

<b>TO:</b>	<b>STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON MARCH 21, 2016</b>
<b>FROM:</b>	<b>MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>CREATING A VIBRANT AND COMPETITIVE DOWNTOWN</b>

**RECOMMENDATION**

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, with the concurrence of Managing Director, Planning and City Planner:

1. The request from Downtown London for \$540,000 to support their recruitment initiative, Creating a Vibrant and Competitive Downtown, **BE APPROVED**.
2. The financing for this request **BE APPROVED** as set out in Appendix A.

**PREVIOUS REPORTS PERTINENT TO THIS MATTER**

**Our Move Forward: London’s Downtown Plan** <http://www.london.ca/business/Planning-Development/downtown/Documents/Our-Move-Forward-LondonsDTPlan-adopted-April-14-2015.pdf>

**Strategic Plan for the City of London: 2015 – 2019** <https://www.london.ca/city-hall/Civic-Administration/City-Management/Documents/Strategic%20Plan%202015-2019.pdf>

**BACKGROUND**

**Purpose**

The purpose of this report is to provide information to Committee and Council regarding requested funding by Downtown London. The funding is requested so that Downtown London can continue to utilize the services provided by the practitioner, Live Work Learn Play (LWLP).

**Context**

On September 24, 2015, Downtown London submitted a letter to City Council outlining some of the steps they have taken to further their approach to retention and recruitment of investment and business downtown. A component of this approach involved a workshop with representatives from various community stakeholder groups to discuss the future of downtown. The stakeholder feedback reinforced themes that were also expressed by Downtown London members and the public. The investment attraction initiatives should be accelerated to sustain growth and regeneration in the downtown core. **(Also see, Appendix B, Letter to Council)**

After the completion of the workshop, LWLP submitted a proposal to continue the work that had been started in 2015 and aid in the acceleration of growth and regeneration in the downtown core. The proposal outlines a three phase approach that spans 18 months. These phases are summarized below. Expanded details can be found in **Appendix C, LWLP Proposal**.

**LWLP – Summary – Phases (Also see, Appendix C, LWLP Proposal)**

- Reconnaissance and Strategic Assessment – Understanding Downtown London in the context of the local and regional communities, key players, and priorities for enhancement. **(4 months)**
- Development of Mixed-Use Downtown Business Plan – Designed to provide direction on Downtown London’s demand for usage and test these through market research. **(6 months)**
- Implementation and Targeted Leasing and Casting – Building the foundation for implementing the retail recruitment and business attraction program, and support deal-making with targeted use tenants and investors. **(8 months)**

The next few years are expected to yield changes in the variety of businesses downtown and their locations within it. In addition to marketplace changes and business decisions that normally affect commercial demand and commercial space availability, there will be significant construction downtown. These range from infrastructure renewal projects [e.g. York St sewers], building reuse projects [e.g. Fanshawe campus at Kingsmills], new construction [e.g. 505 Talbot residential tower], and the Dundas Place project. The effort made in business retention will be one important method to address disruptions that construction projects can create. Clustering existing businesses where they mutually thrive, and recruiting new businesses to complement such clusters will be an especially important factor in planning for Dundas Place so that the different character segments expected to define each portion of the public space along it are “inhabited” with complementary businesses that reinforce them. This will position the project to avoid a “nice house, nobody home” outcome.

**Past Initiatives – Downtown London**

In the past, Downtown London has undertaken initiatives to attract business investment in the core of the city through various strategies. These strategies included hiring retail leasing specialists, attending trade shows, visiting the head offices of major retailers, working with local commercial realty specialists, and working with local landlords. These strategies have not yielded the desired results. LWLP will provide Downtown London with the necessary strategy and implementation process required to be successful in commercial recruitment and the broader economic development of London’s downtown.

**Linkage to Council’s Priorities**

On March 10, 2015, Council approved the **Strategic Plan for the City of London: 2015 – 2019**. Attracting businesses and continuing to develop the downtown core through recruitment efforts supports some of the areas of focus in the Strategic Plan.

Some of these include:

<b>Strengthening Our Community</b>	<b>Building a Sustainable City</b>	<b>Growing Our Economy</b>
Vibrant, connected, and engaged neighbourhoods	Responsible Growth	Urban regeneration
Diverse and resilient economy		Local, regional, and global innovation
		Strategic, collaborative partnerships
		Diverse employment opportunities

On April 14, 2015, Council adopted **Our Move Forward: London's Downtown Plan**. The six strategic directions found in London's Downtown Plan would be supported through the attraction and retention of a strong and diverse mix of targeted businesses, sited to optimize their success and complement the public investments the Plan sets out for the core of London.

### Project Costs and Funding Source

The total anticipated cost for this project is \$1,980,000 over four years. Downtown London is funding \$1,440,000 (73%) of the total project. The request is for the City of London to contribute \$540,000, as per Table 1 below. The \$540,000 is equivalent to the cost of the practitioner, LWLP. The request is for a commitment of the full amount at this time, but funds will be distributed through Downtown London to LWLP as invoiced through 2016 and 2017.

