Corporation of the City of
NEW WESTMINSTER

Economic Development Advisory Committee
Agenda

Friday, March 3, 2023, 9:00 a.m.
Committee Room 2
City Hall

We recognize and respect that New Westminster is on the unceded and unsurrendered land of the Halkomelem speaking peoples. We acknowledge that colonialism has made invisible their histories and connections to the land. As a City, we are learning and building relationships with the people whose lands we are on.

---

discussion.

8. **NEW BUSINESS**
Items added to the agenda at the beginning of the meeting.

9. **END OF MEETING**

10. **UPCOMING MEETINGS**
The next meeting is to be determined.

Corporation of the City of NEW WESTMINSTER

ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

MINUTES

Friday, December 2, 2022
Open to public attendance in Committee Room G
Lower Level, City Hall
Committee members may attend electronically

PRESENT	
Councillor Ruby Campbell	Chair
Councillor Paul Minhas	Council Representative
Monita Cheng*	Community Representative from Commercial Area
Jolene Foreman*	Sectoral Representative from Local Business Community
Jorden Foss	Sectoral Representative from Local Business Community
Imran Gill*	Sectoral Representative from Local Business Community
Kendra Johnston*	Alternate Chair, Representative, Downtown New Westminster Business Improvement Association
Vera Kobalia*	Community Representative from Commercial Area
Paul Romein*	Sectoral Representative from Local Business Community
Bart Slotman*	Representative, Uptown Business Association
Paige Strand*	Community Representative from Commercial Area
Catherine Williams	Sectoral Representative from Local Business Community
REGRETS	
Mark Evans	Sectoral Representative from Local Business Community
Nikki Morris	Representative, New Westminster Chamber of Commerce
GUEST	
Angie Whitfield	New Westminster Chamber of Commerce

Doc#2185956

STAFF PRESENT

Jen Arbo	Economic Development Coordinator
Carolyn Armanini	Economic Development, Senior Planner
Blair Fryer	Senior Manager, Communications and Economic Development
Katie Stobbart	Committee Clerk

*Denotes electronic attendance

---

1. CALL TO ORDER AND LAND ACKNOWLEDGEMENT

Councillor Ruby Campbell opened the meeting at **9:01 a.m.** and recognized with respect that New Westminster is on the unceded and unsurrendered land of the Halkomelem speaking peoples. She acknowledged that colonialism has made invisible their histories and connections to the land. She recognized that, as a City, we are learning and building relationships with the people whose lands we are on.

2. INTRODUCTIONS AND ICEBREAKERS

2.1 Welcome by New Chair and Council Member

Councillor Ruby Campbell welcomed the committee and introduced herself. Councillor Paul Minhas introduced himself.

2.2 Introductions Roundtable

The Committee proceeded with a round of introductions, and responded to the question, “What was your first job?”

3. CHANGES TO THE AGENDA

There were no changes to the agenda.

4. ADOPTION OF MINUTES FROM PREVIOUS MEETINGS

4.1 Minutes of September 16, 2022

MOVED and SECONDED

THAT the minutes of the September 16, 2022 Economic Development Advisory Committee meeting be adopted, with the addition of Paige Strand to the attendance.

Carried.

All members present voted in favour of the motion.

5. REPORTS AND PRESENTATIONS

5.1 Economic Development 2023 Draft Work Plan

Blair Fryer, Senior Manager, Economic Development and Communications, presented the 2023 Draft Work Plan for Economic Development. Mr. Fryer reviewed the strategic items line by line to inform the committee on progress and goals for 2023.

In response to questions from the Committee, Mr. Fryer, Carolyn Armanini, Senior Planner, Economic Development, and Jen Arbo, Economic Development Coordinator, advised:

- Staff has discussed deferring liquor license fees, which they will recommend to Council as part of the work submitted to Council for approval—there are nine liquor-primary establishments affected by this;
- Although it is a challenge with the platform being used, staff are working to develop an inventory of local businesses by sector for the purpose of monitoring growth;
- The City participates with Tourism New Westminster—Councillor Campbell has been appointed to the Board and a staff member sits in an ex officio role; and
- Tourism New Westminster was successful last year on achieving a municipal regional destination tax for New Westminster, which gives them a steady flow of funds in addition to what the City remits to them via the grants program.

The Committee noted that the business education nights have been well received and well executed.

5.2 Belmont Plaza - Update and Programming Idea Discussion

Carolyn Armanini, Senior Planner, Economic Development, provided a presentation entitled “Belmont Street Plaza”.

Procedural Note: Imran Gill left the meeting at 10:00 a.m.

In response to questions from the committee, Ms. Armanini advised that input received at the meeting will be taken into consideration for both the interim and permanent plans for the plaza.

The Committee had the following comments:

- There should be an emphasis on strong lighting, visibility at corners, and cleanliness of the space to make it more appealing to marginalized genders, who have been historically less likely to use the parklet;
- The Uptown BIA supports the closure of Belmont Street but disagrees with how the space is being used—they would prefer to see a plaza with infrastructure in place (water, electricity, lights) but without permanent structures;
- There should be a plan for activation and monitoring of the space;
- Staff should look to the New Westminster Farmers Market as an example of success that may inform how this space is used; and
- This could be a great location for pop-up vendors or arts and culture activations.

Councillor Campbell encouraged the members of the advisory committee to reach out to their networks to participate in consultation on the plaza.

5.3 Retail Strategy - Progress Update

Carolyn Armanini, Senior Planner, Economic Development, provided a presentation on the Retail Strategy.

In response to questions from the Committee, Ms. Armanini and Blair Fryer, Senior Manager, Economic Development and Communications, advised:

- The timeline for endorsement by Council will likely be April;
- The budget and resources needed will be determined following Council deliberations; and
- The experience aspect of retail is increasingly important due to online competition, and staff and consultants are discussion how to help businesses with that.

5.4 Business Bylaw Update

Carolyn Armanini, Senior Planner, Economic Development, provided a presentation on the Business Bylaw Update.

In response to questions from the Committee, Ms. Armanini advised that the update will likely come to Council in March or April, after the Retail Strategy so elements of the strategy can be captured in the bylaws.

5.5 Other Business - Emerging Items Discussion

There were no items.

6. UNFINISHED BUSINESS FROM PREVIOUS MEETINGS

There were no items.

7. STANDING REPORTS AND UPDATES

Procedural Note: Bart Slotman left the meeting at 10:38 a.m.

The Committee members each shared a brief highlight from this year, which included attending and hosting events in person, going paperless, and personal updates like welcoming a new baby.

8. NEW BUSINESS

There were no items.

9. END OF MEETING

ON MOTION, the meeting ended at 10:55 a.m.

10. UPCOMING MEETINGS

The next meeting date is to be determined.

Corporation of the City of
NEW WESTMINSTER

REPORT

To:	Economic Development Advisory Committee	**Date**:	March 3, 2023
From:	Economic Development Office		
Subject:	**Retail Strategy – Phase 2 Directions**		

PURPOSE

To provide Economic Development Advisory Committee members with an update of the Retail Strategy work to date and gather feedback into the draft Phase 2 report.

The following questions are posed to help guide the discussion:

1. Do members have any comments/changes on the proposed Vision?
2. Do members have comments on the proposed directions and recommendations?

SUMMARY

This report provides an update on the Retail Strategy and seeks feedback on policy directions.

The intent of the Retail Strategy is to build on the principles, and help implement the goals, of both the Official Community Plan (OCP) and the City's Economic Development Plan, to ensure a healthy retail sector, vital to the well-being of the city and local neighbourhoods it serves. Phase 1 of the project focused on background research and data collection, preparation of a city-wide retail inventory, and gathering community and stakeholder input. Phase 2 focuses on the development of options and recommendations for consideration by Council, City committees and stakeholders. This phase will conclude with the development of a draft strategy.

