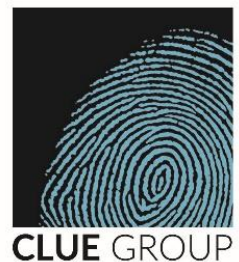


**Retail Revitalization Strategy
Downtown Yellowknife
City of Yellowknife**

Prepared for: City of Yellowknife

September 13, 2019





TATE ECONOMIC RESEARCH INC.

Kerry L. Penney LL.B.
Director, Policy, Communications & Economic Development
City of Yellowknife
4807 52 Street,
Yellowknife, NT X1A 2N4

September 13, 2019

**Re: Retail Revitalization Strategy
Downtown Yellowknife**

Dear Ms. Penney,

Tate Economic Research Inc. is pleased to submit this retail revitalization strategy to help build a thriving downtown economy with a diverse retail commercial offering. We look forward to discussing the results with you.

Yours truly,
TATE ECONOMIC RESEARCH INC.

Sameer Patel
Vice President

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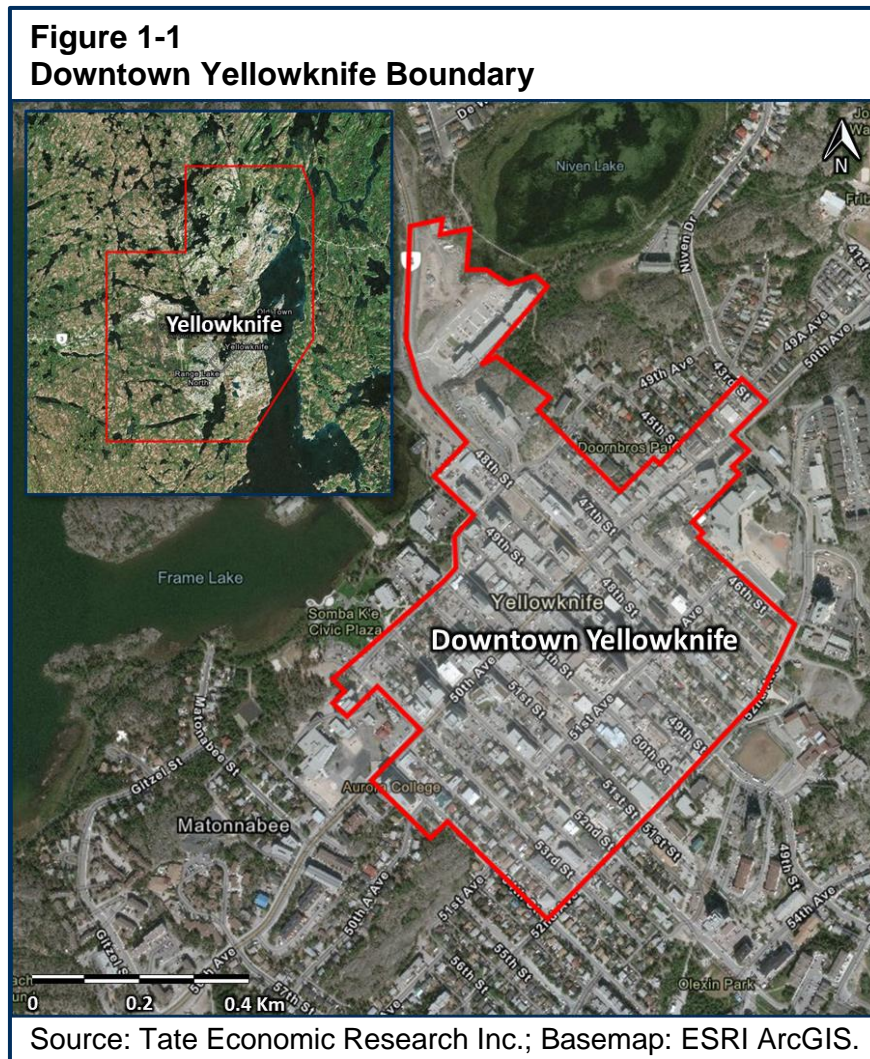
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1 Introduction

Tate Economic Research Inc. (“TER”) in association with Community Land Use + Economic Group LLP (“Clue Group”), collectively referred to as the “Consultant Team”, has been retained by the City of Yellowknife (“City”) to prepare a Retail Revitalization Strategy for downtown Yellowknife.

1.1 Background & Mandate

The Consultant Team has been retained to provide expertise on how the City can support and enhance retail commercial development to revitalize its Downtown Area. This strategy will support the City in working towards increasing the vibrancy of the downtown and successfully re-establishing it as the heart of the City. The strategy builds on Council’s Vision for the Downtown Area, which was approved in September 2017. Figure 1-1, below, indicates the boundary of the Downtown Area.



A healthy and vibrant Downtown Area may generally be described as having a diverse tenant base with broad support originating from employment and housing within and from beyond the Downtown Area.

Retail and service uses within a community are typically categorized into a “retail hierarchy.” The retail hierarchy can be used to describe the physical form of retail as well as the function of retail.

Historically, the Downtown Area was at the top of the hierarchy, providing goods and services that would draw consumers in from a wide area. However, more recently, the retail hierarchy is becoming “flatter” with areas surrounding downtowns performing the same retail function.

In addition, the retail environment is undergoing a significant paradigm shift in how retailers view their stores and the way people purchase and consume retail goods and services. Retailer innovation such as e-commerce is at the leading edge of this paradigm shift. Transactional shopping purchases are being made, and will continue to be made, on-line when it is convenient to the shopper. Therefore, when a consumer goes shopping in a “brick and mortar” store (as opposed to on-line) or within the Downtown Area, the expectation is for an “experience” that cannot be replicated on-line.

While these innovations may not be felt in all communities, it is having an impact on the way retailers view their store networks and where to allocate development dollars. These changes necessitate a more nuanced examination of retail markets and how downtowns fit into the new paradigm.

It is within the above context, that the Consultant Team has developed this Retail Revitalization Strategy.



1.2 Study Approach

In order to provide the City with the tools necessary to build upon and strengthen the commercial function of the downtown, the Consultant Team has conducted the following tasks:

- Review of background reports;
- Inventory of retail, service, and vacant space;
- Analysis of customer location data;
- Delineation of a Trade Area;
- Intensification and vacant unit assessment;
- Population forecasting,
- Examine Trade Area socio-economic characteristics;
- Quantify Trade Area demand and retail commercial gaps;
- Stakeholder surveys, interviews, and open houses; and,
- Review of retail trends and best practices.

2 The City of Yellowknife Previous Studies

The Retail Revitalization Strategy is conducted in the context of previous work undertaken by the City of Yellowknife and its consultants. This section of the report provides a review of previous reports, plans, and research prepared by the City.

2.1 City of Yellowknife General Plan

The City of Yellowknife 2011 General Plan (“GP”) sets out a vision for future growth and development in Yellowknife. Section 2.3.5 of the GP states that:

“The demand for commercial space should be met through the intensification of existing commercial lands, particularly in the target intensification areas of Downtown, Old Airport Road and Old Town”

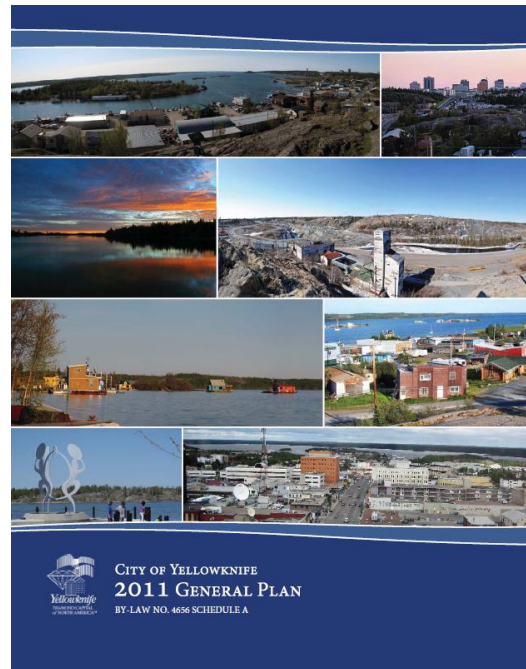
The GP also recognizes that commercial development can be accommodated in the Kam Lake area and the Yellowknife Airport. However, these areas are not currently serviced, which limits development potential.

The GP sets out objectives and policies for the downtown land use designation. It recognizes challenges facing the downtown including commercial tenants relocating to other areas, particularly Old Airport Road, and social issues, such as homelessness, which are more prevalent in the downtown.

