market research and series of focus groups, a marketing/branding strategy based around the slogan “Make It Your Own Downtown” was selected by a steering committee. This rebranding strategy uses the signage from downtown business to tell a story and encourages downtown visitors to create their own story. In 2011, banners were also installed in order to identify different areas throughout the downtown and distinguish what each area represents.

<u>Recognizing that a comprehensive branding strategy has already been undertaken for the downtown area, this is no longer considered a priority</u>. Nevertheless, various programs could be introduced to build on the “Make It Your Own Downtown” strategy. For example, a contest could be organized to encourage

downtown customers to tell their own downtown story using social media, in order to promote interaction with downtown business and provide word-of-mouth advertising. This type of program could be introduced as part of a communications and marketing strategy for the downtown area. This type of program is discussed in greater detail as part of Recommendation # 16.

7. Review traffic circulation in the downtown

Recognizing that a large number of the workshop participants from the 2008 DEA noted that the one way traffic scheme on George and Water Streets works against efficient shopping trips and results in traffic speeds that detract from enjoyable pedestrian movement. As a result, it was suggested that the City should explore whether economic vitality in the downtown area could be improved by converting Water and George Streets to permit two-way traffic.

The downtown road network was subsequently evaluated in detail as part of the Peterborough Comprehensive Transportation Plan in June 2012. This study concluded that even with a series of short and long term improvements to the downtown road network, the existing one-way traffic flow on these streets provides the only reasonable transportation network for the downtown area. <u>Based on these conclusions, a review of traffic circulation in downtown Peterborough is no longer considered a priority.</u>

8. Enhance accessibility for pedestrians and cyclists

The City of Peterborough has been successful at enhancing accessibility in the downtown area for pedestrians and cyclists (e.g. Hunter Street improvements; extension of Otonabee River Tail connecting Millennium Park and Del Crary Park). However, the Transportation Master Plan indicates that the existing transportation network is impacted by poor connectivity for cyclists, particularly in the downtown area. It also highlights hazardous trail crossings and intersections for pedestrian and cyclists alike. As a result, it is important to continue ensure that this infrastructure is adequate and investments in future years are made in accordance with population growth and corresponding increases in demand.

Recommendations from the Downtown Cycling Master Plan should be used to guide future investments/programs used to enhance accessibility for pedestrians and cyclists in the downtown area. Planned future streetscape improvements on George and Charlotte Streets will also be critical in order to enhance the downtown environment for pedestrian and cyclists in future years.

9. Establish a strategy to make downtown inviting for seniors and families

As noted in the 2008 DEA, many downtowns, including Peterborough, are intimidating for specific population segments – some of which have the potential to be keys to success, including seniors, families and youth. The following elements were previously highlighted as being of particular concern and continue to create challenges today:

- *Mobility within downtown*, including reduced traffic flow, pedestrian crossings, high visibility signage, rest areas, as well as, sidewalks wide enough to eliminate pedestrian jostling and to accommodate scooters and walkers.
- *Image and the perception of safety*, including addressing panhandlers and other marginalized population groups that concentrate in the downtown area.
- *Services attractive to seniors and families*, including, health services, recreation facilities, events/attractions, waterfront trails, and cultural attractions.
- *Retiree and accessible housing*, including market condominiums, retirement residences and accessible housing facilities.

The image and perception of safety is the most important factor influencing how inviting the downtown area is for seniors and families. While positive steps have been made to accommodate these important market segments, it will be essential to continue to make downtown more inviting for all markets in future years. As a result, a new recommendation has been added as part of the updated Downtown Economic Analysis, which specifically addressed the image and perception of safety in downtown Peterborough.

10. Initiate a downtown-specific tourism development strategy

The downtown area has a variety of tourism venues including the Peterborough Marina, Millennium Park, Del Crary Park, and the Peterborough Art Gallery, amongst others. It benefits from a strong and growing cluster of restaurants and pubs that are appealing to the tourist market. As noted previously successful downtowns are also tourism centres. The 2008 DEA and the CAMP indicated that the City requires a more detailed tourism strategy specific to the downtown core. No such study has been completed to-date that is specific to downtown Peterborough.

The inventory of downtown tourist products has been improved since 2008 (e.g. renovations to Market Hall Performing Arts Centre; Otonabee River Trail extension; Hunter Street Café District). New downtown events have also been introduced, which are drawing increasingly high volumes of downtown visitors. However, heritage and culture are themes that continue to be well positioned to attract more tourists to the downtown area. The implementation of urban design elements such as gateway features and signage could also be used to distinguish downtown Peterborough and the unique character and experiences it offers. If downtown Peterborough is expected to function as a tourism centre, there should also be a downtown tourist information centre (at least on a seasonal basis). These types of initiatives should be included in a downtown-specific tourism development strategy.

The 2008 DEA indicated that a hotel with additional conference facilities would also benefit the core based on feedback from local residents. We would recommend that a City-wide hotel market analysis is undertaken to determine the demand for additional hotel rooms. A hotel analysis would help to confirm whether there is an opportunity for the development of additional hotel rooms in the downtown area. A City-wide hotel market analysis would involve an inventory of existing hotel facilities, identification of regional tourism trends, comparison hotel occupancy statistics and hotel yields per employee/residents and calculation of future hotel potential. As part of the recommended hotel demand study it will also be important to identify potential locations for hotel development in the downtown area. For example, the Holiday Inn located at 150 George Street that was recently listed for sale by Fortis Properties.