The City's consultants are attending a Council workshop on March 6, 2023 and will be presenting findings to Council.

BACKGROUND

Council's 2019-2022 Strategic Plan identifies the need to "Support and foster small retail storefronts and businesses to ensure the local economy reflects the diversity of the community". On June 24, 2019, Council directed staff to proceed with the preparation of a Retail Strategy that considers actions to support existing retail in the City, including through development, and which explores opportunities to create more affordable retail units. After a delay due to the pandemic, in summer 2021 work on the Retail Strategy commenced.

Retail Strategy Goal
The Retail Strategy is intended as a guide for informed decision-making around long-range commercial land use planning, strategic commercial area interventions, and proactive tenant retention and attraction. When complete, the Strategy will support the OCP's visions for New Westminster's Great Streets, and provide recommendations regarding the optimal mix of uses, as well as the most suitable development forms, for the City's commercial districts.

Phase 1
The first phase of work centered on data collection and analysis, as well as outreach to the business community and New Westminster residents. The following items were included in Phase 1:

- Current conditions review, including buildings, land use patterns, policies and regulatory framework, and commercial rents.
- Analysis of anonymized cell phone mobility data to understand shopping patterns. This also informed trade area delineation.
- Retail inventory for all commercial districts.
- Regional competitive supply review, as input into projection assumptions.
- Survey outreach to the business community and residents.
- Focused engagement through door-to-door and phone-based interviews, aiming to reach businesses operated by seldom heard populations (e.g. newcomers, English language learners, racialized, etc.).
- Municipal scan of best practices, including policy, regulation, incentives, entrepreneurship, and design.
- Area-by-area retail opportunity projections by category and reconciled this against the inventory data.
- Check-ins with City's internal Culture and Economic Development Task Force and external Economic Development Advisory Committee.

The Phase 1 report (*see Attachment 1 for a comprehensive summary*) provides detailed discussion and analysis of both city-wide and area-specific demand (by category), supply (by category), and notable implications for land use and related policy.

DISCUSSION

Vision Statement
During the engagement and research, several key themes came up. These have been distilled into a draft Vision:

> *New Westminster's commercial districts are hives of economic activity, social diversity and cultural expression. Reflecting the dynamic nature of surrounding neighbourhoods, they are integral to the well-being and prosperity of the community. Small businesses are the heart of the local economy and influence the unique character of each commercial area, while larger employers play an influential role, acting as important "anchors" for bustling retail streets.*

Phase 2: Key Directions & Recommendations
Building from the research and analysis conducted as part of Phase 1, policy recommendations are being created for the draft Phase 2 document. Attachment 2 includes an outline of the Phase 2 key directions, with a summary provided below.

City-wide
- Ensure zoning flexibility to allow innovation for new business models
- Continue with OCP direction of 'right-sizing' of commercial space supply to demand
- Limit at-grade uses in core areas of Great Streets to 'active uses'
- Ensure alignment with area-specific retail principles when reviewing redevelopment / rezoning applications
- Support for existing businesses/tenants during redevelopment or relocation

Downtown - Serves a dual role as both a local-serving and specialty destination market
- Demand analysis suggests opportunity for increased array of comparison retail and broader array of destination restaurants as well as arts and culture venues and performance spaces

Uptown - Current retail-commercial business mix is healthy and aligned with its role as the city's primary community-serving commercial corridor
- Opportunity for growth in comparison retail and restaurant food & beverage

Queensborough - Serves a vital role as a comparison goods shopping node
- Area in transition, with clear opportunities to:
  - Become a stronger neighbourhood-oriented retail and service area supporting the local Queensborough population
  - Broaden its mix and become more of a hybrid retail-service centre

Upper 12th Street - Eclectic mix of independent specialty foods, restaurants and lifestyle retailers

- Commercial composition change over time should focus on enhancing its specialty role
- Given competitive pressures facing 12th Street from surrounding commercial areas, there are opportunities for new development without at-grade commercial requirements in select locations that do not break up the flow of street activity

Sapperton - Serves both the local neighbourhood and an expanded RCH

- Primary new retail opportunities will be focused in new mixed-use developments, including Sapperton Green near Braid SkyTrain Station
- Only modest recommended shifts in commercial mix by category

NEXT STEPS

Staff and consultants will continue development of a Phase 2 report, integrating input from the Council workshop. A complete draft will be brought for Council review in April, before a final round of consultation:

- Draft to be posted online for public comment; and
- Economic Development Advisory Committee review of the draft.

A final strategy is expected to be brought to Council for consideration and endorsement in May.

ATTACHMENTS

Attachment 1 – Retail Strategy Phase 1 Executive Summary
Attachment 2 – Phase 2 Directions

Corporation of the City of
NEW WESTMINSTER

Attachment #*1*

Phase 1 Draft Summary

Retail Strategy Report

RETAIL STRATEGY NEW WESTMINSTER

PHASE 1 REPORT EXECUTIVE SUMMARY

FEBRUARY 25, 2022 | V.1 DRAFT FOR REVIEW

IN COLLABORATION WITH HAPPY CITY LAB INC.

URBAN SYSTEMS

JUSTIN M. BARER & DAVID BELL

JBARER@URBANSYSTEMS.CA | DBELL@URBANSYSTEMS.CA

550 - 1090 HOMER ST, VANCOUVER, BC V6B 2W9 | T: 604.235.1701

PREPARED FOR

CITY OF NEW WESTMINSTER
511 ROYAL AVENUE
NEW WESTMINSTER, BC V3L 1H9

PREPARED BY

URBAN SYSTEMS LTD.
550 - 1090 HOMER STREET,
VANCOUVER, BC V6B 2W9
T: 604.235.1701

DATE: FEBRUARY 25, 2022

INTRODUCTION

The New Westminster Retail Strategy is intended as a guide for municipal staff, local stakeholders and elected officials to make strategic commercial land use decisions, informed by notable emerging trends, New Westminster's market position within the regional retail landscape, and clear analysis that identifies key opportunities now and in the future. This 'Phase 1' Report provides detailed discussion and analysis, the latter informed by primary research and data gathering, culminating in the presentation of both city-wide and area-specific demand (by category), supply (by category), and notable implications for land use and related policy. This report sets the stage for the second phase document to follow.

NOTABLE RETAIL TRENDS

There are many current and emerging trends in the retail ecosystem that could have direct implications for the evolution of commercial areas and corridors in New Westminster. Greater detail on each can be found in the main report document.

OMNI-CHANNEL RETAIL ADAPTATION

This refers to an approach marketing, selling, and serving customers in a way that creates an integrated customer experience. COVID-19 has led to a shift in the need for most businesses to adopt online strategies. At the same time, bricks-and-mortar business remain a critical element for most businesses. The future of sales and customer interaction will be increasingly in the online environment; however, the physical store will play a critical role for direct customer interface and distribution.

MICRO-WAREHOUSING / DISTRIBUTION / LOGISTICS

The rise of e-commerce is driving the need for smaller warehousing options closer to customers. Some of these may take the form of dedicated storage facilities, while others may be embedded within existing commercial spaces (e.g., re-programming of internal space in a grocery store, or big box store). As the volume and importance of e-commerce increases, so to must the efficiency and speed of online order fulfillment, while also taking the load off retailers storing and managing inventory.

GHOST KITCHENS & DARK STORES

Ghost kitchens are industrial kitchens designed to make food for pick-up or delivery. A number of restaurant concepts have opened using ghost kitchens in recent years, with the goal of capitalizing on the growth in food delivery platforms. This trend was already emerging pre-COVID and has been rapidly accelerated since.