Lands designated Downtown are target areas for intensification and permit a variety of uses including retail, service commercial, office, residential, institutional, and open spaces. The City has implemented financial and regulatory mechanisms to support the revitalization and intensification of the downtown. Section 3.2.4 outlines these policies which include:

“a. City may consider financial incentives for certain types of developments in the Downtown;

b. Promotion of programs offered under the Development Incentive Program By-law which provides tax abatements and grants to support smart growth development initiatives, such as residential intensification, brownfield remediation and redevelopment, LEED building, and heritage preservation;



c. *The Smart Growth Implementation Committee will partner with the Chamber of Commerce to enhance and promote the Façade and Site Improvement Program to make the program more attractive to businesses;*

d. *City will explore opportunities to replace land-consuming parking lots with parking structures in order to free up lands for intensification development pursuant to policies in Section 5.7.*

e. *Provide more flexible off-street parking regulations in the Zoning By-law pursuant to policies in Section 5.7.*

f. *Maintain the vision for a future district Community Energy System to service the Downtown with an affordable and green energy supply.*

g. *To support residential intensification, the City shall explore opportunities to acquire land or enter into partnerships to create new parks to meet the minimum park space standards outlined in Section 3.3.1 of this Plan.*

h. *The City shall explore opportunities for an Eco-Housing demonstration project within the Downtown.”*

Section 7.2.2 of the City of Yellowknife General Plan Background Report (2011) states:

“The downtown area is in a transitioning phase which will result in more boutique, high-end, and specialized retail offerings over the next 5 to 10 years. There is sufficient space available to accommodate this transition”

2.2 Vision for the Downtown

The City of Yellowknife Vision for Downtown Revitalization (“Vision for the Downtown”) was prepared in 2017 to encourage the vibrancy, sustainability, and accessibility of the downtown and ensure it is the heart of Yellowknife. The Vision for the Downtown states:

“Downtown includes a thriving, sustainable, diversified economy with a range of commercial, retail and hospitality options to welcome both residents and visitors”

The Vision for the Downtown outlines five goals for downtown revitalization: jump start development, enhance the ground floor environment, provide more housing downtown, improve connectivity, and create a downtown for all. In particular, the Vision for the Downtown states:

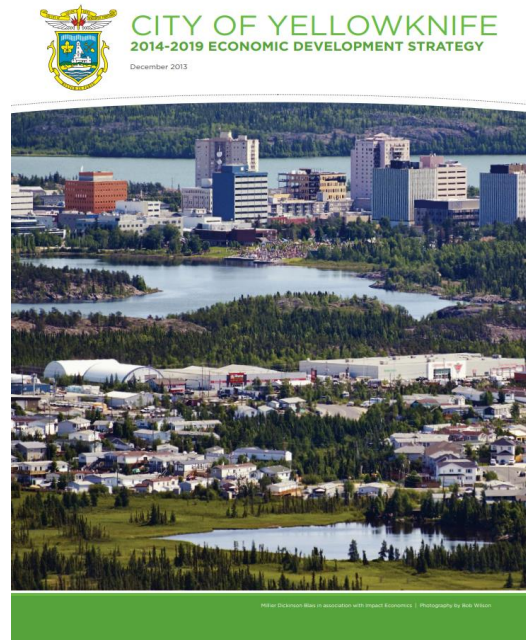
“Access expertise on how the City can maximize on retail/commercial development to enhance downtown retail businesses, with vibrant, clean, sunny, aesthetically pleasing street fronts”

The Consultant Team has prepared this Retail Revitalization Strategy to support the City in achieving this goal.

2.3 Economic Development Strategy

The City of Yellowknife 2014-2019 Economic Development Strategy (2013) (“Economic Development Strategy”) was prepared to encourage economic growth and diversity. The mandate for the Economic Development Strategy includes the following themes:

- *“Ensuring that Yellowknife offers a positive customer service environment;*
- *Providing supports to small and emerging business;*
- *Establishing Yellowknife’s position as a bold and innovative city;*
- *Marketing Yellowknife to prospective investors and residents;*
- *Understanding business needs and the opportunities they are seeking as they grow and develop; and*
- *Reporting against a clear set of performance measurement indicators.”*



The Economic Development Strategy proposes 38 actions to be implemented within a five-year horizon. The Economic Development Strategy states that it should be reviewed annually to ensure alignment with Council Goals and Objectives.

2.4 Creating Vibrancy in Downtown Yellowknife: 50/50 Site and Beyond

The 2018 report, Creating Vibrancy in Downtown Yellowknife: 50/50 Site and Beyond, prepared by theia Partners (“theia Report”) on behalf of the City, was intended to provide guidance on four topics:

- *“- Position the 50/50 lot for future success;*
- *- Formation of a City Development Corporation;*
- *- A Downtown Revitalization Strategy; and*
- *- Economic development as a tool for downtown redevelopment.”*

The theia Report concluded that:

“- For the 50/50 lot to reach its full potential would likely take several years, and would also need to be patient and wait for the optimal end-user of that property; and

- A redevelopment of the 50/50 lot on its own would not solve all of the downtown issues, and a broader look at downtown revitalization is required.”

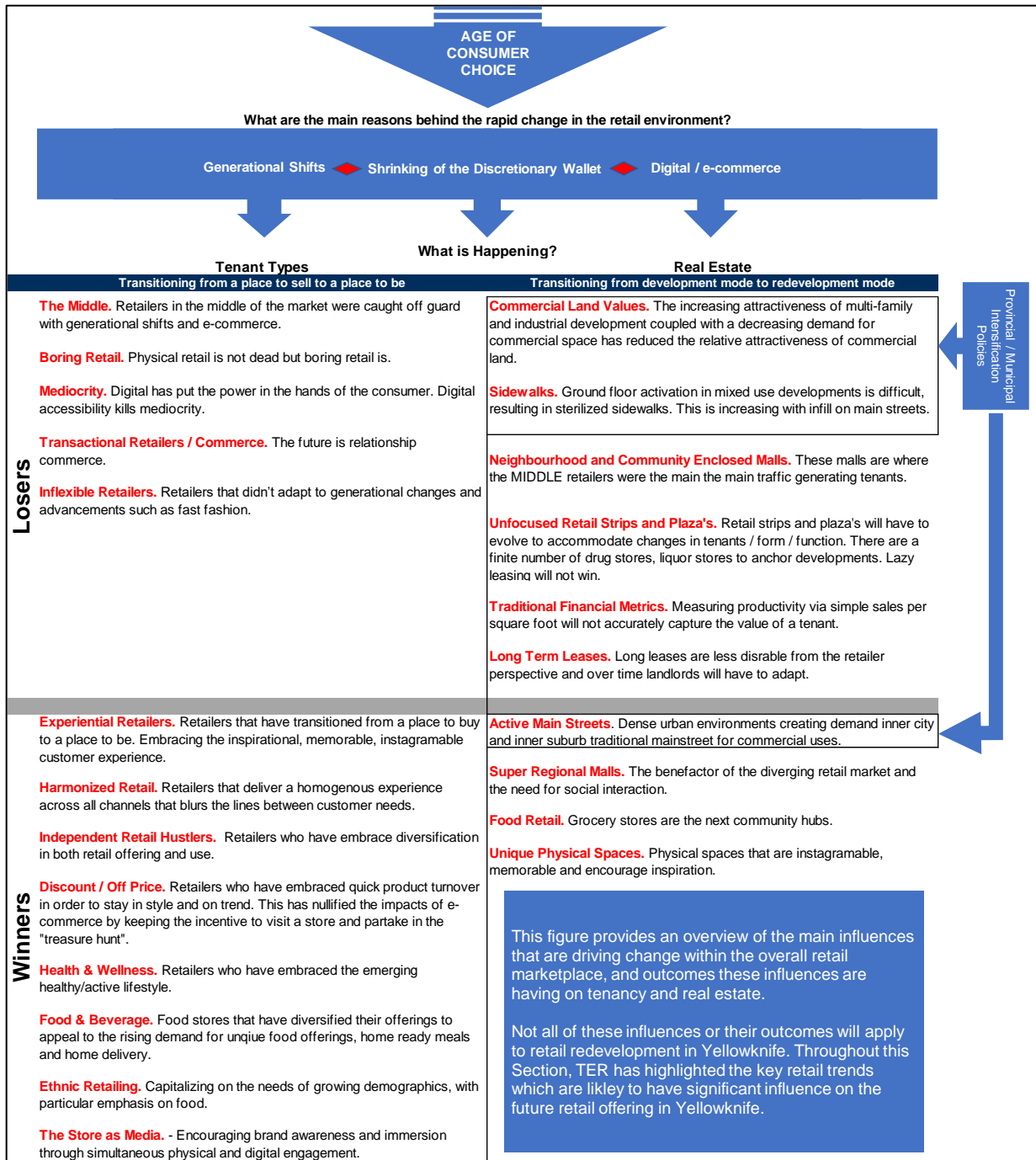
The theia Report states that *“the key to any downtown revitalization is to ensure that downtown is the preferred place to develop”*. The report highlights the importance of supporting economic development in the city. This Retail Revitalization Strategy builds off the findings of the theia Report and proposes actionable strategies.