11. Develop downtown urban design guidelines

Refreshing the Downtown Urban Design Guidelines was a key recommendation of the 2008 DEA in order to promote economic development in the area and help to sustain the historic character of downtown Peterborough. This recommendation was also highlighted in the Central Area Master Plan and would help to support other recommendations detailed in this report. Despite these recommendations the urban design guidelines for the downtown area have not been updated to-date. Any future review of downtown urban design guidelines must be undertaken in accordance with the existing policy framework.

12. Develop a monitoring report for downtown

The series of performance measures described in Section 6 of this report should be compiled into an Annual Downtown Monitoring Report. This report is essential in order to track the annual economic performance of the downtown area. This type of report allows the City to identify and analyze trends, while also evaluating strengths, weaknesses, threats and opportunities. The creation of an annual monitoring report would offer the following benefits to the City of Peterborough:

- Provide a basis for measuring economic success in the downtown area (i.e. strengths and weaknesses);
- Help to identify and react to market trends;

- Provide a clear understanding of the effectiveness of incentive programs in terms of attracting investment to downtown Peterborough;
- Help to improve the public perception of downtown Peterborough by highlighting annual progress and change; and
- Improve transparency and provide guidance in regards to downtown policies, programs and funding.

13. Designate a Community Improvement Plan (CIP) Area

The use of a CIP is a primary planning tool available to municipalities to facilitate private sector investment through incentive programs. The City of Peterborough Central Area CIP was introduced following the 2008 DEA, with the objective of stimulating revitalization and investment in downtown Peterborough. The CIP included a series of financial incentives for property owners and developers, which have been instrumental in promoting the redevelopment and revitalization of downtown Peterborough in recent years. Recognizing that a CIP has already been designated for downtown Peterborough, this recommendation is no longer a priority.

However, it is important to recognize that CIP programs have been essential to encourage recent private sector investments, which are contributing to the revitalization of downtown Peterborough. In the future, the City of Peterborough should actively track and compare the amount of investment leveraged through each respective incentive program to the value of grants issued as part of that program. This analysis would identify which CIP programs are most effective in terms of encouraging revitalization in the downtown area.

14. Safety & Security Strategy

Improving the image of downtown Peterborough is one of the most critical factors to encourage economic development. Feedback from local residents and business owners indicates that downtown Peterborough is negatively impacted by safety concerns in the downtown area. It is important to recognize that much of this is related to perception, rather than actual safety concerns. As a result, educating downtown residents will be among the most important aspects of a safety and security strategy for downtown Peterborough.

There are a variety of ways that the overall image and perception of safety in downtown Peterborough could be improved. It is generally recognized that a critical mass of downtown residents and employees helps to ensure safety and security in downtown environments. The perception of safety is heightened with more activity in the downtown area. Therefore, more people living and shopping downtown will improve help to improve safety and security.

The cleanliness of the downtown area (or lack thereof) also contributes the perception of safety in the downtown area and should be addressed as part of the safety and security strategy. Lack of police enforcement continues to be a major issue. A number of other programs have been introduced to improve the perception of safety and security in downtown Peterborough, including the installation of videos cameras and additional policing throughout the downtown area. These programs should be evaluated and monitored to determine the impact on the perception of safety and security in order to inform future policies and downtown initiatives.

15. Business Attraction & Retention Strategy

To help protect against further erosion of the downtown retail function a downtown retail attraction and retention strategy should developed, with buy-in and cooperation from Council, City staff and the Downtown Business Improvement Area (‘DBIA’). This type of program is essential in order to improve the selection of goods and services available in the downtown area and the overall economic vitality of the downtown area.

Attracting a greater variety retailers and commercial services, particularly destination/anchor retailers, and improving the quality of tenants will help to reinforce downtown Peterborough as a compelling shopping destination relative to other areas of the City and improve the shopping experience for downtown customers. A business retention and attraction strategy for downtown Peterborough should be used to:

d) Identify and support downtown businesses that are experiencing economic difficulties by offering education programs for downtown business owners and encouraging collaboration.

e) Encourage property owners to market available properties prior to businesses closing/relocating in order to facilitate a seamless transition when tenant changes occur.

f) Identify potential retailers, which are not already located in the downtown, which could be help to broaden the range of retail and service commercial uses available in the downtown area.

16. Marketing & Communications Strategy

The existing marketing and communications programs for the downtown area should be refined to capture more of the local market in the City of Peterborough, and build on the downtown rebranding strategy developed by BrandHealth. Although the downtown rebranding strategy was introduced in 2010, the disconnect between the results of the online survey and on-street surveys, in terms of the quality and selection of goods and services available in the downtown area suggests that there may be a lack of knowledge or awareness regarding what the downtown area has to offer. While Recommendation # 6 addresses branding, the development of refined market and communications program has the potential to make a significant contribution to the economic vitality of downtown Peterborough in future years.