As restaurants and grocery stores pivot into partnerships with delivery operators, those delivery services themselves are expanding through the operation of their own 'dark store' warehouses, from which they offer free delivery of 2,000+ items. Dark stores are a term for retail grocery stores whose sold purpose is the fulfillment of pickup and delivery orders. They are typically being located in urban areas relatively near customers, are smaller than grocery stores, and stock a lower variety of products. Their sizes range from <2,000 square feet to >40,000 square feet.

For traditional large-scale grocery store operators, ghost kitchens have been a large source of growth since the onset of the pandemic. Online grocery sales – for delivery or curbside pickup – have increased dramatically over the past 2 years. In 2019, an online survey indicated that 15% of Canadians bought groceries online and picked them up in store. The same survey conducted in Q1 2021 showed that this figure had increased to 31%.[1] This type of pattern is leading to changes in the Canadian grocery industry.

COMBINATION STORES

Small-scale manufacturing, with ancillary retail and /or service space, is a phenomenon that is on the rise, particularly in denser, more expensive urban environments. Its success requires more flexible zoning regulations to accommodate it. In some cities, this has taken the form of 'craft districts' where products are made and exported, but also sold on site. This can include apparel, homewares, sporting goods, musical instruments, and food & beverage. This type of small-scale manufacturing / retail / service is growing in demand, building on changing consumer for locally, ethically and sustainably sourced products.

Zoning bylaws are under increasing pressure to ensure they can accommodate artisanal producers that blur the lines between light industry, retail and service commercial. Many artisanal businesses would benefit from 'performance-based' regulation that judges appropriateness based on local impact rather than use.

MICRO RETAIL

This concept may include multiple vendors 'co-locating' in a shared space, utilizing shared resources (e.g., one commissary kitchen, one seating area). A food hall is a good example of this concept. Or, it may encompass individual retail units that are much smaller than the average, likely under 500 square feet. The intent is to provide an entry-level '' for small businesses to establish a bricks-and-mortar location, without the financial requirements and risks typically expected in a standard retail lease. Micro units are typically set up for flexibility in lease term.

[1] Statista, July 2021 data release.

CITY-WIDE RETAIL INVENTORY

A complete inventory of all retail and service commercial business floor area across the City of New Westminster was prepared by way of extensive walking / driving field surveys, aided by GIS data outlining building footprint sizes, building heights, and in some cases, the sizes of individual commercial units. The field surveys were completed during the summer and fall of 2021. Each data point was reviewed, categorized and analysed to determine current spatial patterns across the City, and in each of the City's retail areas. Highlights from this survey are presented below.

KEY DEFINITIONS

Each business point from the field survey has been assigned a 'category cluster' for ease of reporting and discussion. These category clusters, and the types of businesses included in each, are shown in the table below.

Table A: General Retail and Service Commercial Category Definitions

Category Cluster	What is Included?
Arts, Culture, Entertainment, & Recreation	Performing arts venues and schools; fitness, recreation sports centres (gym, fitness, health); gambling; other amusement/ recreation.
Comparison Retail	Books, hobbies, toys, games, clothes, accessories, luggage, electronics, appliances, furniture, gifts, jewellery, lawn/garden/hardware, office supplies, pet store, shoe store, sporting goods, general merchandisers.
Convenience Retail	Grocery stores, specialty food stores (e.g., bakeries, fish markets, green grocers), convenience stores, liquor stores, pharmacies, florists, optical goods, supplements, gas station convenience stores.
Restaurant Food & Beverage	Full-service restaurants, limited service restaurants (quick-serve), drinking places.
Service Commercial	Financial, legal, insurance, vehicle, real estate, photography, health, employment, travel, security, educational, social, hair, laundry / dry cleaning, tattoo/piercing, funeral, pet care, automotive
Vacant	Vacant and committed (i.e., business waiting for permits); Vacant and for sale / lease Vacant and under construction.

The Service Commercial category has been further divided into 8 sub-categories, as per Table B.

Table B: Service Commercial Category Cluster Definitions

Category	What is Included?
Automotive Services	Garages, auto service centres
Commercial Services	Photography, repair + maintenance, pet care, photography, printing
Education + Training Services	Technical schools, trades training, athletic instruction (e.g., gymnastics, martial arts, yoga)
Finance, Insurance, Real Estate (FIRE) Services	Banks, insurance brokers, real estate agencies, other consumer lending services
Health Services	Doctors, dentists, optometrists, physiotherapists, mental health, chiropractic, other
Personal Services	Hair care / esthetics, ear piercing, hair removal, massage, sauna, tattoo, dry cleaning, laundry
Professional Services	Accounting, tax preparation, bookkeeping, payroll services
Social Services	Childcare, family services, relief services, vocational services.

INVENTORY

The City of New Westminster is home to approximately **3.22 million square feet of retail / service commercial floor area across 1,046 units.** Of that, just over 247,000 square feet were vacant (across 111 units) at the time of survey, for a vacancy rate of 7.7% on a floor area basis and 10.6% on a unit-count basis.

- **Arts, culture, entertainment**, and recreation businesses account for 2.9% of units (30) and over 7% of floor area (234,115 sq.ft.). These businesses tend to be larger, with an average unit size over 7,800 square feet.
- **Comparison retail** businesses account for over 15% of commercial units and 25% of commercial floor area across the City. The average unit size in this category is just under 2,800 square feet, excluding larger format categories like Building Materials and General Merchandise.
- **Convenience retail** businesses account for nearly 11% of commercial units and 14.5% of commercial floor area. This includes 13 “Supermarket and Other Grocery Store” businesses, 21 Specialty Food stores, 12 liquor stores, and 16 pharmacies / health and wellness stores. The average store size in this category is just over 4,200 square feet with grocery stores included, and just under 2,000 square feet with grocery stores excluded.
- **Restaurant Food and Beverage** businesses account for over 20% of businesses City-wide, and just over 12% of total floor space. There are 135 ‘quick serve’ restaurants and 73 ‘full service’ restaurants / bars. The average floor area of the quick serve units is smaller (1,160 sq.ft.), vs. just over 3,100 sq.ft. for full service businesses.
- The broad clustering of **Service Commercial** is, perhaps unsurprisingly, the category which encompasses the greatest number of commercial units and the largest proportion of total floor space in the City (40.5% and 33.2%, respectively). The 3 most prominent sub-categories are:
    - Education and training services (8.8% of floor area)
    - Health services (8.7% of floor area)
    - Finance, Insurance and Real Estate (4.7% of floor area).

Table C on the following page provides a breakdown of retail floor area by neighbourhood.