2.5 Work Undertaken to Date Summary

There has been a significant amount of work undertaken by the City and private sector partners. The revitalization of downtown Yellowknife is central to the majority of strategies and plans adopted by City Council. The Consultant Team has incorporated the conclusions, policies and recommendations of these reports into our strategy.

3 Retail Trends

The retail environment is undergoing a significant paradigm shift in how retailers view their stores and the way people purchase and consume retail goods and services. Retailer innovation such as e-commerce, and changes to consumer shopping behaviour are at the leading edge of this paradigm shift.



3.1 Central Trends

This section of the report examines the broader trends within the retail industry, from distribution (digital/e-commerce), customer preferences, as well as changing demographic and generational shifts that are having profound impacts on the physical retail environment.

THE E-COMMERCE IMPACT?

Establishing the amount of retail sales through e-commerce is becoming more difficult as stores move towards an omni-channel platform in which all sales are technically indistinguishable. Based on Statistics Canada data, TER estimates that approximately 4.4% of retail sales are made through e-commerce platforms. It should be noted other sources estimate e-commerce platforms account for closer to 6.0%.

Most Recent (2017) Full Year Annual Retail Trade E-commerce Statistics

Selected Retail Sales*	\$389.2	100.0%
Canadian brick & mortar sales	\$371.9	95.6%
Canadian omni-channel	\$4.8	1.2%
Canadian pure play sales	\$10.3	2.7%
Total foreign on-line sales	\$2.1	0.5%

*Retail Trade (44-45) less NAICS 441 Motor Vehicle and Part Dealers, NAICS 447 Gasoline Stations, and NAICS 454 Non-store retailers. This figure forms the Canadian selected retail trade number, to which the E-commerce portions of the noted categories is removed.

THE AMAZON EFFECT

Amazon, the US online shopping service that was established in the 1990s, represents the forefront of E-commerce. Amazon’s US sales have grown from approximately \$19 billion in 2008 to \$178 billion in 2017. This represents a growth of approximately 825% over a 10-year period, or 83% annually. In comparison, Walmart’s US sales have increased from \$239 billion in 2008 to \$308 billion in 2017.* This represents a growth of 28.8% or less than 3% annually for Walmart.



Due to Amazon’s significant growth over this period, the online retailer has become the largest player in the E-commerce market. In addition to omni-channel benefits, technology is also being used to enhance the physical store experience. Amazon opened a physical grocery store in 2017, called Amazon Go. Utilizing “just walk out” technology, shoppers can simply pick up items and walk out of the store with no requirement for check-outs and they would be automatically billed through their Amazon account. Amazon is planning up to 2,000 Amazon Go stores. It is unclear if there are plans to open these stores in Canada. Amazon also acquired the supermarket chain Whole Foods in 2017 but has yet to capitalize on the company’s offerings.

Overall, Amazon has impacted the growth of traditional “bricks and mortar” retailers. Overall demand for retail space continues to increase, however the amount of brick and mortar space supported per capita will decrease.

*Statista (2018)

THE DIVERGING RETAIL MARKET The Demise of the “Middle”

The diverging retail market can generally be described as follows: There are a growing number of households placing a greater emphasis on value retailing. The price of the product or service is often noted as the most important determinant of where people shopped. This emphasis on value has given rise to wide spectrum of off price and discount retailers. At the lower end, retailers such as Wal-Mart and Dollarama are thriving. At the upper end of the off-price market, Nordstrom Rack and Saks Off 5th have entered the Canadian market.

Conversely, in the major Canadian urban centres, the high-end market is also thriving with many premium brands opting to open their own retail stores as opposed to allowing department stores to be the sole point of distribution. In addition, there is also a robust market for high end independent stores. This trend is evident in the VECTOM markets, however in the rest of the country this portion of the market is largely non-existent.

The overriding consumer led factor affecting the retail environment is the diverging retail market. The most often cited reason for this diverging retail market is the growing income gap which has led to stagnating demand for stores in the middle of the market.

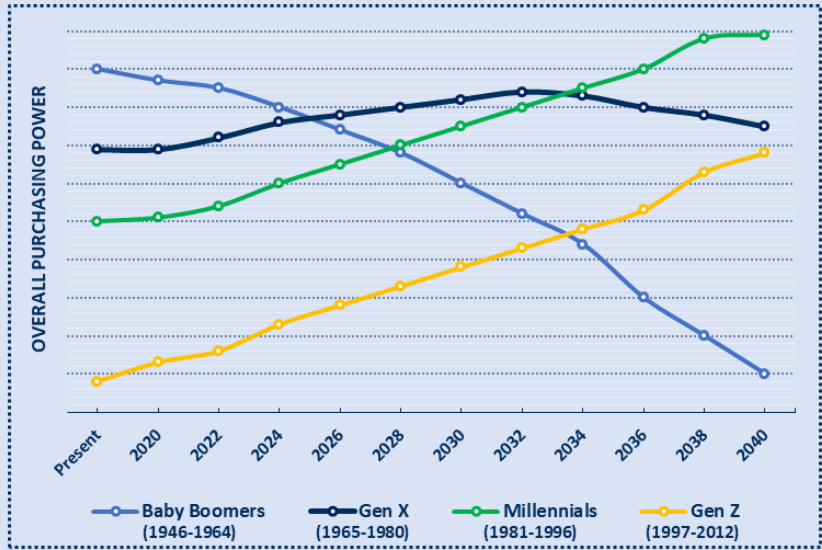


GENERATIONAL SHIFTS WITHIN CANADA Who Should Retailers Prepare For?

Millennials (born between 1981-1996), represent approximately 35% of Canada's population in 2019.

The period between 2020-2040 will experience the decline of the Baby Boomer generation and the financial maturity of Millennials. This will position Millennials as the dominant demographic in terms of retail expenditures and spending power.

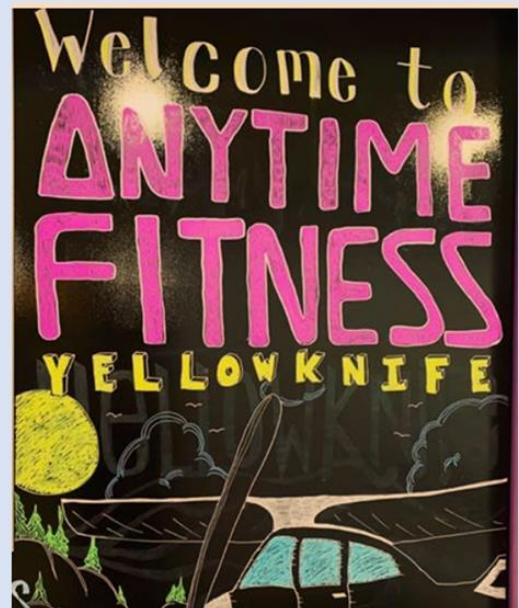
However, the mid-2020s will also see substantial growth of the younger, tech-oriented "Generation Z" (defined as being born between 1997-2012).



Retailers will likely be challenged to meet the growing needs of experience-oriented, brand dismissive Millennials, in addition to preparing for the growing wave of material appreciating, digitally oriented Gen Z.

HEALTH & WELLNESS TRENDS Retailers Promoting Health Consciousness

A better-informed population with respect to healthy lifestyles is fuelling a boom in the health & wellness industry. There has been an emergence in the health & wellness sectors represented by micro fitness studios and health stores. This trend has mostly been felt in the middle and high-end markets. This trend has led to several cross promotional avenues, with fitness studios marketing their own clothing and nutritional brands. Technology, such as the Mindbody platform, is also fuelling the ability for consumers to approach scheduling with more flexibility. The health & wellness space includes the proliferation of micro fitness locations such as Orange Theory Fitness, F45 Training, Soul Cycle and Barry's Bootcamp. There are also several retailers that are starting to provide health & wellness services along with their existing retail product lines. The health & wellness industry also extends to clean and eco-friendly beauty products which is becoming more mainstream.



The health & wellness industry has also experienced the same issues as the retail market with respect to diverging trends. Discount fitness chains such as Anytime Fitness, Planet Fitness and Fit4Less are flourishing.

EXPERIENTIAL RETAIL & THE RETAIL HUSTLE

Transactional shopping purchases are being made on-line when it's convenient to the shopper. Therefore, when a consumer goes shopping in a physical store, the expectation is for an “experience” that cannot be replicated on-line. This experience may be fulfilled through unique, or constantly changing offerings at retailers or through the physical design of centres. The emergence of experiential retail is further bolstered by advances in technology which allow for stores to provide interactive experiences linked to social media platforms such as Instagram and Snapchat.

In addition, a new type of retail diversification is occurring in the independent and small chain retail space with the diversification of uses. The diversification of uses serves to create a unique experience that differentiates them from on-line offering while at the same time protecting against the ebbs and flows of a retail business by offering a variety of product lines and services that also increase the ability of the retail store to be productive at various ‘off peak’ times of the day and week.

