Corporation of the City of NEW WESTMINSTER

Economic Development Advisory Committee
Agenda

Tuesday, June 21, 2022, 9:00 a.m.
Open to public attendance in Committee Room G
Lower Level, City Hall
Committee members may attend electronically

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.

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discussion.

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

9. **END OF MEETING**

10. **UPCOMING MEETINGS**
Remaining scheduled meetings for 2022, which take place at 9:00 a.m. unless otherwise noted:

- September 2
- December 2

Corporation of the City of NEW WESTMINSTER

ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

MINUTES

Friday, May 6, 2022
Electronic and in Meeting Room G
Lower Level, City Hall

PRESENT	
Kendra Johnston*	Alternate Chair, Representative, Downtown New Westminster Business Improvement Association
Councillor Chinu Das*	Council Representative
Monita Cheng*	Community Representative from Commercial Area
Mark Evans*	Sectoral Representative from Local Business Community
Jolene Foreman*	Sectoral Representative from Local Business Community
Jordan Foss*	Sectoral Representative from Local Business Community
Imran Gill*	Sectoral Representative from Local Business Community
Vera Kobalia*	Community Representative from Commercial Area
Bart Slotman*	Representative, Uptown Business Association
REGRETS	
Councillor Mary Trentadue	Chair
Nikki Morris	Representative, New Westminster Chamber of Commerce
Paul Romein	Sectoral Representative from Local Business Community
Catherine Williams	Sectoral Representative from Local Business Community
STAFF PRESENT	
Jen Arbo	Economic Development Coordinator
Carolyn Armanini	Economic Development Planner
Blair Fryer	Manager, Communications and Economic Development
Katie Stobbart	Committee Clerk

*Denotes electronic attendance

1. CALL TO ORDER AND LAND ACKNOWLEDGEMENT

Kendra Johnston opened the meeting at 9:03 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

There were no items.

3. CHANGES TO THE AGENDA

There were no changes to the agenda.

4. ADOPTION OF MINUTES FROM PREVIOUS MEETINGS

4.1 Minutes of March 4, 2022

MOVED and SECONDED

THAT the Minutes of the March 4, 2022 Economic Development Advisory Committee meeting be adopted.

Carried.

All members present voted in favour of the motion.

5. REPORTS AND PRESENTATIONS

5.1 Business Association Seed Program

Jen Arbo, Economic Development Coordinator, provided a presentation entitled “Business Association Launch Program”, noting that the program will now be called the Business Association Launch Program rather than Seed Program. Ms. Arbo also provided a draft program brochure for feedback.

In response to questions from the Committee, Ms. Arbo advised:

- There were some businesses that seemed excited about the idea of the launch program, and we will talk to them first;
- Many business owners who took the survey indicated that they hoped for greater advocacy, and this helps to meet that goal; and
- The grant could be used to hire a contractor, though we would like to see a formal society established before anyone is hired, which helps to validate from the City's perspective that we are working with an organization with accountability.

The Committee suggested having businesses fill out a questionnaire instead of a report at the end, so they know what information we are looking for.

5.2 Retail Strategy Update

Carolyn Armanini, Economic Development Planner, provided an update on the Retail Strategy, noting the following:

- Phase one was brought before Council and was favourably received;
- Douglas College has indicated they would support the City in continuing to maintain the inventory that was done;
- Planning has a workshop planned in May with the consultants to look at oversupply with a specific lens to the OCP land use designations;
- In the analysis, ratios of retail space per capita are not used as these are problematic and vary from area to area; instead it is modelled by trade area, which accounts for different income levels and how that impacts spending potential from area to area. This is driven by disposable incomes, not gross incomes;
- Four to six percent is considered a healthy vacancy rate;
- In this second phase, focused workshops are planned with EDAC members as well as other groups such as BIA boards, and business owners who want to take part;

- The intention is to have a draft ready by the summer. To accommodate this, the next EDAC meeting will be rescheduled from July 8 to June 21, 2022.

6. UNFINISHED BUSINESS FROM PREVIOUS MEETINGS

There were no items.

7. STANDING REPORTS AND UPDATES

There were no items.

8. NEW BUSINESS

There were no items.

9. END OF MEETING

The meeting ended at 9:33 a.m.

10. UPCOMING MEETINGS

Remaining meetings for 2022, which take place at 9:00 a.m. unless otherwise noted:

- July 8
- September 2
- December 2

The following questions were submitted in relation to the development of Phase 1 report. Answers, in italics, are below.

Source of “retail space per capita” Ratios
What are these ratios based on and who determines the ratios?