Table C: Retail Commercial Floor Area by Neighbourhood

Broad Commercial Category	Downtown	Uptown	Queensborough	12th	Sapperton	Connaught Heights	McBride Blvd
Arts, Culture, Entertainment, & Recreation	115,968	17,937	91,110	1,300	6,000	0	1,800
Comparison Retail	115,412	188,825	383,925	57,449	40,734	600	20,100
Convenience Retail	130,132	161,754	23,353	26,165	60,602	7,837	58,427
Restaurant Food & Beverage	132,018	91,213	60,714	46,484	40,918	3,800	20,359
Service Commercial	411,761	297,293	43,934	100,305	158,381	14,364	43,337
Automotive Services	0	837	0	4,592	8,600	0	444
Commercial Services	50,540	18,860	1,050	18,200	3,800	2,000	4,000
Education + Training	199,015	18,595	5,875	17,360	32,434	4,200	11,100
Finance, Insurance, Real Estate (FIRE)	48,542	81,675	5,634	4,300	6,000	0	3,700
Health Services	36,600	106,076	6,600	18,707	96,726	4,200	10,293
Personal Services	29,160	42,409	14,775	29,176	9,135	1,800	8,000
Professional Services	16,415	22,841	0	1,000	0	0	1,800
Social Services	31,489	6,000	10,000	6,970	1,686	6,364	4,000
Vacant	84,558	38,957	78,925	23,972	10,916	3,300	6,500
Retail-Commercial Totals	**989,851**	**795,979**	**681,961**	**255,675**	**317,552**	**29,901**	**150,523**
Retail-Commercial net of Arts/Culture	**873,883**	**778,042**	**590,851**	**254,375**	**311,552**	**29,901**	**148,723**

- Downtown and Uptown together account for 56% of the City's retail commercial floor area. Each area individually contains at least 50% of the City's floor area in the following categories:
    - Downtown:
        - Arts, Culture, Entertainment, Recreation: 50%
        - Education and Training Services: 69%
        - Commercial Services: 51%
    - Uptown
        - Finance, Insurance and Real Estate Services: 55%
- Downtown also accounts for 34% of the total vacant floor area in the City.
- Queensborough is home to just over one-fifth of the total floor area in the City, with particularly notable representation in the Comparison Retail category (48% of total) due to the presence of Queensborough Landing. Notably, Queensborough is also home to 32% of the City's vacant retail floor space.
- Sapperton and 12th are each primarily neighbourhood-oriented retail precincts serving their local trade areas, however each also caters to notable 'inflow' customer bases from beyond the local areas
    - Sapperton, home to Royal Columbia Hospital, is also home to a large clustering of related Health Service providers. The Service commercial category accounts for half of the total commercial floor area in Sapperton, and of that, 30% is used by various health service providers.
    - 12th Street has a well-balanced mix of retail and service commercial, plus a notable amount of niche comparison retail. The latter accounts for 22% of floor area in 12th (vs 13% in Sapperton).
    - Both Sapperton and 12th offer a variety of restaurant food and beverage options. These types of businesses account for 18% of the floor space on 12th Street, and 13% in Sapperton.
- McBride Boulevard's retail offerings are primarily clustered along 8th Avenue, and primarily offers convenience retail and service commercial (70% of total combined floor area). The main draw is Royal Square Mall
- Connaught Heights' retail offerings are very limited, containing 20 businesses in under 30,000 combined square feet. Most of this floor area is convenience retail and service commercial, the latter predominantly consisting of early childhood education and healthcare.

Overall, the retail landscape of New Westminster shows many signs of health and vitality, as well as instances of areas that struggle, or areas in transition.

- The 'skeleton' of New Westminster is the Uptown spine and the Downtown core, with the two areas together comprising more than half of the City's retail floor area and 59% of retail units. The areas also account for more than half of commercial vacancies.
- The Downtown is the primary home of the City's arts and culture sectors
- The strength of Uptown from a commercial mix standpoint extends its drawing power well beyond its immediate neighbourhood. This in turn limits the need (and opportunity) for retail in other areas, most notably along 12th Street.

- 12th Street has a healthy core area, but is increasingly under redevelopment pressure. While this redevelopment will bring more resident customers into the local trade area, the Uptown proximity (as well as proximity to southeast Burnaby) will continue to exert a large influence, which will limit the extent of opportunity in certain categories.
- Sapperton has a compelling tenant mix and serves its local trade areas (plus growing hospital precinct) well.
- Other areas serve niche roles within their local neighbourhoods.

OUTREACH & SURVEYS

Primary research was conducted with business owners, operators, and retail customers in New Westminster through a combination of door-to-door business engagement, online surveys, and one-on-one interviews. At the time of writing there remain some outstanding inquiries to property owners. Additional interviews will be conducted over the coming months, with results of those summarized in the final report.

DOOR-TO-DOOR ENGAGEMENT

Door-to-door engagement was conducted with retail businesses in the following areas:

- 6th Street and 6th Avenue, in Uptown
- 12th Street, in the West End neighbourhood
- Ewen Avenue, in Queensborough
- East Columbia Street, in Sapperton

Door-to-door engagement in the Downtown was paused due to current construction-related challenges.

The purpose of door-to-door engagement was primarily to learn about the diverse needs, concerns, goals and aspirations of business operators, beyond those typically most vocal. Highlights of feedback received in each area is provided below.

Details of conversations from each of the above sub-areas can be found in the main report document. Below we provide a summary of the key overall themes that were highlighted over the course of 23 individual conversations across the four sub-areas.

KEY THEMES

- Generally, businesses were appreciative of the opportunity to engage face-to-face, and were appreciative that the City was actively engaging in this work.
- There was no significant frustration or complaints towards the City (taxes and costs aside).
- Lack of business association awareness / engagement by some businesses
- Many businesses noted a need to better understand the market / neighbourhood landscape, with newer businesses noting they would have benefited from greater insight prior to opening.
- Promotion / marketing would help newer / smaller businesses find more customers
- People are tired, but optimistic
- Construction disruptions are a pain point
- Ongoing development / redevelopment activity risks impacting, and possibly forcing out, longstanding businesses, particularly in Queensborough, 12th Street and Sapperton.

SURVEYS

Three online surveys were run, targeting commercial property owners, local shoppers, and local businesses, with the survey links being active from June 18 to November 4th, 2021. The surveys were promoted in part through the face-to-face engagement and postcard drop-offs discussed above. Response rates varied survey-to-survey:

- Local business survey: n= 29
- Local shoppers survey: n= 144
- Commercial property owners survey: n = 0

As the survey of property owners received zero responses, we sought commentary from select property owners through direct outreach. Feedback from those conversations is documented separately. Subsections below present the results from the business and local shoppers' surveys. Below we provide a synopsis of some of the notable findings from the surveys.

KEY FINDINGS:

The business surveys revealed that business owners are ranking business operating costs, staffing challenges and rental rates as significant challenges of their ongoing operations. In many cases these issues have been exacerbated by COVID-19, which has led to fewer customers, and has also sparked supply chain issues that have driven up costs of goods. Despite these challenges, many business owners have a sense of optimism. Nearly 60% of respondents indicated intent to either expand their business at its current location or keep their location and open another elsewhere in the City. Only 10% indicated intent to close their business.