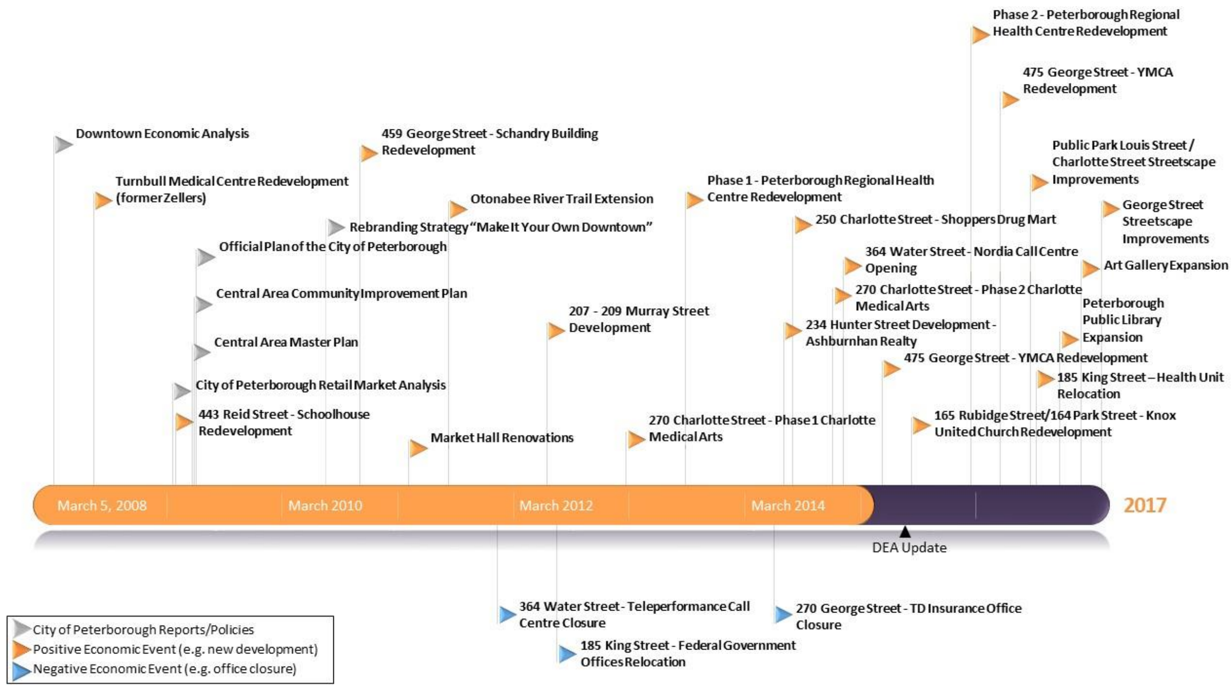
One of the prominent features of the marketing and communications program should be an increased emphasis on social media (e.g. Facebook, Twitter, etc.). This type of marketing is becoming increasingly important as social media becomes more engrained in our daily lives. There should also be a greater focus on downtown events, which help to increase exposure and potential sales for downtown businesses. An emphasis on social media and downtown events has proven to be an effective downtown economic development strategy in other municipalities.

Recent initiatives launched by the DBIA have already begun to address these recommendations. For example, there has been a much greater focus on downtown events during the past couple of years, with funds that were previously directed to advertising now being reallocated to an event support program. This program has enabled to DBIA to support a number of new large events in downtown Peterborough (e.g. Craft Beer Festival, Country Fest; Fashion Week; Pulse). The social media footprint of the DBIA has also doubled in the past couple of years, including regular engagement from the executive director and communications manager. However, continued commitment to these types of initiatives is required in future years.

As part of a new downtown marketing and communications strategy there are a variety of programs that could be introduced to increase awareness what downtown Peterborough has to offer. For example, a loyalty card program could be introduced which provides an incentive (e.g. 10% discount) for local residents; welcome packages could be delivered to new residents of the City of Peterborough educating them about the history of the downtown area, as well as various local business and upcoming events, in order to minimize apathy towards the downtown; and/or the City could introduce pedestrian hours on specific days, where vehicular traffic is blocked from specific streets in order to facilitate a pedestrian shopping environment (i.e. expand and building in Pulse event). This type of program could be offered in conjunction with sales a promotional events at downtown businesses.

Appendix A – Timeline and Overview of Significant Economic Development Events Since 2008 DEA

Appendix A-1: Time of Significant Economic Development Events Since the 2008 DEA



SOURCE: urbanMetrics inc.*, based on a review of building permit and development activity data from the City of Peterborough, as well as information DNS Real Estate Limited – Peterborough Office, and archived newspaper articles from the Peterborough Examiner and MyKawartha. A brief description of each event in Appendix A-1 is provided in Appendix A-2.*