Kerri's Kreations & Farmhouse (YK Centre, Yellowknife)

Kerri's Kreations and the associated retail store, Farmhouse, are owned and operated by Kerri Nolting. Kerri's Kreations organizes sign painting workshops for the public out of her house. Her retail store is located in YK Centre and includes many of her own creations and a curated selection of other home essentials.



Source: Kerri's Kreations Facebook

Cheerfully Made Goods + Markets (Almonte, Ontario)

Cheerfully Made provides a retail hub market for local area crafts people and designers to showcase their unique wares. The market predominantly collects and showcases handmade wares from North American artists, and as a result, new inventory is displayed regularly. Cheerfully Made also has an active social media presence which is used to actively display new products entering the market.



FOOD & BEVERAGE TRENDS

Increased consumer spending on eating outside of the home has resulted in perhaps the most visible change in the retail landscape with a significant increase in the number of food & beverage operators. This increased expenditure is a function of changing lifestyle and food costs, in addition to advancements in food delivery technology, which has allowed for restaurants to diversify income streams.

Luluz Market (Centre Ice Plaza, Yellowknife)

“A gourmet grocery store in Center Ice Plaza, featuring fresh bread. We have a large selection of fine international food and we carry organic, vegan, gluten-free products, fine cheese, as well as a wide selection of quality kitchenware and giftware. Our grass feed meat is from New Zealand, our cheeses are from France, and our fresh flowers are from Vancouver and our coffee from South America. If you don't feel like shopping, come in for a nice cup of cappuccino and a biscotti, or sample our daily home made lunch specials. Luluz also offers catering for any function, large or small, with a wide selection of fine food from our kitchen.”



Ja-pain (Centre Square Mall, Yellowknife)

“We are a Japanese style bakery open in the heart of downtown Yellowknife with a Japanese influence and featuring bread that is natural and free of additives.

Our vision is to offer affordable, high-quality, artisanal bread, while also creating an environment of happiness and positive change in downtown Yellowknife. We strive to work closely with organizations driven to improve the social issues of Yellowknife and those residents it effects.”

3.2 Previous Retail Formats

In the 1960s through to the 1980s, the majority of retail development was in the form of enclosed shopping centres or ‘malls’. Malls varied in size, from large super regional centres (e.g. CF Eaton Centre & Yorkdale in Toronto) to smaller community sized malls. Yellowknife’s commercial structure exemplifies this trend with examples such as Centre Square Mall, YK Centre, and 50/50 Mini Mall.

From the 1980’s onward, the majority of retail development in Canada has either been in the form of grocery-anchored neighbourhood centres or power centres. Both forms of development have typically been single storey developments with a building to land coverage of approximately 25%. This development format reflected the automobile-oriented consumer, as well as the supply of commercial designated land, which in the past has been abundant. Development along Old Airport Road in Yellowknife is consistent with this general trend.

3.3 Decline of Enclosed Community & Neighbourhood Centres

The market share of enclosed shopping malls has been declining in the past three decades. Lower-tier enclosed community and neighbourhood centres make up the bulk of this decline as upper-tier regional malls have generally stayed strong due to their focus on high-end / destination retail.

Community and neighbourhood sized centres were first impacted by the emergence of power centres. Power centres offered an alternative to the traditional enclosed mall format and were cheaper to operate as they featured lower land costs, rents and lower common area maintenance (“CAM”) costs. They also provided opportunities for “big box” stores, many of which could not be accommodated in existing enclosed shopping centres. Power centres were particularly attractive to middle-tier retailers that historically operated in community and neighbourhood sized malls.



North Hill Shopping Centre – Calgary, AB

The challenge for community and neighbourhood shopping centres is further exacerbated by the diverging retail market, which has seen consumers increasingly desire more value-oriented or high-end retail stores. Some middle-market retailers, which made up a significant portion of community and neighbourhood mall tenants relocated to a less expensive retail format or disappeared from the Canadian market altogether.

Yellowknife is unique in that community shopping centres remain an important part of the retail commercial structure. However, the decline of shopping centres can be seen in the vacancy levels in downtown Yellowknife’s largest mall, Centre Square Mall.

3.4 Retail Trends Summary

There is a wide range of factors that continue to influence the demand for retail commercial space. Demand is influenced by customer preferences, retailer initiatives, planning policy and real estate development trends. Overall, there has been a decrease in demand for retail commercial space, on a per capita basis.

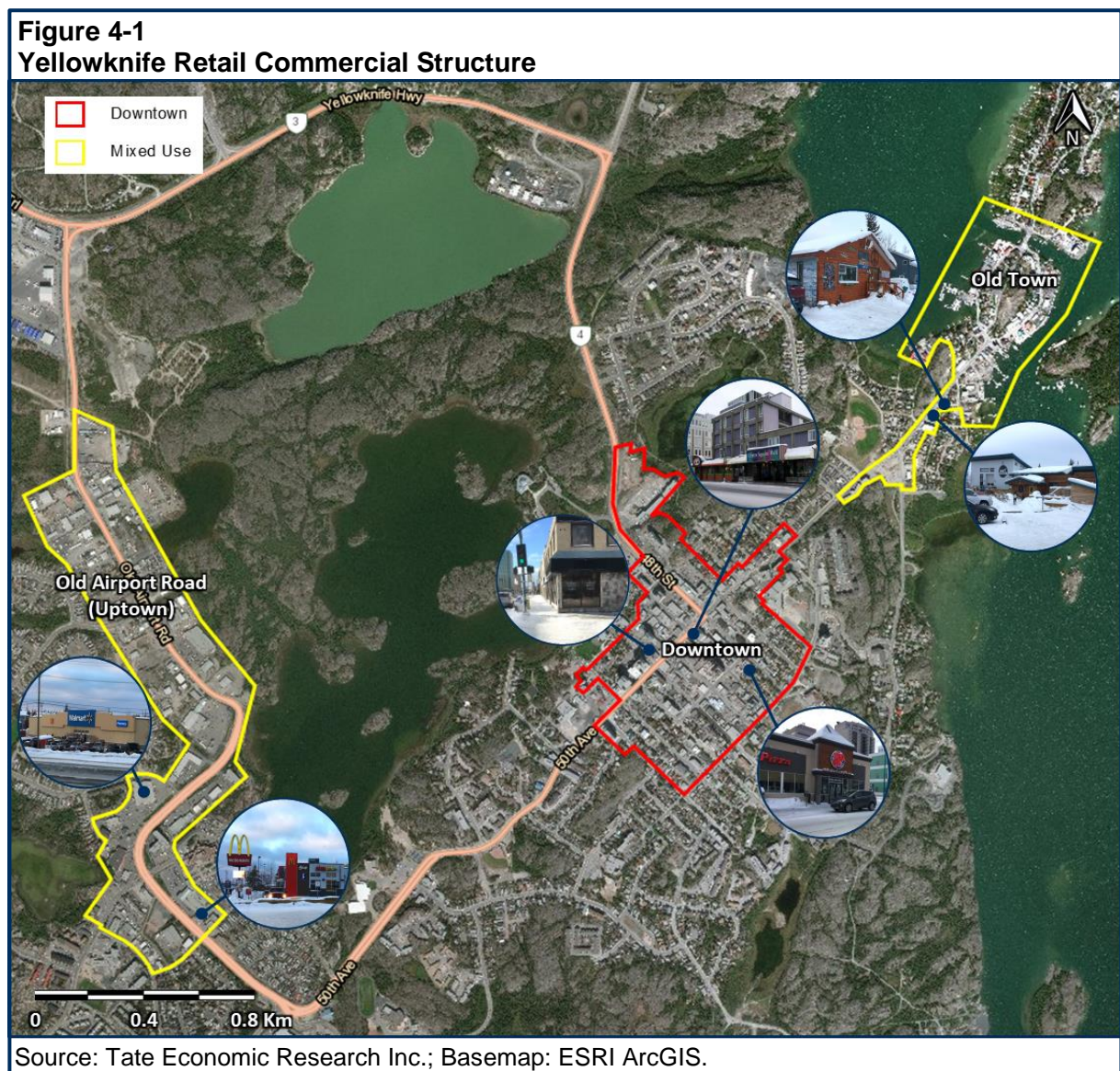
Changes in consumer behaviour and innovations in the retail industry have a direct impact on the development of commercial real estate. Consumers are being increasingly drawn towards both value and luxury retailing, while technological innovations in e-commerce and experiential retail are changing the perception of what is required out of a physical retail store. When developing new retail spaces, flexibility should be prioritized, in order to satisfy new store concepts, the increasingly diverging demands of consumers, and the continuing advancements in retail technology and innovation.

4 Yellowknife Downtown Commercial Context

This section of the report briefly examines the overall commercial context in Yellowknife and provides an in-depth examination of the retail function in the downtown.