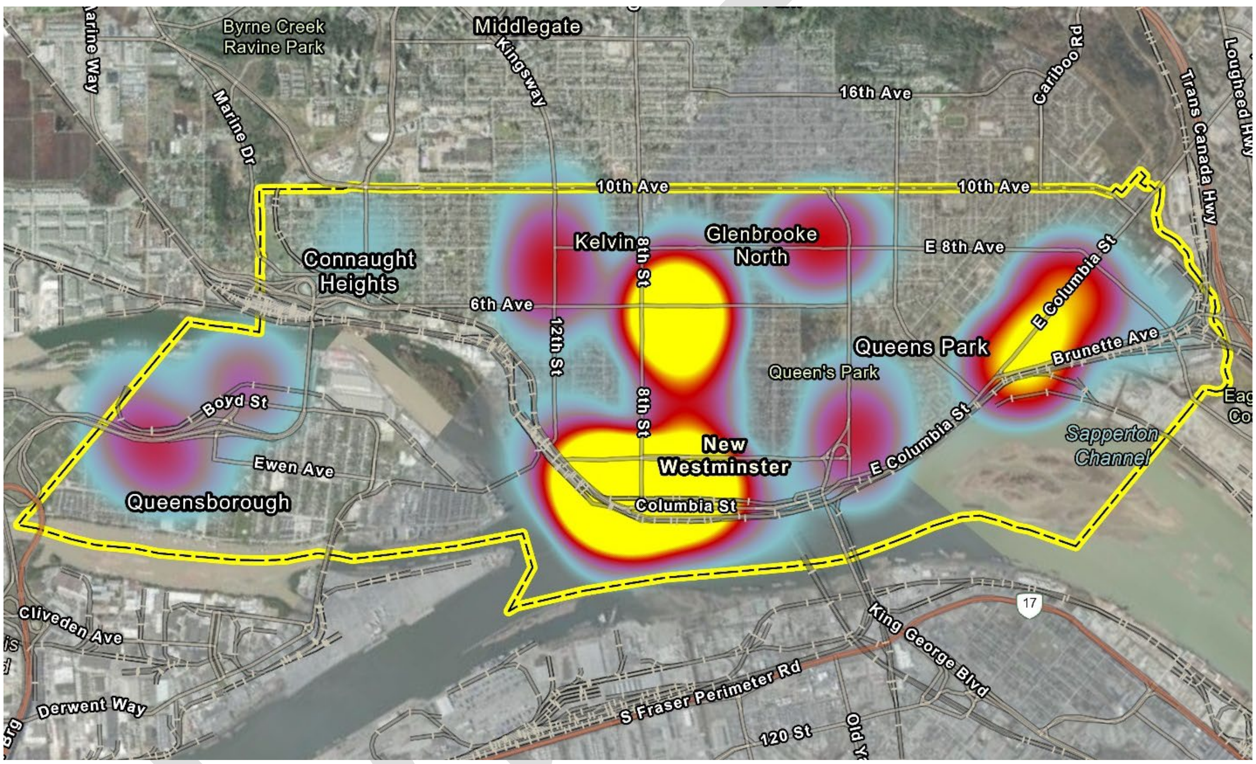
Shoppers surveys are helpful in testing capture rate assumptions, which are in turn used in the process of forecasting future demand by retail category (discussed in Section 6 and 7 below). Shoppers are much more likely to purchase day-to-day convenience goods in New Westminster than comparison retail goods, the latter showing particularly significant outflow in the categories of Furniture / Home Furnishings, Electronics / Appliances, Clothing / shoes / accessories, and Sporting goods hobbies books and music. In some cases, this outflow is simply a function of a lack of opportunity to spend their dollars locally. When polled on preferences, there was a strong desire to see more options in New Westminster in all of the above categories, with Clothing / shoes / accessories scoring highest, followed by Sporting Goods, hobbies, books and music. Interestingly, in the electronics / appliances category, over 50% of respondents said they are either happy to purchase outside New Westminster, or they would prefer to purchase online.

Shoppers are attracted to shopping areas that are physically attractive, safe, and offering a healthy mix of stores and services with consistent business hours that meet their needs. Shoppers also indicate a high level of agreement that supporting local independent businesses is important, provided that they are providing a high quality of goods and services, and a good customer service experience. There was concern over retail vacancies in some areas, and a desire for more unique shops and services to emerge in the City over time.

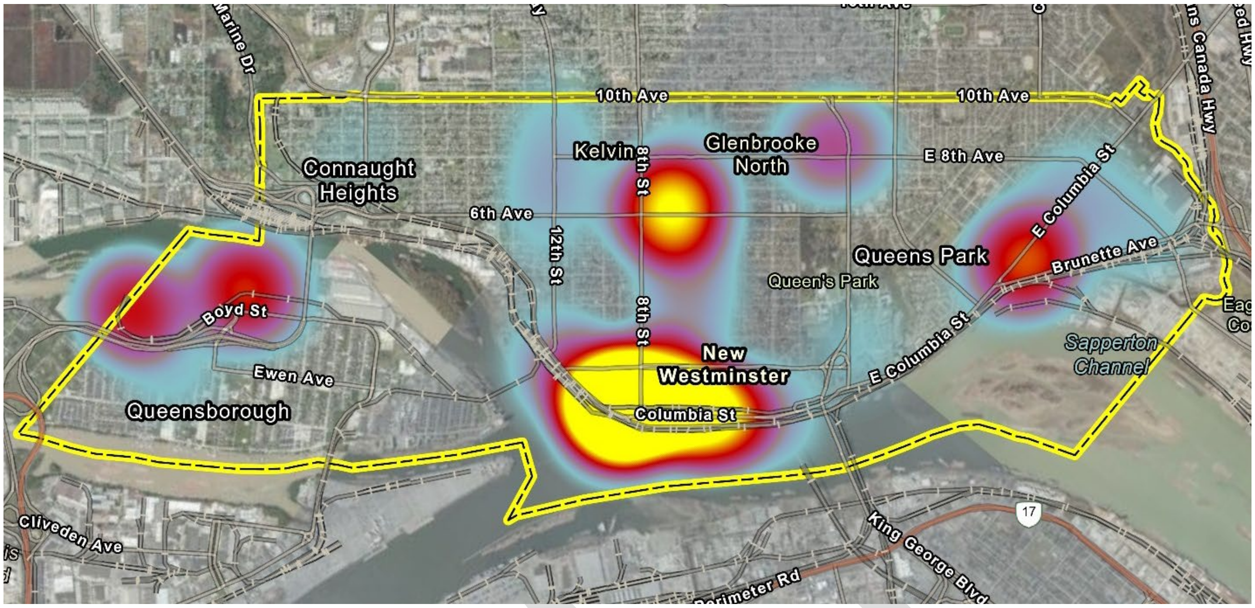
MOBILITY DATA AND RETAIL TRADE AREA ANALYSIS

City-wide mobility data for the full calendar year of 2019 was used to help define both patterns of interactions with New Westminster's various retail-commercial areas (e.g. hot spots of commercial activity), as well as to support definition of a realistic retail trade area or geographic sphere of influence from a retail-commercial perspective.

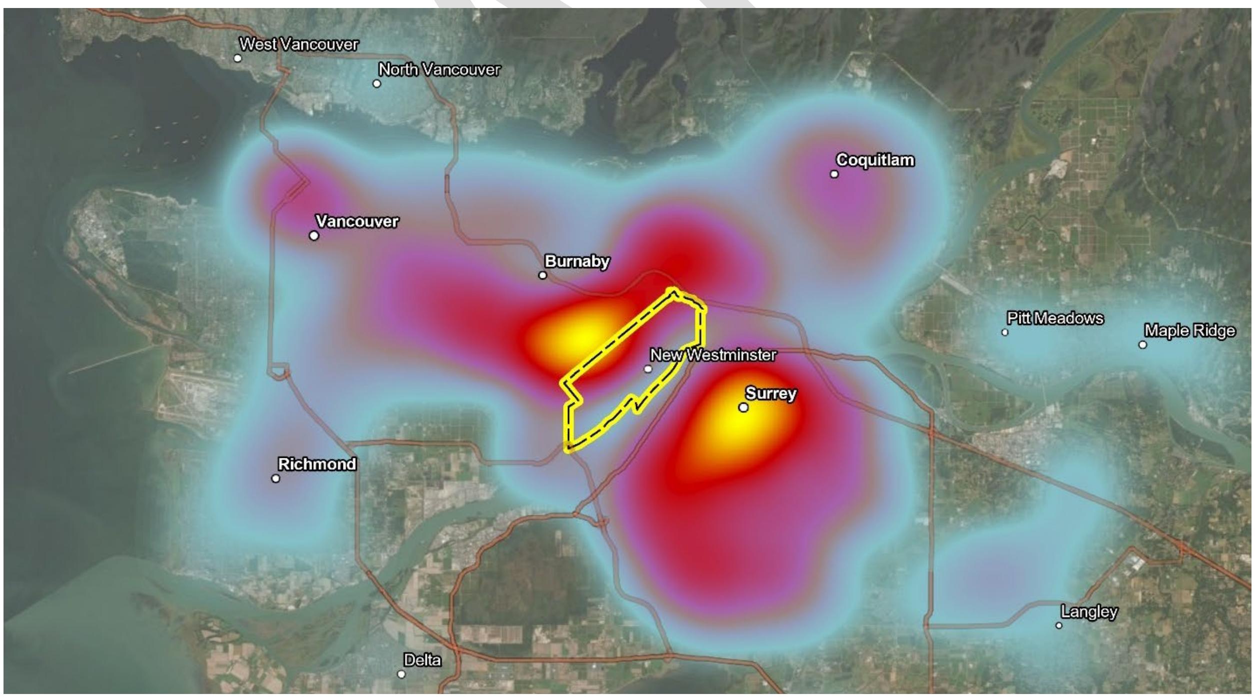
a. **Commercial Visit Hotspots - New Westminster Residents**: Based on total number of visits throughout a calendar year, the top commercial area activity hotspots for New Westminster residents are Downtown, Uptown, and Sapperton. Both 6th Street and Columbia Street serve as the city's primary commercial spine. Other important activity nodes include Queensborough, 12th Street, and both Glenbrooke North and Victoria Hill.