Appendix A-2: Time of Significant Economic Development Events Since the 2008 DEA

#	Event	Date	Status/Description
1	Downtown Economic Analysis	March 2008	Document released by urbanMetrics inc. on behalf of the City of Peterborough, which reviewed the structure function and performance of the downtown area. The document also included 13 recommendations to enhance the economic vitality of downtown Peterborough.
2	Turnbull Medical Centre Redevelopment (former Zellers)	July 2008	The former Zellers building at the corner of George and Simcoe Streets was renovated to accommodate office space occupied by the Peterborough Community Health Team.
3	City of Peterborough Retail Market Analysis	March 2009	Document released by urbanMetrics inc. on behalf of the City of Peterborough, which provided an updated City-wide retail market analysis to justify the need for additional space in Peterborough.
4	443 Reid Street - Schoolhouse Redevelopment	May 2009	The former St. Peter's School on Reid Street was converted in to 48 accessible residential units. Site plan approval was granted in 2008 and occupancy began in May 2009.
5	Central Area Master Plan	May 2009	Document released by the City of Peterborough which is intended to stimulate creativity, capture opportunity and direct priority in the downtown area. The CAMP was designed to provide a dynamic planning strategy that supplements policies included in the Official Plan. The CAMP built on the work of previous studies, including the 2008 DEA undertaken by urbanMetrics, and provided a number of recommendations to guide future development in Downtown Peterborough.
6	Central Area Community Improvement Plan	September 2009	Document released by the City of Peterborough in order to stimulate revitalization and investment in the downtown area, by providing a range of financial incentives for eligible properties located within the community improvement plan area, as shown on Schedule H of the Official Plan.
7	Official Plan of the City of Peterborough	December 2009	Primary planning document released by the City of Peterborough, which provides comprehensive policy guidelines and a vision for future development. The Official Plan establishes planning principles that dictate how the City is planned to grow over both the short and long term.
8	Rebranding Strategy “Make It Your Own Downtown”	June 2010	The DBIA engaged a local advertising firm, BrandHealth Communications (‘BrandHealth’) to develop a rebranding strategy and a new slogan/logo for the downtown area. A marketing/branding strategy based around the slogan “Make It Your Own Downtown” was ultimately selected from a series of potential concepts.
9	459 George Street - Schandry Building Redevelopment	October 2010	Renovations of the former Church of the Open Bible on George Street began in late 2009 following its acquisition in May 2009. The former church was renovated to accommodate approximately 10,500 square feet of flexible office space.
10	Market Hall Renovations	March 2011	Renovations began in February 2010 with an estimated cost of $5,348,000 based on building permit data. Construction was expected to continue for approximately one year, lasting until March 2011. Development was part of a larger federally funded project to restore the interior and exterior of the building.
11	Otonabee River Trail Extensions from Millennium Park to Del Crary Park	July 2011	A two phase project which received approximately $1.9 million in funding from the Federal Gas Tax Fund. The project provided a linkage between Millennium Park and the marina/Del Crary Park. This waterfront pathways provides improved accessibility for pedestrians and cyclists, while also helping to attract visitors to the downtown area and create added economic benefits.
12	364 Water Street - Teleperformance Call Centre Closure	December 2011	Teleperformance announced that it was closing the Wind Mobile call centre at 364 Water Street in December 2011.
13	207 - 209 Murray Street	May 2012	Newly constructed 16 unit accessible apartment building geared towards seniors and/or tenants with disabilities. The development features 2 and 3 bedroom units ranging between 650 and 800 square feet. Building permits were issued in 2011 and occupancy began in May 2012.
14	185 King Street - Federal Government Offices Relocation	June 2012	The federal government failed to renew its lease at the 185 King Street Jackson Square offices as of June 2012. These offices were dispersed throughout the City of Peterborough, including some location within the downtown area. There are ongoing negotiations for the Peterborough City-County Health Unit to occupy this space, which would help to make up for the downtown employment lost as a result of the federal government office relocations.
15	270 Charlotte Street - Phase 1 Charlotte Medical Arts	January 2013	The first phase of this development involved the construction of a new medical arts clinic located atop the Collins Barrow offices on Charlotte Street, which began occupancy in January 2013.
16	Phase 1 - Peterborough Regional Health Centre Redevelopment	July 2013	TVM Developments (‘TVM’) acquired the 5 acre site formerly occupied by Peterborough Regional Health Centre in October 2009. The site was rezoned in 2012 to allow for a mixed-use development including up to 225 residential units and 65,000 square feet of commercial space. This development is being carried out over a series of phases, which began with the redevelopment of the former Nurse’s Residence located at 185 Hunter Street East. Occupancy began during the summer of 2013, with the first floor occupied by Community Care Peterborough, and remaining floors (i.e. 2 – 4) occupied by 30 residential units.

17	270 George Street - TD Insurance Office Closure	April 2014	TD Insurance announced it was closing its downtown offices located at 270 George Street, resulting in the loss of approximately 70 jobs.
18	234 Hunter Street - Ashburnham Realty	May 2014	Newly constructed five storey mixed-use residential/commercial building at the corner of the intersection with 4,000 square feet of ground level commercial space, occupied by Freshii, Green Eyewear and Dr. Diane Trevis, in addition to 17 apartments on the upper four storeys. Building permits were issued in 2013 and construction was completed in May 2014.
19	250 Charlotte Street - Shoppers Drug Mart	June 2014	Newly constructed 11,500 square foot Shoppers Drug Mart store was constructed opposite its former location on Charlotte Street and opened in June 2014.
20	270 Charlotte Street - Phase 2 Charlotte Medical Arts	October 2014	The Charlotte Medical Arts Building is a 28,000 square foot medical office building developed by Seven Hills Developments. Construction began in June 2013 and was completed 2014. This building connects to the Phase 1 building referenced above.
21	364 Water Street - Nordia Call Centre Opening	November 2014	Nordia announced it was opening a new call centre providing 400 jobs in the downtown area, replacing the jobs lost by the closure of the Wind Mobile call center which formerly occupied the same building. The new call centre also involved an estimated $5.2 million in leasehold improvements.
22	165 Rubidge Street/164 Park Street - Knox Unit Church Redevelopment	mid 2015	The former Knox United Church on Rubidge Street is being converted in to 41 affordable residential units. The development was approved in October 2013 and were scheduled for occupancy in 2015.
23	Phase 2 - Peterborough Regional Health Centre Redevelopment	late 2015	TVM Developments ('TVM') acquired the 5 acre site formerly occupied by Peterborough Regional Health Centre in October 2009. The site was rezoned in 2012 to allow for a mixed-use development including up to 225 residential units and 65,000 square feet of commercial space. The second phase of the redevelopment project began in October 2014, and will transform the main hospital building at 384 Rogers Street into 69 rental residential units. Occupancy for the second phase is expected in late 2015.
24	475 George Street - YMCA Redevelopment	Future	The proposed redevelopment of the former YMCA would feature 139 apartments and 10,000 square feet of street-level retail space, with construction expected to begin in the first half of 2015.
25	Public Park Louis Street / Charlotte Street Streetscape Improvements	Future	A new urban park has been approved to convert the former Louis Street parking lot into a public space featuring a splash pad/skating rink and space for a farmers' market. The addition of a park was recommended as part of the CAMP and the Louis Street site was identified as the optimal location out of 6 sites that were analyzed extensively prior to receiving approval Council approval. Construction is expected to take place over the next six years.
26	Peterborough Public Library Expansion	Future	A major expansion to the Peterborough Public Library's main branch on Aylmer Street in the downtown area is currently being considered by Council. The proposed expansion would add 10,000 square feet of space to the existing 40,000 square foot building and a draft design for the expansion is expected to be complete by early 2015.
27	Art Gallery Expansion	Future	A 2014 study undertaken by Lundholm Architects recommended the expansion of the existing Crescent Street space, or construction of an entirely new space in another location, in order to increase the size of the gallery to approximately 20,000 square feet.
28	George Street Streetscape Improvements	Future	The City of Peterborough has initiated a streetscape improvement project for George Street, between Sherbrooke Street and Perry Street in July 2014. This project is still in the planning stages and the City is undertaking a Municipal Class Environmental Study to identify opportunities to improve vehicular traffic, while also making improvements for pedestrians and cyclists