**Table 1 – Funding Sources**

<b>Funding Source</b>	<b>Total Funding Provided</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>City of London</b>	540,000	540,000	-	-	-
<b>London Downtown Business Association (LDBA)</b>	1,440,000	325,000	325,000	395,000	395,000
<b>Total Investment</b>	<b>1,980,000</b>	<b>865,000</b>	<b>325,000</b>	<b>395,000</b>	<b>395,000</b>

*Note that Downtown London's original request for funding from the City of London was \$800,000 (see, Appendix B, Letter to Council). Since that time, the request has been reduced to \$540,000.*

If Municipal Council decides to approve the current funding request from Downtown London, the recommended funding source would be the Economic Development Reserve Fund. The uncommitted balance in the Economic Development Reserve Fund will be approximately \$3.3 million with the approval of this request. A Source of Financing is included in **Appendix A**.

**Table 2 – Expenditures**

<b><u>Expenditures as per attached budget:</u></b>	<b>Total Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>LWLP</b>	<b>540,000</b>	<b>540,000</b>	-	-	-
<b><i>Additional Program Costs:</i></b>					
<i>Recruitment</i>	<i>260,000</i>	<i>30,000</i>	<i>30,000</i>	<i>100,000</i>	<i>100,000</i>
<i>Aboutface</i>	<i>800,000</i>	<i>200,000</i>	<i>200,000</i>	<i>200,000</i>	<i>200,000</i>
<i>Marketing</i>	<i>200,000</i>	<i>50,000</i>	<i>50,000</i>	<i>50,000</i>	<i>50,000</i>
<i>Tenant Improvement Program (Revolving Loan)</i>	<i>180,000</i>	<i>45,000</i>	<i>45,000</i>	<i>45,000</i>	<i>45,000</i>
<b><i>Subtotal Additional Program Costs</i></b>	<b><i>1,440,000</i></b>	<b><i>325,000</i></b>	<b><i>325,000</i></b>	<b><i>395,000</i></b>	<b><i>395,000</i></b>
<b>Total Expenditures</b>	<b>1,890,000</b>	<b>865,000</b>	<b>325,000</b>	<b>395,000</b>	<b>395,000</b>

<b>CONCLUSION</b>
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**Summary**

This report outlines the request for funding submitted by Downtown London. The \$540,000 in funding will be allocated towards fees for the services of LWLP, a practitioner that is assisting with recruitment initiatives of Downtown London.

The funding request from Downtown London illustrates connections to many of the focus areas found in both the Strategic Plan for the City of London: 2015 – 2019 and Our Move Forward: London’s Downtown Plan.

Along with City of London funding, additional funding will be provided by the London Downtown Business Association (\$1.4 million). If Municipal Council decides to approve the current funding request from Downtown London, a recommended funding source would be the Economic Development Reserve Fund.

<b>PREPARED BY:</b>	<b>REVIEWED BY:</b>
<b>Louie Bruni, Manager, Financial Modelling, Forecasting &amp; Systems Control</b>	<b>Alan Dunbar, Manager of Financial Planning &amp; Policy</b>
<b>REVIEWED BY:</b>	<b>CONCURRED BY:</b>
<b>Jim Yanchula, Manager, Urban Regeneration</b>	<b>John Fleming, Managing Director, Planning and City Planner</b>
<b>RECOMMENDED BY:</b>	
<b>Martin Hayward, Managing Director, Corporate Services and City Treasurer, Chief Financial Officer</b>	

**APPENDIX 'A'**

#16022

Chair and Members  
Strategic Priorities and Policy Committee

February 26, 2016  
(Approve New Project)

**RE: Creating a Vibrant and Competitive Downtown  
Capital Project GG1071 - Live Work, Learn Play (LWLP)  
Request for funding from Downtown London - \$540,000**

**FINANCE & CORPOATE SERVICES REPORT ON THE SOURCES OF FINANCING:**

Finance & Corporate Services confirms that the cost of this project is not included within the Capital Works Budget but can be accommodated with a draw from the Economic Development Reserve Fund and that, subject to the adoption of the recommendations of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the detailed source of financing for this project is:

<b><u>ESTIMATED EXPENDITURES</u></b>	<b><u>Approved Budget</u></b>	<b><u>This Submission</u></b>	<b><u>Revised Budget</u></b>
Grant	\$0	\$540,000	\$540,000
<b>NET ESTIMATED EXPENDITURES</b>	<b><u>\$0</u></b>	<b><u>\$540,000</u></b> 1)	<b><u>\$540,000</u></b>
<b><u>SOURCE OF FINANCING:</u></b>			
Drawdown from Economic Development Reserve Fund	\$0	\$540,000	\$540,000
<b>TOTAL FINANCING</b>	<b><u>\$0</u></b>	<b><u>\$540,000</u></b>	<b><u>\$540,000</u></b>

1) The uncommitted balance in the Economic Development Reserve Fund will be approximately \$3.3 million with the approval of this project.

## APPENDIX B



September 24, 2015

Mayor Matt Brown and City Council Members  
City of London  
300 Dufferin Ave  
London, ON N6A 4L9

### **Re: Creating a Vibrant and Competitive Downtown**

Your worship and members of City Council,

Downtown London has a reputation as a leading Canadian business improvement organization that focuses on recruitment and retention of investment and businesses in the heart of our city. We have a solid history of working together with the City of London and other stakeholders in the city to improve London's downtown for the benefit of all Londoners in all communities.