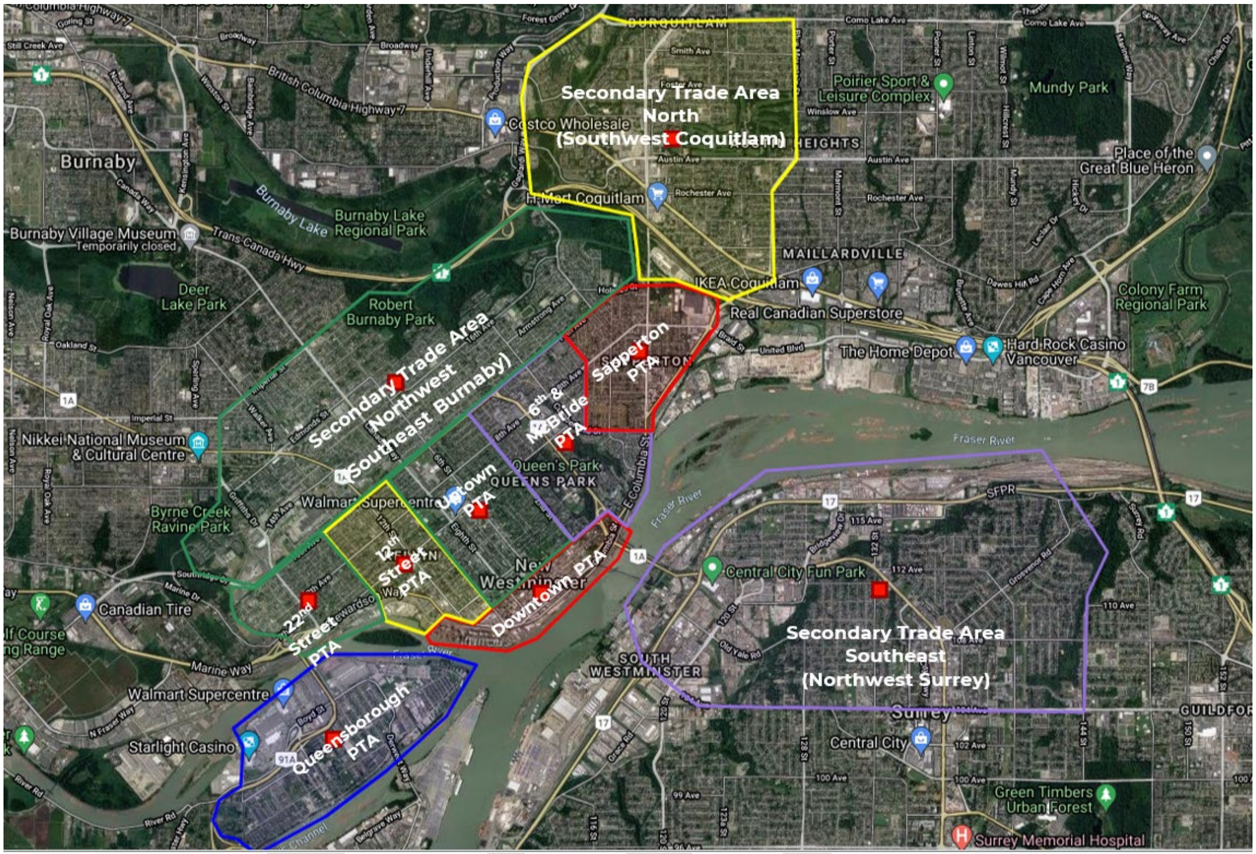
b. **Commercial Visit Hotspots - New Westminster Visitors**: Non-residents of New Westminster are far more likely to visit Downtown and Uptown, followed by Queensborough and Sapperton, for retail-commercial purposes, relative to other more local-serving nodes.



c. **New Westminster Retail Drawing Power**: New Westminster's effective drawing power as a retail destination is better understood with a review of common-evening locations for non-resident visits to the city's commercial areas. This review indicates that most non-resident visitors travel into the city from southeast Burnaby, southwest Coquitlam, and northwest Surrey.



d. **New Westminster Retail Trade Area**: To best capture the City of New Westminster's potential for retail-commercial spending and related businesses and organizations, the City itself was divided into a series of Primary Trade Areas (PTAs) – local area catchments with clearly differentiated local commercial offerings, as well as similarities in residential and market context. Beyond the city boundaries, three Secondary Trade Areas (STAs) were also established to capture high visitor areas in southeast Burnaby, southwest Coquitlam and northwest Surrey.



While New Westminster will continue to draw interest and visitation from well beyond this geographic trade area boundary, particularly in highly specialized categories such as specialty apparel, arts/culture and entertainment, it will continue to generate the vast majority of its retail-commercial spending from within this outlined trade area.

The estimated trade area population for 2021 is 198,300, of which 79,200 residents are within defined PTAs and 119,100 residents are within defined STAs. This total trade area population is expected to reach 215,500 residents by 2031 (88,400 PTA, 127,200 STA).

RETAIL DEMAND VS. SUPPLY

Retail-commercial market demand was modeled for all New Westminster's major retail-commercial areas and the resulting floor area market support was then compared to each area's commercial inventory. The key findings for each major retail-commercial area are summarized as follows:

- **Downtown New Westminster**: Estimated market support for roughly 750,000 sq. ft. of commercial space in 2021, growing to 841,000 sq. ft. by 2031. This compares to current inventory of 874,000 sq. ft., including roughly 85,000 sq. ft. (or 10%) vacancy. Though short-term challenges, including the pandemic and construction activity have things more difficult ng for local businesses, the area is well positioned to develop a broader mix of local-serving specialty foods, restaurant, and arts/cultural/entertainment offerings to better cater to a growing resident and non-resident market.
- **Uptown**: New Westminster's Uptown area is the city's primary north-south commercial spine, and quantified market support indicates that the area is relatively healthy in terms of representation by category and overall vacancy estimated at about 4%. Tenant rosters and mix with the area's core shopping centres continue to evolve to meet shifting demographics and demand. While current inventory of nearly 780,000 sq. ft. indicates modest oversupply in some categories (local-service-commercial), there are clear opportunities for expanded specialty comparison retail and restaurant food and beverage offerings.
- **Queensborough:** New Westminster's Queensborough area features both local-serving neighbourhood commercial uses, as well as a destination open-format retail cluster (Queensborough Landing). As with most open-format shopping centres developed in the late 1990s and early 2000s, Queensborough Landing has experienced challenges in some comparison retail categories (e.g. clothing, electronics, home furnishings) as growth in spending at both general merchandise stores and at online retailers has grown over the past decade. Though current vacancy levels are significant, a shift to more local-serving service-commercial and convenience retail uses is likely to prove beneficial. Current inventory of roughly 591,000 sq. ft. indicates a current oversupply condition, which indicates potential for a shift to more non-traditional commercial and institutional uses.
- **Sapperton**: Sapperton is primarily a local-serving mixed-use commercial area that is also one of New Westminster's most important employment nodes, including major employers Royal Columbian Hospital, related medical-commercial businesses, TransLink and Coast Mountain Bus Company. Current inventory of roughly 312,000 sq. ft. is indicative of modest oversupply conditions over the immediate term, though this is expected to balance out over the coming decade, as new residents and employees are added to the market. The area's estimated vacancy is 3% to 4%, which is reasonable for an area of this scale.
- **12th Street:** The 12th Street commercial area is one of New Westminster's important specialty restaurant, specialty foods, and specialty retail nodes. Current commercial inventory of roughly 224,000 sq. ft. does indicate significant oversupply of commercial space over the immediate to medium terms. The area would benefit significantly from increased residential density, and a rationalization of total commercial space as new redevelopment projects are introduced.

NEXT STEPS

- Preparation of "Phase 2" report, which will highlight City-wide and area-specific recommendations related to:
  - Commercial and business mix recommendations by area
  - Tenant attraction and retention considerations
  - Relevant development forms and concepts, including benchmarks from other relevant jurisdictions
  - Land use policy implications, including land designation and zoning
  - Measurable health indicators by area, for tracking purposes
- Highlighting potential future uses for new data sets and tools that have been acquired and created to support this City-wide retail strategy, particularly:
  - City-wide mobility data set for 2019 – which ideally should be complemented by a full-year dataset 'post-COVID' for tracking purposes
  - City-wide retail inventory, in ArcGIS, which can be tracked and updated to analyse change over time, and associated targeted interventions based on emerging trends.
  - Retail demand model, which can be adapted and updated, and which leverages the above-defined trade areas to project future opportunity by category.

Corporation of the City of
NEW WESTMINSTER

Attachment #2

Phase 2 Directions

NEW WESTMINSTER RETAIL STRATEGY | Phase 2 Directions

In 2021, the City of New Westminster retained a consultant team led by Urban Systems Ltd. to develop a city-wide retail strategy. The goals were to develop a baseline of retail-commercial data; to project commercial need across the City and by sub-area; to identify key opportunities to enhance the retail experience in each area; and to put forward recommendations around how the City may leverage its various tools in support of a strong retail environment.

A Phase 1 report was completed in spring 2022 that included a comprehensive city-wide retail inventory, a review of customer movement patterns based on cell phone mobility data, and a series of retail demand analyses to understand growth and positioning opportunities by area. That report set the stage for the work presented in this Phase 2 report.

1. Market Demand, Positioning Implications and Key Uses

Below is a summary of the commercial tenant mix for each of the commercial districts and preliminary recommendations around the 'optimal tenant mix' shift that should be sought, based on the research, consultation and analysis prepared over the course of this project.

Downtown

- Serves a dual role as both a local-serving and specialty destination market
- Demand analysis suggests opportunity for increased array of comparison retail and broader array of destination restaurants as well as arts and culture venues and performance spaces

Broad Category	Current Proportion (% Mix)	Optimal Proportion (% of Mix)	Desired Shift
Arts, Culture, Entertainment	12%	15%+	Broader array of live-performance venues, integration of artist collective, additional gallery spaces (above-grade suitable)
Comparison Retail	12%	15%+	Broader range of clothing and shoe stores, modestly scaled general merchandise store, specialty retail
Convenience Retail	13%	10-12%	Smaller scale lifestyle grocer east end of Columbia
Restaurant Food & Beverage	13%	15% to 20%	Additional destination restaurants with river view or street-oriented patios
Service Commercial	42%	35-40%	Modest decrease in overall proportion, to allow for enriched mix of arts, restaurant and specialty retail

Vacancy*	9%	3-5%	Post pandemic and Metro Vancouver-driven construction, should see a drop to a more healthy range

Downtown Community-Serving Role Enhancers	Downtown Destination Role Enhancers

• Smaller-scale general merchandise store, ideally at east end of Columbia corridor
• Small-scale grocer, ideally at east end of Columbia corridor
• Additional specialty foods purveyors
• Accessibility improvements:
  ○ Improved bike lanes
  ○ Secured bicycle storage
  ○ Additional pocket parks
	• Modern boutique hotel with event and meeting space, ideally close to New Westminster SkyTrain Station
	• Larger-scaled destination restaurants, with large outdoor patios (with Fraser River or Columbia Street views)
	• Broader array of arts, entertainment, and culture venues – artist collective, smaller scale live music venues
	• Specialty art and photography equipment and supplies
	• Independent clothing and shoe stores (complementing formalwear cluster)

Uptown

- Current retail-commercial business mix is healthy and aligned with its role as the city's primary community-serving commercial corridor
- Opportunity for growth in comparison retail and restaurant food and beverage

Broad Category	Current Proportion (% Mix)	Optimal Proportion (% of Mix)	Desired Shift
Arts, Culture, Entertainment	2%	2-3%	Modest growth, leveraging connections to Massey Theatre arts programs, local artists
Comparison Retail	24%	24-25%	Good coverage, modest opportunities for expansion (e.g. specialty apparel, shoes)
Convenience Retail	20%	20%	Healthy mix
Restaurant Food & Beverage	12%	13-14%	Opportunities for growth – focus on restaurants with outdoor patio areas

Service Commercial	37%	35-36%	
Vacancy*	5%	2-4%	Minor reduction in vacancy

Queensborough

- Serves a vital role as a comparison goods shopping node
- Also is an area in transition, with clear opportunities to:
    - Become a stronger neighbourhood-oriented retail and service area supporting the local Queensborough population
    - Broaden its mix and become more of a hybrid retail-service centre

Broad Category	Current Proportion (% Mix)	Optimal Proportion (% of Mix)	Desired Shift
Arts, Culture, Entertainment	13%	13-15%	Leverage proximity to Downtown to support local arts and culture uses
Comparison Retail	56%	50-55%	Refine comparison goods retail mix while allowing for growth in other local-serving uses
Convenience Retail	3%	10%	Opportunities for expanded convenience retail uses serving local area population
Restaurant Food & Beverage	9%	10-12%	Opportunities for growth – focus on restaurants with outdoor patio areas
Service Commercial	6%	8-10%	Improve depth and range of service uses for local residents and employees
Vacancy*	12%	4-6%	Opportunities to fill significant vacancies with experiential retailers and non-retail uses

Upper 12th Street

- Offers an eclectic mix of independent specialty foods, restaurants and lifestyle retailers.Changes to commercial composition over time should focus on enhancing its specialty role
- Given competitive pressures facing 12th Street from surrounding commercial areas, there are opportunities for new development in this area without at-grade

commercial requirements (in select locations that do not break up the flow of street activity)

Broad Category	Current Proportion (% Mix)	Optimal Proportion (% of Mix)	Desired Shift
Arts, Culture, Entertainment	1%	3-5%	Opportunities for more arts and cultural uses, spaces
Comparison Retail	23%	22-24%	Specialty retail focus
Convenience Retail	10%	10-12%	Opportunities for expanded convenience retail uses (specialty lifestyle grocer)
Restaurant Food & Beverage	18%	20%	Opportunities for growth – focus on specialty restaurants with outdoor seating areas
Service Commercial	39%	35-37%	Opportunities in other categories (i.e., specialty foods, restaurants)
Vacancy*	9%	3-5%	Healthy vacancy range to allow for new business entries, relocations