SOURCE: urbanMetrics inc., *based on a review of building permit and development activity data from the City of Peterborough, as well as information DNS Real Estate Limited – Peterborough Office, and archived newspaper articles from the Peterborough Examiner and MyKawartha.*

Appendix B – 2014 On-Street Survey Results

Appendix B-1: Permanent Residents of Peterborough Area (i.e. Peterborough, Victoria and Northumberland Counties)

Response	Chart	Percentage	Count
Yes		82%	152
No		9%	17
n/a		9%	16
		Total Responses	185

Appendix B-2: Frequency of Trips to Downtown

Response	Chart	Percentage	Count
More than once a week		77%	141
Once a week		14%	26
1 – 3 times per month		3%	5
Less than once a month		4%	7
First time		2%	4
		Total Responses	183

Appendix B-3: Primary Reasons for Trips Downtown

Response	Chart	Percentage	Count
Shopping		14%	25
Going to a restaurant or coffee shop		11%	20
Medical Appointment		1%	2
Theatre/Entertainment		1%	2
Work in the Downtown		26%	48
Personal Services (e.g. Hairdresser)		5%	9
Professional Services (e.g. Lawyer/Accountant)		2%	4
Restaurants		6%	11
Visiting Family/Friends		5%	10
Banking		7%	12
Just out for a walk/browsing		20%	36
Other (Specify)		3%	5
		Total Responses	184

Appendix B-4: Mode of Transportation for Trips Downtown

Response	Chart	Percentage	Count
Car		42%	76
Walked		35%	64
Public Transit		9%	17
Taxi		1%	2
Boat		1%	1
Bicycle		12%	21
Other (Specify)		1%	1
		Total Responses	182

Appendix B-5: Assessment of Parking in Downtown – Adequacy

Response	Chart	Percentage	Count
Yes		74%	57
No		26%	20
		Total Responses	77

Appendix B-6: Assessment of Parking in Downtown – Convenience

Response	Chart	Percentag	Count
Yes		75%	58
No		25%	19
		Total Responses	77

Appendix B-7: Assessment of Parking in Downtown – Price

Response	Chart	Percentag	Count
Yes		56%	43
No		44%	34
		Total Responses	77

Appendix B-8: City of Peterborough Economic Situation During the Past 5 Years

Response	Chart	Percentage	Count
Improved A lot		2%	3
Improved		11%	21
Stayed the Same		34%	63
Become Worse		28%	52
Become Much Worse		7%	13
Don`t Know		17%	32
		Total Responses	184

Appendix B-9: Downtown Peterborough Economic Situation During the Past 5 Years

Response	Chart	Percentage	Count
Improved A lot		1%	2
Improved		15%	28
Stayed the Same		23%	42
Become Worse		36%	67
Become Much Worse		9%	16
Don`t Know		16%	29
		Total Responses	184

Appendix B-10: General Assessment of Downtown Peterborough – Selection of Goods and Services

Response	Chart	Percentage	Count
Poor		3%	6
Fair		26%	48
Good		60%	110
Excellent		11%	20
		Total Responses	184

Appendix B-11: General Assessment of Downtown Peterborough – Quality of Goods and Services

Response	Chart	Percentage	Count
Poor		2%	3
Fair		14%	26
Good		65%	119
Excellent		20%	36
		Total Responses	184

Appendix B-12: General Assessment of Downtown Peterborough – Entertainment facilities

Response	Chart	Percentage	Count
Poor		3%	5
Fair		32%	59
Good		47%	86
Excellent		18%	34
		Total Responses	184

Appendix B-13: General Assessment of Downtown Peterborough – Safety

Response	Chart	Percentage	Count
Poor		14%	25
Fair		33%	61
Good		47%	87
Excellent		6%	11
		Total Responses	184

Appendix B-14: General Assessment of Downtown Peterborough – Sales, promotions and special events

Response	Chart	Percentage	Count
Poor		3%	5
Fair		30%	56
Good		53%	98
Excellent		14%	25
		Total Responses	184

Appendix B-15: General Assessment of Downtown Peterborough – Cleanliness of public spaces

Response	Chart	Percentage	Count
Poor		8%	14
Fair		39%	71
Good		41%	76
Excellent		13%	23
		Total Responses	184

Appendix B-16: General Assessment of Downtown Peterborough – Attractiveness of storefronts/signage

Response	Chart	Percentage	Count
Poor		6%	11
Fair		23%	43
Good		58%	106
Excellent		13%	24
		Total Responses	184

Appendix B-17: General Assessment of Downtown Peterborough – Historical Architecture