- *The analysis in the report is not based on retail-space-per-capita ratios; the trade area modeling is based by trade area. Using ratios is problematic and variable from area to area. Comparing per-capita ratios of towns / cities in completely different regional contexts, or that play different roles within their regions (e.g., major employment centre, other geographic influences) will have significant impact.*
- *The model accounts for income levels, and how income differentials area to area will impact spending potential by category. The model is also driven by disposable incomes, not gross incomes. Spending potential by trade area account for these income differentials, and relative propensity to spend on given categories as incomes go up or down.*
- *The consideration of mega changes in omni-channel retail was taken into consideration in the retail model, as outlined below.*
- *The geographic position of New Westminster overall, and of each retail areas specifically, is accounted for in our trade area market capture estimates (by category), which account for the competitive influences (e.g. New West as being the “hole in the donut” for the retail sector with powerful regional centres in close proximity).*
- *New West’s retail centres difficult task/ability to compete in certain sectors (i.e. soft goods), is therefore accounted for in our market shares.*

Oversupply of Retail Space
The report indicates New West has approximately 22 square feet of retail space per person (based on a population of ~80,000). On a national basis (Canada), that number is 16.8 square feet per person (2018). If that is accurate, the amount of oversupply is much greater than the report indicates, and for example why we’re seeing empty storefront at Queensborough Landing, conversion of Royal City Centre’s 2nd floor to medical office and Columbia Street having chronic vacancy, which drives down rental rates.

- *Analyzing markets based on historical or comparative per-capita ratios is generally considered problematic and not recommended. For example, Nanaimo’s ratios of floor area per capita a few years back was at or around 45 sq.ft. per person because it is a major regional service centre. Similarly, Edmonton CMA had a 43.9 sq.ft. per capita ratio a few years back, again because of its role in the region (45.4m sq.ft. for 1.035m ppl). Sherwood Park, just east of Edmonton, had 73 sf per capita as of 2017 (35,000 population, 2.5m sf of space). The national ratio of 16.8, while interesting, is not very helpful for municipal-level retail market analysis, particularly for a city at the centre of a large region. The data driving those ratios are not based on an exhaustive* *inventory at a micro level, and may take into account a lot of floor areas that would be excluded from a retail study.*

- *For context, at a high-level, our retail demand forecasting methodology / model takes into account:*
    - *Actual retail trade spending, per capita, by retail category, adjusted to trade area-specific populations (i.e., differentials in income levels, household sizes)*
    - *Elasticity (or inelasticity) of spending in each major retail category, when adjusting from provincial-level data to the local level.*
        - *In other words, spending patterns in some retail categories will vary considerably more as incomes increase or decrease - this represents "elastic" spending. Examples of some such categories are jewelry, clothing, and electronics.*
        - *More inelastic spending patterns tend to be observed in convenience-type retail goods (i.e., day-to-day essentials – groceries, gas, health / beauty products).*
        - *Elasticity factors, by retail category, are applied in the model, based on the differences in income levels between the province as a whole and each trade area.*

    - *Restaurant food & beverage spending is estimated per trade-area-specific data using national household spending data surveys.*
    - *Shifts by category to online spending vs. brick-and-mortar, based on trend data to date, and projections into the future from a variety of sources.*
    - *The above projections are repeated multiple times, for each of the trade areas across the City.*
    - *Once we project future spending in a given category (i.e. gross potential retail spending per annum), we then:*
        - *Estimate a market share at a given area (e.g., 12th, Uptown, Downtown etc.) from each trade area, based on actual competitive influences, realistic spending patterns, and observed movement patters using cell phone data. This is the 'net retail spending potential'.*
        - *Convert net spending potential to floor area support based on "productivity estimates" ($ / sq.ft. / annum), which themselves are adjusted from regional level commercial shopping centre data (by category).*
            - *Generally, older lower quality space achieves lower sales per square foot, while newer higher quality space requires higher productivity rates to be viable.*

Blending of Retail and Office Space

Understanding that the lines are blurring between retail and office, but without a clear distinction between uses the results become increasing difficult to interpret and become less meaningful.

- *For the inventory, major dedicated office spaces were excluded (e.g., Translink / Coast Mtn Bus offices). The only "office" space included in the inventory was that which could in theory be rented for non-office purposes, and second floor space along retail streets that contain various service commercial-type uses. As noted in the report, the inventory captured almost 1.1 million square feet of service commercial space (33.2% of total floor area).*

Functionally or Economically Obsolete Space
A lot of New West's inventory is old and may no longer be suitable (e.g. poor building condition, low ceiling heights, inadequate electrical capacity, high upgrade costs). Does the inventory capture that?

- *The inventory captures all space (old and new), but does not separate out by quality or date of construction (except in a qualitative way). It is acknowledged that this is an issue in some areas. Incremental spending in any given study area will support less new space than old space (higher $/sq.ft. required in newer space). So if older buildings are redeveloped, you may not need to replace all of it.*

"Healthy" Vacancy Rate
What is considered a rate that results in a balanced market where tenants have options, but where rental rates support new supply (without being enabled by the development of multi-res above)?

- *Generally 4-6% is a healthy range. 1-2% is too tight a market and above 6 or 7% is generally indicative of over supply or potential mismatch of types of supply with market opportunities. There are areas in transition with older spaces that are not really appropriate for a lot of new retailers.*

Population Growth Forecasts
What are the population growth forecasts for each specific area?