Sapperton

- Serves both the local neighbourhood and the sizeable (and expanding) Royal Columbian Hospital precinct.
- Well balanced in its offerings
- Primary new retail opportunities will be focused on new mixed-use developments, including Sapperton Green near Braid Station.
- Only modest recommended shifts in commercial mix by category

Broad Category	Current Proportion (% Mix)	Optimal Proportion (% of Mix)	Desired Shift
Arts, Culture, Entertainment	2%	3-4%	Opportunities to integrate more arts spaces
Comparison Retail	13%	10-12%	Specialty retail focus
Convenience Retail	19%	23-25%	Opportunities for significantly expanded convenience retail uses (including new grocery)
Restaurant Food & Beverage	13%	15%	Opportunities for growth – focus on specialty restaurants with outdoor seating areas

Service Commercial	50%	45%	Maintain strong proportion, allowing for growth in convenience retail and restaurants
Vacancy*	3%	3-5%	Healthy vacancy range to allow for new business entries, relocations

McBride

- Area is expected to see a contraction in total retail commercial area over time, as new mixed-use redevelopments should see a rationalization of space
- New residential development in the area will be well served by commercial mix within – and near – Royal Square Mall.

2. Monitoring Shopping Area Health and Vitality

A preliminary report card is being developed, based on best practices of retail health and vitality variables and thresholds, and populated using data collected and analysed in the Phase 1 report. Variables proposed in this report card will be scored on a scale, and assigned a weighting factor that reflects the relative importance of a given variable from the perspective of the district's local-serving retail role versus its destination retail role.

Monitoring local retail area health and vitality over time will is important and will require tracking and updating key metrics and data points over time. These variables include:

- Vacancies
- Tenant mix (unit counts and floor areas)
- Trade area changes and implications for demand by category

3. City-Wide Recommendations:

A summary of preliminary city-wide recommendations are as follows:

Data Collection, Analysis and Tracking

Recommendations
1. Secure updated mobility data at regular intervals
2. Update city-wide retail inventory at regular intervals, including vacancies
3. Track health / vitality of retail areas
4. Update retail demand and positioning analyses by sub-area

Land Use

Recommendations
1. Ensure zoning flexibility to accommodate 'combination stores' (e.g., production + retail sales + on-site consumption)
2. Ensure zoning language does not inadvertently discourage or prevent ability to experiment with new retail / service concepts
3. Ensure the Retail Strategy findings inform future planning for Lower Twelfth and Sharpe Street and Bent Court.
4. Allow for a range of uses in redevelopment of sites near SkyTrain stations, including arts, culture, entertainment venues, and residential
5. Ensure land use policy is not a barrier to pop-up retail and / or temporary use of vacant lots
6. Limit at-grade uses in core areas of Great Streets to 'active uses.'
7. Review other land use and related policies to reduce / eliminate barriers to adaptive re-use, especially on a temporary basis.
8. Ensure alignment with area-specific retail principles when reviewing redevelopment / rezoning applications
9. Explore creating affordable commercial space through redevelopment (amenity negotiations)

Business Support

Recommendations
1. Ensure continued information sharing and ideas between businesses, business stakeholders and the City.
2. Ensure expectations around routine maintenance on buildings and properties are clearly articulated to property owners, and that ground level commercial units are filled in an appropriate and timely manner.
3. Encourage ground level commercial uses activate the street, promote a positive visual connection between passersby on the street and interior uses, and contribute to a welcoming streetscape experience.
4. Develop commercial tenant relocation assistance approach for redevelopment scenarios.
5. Ensure a simplified, streamlined permitting process.
6. Explore temporary use program for vacant storefronts and lots
7. Explore opportunities for business incubation through space provision (e.g., incubator spaces)
8. Support local business' ability to pivot to omni-channel business models (e.g., production + retail sales + on-site consumption)

4. Key Directions by Retail District

Below is a summary of identified key opportunities for each of the City's retail districts:

Retail Area	Priority Directions
Downtown	1. Support / promote emergence of a micro-retail cluster 2. Support emergence of new small to medium scale entertainment venues 3. Explore opportunities for shared arts / culture and non-profit spaces above/below grade; potential pilot program to create affordable space through rezoning negotiations. 4. Support / promote opening of new destination restaurants 5. Expand active transportation infrastructure 6. Explore an e-bike / e-scooter hub as part of a larger City-wide strategy 7. Support patio program and outreach to local businesses to encourage implementation. 8. Continue to support integration of higher density mixed-use near SkyTrain stations and where possible, integrate new restaurant and entertainment venue space. 9. Focus new hotel development in the Downtown near transit. Where possible, integrate new restaurant and entertainment venue space. 10. Require active uses on Columbia Street at-grade in new development and work with property owners of existing buildings on a similar approach.
Uptown	1. Focus on public realm improvements (pocket parks, lighting, seating) – aligned with Uptown Streetscape Vision. 2. Fully leverage the City's investments in new active transportation infrastructure. 3. Focus on active uses for at-grade commercial space between 8th and 5th Avenues, to support 6th Street's role as a Great Street; office and other less-active uses to be focused on upper floors or off priority retail street. 4. Encourage highly active uses for high-profile corner locations.
Queensborough	1. Require active at-grade uses along Ewen Avenue between Gifford St. and Howes St., in support of Ewen Avenue's role as a Great Street. 2. Within the large-format shopping area of Queensborough, support conversions of large-format retail spaces to allow for dark stores, ghost kitchens, indoor sport and recreation, small-scale local distribution centres, and other low impact light industrial uses.

12th Street	<u>Upper Twelfth Street (between 10th Ave and 6th Ave)</u> 1. Support OCP direction of allowing for residential-only redevelopment opportunities in order to right-size amount of commercial space. 2. Support utilization of prime corner locations for the most active uses (e.g., restaurants with patios). 3. Support integration of additional street front patio spaces for use by food and beverage establishments. 4. As opportunity arise, encourage redevelopment or repurposing of existing automotive service spaces in favour of more active retail, restaurant and service uses. 5. Explore location(s) for future e-bike/e-scooter rental hub(s) <u>Lower Twelfth / Sharpe Street</u> 1. Leverage the unique commercial / industrial zoning mixture to support ‘combination businesses’ which are not easily accommodated elsewhere in the city. These include: a. Micro distilleries with on-site tasting rooms b. Additional urban wineries or micro breweries with tasting rooms and patios c. Artisan businesses merging small-scale on-site manufacturing with sales and demonstrations (woodwork, metalwork, etc.) 2. Small or micro commercial cluster(s) of artisinal food and beverage (and related) businesses. 3. Live/work opportunities for operators of businesses listed above. 4. Encourage and support conversion of automotive-related buildings and properties for adaptive re-use.
Sapperton	1. Future retail integration at Sapperton Green should complement East Columbia Street core commercial district by focusing on retail anchors and categories that are under-represented along East Columbia Street north of Major Street, including i. Full-scale supermarket ii. Full-format multi-department pharmacy iii. Commercial fitness iv. Larger daycare centre 2. At-grade commercial spaces along East Columbia Street should be reserved for active uses. 3. Focus temporary pop-up event and festival core activity in a central Sapperton location. 4. Explore improving active transportation infrastructure.
McBride	1. For future redevelopment east of McBride Avenue, support reduction in overall commercial footprint to best support existing retail clusters west of McBride. 2. Explore potential to better support pedestrian and cycling crossing of McBride Avenue.
Connaught Heights	1. Focus on local-serving lifestyle convenience retail / service commercial uses.