Response	Chart	Percentage	Count
Poor		2%	3
Fair		11%	21
Good		61%	112
Excellent		26%	48
		Total Responses	184

Appendix B-18: General Assessment of Downtown Peterborough – A Place to Explore

Response	Chart	Percentage	Count
Poor		4%	8
Fair		28%	52
Good		48%	88
Excellent		20%	36
		Total Responses	184

Appendix B-19: Gender of Survey Respondents

Response	Chart	Percentage	Count
Male		50%	93
Female		46%	86
n/a		3%	6
		Total Responses	185

Appendix B-20: Age Distribution of Survey Respondents

Response	Chart	Percentage	Count
15 – 19		9%	17
20 – 24		13%	23
25 – 34		19%	35
35 – 44		13%	24
45 – 54		20%	36
55 – 64		15%	28
65 – 74		7%	13
75 and over		4%	8
		Total Responses	184

Appendix B-21: Household Size of Survey Respondents

Response	Chart	Percentage	Count
1		20%	36
2		30%	53
3		25%	44
4		14%	25
5		5%	9
6		5%	9
7		1%	1
		Total Responses	177

Appendix C – 2014 Online Survey Results

Appendix C-1: Permanent Residents of Peterborough Area (i.e. Peterborough, Victoria and Northumberland Counties)

Response	Chart	Percentage	Count
Yes		95%	534
No		5%	27
	Total Responses		**561**

Appendix C-2: Frequency of Trips to Downtown

Response	Chart	Percentage	Count
More than once a week		62%	344
Once a week		16%	87
1 - 3 times per month		13%	72
Less than once a month		8%	42
Never		1%	8
	Total Responses		**553**

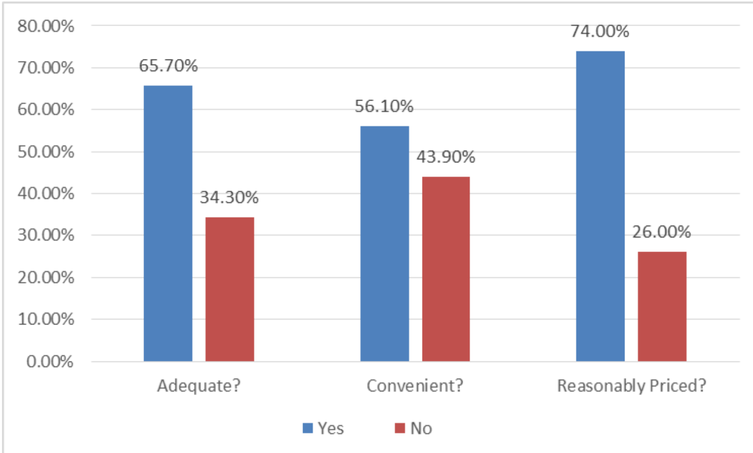
Appendix C-3: Primary Reasons for Trips Downtown

Response	Chart	Percentage	Count
Work in the Downtown		28%	148
Going to a restaurant or coffee shop		20%	109
Shopping		13%	70
Other (Please Specify:)		10%	54
Restaurants		7%	37
Theatre/Entertainment		6%	30
Banking		5%	26
Just out for a walk/browsing		4%	21
Personal Services (e.g. Hairdresser)		3%	16
Medical Appointment		3%	14
Visiting Family/Friends		2%	11
Professional Services (e.g. Lawyer/Accountant)		1%	3
	Total Responses		**539**

Appendix C-4: Mode of Transportation for Trips Downtown

Response	Chart	Percentage	Count
Car		61%	332
Walked		25%	135
Public Transit		3%	15
Taxi		1%	3
Bicycle		8%	42
Boat		0%	1
Other (Please Specify:)		3%	14
	Total Responses		**542**

Appendix C-5: Assessment of Parking in Downtown



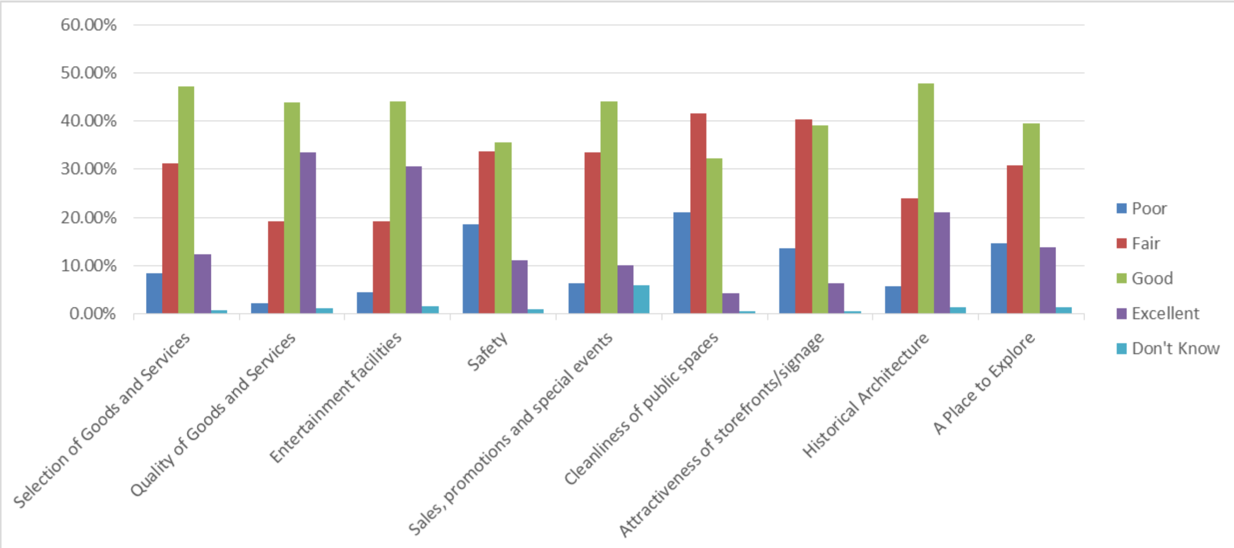
Appendix C-6: City of Peterborough Economic Situation During the Past 5 Years