We have identified through our strategic planning process that recruitment is among our highest priorities as a downtown organization, but we acknowledge that we won't achieve the growth we need to achieve on our own. We recognize that we need a new approach to attracting businesses and investment to the core.

Recently we embarked on an innovative approach to create a more vibrant and competitive Downtown London. We brought together representatives from key stakeholder organizations in our municipality - Fanshawe College, Western University, London Health Sciences Corporation, Budweiser Gardens, Covent Garden Market, London Economic Development Corporation - along with leaders of local culture organizations and our key strategic partners at the City of London, to help us shape the future of downtown.

The feedback we heard from this group echoed what we have been hearing from our members and from the public. Despite all of the investment and work we have done to achieve growth, and our results achieved to date, we need to accelerate the attraction of investment and targeted businesses to our downtown to sustain and continue our growth and regeneration.

Subsequent to the workshop we hosted with our key strategic partners, we have received a proposal from the consultants who facilitated the workshop, Live Work Learn Play (LWLP), to continue the work we started.

The cost for this 18-month consultation will be \$540,000, plus additional costs for non-contractual items associated with the ongoing implementation work.

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123 King Street, London, ON N6A 1C3 | 519.432.8389 | [www.downtownlondon.ca](http://www.downtownlondon.ca)

Mayor Matt Brown and City Council Members  
September 24, 2015  
Page 2

While Downtown London will be making a significant investment to develop and implement this program, we must pursue additional sources of funding for the work that has to be done to ensure continued growth of our tax base. We will look to some of the partners who participated in the workshop we hosted with LWLP to make an appropriate financial commitment to the recruitment program, to ensure their continued involvement in the process as key stakeholders.

From the beginning of this journey, the City of London has been our primary partner in regenerating London's downtown. Our work together has resulted in very healthy growth in the taxable assessment for our area. We need your partnership to continue this much-needed growth, for the benefit of all Londoners.

We request that the City of London makes a contribution to our proposed recruitment initiative through MainStreet London in the amount of \$200,000 annually for four years, from 2015-2018, which is an amount equal to the revenue that the City currently forgoes by providing free daytime parking downtown during December each year. In return, we would waive our request for the free parking in December for those four years. As a result, this proposal will be revenue neutral for the City.

We expect that we will come out of this unprecedented approach to recruiting with the knowledge of who will be interested in investing in London's downtown, along with some targeted tenants and new ways to attract investment. Upon implementing the recommendations, we will be sure to come back to you with reporting on a semi-annual basis to review our results.

Certainly you will have questions about the impact of this proposal, and we have provided the attached document of frequently asked questions that we created to provide background information to this proposal.

Our board of directors wholeheartedly supports our request for the December parking revenues. We have given due consideration to what this will mean for our members who have enjoyed the benefits of the free December parking accommodation from the City of London in past years. We continue to believe that a strategic investment in our recruiting program will pay dividends far into the future.

We welcome the opportunity to engage in a dialogue with Council members regarding this request and our strategic move forward.

Sincere

Janette MacDonald  
CEO and General Manager

Attach

123 King Street, London, ON N6A 1C3 | 519.432.8389 | [www.downtownlondon.ca](http://www.downtownlondon.ca)

## FAQ's – Creating a Vibrant and Competitive Downtown

### ***What efforts have we undertaken in the past to attract investment?***

Downtown London's Recruitment Committee has focused its efforts on hiring traditional retail leasing specialists to attract national retail back to the downtown, with no significant results. We have attended trade shows offered by the International Council of Shopping Centres to directly approach retailers to explore opportunities to locate in our core. We have visited head offices of targeted retailers, and we have reached out across our networks to personally approach potential investors and businesses. We have worked with local brokers and commercial realty specialists to attract investment and businesses to the core, educating the realtors about the incentives available for downtown properties. We have worked with local landlords to help them create leasable space for prospective tenants. For various reasons, we haven't achieved the results we wanted. We now know that we don't have the right factors in place yet to attract these types of investments. We have concluded that we need to approach both recruitment and economic development in the core in a unique, non-traditional way to accomplish the growth we need to achieve for the benefit of all Londoners.

### ***How has the partnership between Downtown London and the City evolved?***

Downtown London, through its two organizations, has been fully self-funded since 2013. In prior years, we received \$100,000 annual funding for the MainStreet London Revitalization Organization to support its programs. The funding was discontinued by London's previous City Council in an effort to achieve a zero percent budget increase. For the past 13 years, we have acted as a sales force for the City's CIP incentives, building a solid partnership with the City to achieve increased participation in the incentive programs, facilitating heritage and urban design reviews and compliance with the City's by-laws and requirements for the local business community.

### ***What will be the stakeholder impact of this trade-off of free December daytime parking for an investment in the future of our downtown?***

We expect to see more turnover in individual parking spots, creating a positive impact on availability of short-term parking for our businesses. By directing the same funds to activities that are targeted to attracting investors and businesses, we will be making a lasting investment in our City, and in our downtown. We anticipate that this redirection of funds will provide a greater benefit to the City than the current free December daytime parking offer currently provides.