4.1 City of Yellowknife Retail Commercial Structure

While the focus of this strategy is on the Downtown Area, it is instructive to understand the commercial hierarchy of the City as a whole. Figure 4-1 illustrates the three significant retail commercial nodes in the City of Yellowknife.



The following observations are made with respect to the overall commercial structure:

- The Old Airport Road or Uptown core is the area of the City where the main concentration of “retail” stores are located. Appropriately, many of the larger format stores (Walmart, Canadian Tire, The Brick) are in this node;
- There has been new development in the Uptown. It is our understanding that there has been store relocations from the Downtown Area to Uptown and new retailers, such as Booster Juice, choosing this area;
- The Old Town was the original town centre and now includes a scattering of restaurants and stores.

The relocation of stores out of the Downtown Area to suburban locations is not unique to Yellowknife. There are instances across the country where downtowns have had to reinvent themselves in the face of the loss of retail.

4.2 Inventory of Retail Commercial Space

The Consultant Team conducted an inventory of all retail, service and vacant space in downtown Yellowknife in February 2019. The purpose of this inventory is to provide a contextual basis informing the Retail Revitalization Strategy. The inventory also provides an insight into the overall function of the downtown. As an example, shopping centres typically have 60% – 75% retail space (i.e. stores that sell goods and products) and the remaining as service oriented space (i.e. stores that sell/provide services). A higher retail figure generally indicates a more destination type of node.

Figure 4-2 indicates the amount and distribution of retail commercial space in the Downtown Area. For the purpose of this inventory, lower level and second floor space was included where appropriate. The retail commercial inventory does not include upper levels of office buildings.

The inventory of downtown Yellowknife can be summarized as follows:

- Overall, there is approximately 633,000 square feet of retail, service and vacant space within the downtown;
- There is 568,000 square feet of occupied retail and service space and 65,300 square feet of vacant space;
- This amount of vacant space represents a vacancy rate of 10.3%. This vacancy rate is above the balanced vacancy range of 5.0% - 7.5%;
- The majority of retail commercial space in the downtown is service oriented space. This space represents 67% of all retail commercial space indicating a more transactional local draw;

Figure 4-2
Summary of Retail, Service and Vacant Space in Downtown Yellowknife ⁽¹⁾

	Downtown Yellowknife		Number Of Stores		Average Store Size
Food & Beverage Retail (FBR)					
Supermarkets & Grocery Stores	19,000	3.0%	1	0.4%	19,000
Convenience & Specialty Food Stores	11,200	1.8%	5	2.1%	2,200
Beer, Wine & Liquor	8,000	1.3%	1	0.4%	8,000
Food & Beverage Retail (FBR)	38,200	6.1%	7	3.0%	5,500
Non-Food & Beverage Retail (NFBR)					
General Merchandise	900	0.1%	1	0.4%	900
Clothing, Shoes & Accessories	11,500	1.8%	7	3.0%	1,600
Furniture, Home Furnishings & Electronics	16,700	2.7%	5	2.1%	3,300
Pharmacies & Personal Care Stores	22,500	3.6%	3	1.3%	7,500
Building & Outdoor Home Supplies	5,800	0.9%	2	0.9%	2,900
Miscellaneous Retailers	48,900	7.8%	20	8.5%	2,400
Subtotal Non-Food & Beverage Retail (NFBR)	106,300	16.9%	38	16.2%	2,800
Service Space					
Food Services and Drinking Places	82,200	13.1%	33	14.1%	2,500
Personal Care and Laundry Services	16,400	2.6%	13	5.6%	1,300
Financial, Insurance, Legal & Real Estate Services	63,800	10.2%	28	12.0%	2,300
Health Care and Social Assistance Services	99,200	15.8%	23	9.8%	4,300
Entertainment and Recreation Services	26,600	4.2%	5	2.1%	5,300
Other Services	135,300	20.6%	58	24.8%	2,300
Subtotal Service Space	423,500	66.6%	160	68.4%	2,600
Total Occupied Retail & Service Space	568,000	89.6%	205	87.6%	2,800
Vacant	65,300	10.3%	29	12.4%	2,300
Total Retail & Service Space	633,300	100.0%	234	100.0%	2,700

Source: Tate Economic Research Inc.
¹⁾ Based on inventory and site inspections completed by TER in February 2019. Rounded to the nearest 100 square feet.

- There is 135,300 square feet of Other Service space, the majority is comprised of ground floor offices;
- Health Care and Social Assistance Services represent 16% of retail commercial space. Major service providers include the Yellowknife Primary Care Centre, Yellowknife Daycare Association, and Community Health Services;
- Miscellaneous Retailers accounts for the largest share of retail space in downtown Yellowknife at 48,900 square feet. Overlander Sports, Salvation Army Thrift Store, Northern Images, and Creative Basics account for a significant portion of this space;
- Downtown Yellowknife has one supermarket representing 19,000 square feet;
- Retail commercial space is concentrated north of 51 Avenue and between 52 Street and 47 Street; and,

- Overall, the average unit size of occupied retail and services tenants is 2,800 square feet. This is average tenant size is considered normal within downtowns.

The Downtown Area has a well rounded offering of retail stores and services. There are traffic generating tenants such as the Overlander Sports, Your Independent Grocer, Shoppers Drug Mart and three of the four major banks. In addition, there are several unique independent stores such as Bijou Boutique and Ice Blink.

4.3 Geographic Distribution of Commercial Space

Figure 4-3, on the following page, displays the location and type of retail commercial space in downtown Yellowknife. The following observations are made with respect to the geographic context of Yellowknife:

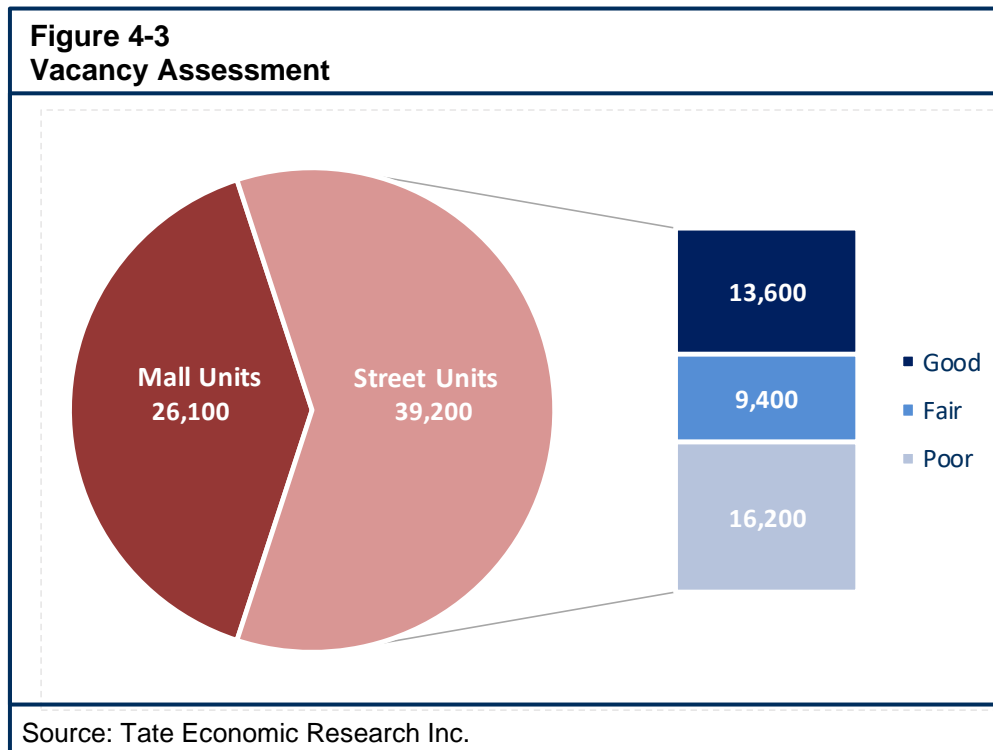
- The Downtown Area encompasses 0.5 square kilometres. This equates to a residential density of 3,000 persons per square kilometre and employment density of 5,440 jobs per square kilometre;
- The retail and service space is spread around a large area and while there is a notional centre of retail at the intersection of 50th Avenue and 50th Street, the actual concentration of retail and service space does not reflect this; and,
- There are very few continuous retail frontages in the Downtown Area. This is due to the existence of four indoor mall spaces (YK Centre, 50/50 Mini Mall, Scotia Centre and Centre Square Mall).

Unlike many downtowns, Yellowknife lacks a traditional main street with street front units. In addition, the dispersed nature of the existing commercial space presents challenges in creating opportunities for synergies between uses and encouraging pedestrian traffic to animate the streets.

4.4 Vacant Unit Assessment

The amount and quality of vacant space in a downtown provides insight into the health of the downtown. Having vacancies within a downtown is normal and, to a certain extent, desirable. Vacant space allows for potential retailers to have a choice of locations and provides a balance in the market with respect to negotiating lease rates. Typically, a vacancy rate of between 5.0% to 7.5% is considered to represent a balanced market.