Response	Chart	Percentage	Count
Improved A lot		1%	5
Improved		14%	75
Stayed the Same		27%	144
Become Worse		37%	201
Become Much Worse		14%	75
Don`t Know		8%	43
	Total Responses		**543**

Appendix C-7: Downtown Peterborough Economic Situation During the Past 5 Years

Response	Chart	Percentage	Count
Improved A lot		1%	3
Improved		17%	90
Stayed the Same		21%	115
Become Worse		37%	198
Become Much Worse		19%	102
Don`t Know		5%	29
	Total Responses		**537**

Appendix C-8: General Assessment of Downtown Peterborough



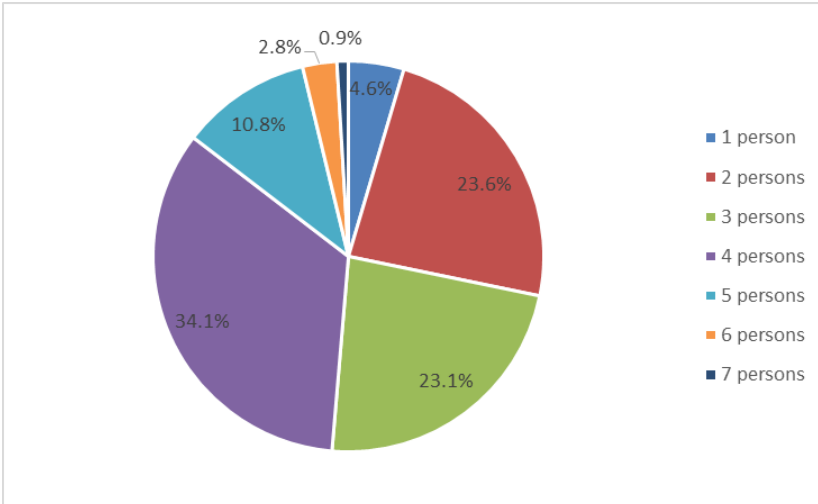
Appendix C-9: Gender of Survey Respondents

Response	Chart	Percentage	Count
Male		38%	198
Female		62%	328
	Total Responses		**526**

Appendix C-10: Age Distribution of Survey Respondents

Response	Chart	Percentage	Count
15 – 19		1%	5
20 – 24		5%	25
25 – 34		28%	149
35 – 44		31%	166
45 – 54		20%	103
55 – 64		12%	62
65 – 74		3%	17
75 and over		0%	1
	Total Responses		**528**

Appendix C-11: Household Size of Survey Respondents



Appendix D – NAICS Categories

Appendix D-1: North American Industry Classification System (NAICS) Categories

RETAIL/SERVICE STORE CLASSIFICATION (BASED ON NORTH AMERICAN INDUSTRY CLASSIFICATION (NAICS)

Trade Group	NAICS	Description
FOOD (FSR)		
90	**Supermarkets**	
	44511	Supermarkets and Other Grocery (except Convenience) Stores
100	**Convenience and Specialty Food Stores**	
	44512	Convenience Stores
	44521	Meat Markets
	44522	Fish and Seafood Markets
	44523	Fruit and Vegetable Markets
	44529	Other Specialty Food Stores, including Baked Goods Stores, & Confectionary & Nut
BEVERAGE STORES		
110	**Beer, Wine and Liquor Stores**	
	44531	Beer, Wine and Liquor Stores
NON-FOOD STORE RETAIL (NFSR)		
Automotive		
20	**Used and Recreational Motor Vehicle and Parks Dealers (Tires, Batteries, Automotive Accessories component)**	
	44131	Automotive Parts and Accessories Stores
	44132	Tire Dealers
Furniture, Home Furnishings and Electronics Stores		
30	**Furniture Stores**	
	44211	Furniture Stores
40	**Home Furnishings Stores**	
	44221	Floor Covering Stores
	44229	Other Home Furnishings Stores (e.g. window treatments, kitchen and tableware, bedding and linens, brooms and brushes, lamps and shades, and prints and picture frames).
50	**Computer and Software Stores**	
	44312	Computer and Software Stores
60	**Home Electronics and Appliance Stores**	
	44311	Appliance, Television and other Electronics Stores
	44313	Camera and Photographic Supplies Stores
Building and Outdoor Home Supplies Stores		
70	**Home Centres and Hardware Stores**	
	44411	Home Centres
	44413	Hardware Stores
80	**Specialized Building Materials and Garden Stores**	
	44412	Paint and Wallpaper Stores
	44419	Other Building Material Dealers
		Aluminum doors and screens, retail
		Brick and tile dealers, retail
		Cabinets, kitchen (to be installed), retail
		Concrete and cinder block dealers, retail
		Electrical supplies stores selling primarily to other business but also selling to household consumers
		Electrical supplies, retail
		Fencing dealers, retail
		Garage doors, retail (wood)
		Glass stores, retail
		Lumber and planing mill product dealers, retail
		Plumbing supplies stores selling primarily to other businesses but also selling to household consumers
		Plumbing supplies, retail
		Prefabricated house and building dealers, retail
		Retailers of ceramic floor and wall tiles
		Roofing material dealers, retail
		Sales of aluminum doors and installation
		Tile and brick dealers, retail
	44421	Outdoor Power Equipment Stores
	44422	Nursery Stores and Garden Centres
Pharmacies and Personal Care Stores		
120	**Pharmacies and Personal Care Stores**	
	44611	Pharmacies and Drug Stores
	44612	Cosmetics, Beauty Supplies and Perfume Stores
	44613	Optical Goods Stores
	44619	Other Health and Personal Care Stores (includes stores retailing health and personal care items, such as vitamin supplements, hearing aids, and medical equipment and supplies)