- *See Table 7-1 on page 83 of the report.*
- *These were taken into consideration in forecasting the demand for each area.*

NEW WESTMINSTER RETAIL STRATEGY

PHASE 2 PRESENTATION

Retail Market Positioning and Strategy

URBAN SYSTEMS

Happy Cities

Justin Barer, M.Pl., RPP, MCIP

David Bell, RPP, MCIP

JUNE 21, 2022

RETAIL STRATEGY PROCESS

- INSERT PROCESS GRAPHIC HERE

PHASE 2 PURPOSE & APPROACH

- Leverage the key findings and tools developed in Phase 1:
  - City-wide mobility data
  - City-wide retail-commercial inventory
  - Retail demand analysis by New West sub-area

- Key Phase 2 elements
  A. Commercial area health & vitality indicators (Phase 1 highlights)
  B. New Westminster retail market positioning
  C. Optimal infill uses by commercial area
  D. Key challenges and action item / policy responses
  E. Placemaking strategies to enhance local retail experience

URBAN SYSTEMS

A. COMMERCIAL HEALTH & VITALITY

WHY TRACK?

- **Indicators and associated metrics**, tied to principles for successful retail areas, can be **tracked over time**
- Monitoring local retail health and vitality can help to **maintain / enhance what is working**, attend to issues large and small that could weaken areas
- Success factors / relative **importance of variables differs by area role / function** (e.g., primarily local-serving, vs. primarily destination-driven, vs. hybrid)

A. COMMERCIAL HEALTH & VITALITY

WHAT TO TRACK?

Variables covered by Retail Strategy:

1. Retail mix by category + total floor area (critical mass)
2. Retail precinct specialization (destination vs. local serving) - % of convenience, comparison, F&B services
3. Notable retail and non-retail anchors (presence and location)
4. Vacancies
5. Asking lease rates
6. Trade area population / households / income levels, and change over time
7. Trade area daytime population

A. COMMERCIAL HEALTH & VITALITY

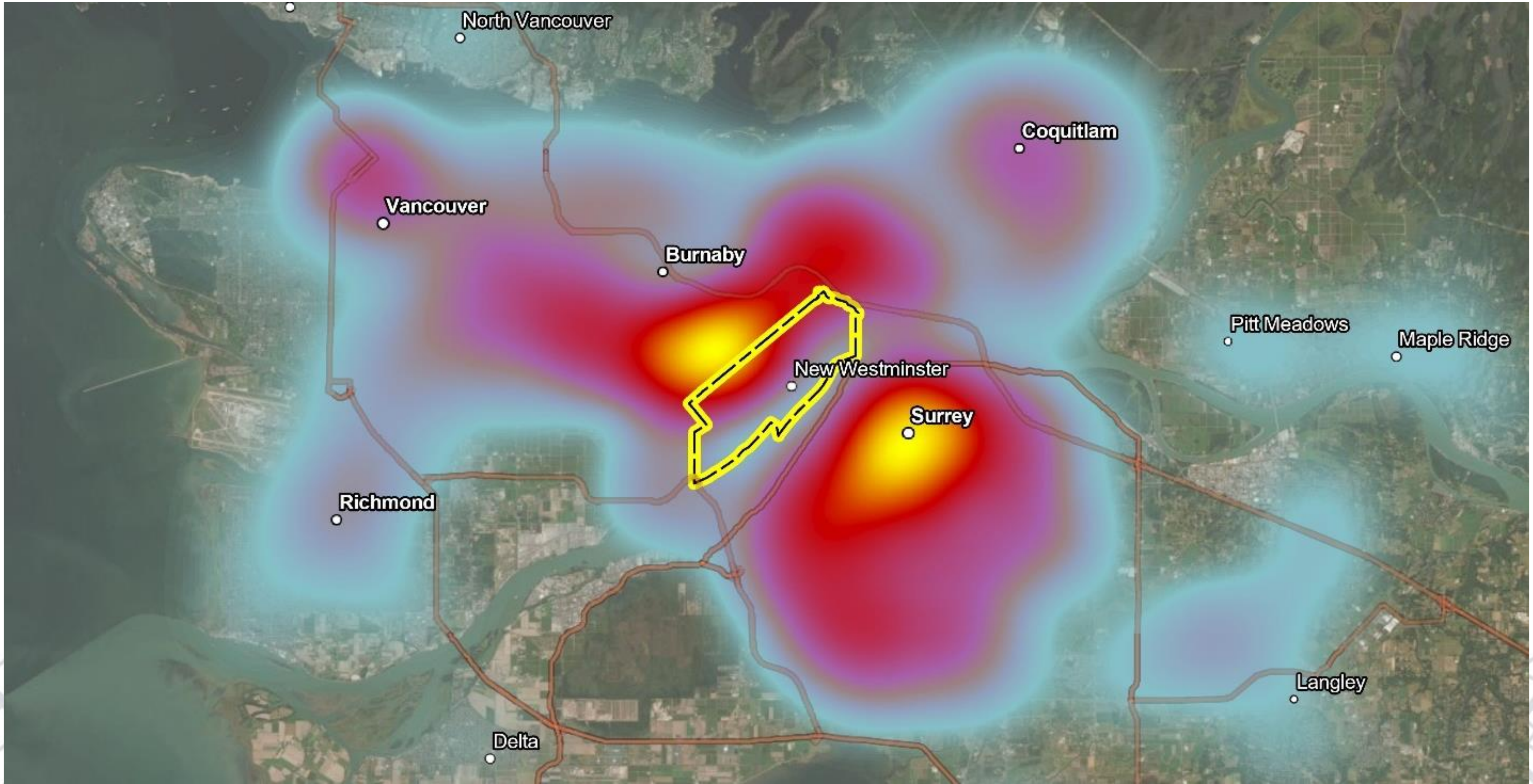
WHAT TO TRACK?

