

CITY OF ORILLIA

TO: Council Committee – Dec. 5, 2016
FROM: Economic Development Department
DATE: November 28, 2016
REPORT NO: ED-16-07
SUBJECT: Downtown Orillia Retail Mix Analysis

Recommended Motion

THAT Report ED-16-07, dated November 28, 2016, regarding the Downtown Orillia Retail Mix Analysis be received as information;

AND THAT staff be authorized to proceed with the Downtown Orillia Investment Attraction Plan as generally outlined in Schedule “B” of this report.

Purpose

The purpose of this report is to present the Downtown Orillia Retail Mix Analysis (Retail Mix), and the proposed Downtown Orillia Investment Attraction Plan.

Background and Key Facts

- In 2012, Council adopted in principle *Downtown Tomorrow: Linking Orillia's Core to the Water*, commonly referred to as the Downtown Tomorrow Plan.
- The Downtown Tomorrow Plan outlines 7 goals and 33 initiatives to better connect the downtown and waterfront.
- Goal #4 seeks to improve the shopping and dining experience in downtown Orillia through the attraction of specialty retailers, the coordination of shopping hours, the maintenance and improvement of storefronts and the extension of retail experience to the waterfront.
- Initiative #14 recommends the attraction of specialty retailers through the completion of a comprehensive inventory of existing and available space, and through the development of a promotional package for targeted retailers.
- In 2014, Council approved the Retail Mix Study capital project at a cost of \$30,000, which included a contribution of \$15,000 from the City of Orillia, and a contribution of \$15,000 from the Downtown Orillia Management Board (DOMB).
- Staff leveraged \$30,000 in approved capital funds for an additional \$20,000 in Rural Economic Development (RED) Funding through the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA).
- A Retail Mix Project Team (RMPT) was established to seek input and expertise from a range of perspectives and consists of representation from the City of

Orillia Economic Development Department and Development Services Department, the DOMB, the Orillia Area Community Development Corp., and the Lakelands Association of Realtors (LAR) in addition to the project consultants.

- The Retail Mix Project Team (RMPT) subsequently retained urbanMetrics inc. to undertake the Retail Mix with the primary intent of compiling a comprehensive inventory of existing and available space downtown, and undertaking a thorough analysis of the retail gaps which could be filled through future investment attraction efforts.
- During the summer of 2016, the RMPT launched a comprehensive public consultation process through an online survey, hard copy surveys, social media surveys and public engagement workshops. In total, approximately 1,235 individuals provided insight through the above forums.
- A license plate survey was completed, along with a review of historical visitor survey data to determine the City's primary and secondary trade areas (customer origins).
- In addition to this research, a comprehensive inventory of over 450 properties within the study area was compiled, which includes owner information, address, latitudes and longitudes, assessed value, business names, price classifications, trade groups, business descriptions, square footage, business hours, plans for growth/expansion and more.
- Staff have been working with urbanMetrics inc. (UMI) and the project team on refining the final report.
- Concurrently, staff have been preparing for implementation of the Downtown Tomorrow Community Improvement Plan (DTCIP), which will launch on January 1, 2017.
- These two projects are now coming together, and the data collected through the Retail Mix Analysis will be used to target specialty retailers, using the DTCIP to further incentivize the attraction of these businesses.
- Staff have subsequently prepared a Downtown Orillia Investment Attraction Implementation Plan for Council's consideration.

Options & Analysis

Option 1

THAT Report ED-16-07, dated November 28, 2016, regarding the Downtown Orillia Retail Mix Analysis be received as information;

AND THAT staff be authorized to proceed with the Downtown Orillia Investment Attraction Plan as generally outlined in Schedule "B" of this report.

Staff is presenting Council with the Downtown Orillia Retail Mix Analysis and an implementation plan for review and consideration.

Both the City and the DOMB are responsible for the attraction and recruitment of new businesses and investment in downtown Orillia. In order to ensure marketing efforts are targeted, and funds are spent efficiently, it is important for both parties to have a clear understanding of the types of businesses that are both desired by the community as well as economically feasible based on existing competition and/or gaps in provision.

