

REPORT

Office of the Chief Administrative Officer

To: Mayor Johnstone and Members of Council
Date: June 12, 2023

From: Lisa Spitale, Chief Administrative Officer
Item #: 2023-401

Subject: Draft Retail Strategy – Public Review

RECOMMENDATION

THAT Council direct staff to advance the draft Retail Strategy for community review as outlined in this report.

PURPOSE

To present the draft Retail Strategy to Council and seek endorsement to bring the Strategy for public review.

SUMMARY

This report brings forward the draft Retail Strategy, informed by public engagement and incorporating feedback from Council's workshop (February 13, 2023).

Phase 1 of the project focused on conducting background research and data collection, preparing a city-wide retail inventory, and seeking community and stakeholder input. Phase 2 focused on the development of options and recommendations for consideration by Council, City committees and stakeholders. The intent of the Retail Strategy is to build on the principles, and help implement the goals, of the Official Community Plan (OCP) and the Economic Development Plan, to ensure a healthy retail sector, vital to the well-being of the city and local neighbourhoods. The draft Strategy does this by, in many cases, affirming the land use directions of the OCP, and identifying where land use policy and regulations should be adapted to the evolving retail sector, and to more proactively incentivize the creation of active streetfronts. The Strategy also contains recommendations for proactive placemaking interventions, new policy supports for the

retail sector, ways to collaborate with the business community, and other economic development initiatives.

Staff is now seeking Council's direction to bring the draft Strategy out for public review, after which staff will incorporate changes and bring forward a final Strategy for Council's consideration and endorsement.

BACKGROUND

On June 24, 2019, Council directed staff to proceed with the preparation of a Retail Strategy that considers actions to support existing retail, 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. The draft Strategy supports the OCP's visions for New Westminster's Great Streets and identifies actions to enhance these, and provides recommendations regarding the optimal mix of uses and 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 and 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 against inventory data.
- Check-ins with City's internal Culture and Economic Development Task Force and external Economic Development Advisory Committee.

KEY DIRECTIONS & RECOMMENDATIONS

Building from the research and analysis conducted as part of Phase 1, recommendations have been created in the draft Phase 2 document (see Attachment 1). The section below provides a summary of key recommendations.

City-wide Recommendations

- 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 businesses at all stages of their life cycle by establishing a dedicated Business Growth Support Coordinator function at City Hall
- Support for existing businesses/tenants during redevelopment or relocation
- Continue to invest and prioritize the public realm to contribute to an active commercial area experience
- Ensure transparent frontages of at-grade spaces to enhance the public realm

Retail Sub-Areas Key Opportunities

***Downtown* - Serves a dual role as both a local-serving and specialty destination market with an experiential focus**

- 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, including a new retail or non-retail eastern anchor;
- Strengthen the vibrancy of Columbia Street by restricting at-grade spaces to active uses in new developments; and
- Downtown should also be considered the primary location for particular initiatives, such as:
 - micro-commercial retail development,
 - a new hotel, and
 - affordable space for arts and culture or entertainment non-profit organizations.

***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;
- Build on the new active transportation infrastructure with additional placemaking interventions;
- Strengthen the vibrancy of 6th Street as a Great Street by restricting at-grade uses to active uses and financial institutions in key stretches; and
- Encourage arts and culture-supporting retail and service businesses along 6th Street to support Massey Theatre.

Queensborough – Comparison goods and neighbourhood-oriented hubs

- Queensborough Landing is in transition as the big-box power centre model shifts, with some opportunity to become a stronger neighbourhood-oriented retail node and also broaden its mix and become more of a hybrid retail-service centre.
- Emerging uses such as “dark stores” (large format stores designed for delivery and pick-up), commissary kitchens, low-impact light industrial uses, or more experiential uses may be appropriate at Queensborough Landing.
- Opportunity to strengthen Ewen Avenue’s neighbourhood-oriented retail offerings by restricting at-grade uses to active uses the core stretch.

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

- Retail space supply and demand analysis supports allowing for residential-only redevelopment opportunities at the north end of upper Twelfth Street, consistent with the land use designations in the Official Community Plan.
- Support existing businesses through placemaking interventions and a commercial tenant assistance framework.
- Support continued opportunities for small independent businesses by ensuring that new development include commercial retail units with a mix of widths, sizes and configurations.
- Consider exploring the cultural and community importance of the cluster of businesses along upper Twelfth Street through a cultural value assessment of the Great Street to inform a further policy response.

Sapperton - Serves both the local neighbourhood and an expanded hospital

- East Columbia Street offerings are well balanced, serving both daytime healthcare and other workers, as well as local residents. Only modest recommended shifts in commercial mix by category.
- Recommendations to enhance East Columbia Street by limiting at-grade uses to active uses in key areas, and explore placemaking interventions such as temporary pop-up and festival events.
- Primary new retail opportunities will be focused in new mixed-use developments, including Sapperton Green near Braid SkyTrain Station. This development is encouraged to include a full-scale supermarket, full-format pharmacy, commercial fitness and larger daycare centre.