Beyond the core indicators and variables on previous slide, what **other health and vitality indicators** do you see as critical to the success of local commercial districts?

URBAN SYSTEMS

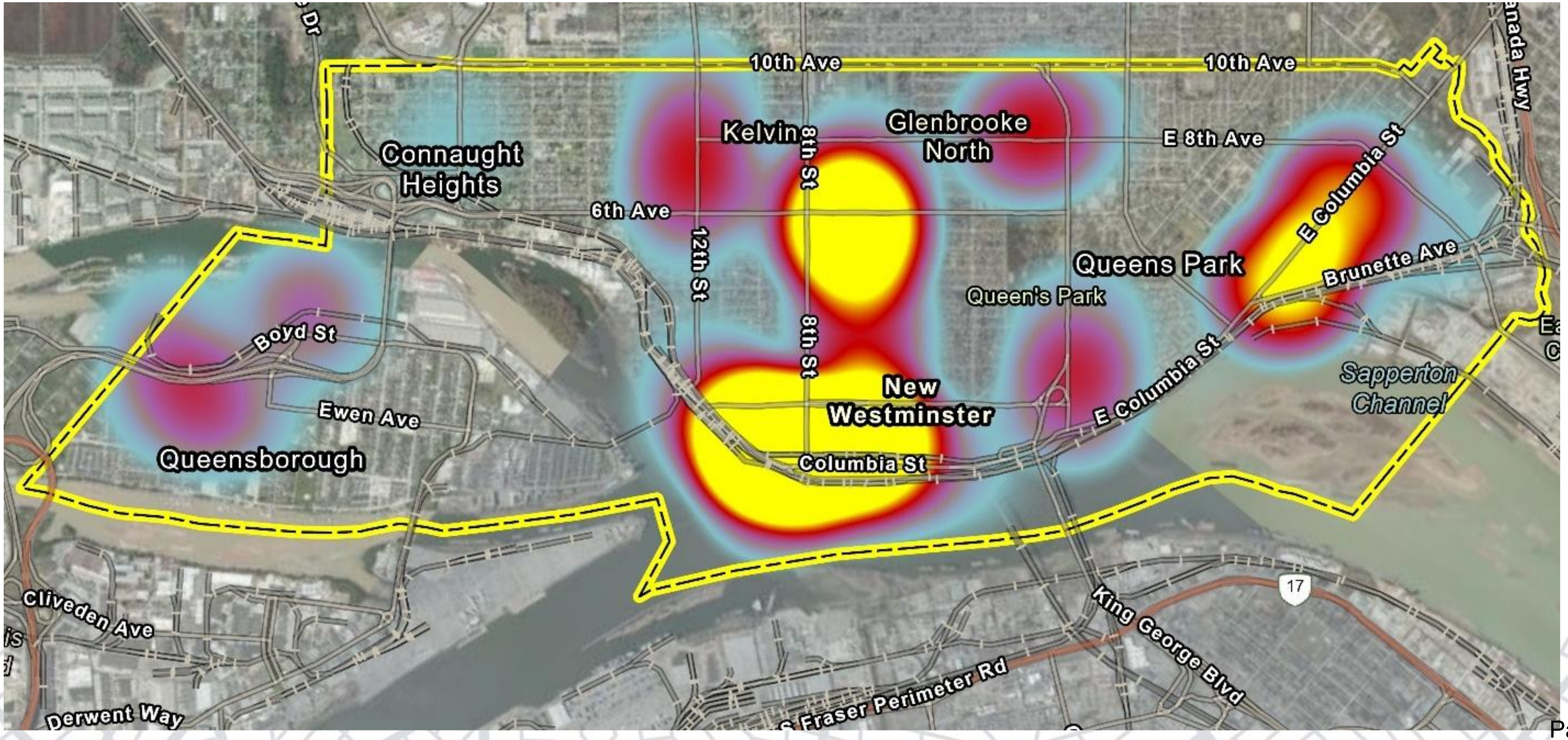
B. RETAIL MARKET POSITIONING

CITY-WIDE RETAIL-COMMERCIAL DRAWING POWER



B. RETAIL MARKET POSITIONING

NEW WEST COMMERCIAL HOT SPOTS - VISITS



B. RETAIL MARKET POSITIONING

ARTS, CULTURE & ENTERTAINMENT – DESTINATION ROLE

River Market at Westminster Quay

Queensborough / Queensborough Landing

Bridal / Formal Wear

RETAIL CLUSTERS – DESTINATION

B. RETAIL MARKET POSITIONING

B. RETAIL MARKET POSITIONING

longtail

STEEL & OAK BREWING CO.

RE-UP BBQ

Artusi
CONTEMPORARY RUSTIC ITALIAN FOOD

ANOTHER BEER CO.