- The remaining vacant space, 60% or 39,200 square feet, is in ground floor street front retail commercial units. Of this space, approximately 23,000 square feet (35% of the total vacant space) is considered by the consultant team as “good” or “fair” vacant space. This space has the site and locational characteristics that are attractive to retailers.



The vacancies within Centre Square Mall are not entirely a result of market forces and will be addressed in the recommendations section of this report. However, for the purposes of this analysis, if we remove the Centre Square Mall vacancy as well as the “poor” vacancies, the resulting vacancy rate is 4.3% which is below the balanced market vacancy rate.

4.5 Cross Shopping

TER has utilized cellular location services data from smartphones to identify the customer draw of the following retail and service providers:

- Your Independent Grocer – 250 Old Airport Road
- Your Independent Grocer – 4910 Franklin Avenue
- Walmart – 313 Old Airport Road
- Boston Pizza – 5102 48 Street

- NWT Brewing Company – 3905 Franklin Avenue

The cellular location services data is anonymized, permission-based data collected from location enabled mobile devices. Each smartphone has a Unique Device ID and a Common Evening Location (“CEL”). The Unique Device ID represents an identifier for each specific device, and the CEL is derived from where each device spends the majority of its time at night. Information was gathered between January 1, 2014 and March 10, 2019.¹

TER has conducted a spatial analysis of customer draw for the locations. The results of this analysis are summarized in Figure 4-5, shown below. The cellular location services data results can be summarized as follows:

- East and West Yellowknife have been generally defined by the areas east and west of McNiven Beach Park;
- Of note is that Downtown Area stores do not have a strong draw from West Yellowknife. This is particularly interesting in the case of the Shoppers Drug Mart which is the only Shoppers Drug Mart in the City and would typically be expected to have a wider draw; and,
- The Your Independent Grocer (Old Airport Road) and Walmart have a significant draw from both East and West Yellowknife.

Figure 4-5
Cellular Location Survey Results by Location ⁽¹⁾

	DOWNTOWN			OLD TOWN	OLD AIRPORT ROAD - UPTOWN	
	Your Independent Grocer	Shopper's Drug Mart	Boston Pizza	NWT Brewing Company	Your Independent Grocer	Walmart
East Yellowknife	44.3%	45.0%	38.1%	35.1%	36.3%	28.8%
West Yellowknife	20.2%	21.0%	22.1%	14.9%	35.0%	38.9%
City of Yellowknife	64.5%	66.0%	60.2%	50.0%	71.3%	67.6%
Outside City of Yellowknife	35.5%	34.0%	39.8%	50.0%	28.7%	32.4%
Total Surveys Returned	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Tate Economic Research Inc.
¹⁾ Cellular location services data was recorded between January 1st 2014 and March 10th 2019.

¹ The determination of CEL/CDL uses multiple observation points across months of time, IP screening and other methodologies to ensure a high degree of confidence in distinguishing between residents and visitors.

One of the keys to the Downtown Area's revitalization will be to encourage a greater level of cross shopping between the established populations in the west of the City and the downtown.

5 Retail Commercial Demand Analysis – Inputs

An important step in conducting any retail strategy is understanding the potential for new retail and service uses. This section of the report examines the demand for additional retail and service space in the City.

5.1 Trade Area Delineation

Yellowknife is unique due to its remote location, there are no cities with significant retail commercial offerings within a driveable distance. In addition, residential development is limited to the City of Yellowknife. In general terms, this Trade Area recognizes the following factors:

- The residential and commercial structure of Yellowknife and the surrounding region;
- The size and type of existing and proposed retailers;
- The results of cellular location services data conducted at various retail locations within Yellowknife;
- Demographics and population forecasts; and.
- The professional experience and previous work completed by TER.

The Trade Area is defined by the City of Yellowknife boundary.

5.2 City of Yellowknife Historic and Forecast Population

This section of the report presents historic population data and forecasts prepared by the NWT Bureau of Statistics, as illustrated in Figure 5-1 on the following page. The following observations are made with respect to the population forecasts:

- The population of Yellowknife is expected to grow at a higher rate than the Northwest Territories. There are only two regions in the Northwest Territories that have forecast growth, the rest are anticipated to decline;
- The population of Yellowknife has grown by 5,800 people from 1991 to 2016. This represents growth of 38% or 1.5% per annum; and,
- There is limited growth forecast for Yellowknife to 2035. The population is projected to increase by 2,800 people or 0.6% per annum between 2018 and 2035.

**Figure 5-1
Northwest Territories Population Projections**

	1991 ⁽¹⁾	2001 ⁽¹⁾	2011 ⁽¹⁾	2016 ⁽¹⁾	2018	2020 ⁽²⁾	2025 ⁽²⁾	2030 ⁽²⁾	2035 ⁽²⁾
Northwest Territories	38,700	40,800	41,500	41,800		44,900	45,300	45,500	46,000
Periodic Change		2,100	700	300		3,100	400	200	500
Average Annual Change (#)		210	70	60		775	80	40	100
Average Annual Change (%)		0.5%	0.2%	0.1%		1.9%	0.2%	0.1%	0.2%
Yellowknife	15,200	16,500	19,200	21,000	21,300	21,600	22,200	22,800	23,600
Periodic Change		1,300	2,700	1,800		600	600	600	800
Average Annual Change (#)		130	270	360		150	120	120	160
Average Annual Change (%)		0.9%	1.6%	1.9%		0.7%	0.6%	0.5%	0.7%

Source: Tate Economic Research Inc.
¹⁾ Statistics Canada, Census of Canada 1991-2016.
²⁾ Northwest Territories Bureau of Statistics, Population Projections by Community, 2016

The fact that there is population growth forecast is a positive for the revitalization of the Downtown Area. However, the limited population growth is an indication that future demand will not be “driver” of any revitalization efforts.

5.3 City of Yellowknife Socio-Economic Demographics

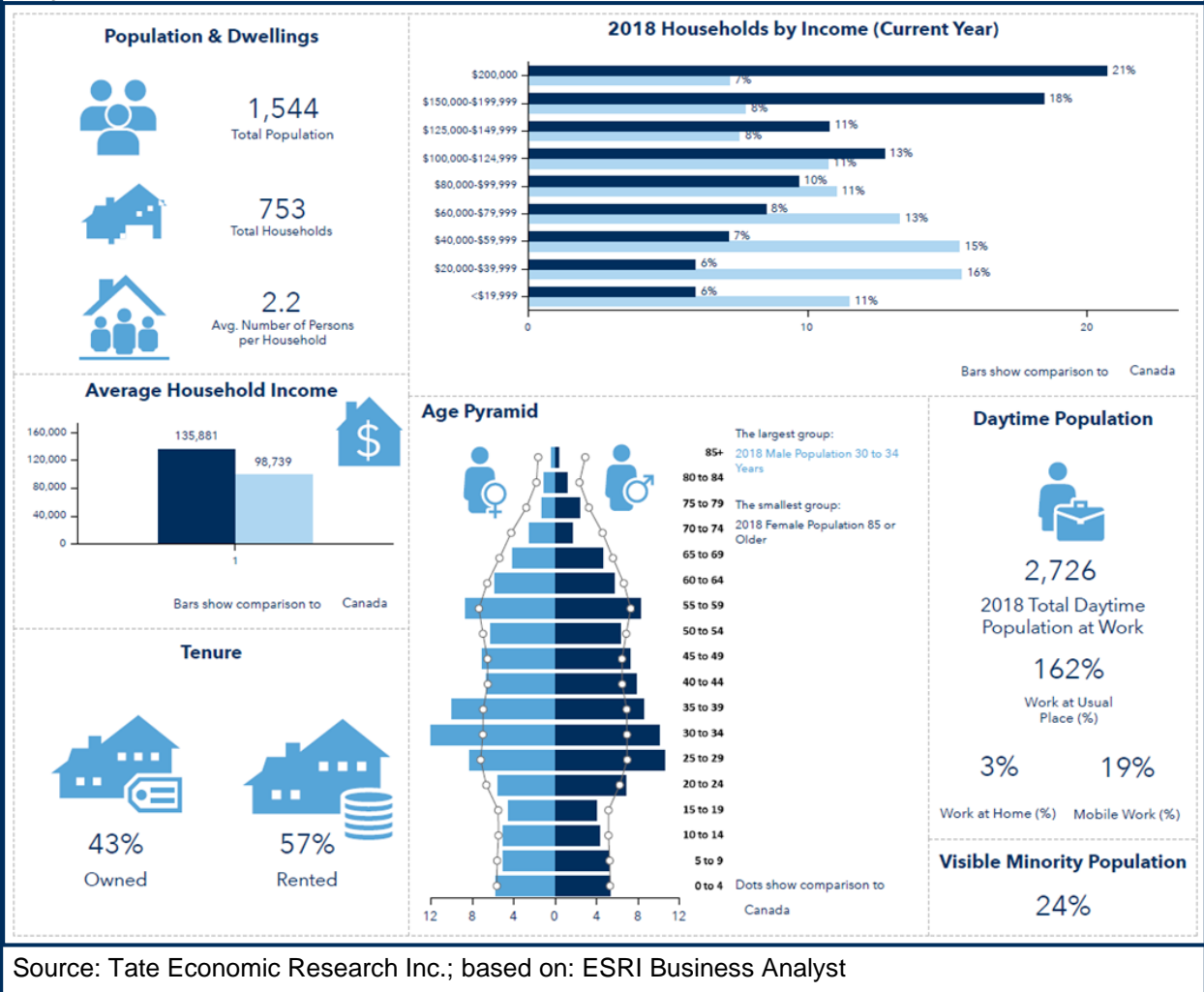
The 2018 population of the Downtown Area is estimated to be 1,500 persons or approximately 7% of the City. Given the small size of the Downtown Area’s residential population, any demand-oriented strategies will require the citywide population. However, it is instructive to understand the dynamics of the downtown population in relation to the City characteristics as a whole:²