Policy opportunities by sub-area are outlined on pages xiv-xvi of Attachment 2.

DISCUSSION

The key directions and recommendations from the draft Retail Strategy, outlined above, are largely in alignment with the directions of the Official Community Plan. Recommendations to allow for a shift in land use in part of Queensborough could be considered through an Official Community Plan amendment application or as part of future community planning for the area.

An important message of the draft Retail Strategy is to not require more retail floorspace than is supportable. New Westminster has a diversity of commercial areas within walking distance of most residential neighbourhoods. The Retail Strategy cautions against requiring additional retail space in all new large developments, and suggests exploring options for non-retail commercial uses (e.g. arts and culture spaces, child care, community uses, or commercial indoor recreation uses) outside of core areas of Great Streets.

As the retail sector evolves, and online shopping continues to increase, strategies are needed for maintaining the vibrancy of retail areas. These include:

- investing in placemaking such as public realm improvements and events;
- working closely with business associations to support new business models;
- using zoning and signage regulations and development permit area guidelines to strategically focus active uses in the right places and ensure street fronts provide pedestrian interest; and
- being strategic in the review of development applications to encourage the kinds of commercial use categories that the Retail Strategy suggests for different commercial areas.

ECONOMIC DEVELOPMENT ADVISORY COMMITTEE REVIEW

The Retail Strategy has been brought to the Economic Development Advisory Committee throughout both phases of its development. Most recently, the draft was brought to the Committee on May 25th, 2023. The Committee expressed support for the draft Strategy. The following comments were made:

- Support for using zoning regulations strategically;
- Interest in the cultural value assessment concept for upper Twelfth Street, interest in supporting existing businesses in that area, and curiosity about how ownership may be shifting in the area;
- Discussion about the vision for Lower Twelfth, including whether micro-retail units may be appropriate as part of the larger mix of commercial and industrial uses in that area;
- In supporting pop-up uses, consideration for impacts to “bricks and mortar” businesses is needed;
- Support for the commercial vacant property tax concept but emphasis that this be limited to commercial and not industrial uses; and
- Opportunities to involve Douglas College students in supporting businesses through applied learning opportunities.

QUESTIONS FOR COUNCIL

The City's consultants are attending the Council workshop on June 12, 2023 and presenting to Council. Several questions are posed to help guide the discussion:

1. Does Council have any comments on the general recommendations (Attachment 1, page vi-ix)?
2. Does Council have comments on the proposed responsibilities/timeframes (Attachment 1, page vi-ix) ?
3. Does Council have any comments on the key planning/policy recommendations by sub area (Attachment 1, page xiv-xvi)?

NEXT STEPS

Following feedback and direction from Council, staff propose to allow for public review of the draft, through posting online for public comment and circulating the draft to business and other groups that have been engaged throughout the Strategy development.

A final version of the Retail Strategy, responding to public feedback as appropriate, would then be brought back to Council for consideration of endorsement.

Implementation of the Strategy would be led by Economic Development, with support from Planning and other departments as required. To support the implementation of the strategy the recently approved Strategic Priorities Plan and an enhanced focus on Economic Development and Business Licensing to more fully support local business, staff anticipate a request for an additional FTE during the 2024 budget process for consideration by Council.

Implementation of land use policy and regulations recommendations would involve the Planning Division. It is anticipated to be challenging to undertake policy work on Retail Strategy recommendations this year, due to the key focus on housing initiatives. However, many of the recommendations can be implemented immediately through review of development applications and conversation with applicants about the directions in the Strategy. Further consideration regarding implementation will be brought forward for Council consideration as part of departmental work planning.

FINANCIAL IMPLICATIONS

Project cost to date of \$130K have been jointly funded by Economic Development and Planning department. An additional \$15K spend is anticipated for project close out. Cost to date and anticipated costs have been included in the financial plan/budget.

Implementation of the Retail Strategy may have future budget implications, which will be brought forward for Council consideration as part of future work plan and budget processes.

OPTIONS

Two options are presented for Council's consideration,

1. THAT Council direct staff to advance the draft Retail Strategy for community review as outlined in this report.; or
2. THAT Council provide staff with alternate direction.

Staff recommend option 1.

INTERDEPARTMENTAL LIAISON

This project is being co-lead by the Economic Development Office and the Planning division.

ATTACHMENTS

Attachment 1 – Draft Retail Strategy Phase 2

APPROVALS

This report was prepared by:
Carolyn Armanini, Senior Planner

This report was reviewed by:
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This report was approved by:
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