L'ONORE PIZZA

Wild Thyme
Simply Balanced food

Tamarind Hill
Malaysian Cuisine

G
GASTRONOMIA ITALIA

el Santo

Piva
MODERN ITALIAN

RESTAURANTS – DESTINATION ROLE (SAMPLE)

B. RETAIL MARKET POSITIONING

LOCAL / COMMUNITY VS. DESTINATION

1. What opportunities do you see to **further enhance the City's role as a specialty destination?**

C. OPTIMAL INFILL USES BY AREA

DOWNTOWN

- **Micro-retail** commercial
- Brewpubs, micro distilleries with supporting specialty foods
- Affordable non-street-level commercial space to support artist/artisan collectives + shared event spaces
- Pilot project to create **affordable commercial space as a negotiated amenity in a rezoning**
- **Wider array of live entertainment venues by size** – or adaptive re-use of existing spaces to support wider range of performances
- **Medium-scale general merchandiser** (e.g. Giant Tiger – 25,000 sq. ft.)
- Retail street prioritization – buildings along A, B and C streets
- **Connect Arts Strategy to Retail Strategy** (including music strategy)

C. OPTIMAL INFILL USES BY AREA

QUEENSBOROUGH

- **Ghost kitchens**
- **Dark stores** or conversion of existing businesses to dark store format
- **Micro-distribution** logistics facilities
- Combination **light industrial-office-retail** projects (Mount Pleasant)
- Potential **pilot food truck lot** to support industrial-commercial employment nodes + local resident population

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C. OPTIMAL INFILL USES BY AREA

UPTOWN

- Expanded **patio areas** for restaurants
- **Public realm** improvements that balance cycling vs. pedestrian vs. public transit vs. auto needs
- **Restricting/limiting at-grade office uses**
- Retention of existing **commercial anchors**
- **Pocket parks** but with supportive bike infrastructure
- **Bike storage** facilities

C. OPTIMAL INFILL USES BY AREA

SAPPERTON

- **Medium-scale grocery** store at Braid (anchor for planned Sapperton Green)
- Casual **'grab and go' food & beverage** uses (including Sapperton Green)
- Additional destination restaurants with patios
- Expanded **patio program** for restaurants
- *Pilot project* – **affordable commercial amenity space**

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C. OPTIMAL INFILL USES BY AREA

12TH STREET

12th Street Core Commercial

- Automotive commercial conversions to micro-commercial uses
- Expanded patio program for restaurant uses
- Affordable commercial space as a negotiated rezoning amenity

12th Street South Maker Movement Infill (Industrial / Automotive Commercial areas)

- Specialty F&B manufacturing/sales (breweries, distilleries, urban wineries)
- Bakeries/specialty foods
- Commissary kitchens
- Artisanal specialty manufacturing (eg. Metalworks, woodwork, furniture)
- Pilot project – food truck lot in an industrial/maker area

C. OPTIMAL INFILL USES BY AREA

INFILL USE OPTIONS BY AREA

What **new retail commercial business types** do you see as being most effective in enhancing the overall health of New Westminster as a retail market?

What **sub-areas of the City** are these most suited for?

C. OPTIMAL INFILL USES BY AREA

New retail-commercial business concepts most likely to enhance the health of New Westminster's commercial areas:

DOWNTOWN NEW WESTMINSTER

- Concept 1
- Concept 2
- Concept 3

NEIGHBOURHOOD RETAIL DISTRICTS – AREAS

- Concept 1 – Commercial Area
- Concept 2 -
- Concept 3 -

URBAN SYSTEMS

BENCHMARK RETAIL & COMMERCIAL CONCEPTS FOR NEW WESTMINSTER

MICRO-RETAIL CLUSTERS

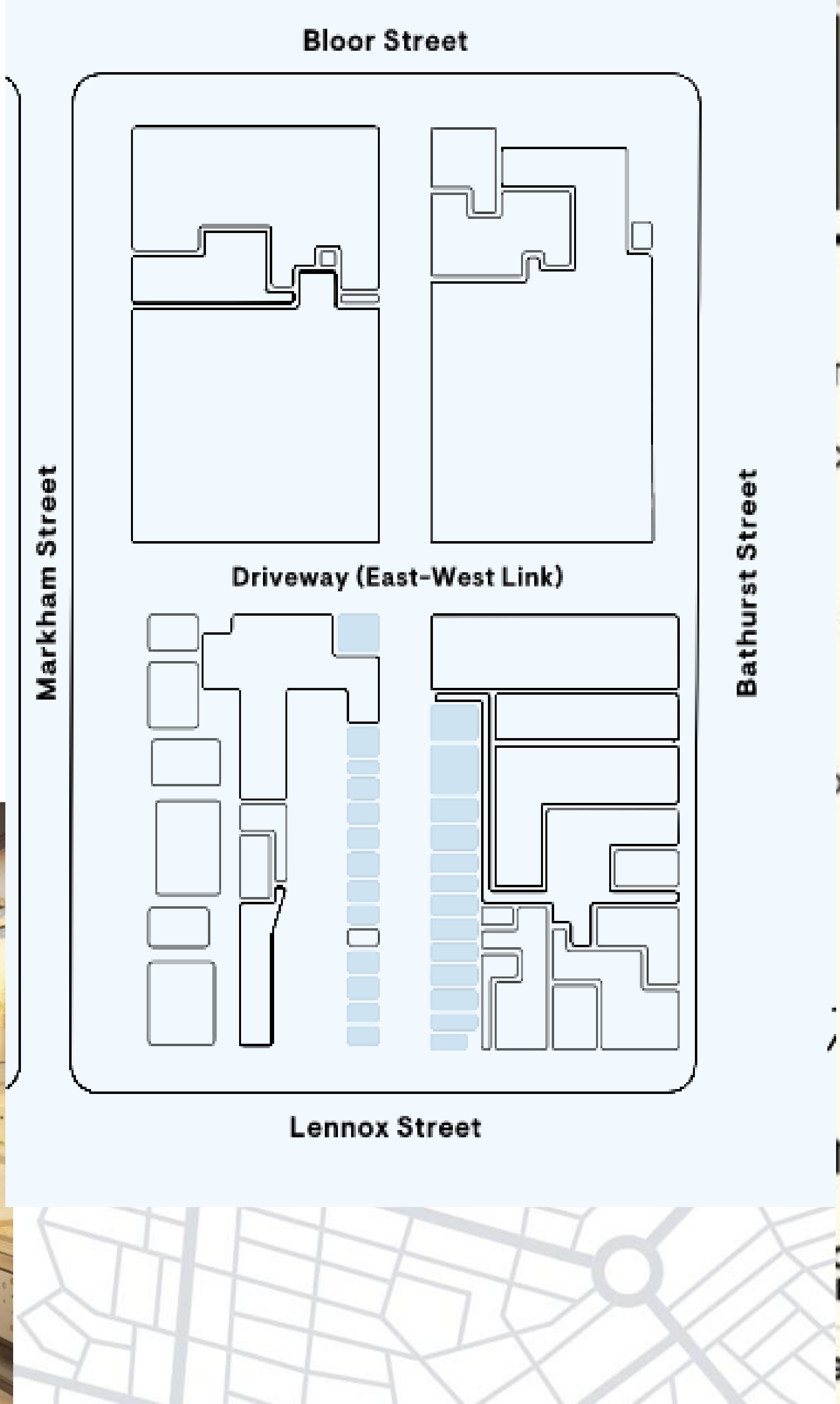
e.g. Toronto's High Park subway station:

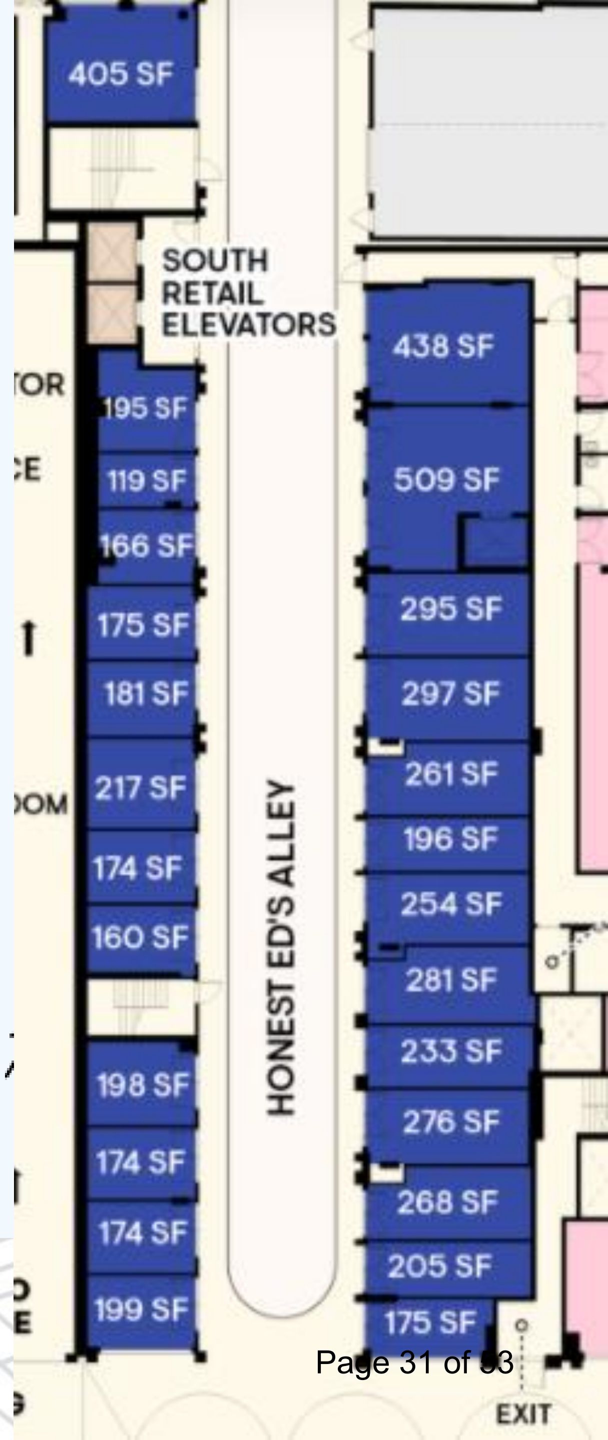
- Planned daycare anchor
- Conversion of existing parking garage
- 15 proposed micro retail units ranging from 188 to 307 sq. ft.
- Designed to allow established local businesses to set up small secondary outposts

MICRO-RETAIL CLUSTERS

e.g. Honest Ed's Alley (Mirvish Village):

- Micro retail opportunities within larger mixed-use development
- Targeted to new independent businesses