- The average household income within the Downtown Area is \$136,000 compared to \$167,000 for the City overall;
- The population of the Downtown Area is 24% visible minority. This level is 10% higher than the City;
- High Density housing represents 67% of dwellings with the majority being rented in the Downtown Area; and,
- Based on the 2016 Census of Canada mobility status data, the Downtown Area’s population is also more transient compared to the rest of Yellowknife and when compared nationally.

Overall, the demographics of the Yellowknife and the Downtown Area present opportunities and challenges for revitalizing the Downtown Area. The fact that there even is a downtown population is a positive and can be built upon from a street

² Statistics from Environics Analytics 2018 DemoStats using ESRI Business Analyst to derive local area data.

Figure 5-2
City of Yellowknife Downtown Area Socio-Economic Characteristics



activation perspective. However, the transient nature of the residents presents challenges with respect to downtown residents taking ownership and being invested in the health of the Downtown Area.

5.4 Additional Demand Generators - City of Yellowknife Employment

Office workers are essential to maintaining a vibrant downtown and supporting retail commercial space. Office workers encourage street activity at off peak hours and contribute on an expenditure basis.

- The Downtown Area employment number is approximately 2,720. This equates to an employment density of 5,440 jobs per square kilometre or 54 jobs per hectare;

- According to the latest International Council of Shopping Centres (ICSC) report on office worker spending, the average employee spends approximately \$129 per week on retail commercial products and services.

While there is office employment within the Downtown Area, the density of this employment is very low. Never-the-less, the existence of any employment is potentially beneficial to the revitalization of the Downtown Area.

5.5 Additional Demand Generators – City of Yellowknife Tourism

Tourism is important to the revitalization of the Downtown Area, in particular the Aurora viewing tourism in the winter months. The following observations are made with respect to tourism demand:

- Tourism is a significant contributor to the Northwest Territories economy. According to the Northwest Territories Visitor Exit Survey, tourism generated \$203.4 million in annual spending in 2017 for NWT;
- As the capital city, Yellowknife is popular tourist destination as well as a gateway to the rest of NWT. In 2016 the Yellowknife Airport saw approximately 115,000 non-resident visitors. Nearly 80% of visitors originated from within Canada. Other significant countries of origin include Japan, the United States, China and Korea;
- The 2016 Summary of Northwest Territories Road Visitor Survey Findings found that all visitor groups were focused on outdoor recreation and activities and for three of the five groups, shopping was one of the “least important vacation considerations”; and,
- While it does not appear that a similar survey has been conducted for winter month tourists, anecdotal evidence suggests that there is a significant amount of free time during the day that presents an opportunity for retail activity.

In addition to general tourism, the Yellowknife Visitor Information Centre is a hub for tourist activity in Yellowknife:

- Currently, the Visitor Information Centre is in temporary premises in the municipal building; and,
- In 2018 the Visitor Information Centre saw approximately 25,000 visitors. The Visitor Information Centre has a significant domestic and international draw. Canada and China represent the two largest origin countries with approximately 20% of visitors originating from each country. Other significant origin countries include Hong Kong, Japan and Taiwan.

Tourism represents a significant opportunity when considering strategies for the Downtown Area.

6 Retail Commercial Demand Analysis

This section of the report examines the demand for additional retail and service space in the City of Yellowknife and the Downtown Area. For the purpose of this analysis, the consultant team has utilized a residual demand analysis to quantify the amount of new retail space warranted in the City.

The following assumptions are made for this analysis:

- 1) The residual analysis is conducted on specific commercial categories. The purpose of this level of specificity is to ensure that the overall future demand is based on detailed demand factors relevant to each category. However, for longer term strategic planning, it is more appropriate to refer to overall commercial demand rather than individual categories. The rationale behind this conclusion reflects the ever-evolving state of retail and the blurring of retail channels which results in the demand for one category of retail space being potentially met by retailers in another category.
- 2) The base year (2018) expenditures made by the resident population are assumed to be captured by the existing retailers in Yellowknife and beyond;
- 3) New expenditures based on population growth are assumed to be available for new retailers;
- 4) An allowance has been made for Yellowknife residents' expenditures that are made when travelling outside of Yellowknife. This is known as the "Capture Rate"
- 5) Conversely, an allowance has also been made for expenditures made by visitors to Yellowknife. This is known as "Inflow".
- 6) An adjustment has been made to remove expenditures made on-line, therefore, the expenditures relate to ground oriented retail stores also known as "Bricks and Mortar" stores.

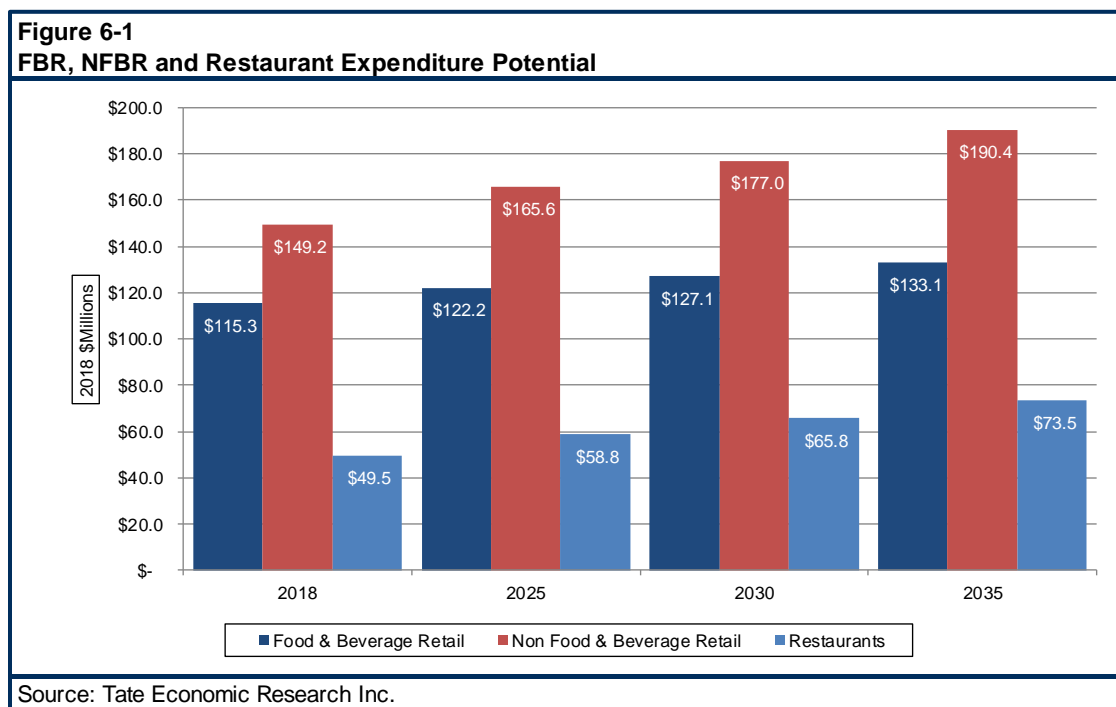
With respect to service space the Consultant Team has used two methodologies:

- 1) Given the importance of food & beverage space (i.e. restaurants), the consultant team has utilized an expenditure approach similar to the retail analysis;
- 2) For the remainder of the service space the Consultant Team has estimated the amount of service space based on the current downtown ratio and achieving a more typical ratio of 60% service and 40% retail. Based on the downtown inventory of space conducted by the consultant team, the service space

accounts for approximately 68% of the total occupied space in the downtown.³ Within this service space restaurants account for approximately 20%. Based on current retail trends with respect to the focus on restaurants, TER has assumed that restaurants will maintain the 20% ratio and that the other service categories will decrease in a relative context. Overall, the consultant team estimates the service space to account for 63% in 2025, 61% in 2030 and 60% in 2035.