### ***What is our rationale for single sourcing the consultants – Live Work Learn Play?***

Through our involvement in the International Downtown Association, and from past experiences working with various business recruitment consultants, we have had the opportunity to explore the range of offerings in this field. In our research, we have discovered that while there are many consultants that specialize in specific types of recruiting work, only LWLP offers the full vertical integration of



advisory services combined with implementation of plans and deal making expertise. LWLP offers a far more integrated approach to recruitment than we have undertaken in the past. Their proven track record in other communities includes recreation-based destinations, mixed-use communities, college towns and urban revitalization projects.

***What is the proposed LWLP approach to attracting investment in our downtown?***

The LWLP proposal includes three phases, spanning 18 months

Reconnaissance and Strategic Assessment – first we need to understand downtown London in the context of the local and regional communities, key players, and priorities for enhancement in the core. (4 months)

2. Develop a Mixed-Use Downtown Business Plan – a plan designed to deliver on Downtown London’s placemaking, physical planning and implementation potential. (6 months)
3. Implementation and targeted leasing and casting - build the foundation for implementing the retail recruitment and business attraction program, and support deal-making with targeted use tenants and investors. (8 months)

***Who are our partners in downtown regeneration?***

The City of London is our primary partner in downtown regeneration. We also work together with London Economic Development Corporation, Fanshawe College, Western University, London Health Sciences Corporation, Covent Garden Market and Budweiser Gardens, along with leading local culture organizations.

***How does this request for funding align with the City of London’s priorities?***

- *Our Move Forward (The Downtown Plan)* – in order to achieve financial investment and revenue generation, the City has identified on page 67, Action Item 3 of The Downtown Plan, that it will be necessary to “undertake research to determine what level of revenue generated in the downtown can be captured for further investment in the downtown, and the costs and benefits, and risks and rewards associated with the various methods available.” We are confident that our research and business plan development will contribute significantly towards achieving this goal. First among the City’s ten transformational projects identified in The Downtown Plan, Dundas Place is certain to be a key consideration in our recruitment plan. This unique space will need to be properly implemented and managed much like Budweiser Gardens is managed – by a separate organization, delivering unique experiences and attracting new investment to the core. We will work with the City of London to ensure that we address not only the capital investments in infrastructure and amenities, but also put the right resources in place for a successful outdoor venue.

- City of London Strategic Plan - Our work will align with several of the City's strategic priorities:

*Strengthening our community* - integration with the Cultural Prosperity Plan to support to Museum London, London Arts and Heritage Councils

*Building a sustainable city* - integration with the Downtown Plan, Heritage Conservation District Plan, Shift Rapid Transit Strategy,

*Growing our Economy* - we will be a key player in the City's urban regeneration initiatives (Downtown Plan, Dundas Flexible Street, Dundas Place Scoping Study, Forks of the Thames Re-development, "Back to the River" project, Alleyway Program, infrastructure upgrades and Downtown management organization).

*Strategic, collaborative partnerships* - working with key stakeholders to achieve economic growth

*Diverse employment opportunities* - we can have an impact on recruiting employers, attracting talent by creating a more vibrant and competitive downtown.

### ***Why is it important to start this recruitment initiative now?***

In urban regeneration, timing is everything! We are keenly aware of the need to align with the timing and goals of other priority investments happening in the downtown -- in particular, the developments of Dundas Place and the second Fanshawe downtown campus. We expect that given the proposed changes in use of this area, expectations of the commercial occupancy on the street will also be higher.

The consultants at LWLP are uniquely qualified to identify and attract targeted investors who will fit with our vision for this area, doing the deal-making that will be required to achieve our goals. They will also to teach us how to continue this work, so we can achieve ongoing, sustainable transformation of our district. We know that the decision-making cycle is longer with the calibre of investors we expect to attract through this program. We will lose valuable years of meaningful assessment growth if we wait until all of the redevelopment work is done to start this targeted recruitment program. A beautiful vacant street will not bring in tax dollars. Given the timeline required to develop and implement a recruitment plan that dovetails with the redevelopments planned for our downtown, we need to be ready with targeted businesses and investors who will maximize the potential of a redeveloped Dundas Street, along with Richmond Row and other priority areas in our downtown.

## APPENDIX C

**Live Work Learn Play, Inc.**



Proposed Scope of Services for:

**Downtown London**



**Creating a More Vibrant and Competitive  
Downtown London**

**Reconnaissance, Business Plan, &  
Implementation Strategy**

***DRAFT FOR DISCUSSION***

**London, Ontario  
July 23, 2015**

July 23, 2015

Janette MacDonald  
CEO and General Manager  
Downtown London  
123 King Street  
London, ON N6A 1C3

**Re: Downtown London: Reconnaissance, Business Plan, and Implementation Strategy**

Dear Janette,

We appreciate you considering Live Work Learn Play Inc. ('LWLP') on your very exciting opportunity to reshape the future of Downtown London. We thoroughly enjoyed leading last month's workshop, and look forward to providing you with our suggestions to transform Downtown London into an attractive, competitive and vibrant urban core.

As per your request, the following document outlines LWLP's recommended scope of services for Downtown London to develop a Downtown Assessment, Business Plan and Implementation Strategy, with a priority focus in the downtown Business Improvement Authority ('BIA') boundary areas (the "Study Area"). During this process we will work with the Downtown London staff and board members, officials from the City of London and other key stakeholders and resources (as directed by Downtown London). Our assessment will outline specific initiatives, implementation strategies and recommended next steps to immediately begin vitalizing Downtown London with an enhanced mix of vibrant and profitable retail uses.