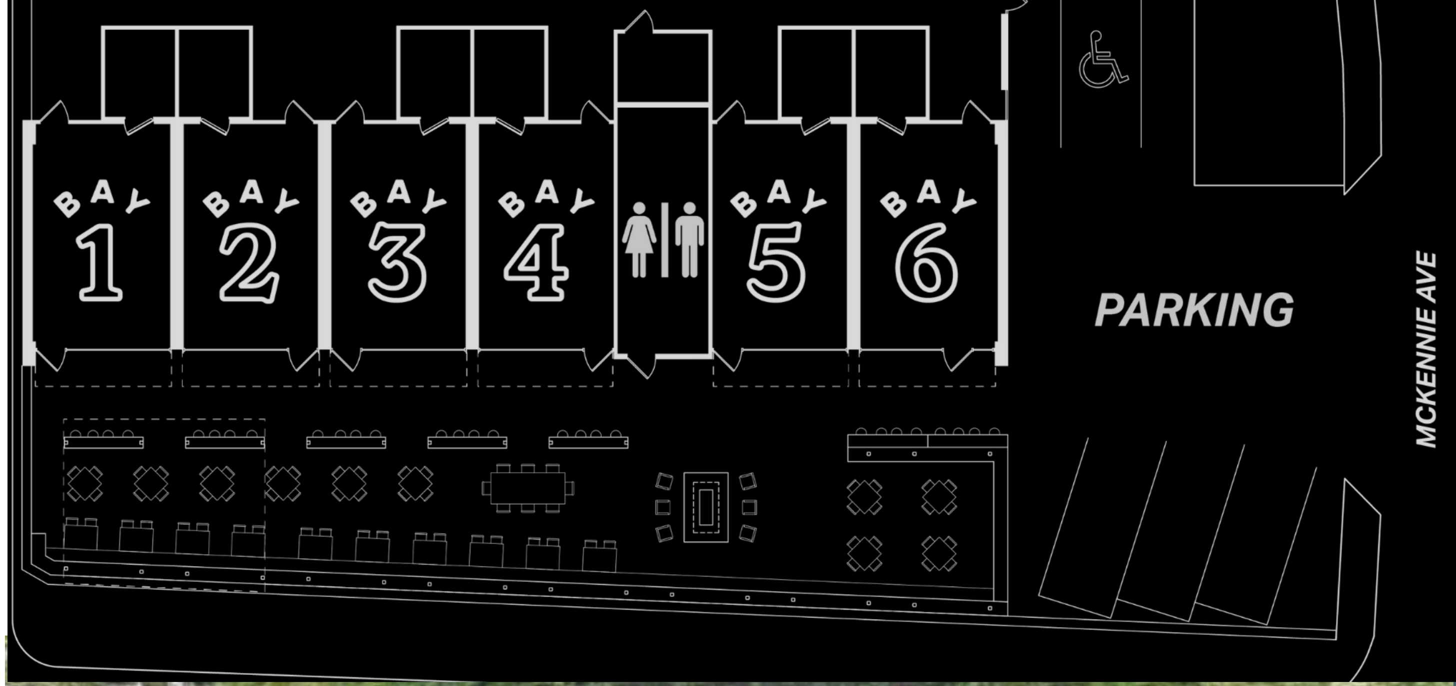




AUTO-COMMERCIAL CONVERSIONS

e.g. The Wash

- Nashville, Tennessee
- Restaurant incubator
- 5 micro-restaurants, 1 micro bar
- Converted automotive service centre
- Short-term lease options



AUTO-COMMERCIAL CONVERSIONS

e.g. Melrose Market (Seattle)

- Indoor food and retail market
- Located in historic automotive buildings (1919, 1926)
- Opened 2010
- Restauranteurs and retailers
- Melrose Market studios (large event space and catering facility)

SPECIALTY FOOD & BEVERAGE / EVENT SPACE

e.g. Ritchie Market (Edmonton)

- Neighbourhood-focused multi-use building with artisan F&B local businesses.
- Meat market, restaurant / brewery, bakery, coffee & roastery
- Event space on 2nd level

SPECIALTY FOOD & BEVERAGE / EVENT SPACE

e.g. The Flourist (Cedar Cottage, Vancouver)

- Artisanal flour mill / grains
- Baked goods / doughs / preserves
- Premium grocery items (cheese, olives, chocolate, spices, eggs, coffee, wine, vinegar)
- Kitchen wares / resources (cookbooks, linen towels, pasta and bread making tools)

SHARED COMMERCIAL SPACES

e.g. Artist Collective example

- Temporary and / or permanent spaces for artists
- Shared spaces
- Shared equipment / tools
- Above / below grade locations

SMALLER-SCALE MUSIC VENUES

- Fill emerging market gap with loss of smaller event spaces in Vancouver
- Market gaps for venues in small / medium size categories:
  - 500-700 capacity (e.g., old Richards on Richards)
  - 800-1200 (e.g., Rickshaw, Vogue)
  - 1,800-3,000 (e.g., QE, Orpheum)
- Need 250+ events per year

RELEVANT BENCHMARK CONCEPTS

Are there other project concepts or ideas that you would like to see explored in New Westminster?

What areas of the City are these most suited for?