The comprehensive inventory which was compiled through this exercise is an extremely valuable tool which will be updated on a quarterly basis, and will be used to better understand where vacancies exist, and where there are opportunities for new and/or re-development. This inventory will provide benchmark information on which to measure future growth and progress, and as recommended in the implementation plan, it allows staff to present an annual progress report to measure business attraction efforts. As this information contains confidential information it has not been included as a schedule to this report.

The final report recommends that business attraction in the City's core be focused on the following six under-represented industries:

1. Restaurants
2. Specialty Foods
3. Culture/Entertainment/Recreational Uses
4. Apparel
5. Home Furnishing
6. Personal Services

While outside of the project scope, UMI has assisted the project team in developing four recommendations, and 11 strategic actions aimed at attracting investment to downtown Orillia. Staff has explored these further to outline potential leads, timelines and funding sources to ensure this implementation plan is clear and easy to follow. This Downtown Orillia Investment Attraction Plan is included in Schedule 'B' of this report.

Option 2

THAT Report ED-16-07, dated November 28, 2016, be received as information.

This option is not recommended.

Staff and the DOMB recognize that business attraction is crucial to the economic health of the downtown core. The Retail Mix Analysis provides economic development partners with the information needed to implement a targeted business attraction campaign. As such, it is recommended that staff be authorized to use this information to carry out the strategic actions recommended in the Downtown Orillia Investment Attraction Plan.

Financial Impact

In 2016, the recommended strategic actions will have a financial impact of approximately \$16,500. Approximately \$15,000 of these funds will be sourced from the approved RED grant. Funds required for the participation in a trade show will be sourced from existing

marketing funds, through equal contributions from the City of Orillia Economic Development Department, the DOMB and the LAR.

It is anticipated that additional funding will be required in 2018 to continue business attraction efforts targeting key business categories through the promotion of the DTCIP program. An annual monitoring and measurement report will provide an analysis of the success of promotion related to both the Retail Mix and the DTCIP. This analysis will allow staff to better understand the extent of additional funding required, and will inform the 2018 operational needs related to marketing and promotion.

Comments from Departments/Agencies

The Retail Mix Project Team consists of representation from the City of Orillia Economic Development Department and Development Services Department, the DOMB, the Orillia Area Community Development Corp., and the Lakelands Association of Realtors (LAR). Comments and considerations from these departments/organizations have been captured within the report.

Comments from Committees

Comments from Committees were neither solicited, nor obtained.

Communications

The Downtown Orillia Investment Attraction Plan includes a number of provisions related to communication of the Retail Mix findings and subsequent promotion to key business categories. Strategic Action 1.2 ensures communications remain strong between the City, DOMB and LAR, through the creation of a Recruitment Team, who would meet regularly to discuss progress and identify new opportunities. Strategic Actions 2.1, 2.2., 2.4, and 2.5 outline various recommendations for reaching potential investors through activities such as trade shows, familiarization tours, workshops and promotional campaigns. Strategic Action 2.5 will include a detailed advertising plan which may include promotion through newspaper, web and trade publications, and will also consider the use of existing channels such as social media, press releases, and e-newsletters. The Economic Development Department will work closely with the Manager of Communications to ensure the advertising plan is effective and efficient.

Link to Strategic Plan

The recommendation included in this report supports the following elements of the City's Strategic Plan:

- Support Business

Conclusion

Staff is presenting Council with the Retail Mix Analysis and a proposed implementation plan. Staff is seeking authorization from Council to proceed with the proposed investment attraction strategy.

Schedules:

- Schedule “A” – Downtown Orillia Retail Mix Analysis
- Schedule “B” – Proposed Downtown Orillia Investment Attraction Plan

Prepared By & Key Contact:: Laura Thompson, EcD, CEcD
Manager of Real Estate and Commercial Development

Lisa Thomson-Roop,
Manager, Downtown Orillia Management Board

On behalf of the Retail Mix Project Team:
Jeff Duggan, City of Orillia Development Services Dept.
Dan Landry, City of Orillia Economic Development Dept.
Ron Spencer, Chair, DOMB
Mike Stahls, Lakelands Association of Realtors
Wendy Timpano, Orillia Area CDC

Approved By: Ian Bromley, M.A., M.B.A
Director of Economic Development

Schedule “A”