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Planners: C. Parker/K. Killen

<b>TO:</b>	<b>CHAIR AND MEMBERS PLANNING &amp; ENVIRONMENT COMMITTEE</b>
<b>FROM:</b>	<b>JOHN M. FLEMING MANAGING DIRECTOR, PLANNING AND CITY PLANNER</b>
<b>SUBJECT:</b>	<b>2015 STATE OF THE DOWNTOWN REPORT  MEETING ON NOVEMBER 20, 2017</b>

<b>RECOMMENDATION</b>
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That the 2015 biennial State of the Downtown Report submitted by the Managing Director, Planning & City Planner, **BE RECEIVED**.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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Previous State of the Downtown Reports submitted in 2003, 2005, 2006, 2009, 2011 and 2013.

<b>BACKGROUND</b>
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The 2015 State of Downtown report is the seventh report prepared by the City and contains information from 2014 and 2015. Normally the reports are prepared every two years. The City of London is one of the few Canadian municipalities which prepares a report which evaluates the impacts of Council’s and private sector investments in the Downtown. Calgary AB and the City of Waterloo ON have prepared reports but not on a recurring basis. It is a widespread practice in U.S. municipalities such as Cincinnati OH, Pittsburgh PA, Philadelphia PA, Washington D.C, Columbus OH, Baltimore MD and Kansas City MO.

The importance of Downtowns to a city’s economy is increasingly being recognized in Canada. In May 2012 Phase 1 of a report (co-ordinated by the Canadian Urban Institute) entitled “*The Value of Investing in Canadian Downtowns*” was released for public review. It compared the characteristics, capital investments, issues and economic impact of ten of the largest Canadian municipalities which included London. Because of the success and interest in the Phase 1 report, and the growing interest in Downtown’s generally, an additional seven Canadian municipalities’ requested inclusion in the Phase 2 study released in October 2013. This was the first comprehensive, comparative study of Canadian Downtowns in the country.

Recently, the International Downtown Association (IDA) created a Downtowns Canada national coalition to draw attention to the importance of Downtowns and has developed a toolkit, which includes a series of measures, to evaluate Downtowns. This is a country wide set of measures which can be used to compare Canadian cities. Some of these measures have already been used in the completion of the attached report.

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Why Do We Need to Track the Impact of Revitalization Measures?

Planning Services, with the assistance of other City Service Areas, agencies and organizations, tracks changes in the Downtown to assess the impacts of both short term and long term investments in the Downtown. It also provides empirical evidence to the private sector to help inform investments in the Downtown. Downtowns are complex; investments in one area can have a significant impact on other land uses. For instance, the construction of the John Labatt Centre (now Budweiser Gardens) in 2002 had an overall positive impact on the street level retail space along King Street as well as other businesses in the Downtown. On average that facility attracts about 700,000 people to the Downtown on an annual basis which increases business to other uses and exposes City residents and out-of-town visitors to the Downtown. Also, regularly tracking changes helps to measure progress being achieved through the Downtown Community Improvement Plan (CIP). Financial incentives programs for the Downtown were initiated through the Community Improvement Plan in 1995 and continue to this day.

Changes to the Report Format and Measures

The six previous City of London reports were very similar in terms of format, presentation and measures used to evaluate revitalization. Following completion of the 2013 report Planning Services wanted to expand the number of revitalization measures and improve the presentation and graphics associated with each report. A comprehensive review of other North American cities reports was undertaken to identify other approaches. Most major Canadian cities were reviewed as well as a number of major cities in the U.S. A comparative analysis was undertaken and additional revitalization measures that could be used were identified.

Planning staff then set out to determine whether the information was readily available for London. In some cases the information was difficult to obtain but over time it is hoped that a data collection process can be established so that data can be collected easily on a bi-annual basis for subsequent reports.

2015 Report Highlights

At the end of 2015;

- The Downtown still contained over 80% of the City’s office market, comprising approximately 35,000 employees or 303 jobs per hectare;
- Office vacancy rates are still high, especially in Class “B” and “C” space in older buildings which varied between 20-30%. Class “A” space (newer space) was closer to expected norms, being between 8-10% vacant, down from 15% in 2004;
- The development incentive programs offered by the City of London contributed approximately \$800,000 in loans during this two-year period, leveraging nearly \$2.6 million in construction value through private sector investment.
- A number of new businesses opened in 2014-2015. Retail vacancy has gradually declined to between 6-8%;
- There were approximately 4,300 people living in 2,800 dwelling units in the Downtown;
- 25% of the Downtown (Official Plan boundary) land area is vacant, primarily occupied by surface parking lots;

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- Downtown represented 0.2% of the City’s land area (Official Plan boundary) but generated 5.45% of the City’s property tax revenues;
- Assessment value of Downtown reached \$1.6 billion or approximately \$504,000/hectare; and,
- Downtown London also provided an additional \$194,000 in loans and grants in 2014-2015 for building façade improvements;

Future Reports

Planning Services has already begun collecting information from 2016 and 2017 for the 2017 State of the Downtown Report. Unlike this report where 2011 Census information was used with estimates for population information, the 2017 report will use 2016 Census information for the demographic portion of the report. It is still our intent to broaden the range of revitalization measures, verify the accuracy of the information and present the results in a clear informative format for Council, City staff, private investors and the public.

<b>PREPARED BY:</b>	<b>SUBMITTED BY:</b>
<b>W.J. CHARLES PARKER, M.A. SENIOR PLANNER - URBAN REGENERATION</b>	<b>JIM YANCHULA, MCIP, RPP MANAGER, URBAN REGENERATION</b>
<b>RECOMMENDED BY:</b>	
<b>JOHN M. FLEMING, MCIP, RPP MANAGING DIRECTOR, PLANNING AND CITY PLANNER</b>	

October 26, 2017  
cp

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