RETAIL/SERVICE STORE CLASSIFICATION (BASED ON NORTH AMERICAN INDUSTRY CLASSIFICATION (NAICS)

NON-FOOD STORE RETAIL (NFSR) (Continued)

Clothing and Accessories Stores

140	**Clothing Stores**	
	44811	Men's Clothing Stores
	44812	Women's Clothing Stores
	44813	Children's and Infant's Clothing Stores
	44814	Family Clothing Stores
	44819	Other Clothing Stores
150	**Shoe, Clothing Accessories and Jewellery Stores**	
	44815	Clothing Accessories Stores
	44821	Shoe Stores
	44831	Jewellery Stores
	44832	Luggage and Leather Goods Stores

General Merchandise Stores

170	**Department Stores**	
	45211	Department Stores
180	**Other General Merchandise Stores**	
	45291	Warehouse Clubs and Superstores
	45299	All Other General Merchandise Stores:
	452991	*Home & Auto (i.e. Canadian Tire)*
	452999	*Other General Merchandise Stores (e.g. general stores, variety stores, "dollar" stores)*

Miscellaneous Retailers

160	**Sporting Goods, Hobby, Music and Book Stores**	
	45111	Sporting Goods Stores
	45112	Hobby, Toy and Game Stores
	45113	Sewing, Needlework and Piece Goods Stores
	45114	Musical Instrument and Supplies Stores
	45121	Book Stores and News Dealers
	45122	Pre-Recorded Tape, Compact Disc and Record Stores
190	**Miscellaneous Store**	
	45311	Florists
	45321	Office Supplies and Stationery Stores
	45322	Gift, Novelty and Souvenir Stores
	45331	Used Merchandise Stores
	45391	Pet and Pet Supplies Stores
	45392	Art Dealers
	45399	All Other Miscellaneous Store Retailers:
	453991	*Tobacco & Tobacco supplies*
	453992	*Artist Supplies*
	453993	*Collectors items (cards, stamps etc.)*
	453994	*Beer & Wine Making*
	453995	*Swimming Pool Accessories*
	453996	*Religious Goods and Accessories*

RETAIL/SERVICE STORE CLASSIFICATION (BASED ON NORTH AMERICAN INDUSTRY CLASSIFICATION (NAICS)

SERVICES		
200	**Consumer Services Rental**	
	5322	Consumer Goods Rental (including formal wear, costume, video, tape & disc rental)
	5323	General Rental Centres (including tools, party rental)
210	**Finance and Insurance**	
	52211	Banks
	52213	Credit Unions
220	**Insurance and Real Estate**	
	52421	Insurance Agencies and Brokerages
	53121	Offices of Real Estate Agents and Brokers
230	**Professional, Scientific & Technical Services**	
	5411	Legal Services
	5412	Accounting, Tax Preparation, Bookkeeping and Payroll Services
	5413	Architectural, Engineering and Related Services
	5414	Specialized Design Services
	5415	Computer Systems Design and Related Services
	5416	Management, Scientific and Technical Consulting Services
	5417	Scientific Research and Development Services
	5418	Advertising and Related Services
	54191	Marketing Research and Public Opinion Polling
	54192	Photographic Services
	54194	Veterinary Services
	54199	All Other Professional, Scientific and Technical Services
240	**Selected Office Administrative Services**	
	5613	Employment Services
	56143	Business Service Centres (eg. printing, copying, mail centres)
	56144	Collection Agencies
	56145	Credit Bureaus
241	56151	Travel Agencies
250	**Health Care Services**	
	6211	Offices of Physicians
	6212	Offices of Dentists
	6213	Offices of Other Health Practitioners
	6214	Out-Patient Care Centres (e.g. Family Planning, Community Health)
	6215	Medical and Diagnostic Laboratories
260	**Entertainment**	
261	71312	Amusement Arcades
262	71394	Fitness & Recreational Sports Centres
263	71399	All other Amusement and Recreation Industries (includes billards parlours)
264	51213	Motion Picture and Video Exhibition (includes cinemas)
270	**Food Services and Drinking Places**	
271	7221	Full-Service Restaurants
272	7222	Limited-Service Eating Places
273	7224	Drinking Places (Alcoholic Beverages)
280	**Personal and Household Goods Repair and Maintenance**	
281	8111	Automotive Repair & Maintenance (includes lubrication, diagnostic centre, tire repair, undercoating, car washes etc.)
282	8114	Personal and Household Goods Repair and Maintenance (including appliance repair, reupholstery & furniture repair, shoe repair, key duplication etc.)
290	**Personal Care Services**	
	8121	Personal Care Services (including hair, beauty, tanning salon, weight reduction centres, electrolysis, estheticians etc.)
	8123	Dry Cleaning and Laundry Services
	8129	Other Personal Services (e.g. pet care (except Veterinary), Photo Finishing)
300	**VACANT**	
	9999	**VACANT RETAIL/SERVICE SPACE**