Our goal is to provide Downtown London with key strategic direction and implementable next steps to help achieve its goals for the area during the course of our work and well into the future. As such, our recommended scope of services is divided into three steps:

- *Step 1: Reconnaissance and Strategic Assessment;*
- *Step 2: Mixed-Use Downtown Business Plan; and*
- *Step 3: Implementation and Targeted Leasing & Casting (TLC™).*

Given that LWLP's initial overview of the area for the purposes of last month's workshop has yielded important preliminary insights, we will work with and build upon this existing information as a baseline for Step 1 of this mandate. For optimal performance throughout the entire process, LWLP will work closely with your team and any of your preferred consultants (including planners, architects, marketing professionals, city staff or others). Additionally, LWLP will be dedicated to partnering with community stakeholders to outline specific initiatives and plans that will enhance Downtown London and its immediately adjacent areas.

We look forward to working closely with you and your entire team as we explore ways to transform Downtown London into a thriving destination in Southwestern Ontario. The principals and partners of LWLP, as well as our entire team, are energized, mobilized, and ready to continue working with you.

Yours very truly,



Rob Spanier  
Partner & Principal  
Live Work Learn Play Inc.

Cc: Max Reim, Co-Managing Partner & Principal, Live Work Learn Play Inc.  
Richard Martz, Partner & Principal, Live Work Learn Play Inc.

## Step 1: Reconnaissance and Strategic Assessment

During this stage of work, LWLP will build off its preliminary findings to complete a high-level strategic assessment of Downtown London (“DL”). This initial phase of work will provide the necessary context to effectively inform the ensuing business plan and financial decisions for DL. LWLP will begin by reviewing all applicable baseline information, studies and plans previously conducted or mandated by the City of London (“COL”) and by asset owners. LWLP will examine and analyze the existing conditions of the area, focusing on land use and infrastructure. LWLP will uncover valuable information and context by conducting in-depth meetings with Downtown asset owners, COL staff, as well as with any other stakeholders that DL deems appropriate. By establishing this deep understanding and becoming integrated into all aspects of the Downtown area, LWLP will be able to begin leading and immediately provide direction on key initiatives and opportunities. LWLP will communicate its preliminary strategic analysis to DL by delivering a Reconnaissance and Strategic Memorandum.

### Key Objectives:

- Review relevant existing information on DL;
- Develop a clear understanding of DL, the surrounding region, as well as key players that are involved in DL;
- Provide preliminary guidance on priority enhancement strategies for the development of DL;
- Establish a set of common principles for DL that are agreed to by internal and external stakeholders.

**Deliverable:** Reconnaissance and Strategic Assessment Report

**Timing:** 4 Months

### Project Introduction

- Achieve consensus on stakeholders and, agree on project process, communication tactics, and DL staff resources;
- Establish clear goals and objectives for the Downtown Assessment, Business Plan and Implementation Strategy;
- Prioritize immediate business planning needs for DL.

### DL Development Assessment

- Review baseline materials, (existing studies, plans and data relevant to the planning, growth and development of DL and all other studies, plans and data related to the planning, growth, and implementation of DL (digital and hardcopy to be provided to LWLP by DL);
- Evaluate the existing conditions of DL and surrounding areas.

### Strengths, Weaknesses, Opportunities, Threats, and Strategies (“SWOTS”) Analysis for DL

- Provide consolidated SWOTS of the Study Area and provide the results in table format (to form part of the final deliverable);
- Highlight preliminary strategies and solutions.

**Vision and Guiding Principles for DL (A necessary tool to inform subsequent programming, project positioning and development strategy)**

- Draft a feasible vision statement and a unique story for DL that incorporates feedback from the DL Team;
- Highlight DL's key features that will reinforce the vision for development;
- Highlight DL's key differentiators and competitive advantages;
- Establish a set of guiding principles that internal and external stakeholders can agree to that will inform the Business Plan and ensuing Implementation Strategies for DL.

**Regional and Local History, Heritage, Culture and Other City of London Advantages**

- Translate and incorporate key regional, local, historical and cultural strengths into the DL mixed-use vision.

**Preliminary Outline of the Target Market Analysis of Achievable Customers™**

- Identify the commercial target market of Achievable Customers™ of DL and immediately adjacent areas
- Highlight demographic attributes, commercial demands, desires, and psychographics of the target Achievable Customers™
- Outline meaningful commercial sociological attributes of the target Achievable Customers™

**Note:** Achievable Customers™ are defined as the captured market share of the target commercial market. An Achievable Customer represents those members of the target market who are expected to spend time and money on commercial goods and services in a defined mixed-use environment. Some of the main criteria that help to define the Achievable Customers include age, socio-economic status, and culture, as well the identifiable groups that these target customers belong to (i.e. residents, students, retirees, young families, singles, day or destination tourist visitors).