CHALLENGES & POLICY RESPONSES

D. CHALLENGES & POLICY RESPONSES

REDUCED REGIONAL RETAIL DRAWING POWER

- Is this a problem? Many ‘classic’ retail destinations nearby.
- New Westminster opportunities: **enhanced specialty destination roles**
  - **Arts, Culture, Entertainment**
  - **Specialty Restaurant Food & Beverage**
  - **Specialty artisan manufacturing** (food, beverage, other artisans)
  - **Programming / events** to support existing businesses + increase profile

What do you see as the most effective ways to enhance New Westminster’s drawing power (tourists, visitors, regional residents)?

URBAN SYSTEMS

D. CHALLENGES & POLICY RESPONSES

REAL ESTATE COSTS FACING LOCAL BUSINESSES

- **Commercial property tax sub-class** → continued discussions w/UBCM
- Zoning to allow for **micro retail-commercial**
- Affordable commercial space as community amenity
- Streamlining processes / fees for high impact improvements
- Various grants (e.g., façade, technology, patios etc.)
- Working with businesses facing redevelopment displacement

What role can the City play in helping businesses better navigate a high-cost environment?

URBAN SYSTEMS

D. CHALLENGES & POLICY RESPONSES

ACCOMMODATING ARTS, CULTURE, ARTISANS

- Accommodating high economic impact groups that cannot afford market rents
- **Link New Westminster Arts Strategy to Retail Strategy**
  - Collaborate with arts collectives to secure **temporary and permanent spaces**
  - Work with local BIAs and businesses to ensure that local **event programing enhances existing local business performance**
  - Area-specific **interactive arts and marketing initiatives**

How can the City better leverage arts and culture uses / programming to support healthy commercial districts?

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D. CHALLENGES & POLICY RESPONSES

NEED FOR MARKET INFO / BUSINESS SUPPORT

- Keep updated **inventory** of retail mix by category, by area
- Current **vacancy** data + **better share info on available commercial spaces**
- Convey information on asking **lease rates** for available commercial spaces
- **Population** and **Demographics** by local trade area(s)
- Collaborating with local BIAs, community groups to create **marketing / promotional events to best support existing businesses**

What role can the City play in better supporting local BIAs and businesses with information sharing and support?

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D. CHALLENGES & POLICY RESPONSES

MARKET SHIFTS & ALLOWABLE USES

- **Review / update allowable uses within zones** in *select areas* (e.g., Queensborough, south 12th St., Downtown)
- **Consider defining priority retail areas and streets**, in which at-grade uses must be active uses enhancing street vitality
- **Consider opportunities for residential-only redevelopment opportunities in select locations** within commercial areas but outside of defined priority retail areas

What are some current New Westminster zoning challenges facing existing and prospective businesses?

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D. CHALLENGES & POLICY RESPONSES

PUBLIC REALM / STREET LEVEL VITALITY

- **Regulating at-grade frontages** (vs. use or store size)
- **Defining priority retail areas** to ensure at-grade vitality
- Right-size retail concentrations: ensure that new retail space is warranted
- **Reinforce signage strategies for priority retail areas**
- Retail design best practices for new-build + adaptive re-use opportunities
- Outdoor dining spaces (seasonal / permanent street space re-allocation)

What specific public realm improvements would have the most positive impact on local businesses and districts?

URBAN SYSTEMS

THANK YOU

Business License Bylaw Modernization

Economic Development Office

NEW WESTMINSTER

Framework

Reassignment of Business Licensing under Economic Development Office provides an opportunity to modernize business licensing function and role. Fulfill the City's regulatory role of public safety while moving to a risk-based licensing framework.

Simplify and streamline operational processes to better reflect the current and evolving business environment

Provide tools that **promote and reward compliance**

Develop efficiencies for both business applicants and city staff

Reduce **regulatory burden**

Areas of Focus

Historically Problematic Licenses

Review restrictions on historically problematic license types (liquor, body rub, sex toys, arcades, etc.)

Consolidate license types and processes

Consolidate license types and process (e.g. food trucks, specific types of retail or consulting)

Modernize & Future proof license types

Consider new license types (temporary pop-up, non-profits) and take out outdate (shoeshine, tea reader)

Review Fees

Review of fees and compare with other municipalities

Language Updates

Update general language, FOIPPA, Community Charter language, moral vs. legal (separation of state and church), etc.

Risk-Based Approach

Fulfil the City's regulatory role of public safety while moving to a risk-based licensing framework.

Risk levels

Licenses with a higher risk level receive an increased level of regulatory and compliance oversight, whereas licensees with a lower risk level can benefit from reduced regulatory burden.

Enforcement

Develop an enforcement system that reflects public safety but clearly outlines different stages of consequences, penalties, etc.

Process

STEP ONE

Report to Council re. Approach

STEP TWO

Research & analysis

STEP THREE

Internal and external input (planning meeting, EDAC, FN, business focus group, non-profits)

STEP FOUR

Develop Draft Bylaw

STEP FIVE

Review Draft Bylaw internal/external groups

STEP SIX

Draft Bylaw to Council

Stakeholder Input

Indigenous partners

Business
Association Groups

Economic Development
Advisory Committee

Business/Non-profit
Focus Group

Planning Meeting

Discussion

- Slotting in Development Services Fee Bylaw, Zoning Bylaw, Sign Bylaw amendments
- Input?
- Any other areas of focus?