

Report to Planning and Environment Committee

To: Chair and Members
Planning & Environment Committee
From: John M. Fleming
Managing Director, Planning and City Planner
Subject: 2017 State of the Downtown Report

Recommendation

That, on the recommendation of the Managing Director, Planning and City Planner, the *2017 State of the Downtown Report*, attached as Appendix "A" **BE RECEIVED** for information purposes.

Executive Summary

State of the Downtown Reports provide a snapshot in time of the economic health of downtown and the individual and collective impacts of our investments. Data is collected and analyzed, and the reports are prepared every two years. The *2017 State of Downtown Report* is the eighth report prepared by the City, and contains information from 2016 and 2017.

Analysis

1.0 Pertinent Reports

Previous State of the Downtown Reports submitted in 2003, 2005, 2006, 2009, 2011, 2013 and 2015.

2.0 Background

2.1 The Importance of Downtown

The London Plan, the City's new Official Plan, was adopted by Council in 2016. The Plan emphasizes 'inward and upward' growth to create a compact, mixed use city. In particular, it highlights our Downtown as the focus for residential intensification, commerce, employment and economic growth. Downtown will also be planned with a high degree of pedestrian amenity making it a great place to live, shop, work, and play.

The importance of downtowns to a city's economy is increasingly being recognized in Canada and throughout North America. In 2012, the Canadian Urban Institute, in partnership with the International Downtown Association, released "*The Value of Investing in Canadian Downtowns*" – the first large-scale attempt to measure, benchmark, and assess the impact of municipal and private investment across 17 Canadian downtowns. The State of the Downtown Reports build upon this data and allow us to assess the impact of the City's strategic policies, programs and investments in our downtown.

2.2 Why Track the Impact of Revitalization Measures?

City Planning, 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. Monitoring and reporting this data provides empirical evidence to the private sector to help inform investments in the downtown. It also helps to measure progress being achieved through the Downtown Community Improvement Plan and associated financial incentives. The complexity of downtown is evident in that investment in one area can have significant spin-off benefits in others. The State of the Downtown Reports provide a snapshot in time of the health of downtown and the individual and collective impacts of our investments.

2.3 History of Investments in Downtown

The revitalization of downtown has been a key focus of the City for many years. Financial incentives programs for the downtown were initiated in 1986 (Façade Improvement Loan) and continue to this day.

The *Downtown Millennium Plan*, prepared in 1998, was recognized by the International Downtown Association as a key driver for revitalization in the downtown. Over \$100 million was invested in public facilities including Budweiser Gardens (formerly John Labatt Centre), the Central Library and Covent Garden Market, because of the plan. These investments dramatically increased visitors and stimulated assessment growth through private sector development in downtown.

Our Move Forward: London's Downtown Plan was adopted in 2015 and focuses on investment in the public realm. This plan highlights strategic directions to incorporate into planning and design decisions, as well outlining 10 transformational projects that focus on large-scale improvements to public spaces and facilities. Two of those, Dundas Place and Back to the River, are currently underway.

Through municipal and private sector investment, we continue to incorporate the vision of *Our Move Forward* into downtown projects.

1.1 Changes to the Report Format and Measures

The first six City of London reports were very similar in terms of format, presentation and measures used to evaluate revitalization. For the 2014/2015 report, City Planning expanded the number of revitalization measures and improved the graphics in the report. The attached *2017 State of the Downtown Report* adopts this same format and continues to expand the measures being reported. Similar to the 2015 report, this iteration demarcates new sections that have been added to the report with a 'NEW' icon.

The *2017 State of the Downtown Report* aims to make stronger reference and connection to *Our Move Forward: London's Downtown Plan*, adopted in 2015. Reference to specific policies on the plan are incorporated as call-outs within relevant sections.

2017 State of the Downtown Report Highlights

- Downtown retained approximately 77% of London's total supply of office space, and the retail vacancy rate dropped to 7.0% in 2017 from 7.9% in 2015.
- Approximately 2,000 jobs were added in the last two years, resulting in approximately 51,000 daytime employees in downtown – over 20% of all daytime workers in the city.
- Music, entertainment and cultural events drew over 3.2 million people to indoor and outdoor downtown destinations in 2017.
- The City hosted Country Music Week and the Canadian Country Music Awards which created an \$8.4 million impact on the economy.
- Community Improvement Plan financial incentives contributed approximately \$267,000 in loans during this two-year period, leveraging over \$835,000 in private sector investment.
- In 2017, the downtown made up 0.2% of London's land area and contributed 5.42% of the total municipal taxes.
- The assessment value of downtown has increased 61% over the past 10 years, and reached \$1.75 billion in 2017.

Conclusion

The *2017 State of the Downtown Report* provides a snapshot of the economic health and prosperity of the downtown for the time period between 2016 and 2017.

City Planning has already begun collecting information from 2018 and 2019 for the *2019 State of the Downtown Report*, which will be released in 2020. It is our intent to continue to report on the broadened 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.

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| Recommended by: | John M. Fleming, MCIP, RPP Managing Director, Planning and City Planner |
| Note: The opinions contained herein are offered by a person or persons qualified to provide expert opinion. Further detail with respect to qualifications can be obtained from Planning Services | |

March 11, 2019
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Appendix A – 2017 State of the Downtown Report