**Preliminary Asset Maximization and Downtown Enhancement Strategies**

- Provide preliminary guidance and feedback aimed at maximizing the value and potential of DL, which may include:
  - Preliminary anchor programming options for DL;
  - Macro strategies to maximize the financial health and viability of DL including infrastructure and key investment considerations;
- Provide direction on critical real estate development, urban planning and place-making questions that will impact the future of DL;
- Provide feedback on important public spaces within DL;
- Identify enhancement opportunities for key nodes/districts in early phases of DL;
- Identify and assess synergies between assets, developments, districts, facilities or programs;

**Organize and Facilitate Outreach to Key Stakeholders**

- Identify key stakeholders relating to current and future retail assets in or nearby to DL (COL, landowners, asset owners, operators, brokers, etc. – as directed by )
- Prepare presentations, tools and materials (as necessary) for individual/group meetings with key stakeholders
- Facilitate and attend individual meetings with key stakeholders
- Establish coordinated dialogue with key stakeholders to build consensus around the vision and guiding principles of the retail component of DL and immediately adjacent areas

#### **Primary Research with Market Participants (If Necessary and Agreed)**

- Conduct online survey or intercept survey research to substantiate Achievable Customers™ and provide guidance related to end-user:
  - Commercial preferences
  - Perceptions of retail offerings in DL area
  - Estimated visitation
  - Estimated expenditure

**Note:** Should DL and LWLP decide to execute primary market research, DL will be responsible for all related costs and expenses incurred by hiring a 3<sup>rd</sup> party market research firm.

## **Step 2: Mixed-Use Downtown Business Plan**

During this stage of work, LWLP will build upon the information gathered in Step 1 and begin the comprehensive analysis required to inform DL's business planning to effectively deliver on its place-making, physical planning and implementation potential. Specifically, LWLP will evaluate and provide direction on the demand for retail, residential, office, and non-traditional uses for DL. These uses will be tested through research on market realities and economic modeling, and the development of a "Priority Project Strategy" for DL. LWLP will articulate the findings from this process by delivering a comprehensive Mixed-Use Business Plan for DL.

#### **Key Objectives:**

- Complete an assessment of the potential for mixed-use retail, residential and office development in DL;
- Optimize phasing and verify build-out assumptions of retail, residential and office uses and open space;
- Assess infrastructure requirements to advance DL;
- Develop a living macro-economic model for DL that can be utilized on an ongoing basis;

**Deliverable:** Downtown London Mixed-Use Business Plan

**Timing:** 6 Months

## **2A: Retail Market Assessment**

#### **DL Regional Retail Marketplace and Competitive Landscape**

- Complete a high-level economic overview of the London region and relevant submarkets for retail development;
- Provide a summary review of the London regional retail market conditions including:
  - The size of the marketplace;
  - The type of retail market (in terms of products and experiences);
  - The types of retail space available;
  - The overall retail economic climate, as reflected by key metrics for commercial performance (e.g. vacancy rates, rental rates, etc.).



#### **Retail Demand and Strategic Recommendations for DL**

- Provide an assessment of the DL retail development opportunity;
- Consult with retail stakeholders in DL market (developers, tenants, brokers) to gain specific insights into the existing marketplace and demand for retail development in DL with a focus on the following:
  - Viability of retail sales and leasing;
- Quantify retail demand within DL by undertaking a market survey (if determined necessary by LWLP and DL);
- Outline a programming strategy for the types of potential retail uses that would be successful in DL.

#### **Recommendations to Inform Retail Policy**

- Assist DL in addressing the appropriateness of retail development in the context of development plans in the downtown area. This will include the identification of key goals, objectives and performance standards relating to urban retail development;
- Provide guidelines to DL on the types of retail development appropriate for locations within DL, as well as an associated framework for sizing (minimum/maximum square footages) to facilitate a competitive and healthy environment for the types of DL retail desired.

#### **Commercial Economic Study (CES™) – Demand-Based Spending Model**

- Estimate commercial spending patterns of the target Achievable Customers™
- Forecast annual commercial sales potential and economic impact
- Evaluate the scale of supportable commercial development for the Study Area
- Inform a commercial phasing plan for the Study Area

#### **Optimize Retail Phasing and Physicality in DL**

- Provide guidance and strategies to increase retail demand within DL;
- Optimize retail development, programming and physicality for DL.

Note: Should LWLP and DL determine that primary market research (online surveys, telephone surveys, or intercept surveys) is required to support the above retail assessment; the costs shall be borne directly by DL.

## **2B: Residential Market Assessment**

#### **DL Regional Residential Marketplace and Competitive Landscape**

- Complete a high-level economic overview of the London region and relevant submarkets for comparable residential development;
- Provide a summary review of the London regional residential market conditions based on:
  - The size of the marketplace;
  - The types of residential product available;
  - The overall residential economic climate as reflected by key metrics (e.g. vacancy rates, absorption rental rates, sale prices, etc.).
- Identify residential/mixed-use development (existing or future projects) within the region that will compete with DL, highlighting specific characteristics (location, size, program, etc.);

#### **Residential Demand and Strategic Recommendations for DL**

- Provide an assessment of DL residential development opportunity;
- Consult with residential stakeholders in DL (developers, tenants, brokers) to gain specific insights into the existing marketplace and demand for residential development within DL to understand the following:
  - Viability of residential sales and leasing;
- Outline a strategy for the residential typologies that would be successful in DL

### **2C: Office Market Assessment**

#### **Office Marketplace and Competitive Landscape**

- Complete a detailed economic overview of relevant submarkets for office development to DL;
- Provide a review of the office market conditions based on:
  - The size of the marketplace;
  - The types of office product available;
  - The overall office economic climate as reflected by key metrics (e.g. absorption, sales prices, vacancy rates, rental rates, etc.)
- Identify office/mixed-use development (existing or future projects) within the regional marketplace that will compete with DL, highlighting specific characteristics (location, size, program, etc.);
- As necessary, consult further with office stakeholders (developers, tenants, brokers) to gain specific insights into the existing marketplace and demand for office development at DL to understand the viability of office sales and leasing;

#### **Office Program Development**

- Outline a strategy for the office typologies that would be successful for DL

### **2D: Hospitality Market Assessment**

#### **Hospitality Marketplace and Competitive Landscape**

- Identify goals and objectives of a potential hotel and hospitality program;
- Identify competitive hotel and hospitality product in the market and key characteristics (e.g. location, amenities, quality, star-rating);

#### **Hospitality Program Strategic Positioning**

- Provide strategic positioning of a potential enhanced hotel and hospitality program for DL;

### **2E: Additional Uses Assessment**

#### **Assessment of Additional Potential Anchor Uses**

- Explore market-specific opportunities, as uncovered by research and outreach, which may include some or all of the following uses:
  - Recreational
  - Cultural
  - Educational
  - Environmental
  - Medical, Health and Wellness
  - Entertainment
  - Civic/Institutional
  - Research and Development
  - Other Uses (unique to London)

## 2F: Priority Project Strategy

### Develop a Mixed-Use District Program for DL

- Develop a conceptual layout of districts for DL
- Develop stories that describe each district at a conceptual level and can inform future planning and design work by DL;

### Develop a Priority Project Strategy (Phase 1 Targeted Focus Area)

- Based upon the above analysis of the retail, residential and office markets, and the district program, work with DL to select a logical priority project area;
- Identify a priority project area (Phase 1 development opportunity) to channel public and private investment that will act as a catalyst for DL.

### Priority Retail Maximization and Commercial Enhancement

- Review and provide feedback on the current inventory of existing retail, restaurant and entertainment offering in DL and immediately adjacent area
- Develop priority retail implementation strategies that align the necessary stakeholders (i.e. landowners, asset owners, developers, community organizations, etc.)
- Identify and recommend key external programs and strategies relevant to retail development in DL (i.e. incentive programs, small business mentoring, marketing strategies, etc.)
- Determine macro strategies to maximize the viability of the retailers in DL and immediately adjacent areas
- Identify possible key nodal/district opportunities for improvement or redevelopment
- Assess synergies between assets, developments, districts, facilities or programs (key adjacencies)

### Define the Retail District Areas (*Within the Study Area and related to the District Program*)

- Delineate targeted retail revitalization areas
- Develop consensus of the initial priority targeted area(s) for revitalization
- Develop/refine neighborhood/district stories that describe each area at a conceptual level reinforcing the vision and priority implementation strategies already determined

### Step 3: Implementation and Targeted Leasing & Casting (TLC™)

During this stage of work, LWLP will set the foundation for the successful implementation of a retail recruitment and business attraction program for DL. Building upon the Business Plan and Priority Project Strategy established in Step 2, LWLP will provide a detailed action plan that will articulate the key next steps and considerations required to move forward with focused retail recruitment and improvement initiatives. A retail program be defined to guide business recruitment, retention and expansion efforts. LWLP will then guide and direct DL and local stakeholders (COL, and others as required) towards the creation of a business retention and expansion program for DL and its immediately adjacent areas. Business retention and expansion initiatives will focus on improving the performance of existing retailers while setting up DL to recruit carefully targeted operators to DL using LWLP's Targeted Leasing & Casting (TLC™) methodology.

#### Key Objectives:

- Develop a detailed retail program for DL and immediate adjacent areas
- Develop a framework to support existing businesses in DL
- Develop a strategy and program to initiate a TLC™ program for DL to attract new businesses
- Outline a process with the requisite tools to implement a TLC™ program in DL
- Coordinate an initial property owner engagement process that informs them and garners their interest in participating in a coordinated retail leasing effort;
- Determine key occupancy, physical and technical information regarding each retail space in order to identify programming and leasing opportunities
- Develop a standardized financial deal structure on a category basis for all leases to be procured
- Get landlords to sign a TLC™ Management Agreement to participate in the tenant recruitment program
- Establish a targeted retail program and commercial tenant mix identifying the desired retail uses for each of the commercial spaces participating in the TLC™ Program
- Hire a full-time Leasing Coordinator to manage and drive the TLC™ process day-to-day
- Employ the TLC™ process and methodology to attract and conclude deals for DL with best-in-class operators

**Deliverables:** A comprehensive leasing program, and direct guidance in Phase 1 leasing and activation through TLC™.

**Timing:** 8 Months

#### 3A: Implementation Strategy, Setup and Leasing Tools

##### Outline a Process to Effectively Implement a TLC™ Process for DL

- Designate roles, responsibilities, goals and objectives of TLC™ team
- Outline a team resourcing and logistics plan
- Outline a projected budget and timeline
- Outline a milestones critical path taking into consideration other key factors that will impact the successful implementation of the TLC™ process
- Assist DL in hiring a Leasing Coordinator to learn, manage and implement the TLC™ process moving forward

**Coordinate legal documentation and process (to be prepared by DL's legal counsel)**

- Work with the DL team and contracted retail attorney to develop and review all legal documentation required for DL's lease up
- Coordinate the preparation of a standard binding retail Letter Of Intent (LOI)
- Similarly coordinate preparation of a standard Retail Lease (Lease)
- Coordinate preparation of, with DL legal counsel and staff, all lease addendums, as required (eg: terrace/patio agreements, retail/merchant association and condo association documents, tenant design criteria, signage design criteria, terrace/patio manuals, liquor license documents, commercial rules and operations manuals)
- Prepare legal quality control checklist prior to control lease executions
- Coordinate the production of other legal agreements as necessary (TBD)

**Landlord Engagement and Retention Strategy**

- Identify targeted landlords for participation in a tenant recruitment program, focusing on the Phase 1 Priority Focus Area
- Present a specific strategy and messaging approach to engage DL landowners in the program
- Working with DL and other stakeholders set up a two-way feedback process with local business owners
- Inform business owners of the opportunities available to current business owners on improving their overall business
- Working with DL and other stakeholders, ensure an effective framework for current operators to receive proper guidance on maximizing retail performance and operations

**Create the retail-marketing program for DL in conjunction with the support and deliverables of a DL separately contracted marketing firm, including:**

- Stand alone website or page link for retail marketing
- Stakeholder presentations (retail or mixed-use vision, plans, uses, leasing strategies, financials, legal, communications, master association, events and festivities)
- Retail marketing piece
- Teaser piece(s)
- Online, digital and media marketing materials (as applicable)
- Invitation for pre-VIP event gathering (if applicable)
- Invitation for VIP events (if applicable)
- Presentation for VIP events (if applicable)
- Mailings to targeted potential tenants

**Define a Targeted Retail Program & Commercial Tenant Mix for the Phase 1 Area**

- Prepare a target commercial tenant mix identifying the desired retail uses for each of the commercial spaces participating in the Phase 1 TLC™ program
- Identify the priority uses/spaces within the Phase 1 TLC™ program

### **3B: Deal-Making Through Targeted Leasing & Casting (TLC™)**

#### **TLC™ Implementation Process (all legal work shall be contracted directly by DL and its legal counsel)**

- Employ LWLP's TLC™ process to identify and secure potential tenants for the priority uses/spaces within the Phase 1 Area, while training the new DL Leasing Coordinator throughout the process
- Attend the execution of all binding LOI's with tenants
- Review tenant credit and reasonable disclosure of financial information
- Review all retail deals for each retail unit or commercial retail space (CRU) and provide objective and strategic space merchandising recommendations to DL
- Attend at execution of all Lease deals by tenant (any legal work shall be contracted directly by DL and its legal counsel)

#### **Delivery of Lease Deals / Handoff of Tenant Relationships (to appropriate DL entities/tenant ready for design, fit-out and openings)**

- Coordinate seamless handoffs between new tenants and landlord's or DL's representative for successful tenant design and fit-out, and retail opening process
- Coordinate seamless handoffs of all new tenant relationships to the owners of the asset or DL's representative(s) for openings and operations

**Note:** LWLP shall manage and execute the first round of leasing of the determined priority spaces within the Phase 1 Area. Management and execution of subsequent rounds of leasing shall be handed off to the DL Leasing Coordinator.

## Work Process

### Project Management

LWLP will prepare and manage all ongoing project requirements, such as stakeholder interaction, agenda preparation, conference calls, presentations, reports and recommendations and summary notes. LWLP will also coordinate and supervise business and development planning, including collaboration with other third-party planning team members that have been engaged by DL (planners, architects, engineers, and other consultants as required) to deliver a consolidated, comprehensive, and integrated business plan and implementation strategy.

### On-Site Meetings and Sessions

- Advise and monitor the work of consultants engaged by DL (only as required);
- Bi-monthly team meetings as required (to be determined in critical path completed upon agreement of proposal);
- Work sessions, workshops;
- Focus groups (as required);
- Attend and participate in meetings and presentations to key stakeholders and stakeholder groups;

### Off-Site Meetings and Sessions

- Advise and monitor the work of consultants;
- Conference calls (weekly or bi-weekly);
- Updated project critical path (monthly);
- Meeting notes and summaries (ongoing);
- Internal project review (weekly or bi-weekly);
- Coordination of key initiatives with DL (information, materials, meetings, etc.);

### Feedback and Communication

- Internal client review and refinement of project deliverables
- Other stakeholder input based on whom DL deems to be part of the process
- Collaboration with partners and ongoing support for projects related to DL Implementation Plan

### Resources

- LWLP will dedicate the necessary team resources to the team and project throughout the process for all required meetings, higher-level planning, strategy and implementation of work as outlined above; please see page 52 (Team Structure) for a full outline of the proposed LWLP DL project team;
- This proposal assumes work and meetings to be conducted at DL offices or at LWLP's Toronto or Montreal offices to execute the tasks as outlined above.
- It should be noted that LWLP has allotted significant team resources from all levels of the organization to this project so as to ensure the successful outcome of this process.

### End of Mandate Transition Process

- Ensure DL has all the tools, resources and materials to continue on with the successful implementation of DL development upon mandate completion;
- Set up a transition procedure that will allow for the continuous, ongoing needs of DL development plan with DL team representatives;
- Remain available to DL team on an as needed basis to support the ongoing needs of the implementation process.