6.1 Expenditure

Figure 6-1 illustrates the Food & Beverage Retail (“FBR”), Non Food & Beverage Retail (“NFBR”) and Restaurant expenditure potential based on the City of Yellowknife population.⁴



The following observations are made with respect to Figure 6-1:

- FBR expenditure potential is forecast to increase from \$115.3 million annually in 2018 to \$133.1 million annually by 2035. This represents an increase in annual expenditure by \$17.8 million;

³ Using the numbers from Figure 4-2, the service space is calculated as total service (423,500 sq. ft.) less Other Service (this is deemed as ground floor office and therefore not relevant to this analysis) for a total of 288,200 sq. ft. The retail figure is the total of the FBR and NFBR categories less Building and Outdoor Home Supplies (this is deemed not a relevant category for the Downtown Area) for a total of 138,700 sq. ft.

⁴ The expenditure data is from Environics Analytics Household Spend database. It is produced using data from DemoStats, PRIZM and the Survey of Household Spending administered by Statistics Canada. It is also aligned to control totals from the Canadian System of National Accounts and Statistics Canada.

- NFBR expenditure potential is forecast to increase from \$149.2 million annually in 2018 to \$190.4 million annually by 2035. This represents an increase in annual expenditure by \$41.2 million; and,

Restaurant expenditure potential is forecast to increase from \$49.5 million annually in 2018 to \$73.5.0 million annually by 2035 based on population and expenditure growth. This represents an increase in annual expenditures by \$24.0 million.

6.2 Warranted Demand

Figure 6-2 summarizes the warranted demand based on population growth in the City of Yellowknife as well as capture and inflow assumptions.

Figure 6-2 Yellowknife Warranted Retail / Service Space 2018 - 2035				
	2018	2025	2030	2035
	Square Feet			
Food & Beverage Oriented Retail				
Supermarkets / Specialty Food Store		15,000	24,000	36,000
Non Food & Beverage Oriented Retail				
Furniture, Home Furnishings & Electronics		10,000	16,000	22,000
Pharmacies & Personal Care Stores		4,000	6,000	8,000
Clothing & Accessories Stores		11,000	18,000	24,000
General Merchandise / Misc. Retail Stores		13,000	22,000	30,000
Sub-total NFBR		38,000	62,000	84,000
Sub-total Retail (FBR & NFBR)		53,000	86,000	120,000
Service Space				
Services: Restaurants		17,000	27,000	38,000
Services: Other		25,000	30,000	40,000
Total Service		42,000	57,000	78,000
Total Retail & Service (sq. ft.)		95,000	143,000	198,000
Source: Tate Economic Research Inc.				

The following observations are made with respect for the demand for future retail and service space in the City of Yellowknife and specifically within the Downtown Area:

- It should be noted that the warranted space represents space warranted in the entire City of Yellowknife. However, the purpose of this retail strategy is to provide recommendations to allow for the Downtown Area to effectively compete for a portion of this space;

- The warranted demand represents categories of space that would be appropriate for the Downtown Area. For example, we have excluded department stores, automotive uses and home and building supply categories; and,
- As stated above, although the retail demand is summarized by specific categories, for longer term strategic planning, it is more appropriate to refer to overall commercial demand rather than individual categories.

Overall, there is future retail demand that can be accommodated in the Downtown Area should the current challenges be addressed. In other words, market demand is not an impediment to solving the challenges facing the Downtown Area.

7 Stakeholder Summary

A key part of any retail study is understanding the local perspective. In partnership with City Staff, the Consultant Team has undertaken a comprehensive stakeholder engagement strategy. The stakeholder engagement strategy includes interviews with key stakeholders, public engagement sessions and a public survey. The following section summarizes the results of the stakeholder engagement strategy.

7.1 Stakeholder Sessions

Stakeholder sessions were held on April 9, 2019 at City Hall. The sessions were promoted on the City website, social media and through the Chamber of Commerce. Sessions were held mid day and in the evening. The range of attendees included Downtown Area residents, employees, business owners, landowners and other interested community members.

The sessions indicated a wide range of challenges and opportunities for Downtown Area Retail Revitalization. The following is a summary of opinions voiced at the sessions:

- The overriding concern of attendees related to social issues – including homelessness, safety and security.
- Stakeholders stated that it is challenging to attract shoppers to the Downtown Area due to these social issues. Many attendees noted that any improvements to the Downtown Area could not occur until the social issues were addressed.
- Other challenges related to staffing, costs of running a business, lack of available commercial space at affordable rents.
- Attendees provided specific opportunities for improvement, such as cleanliness and signage for the visitor's centre.
- It was also noted that Yellowknife should have a more concentrated or centralized commercial area, providing more opportunities for synergies between tenants.
- There was an indicated demand for additional ground floor retail commercial space. The mall space could present opportunities; however, it was noted that the ownership structure of Centre Square Mall made it a challenge to redevelop.
- It was noted that tourism has been increasing and that tourists, especially Asian tourists, typically are affluent and that there is an opportunity to provide them with more upscale restaurants and shopping, including pop-up shops and / or food trucks that promote unique offerings.

Overall challenges to developing a vibrant downtown were consistent throughout the Stakeholder Sessions and included safety, security, cleanliness, and other social issues including homelessness and drunkenness.

7.2 Public Survey

A public survey was conducted using PlaceSpeak, a location-based community consultation platform utilized by City Staff. The survey was available online from March 25 to April 15, 2019 and received 134 responses. The survey contributed to a more comprehensive understanding of the role and function of downtown Yellowknife and identified a variety of challenges and opportunities.

The complete results of the survey are found in Appendix B. The following points summarize the results of the survey:

Challenges Facing the Downtown

- The overwhelming perception of the Downtown Area is negative. Overall, 82% of the words used to describe the Downtown Area were negative (i.e. dirty, unsafe, unattractive, homelessness and bad).
- When asked what would make the Downtown Area better, just under half the responses focused on addressing the social issues and making downtown safer. Interestingly, only one in five responses thought the Downtown Area would be better through retail revitalization opportunities (i.e. improve the mall, more storefronts and increased variety of retail).

The overwhelming challenge facing the Downtown Area related to social issues. Even though it is apparent that additional retail services would benefit the Downtown Area, it appears that survey respondents could not think beyond the challenge of social issues.

Downtown Environment

- The Downtown Area is generally viewed as compact and walkable.
- Of the survey respondents who preferred shopping downtown, approximately 80% of the reasons centred around accessibility and convenience.
- Of the survey respondents who preferred shopping uptown, only 23% centred around convenience.

The reasons for shopping uptown versus downtown are largely based on issues that can be fixed in the Downtown Area. These are not structural issues such as distance.

Opportunities for the Downtown Area

- Although 73% of the respondents worked in the Downtown Area, two thirds of those stated they did not shop at lunchtime.
- Of the respondents who worked in the Downtown Area, they frequented Downtown Area restaurants on average 6 times a month. Of the respondents who did not work in the Downtown Area, they frequented restaurants only 2.6 times a month.
- Of the respondents who worked in the Downtown Area, they shopped downtown on average 10 times a month. Of the respondents who didn't work in the Downtown Area, they frequented restaurants only 4.4 times a month.

The fact that non-downtown survey respondents do not frequent the Downtown Area as much as Downtown Area employees presents an upside opportunity to engage residents about the Downtown Area.

Retail and Service Function of Downtown Area

- Overall, 81% of the responses stated supermarket and drug stores as the specific stores shopped at when shopping in the Downtown Area.
- When specifically asked what stores or services they would like to see in Yellowknife, half the responses were food & beverage related (i.e. restaurant, bars, coffee shop).

Based on the survey responses, the Downtown Area retail function is largely one of convenience.

On-line Shopping

- Just over half of the respondents stated that they shop “often” or “very often” online.
- Price, selection and convenience were cited as the main reasons for shopping on-line.
- Clothing was by far the most popular item purchased online.

Online shopping will continue to take market share away from bricks and mortar retailers. As highlighted in the retail trends section, emphasis should be placed on creating experiences versus transactions.

8 Yellowknife Observations, Strategy and Recommendations

Downtown Yellowknife has several assets that make it an appealing site for retail development. But the Consultant Team has identified three impediments to retail growth:

- **Lack of significant new market demand:** The Consultant Team has concluded that Yellowknife is unlikely to experience significant new retail market demand from new population growth – just enough to support an additional 95,000 square feet of retail, restaurant, and service-sector businesses within the next six years. All of this could, in theory, be accommodated in downtown Yellowknife, which at the time of this report has approximately 65,300 square feet of retail vacancy. However, downtown Yellowknife must compete for this new retail market demand with the Old Town and Old Airport Road commercial areas. This means that, to support significant new retail offerings downtown, growth in retail demand will likely need to come from recapturing a larger share of spending by area residents, increasing sales to visitors, attracting more visitors.
- **Retail space placement:** Downtown Yellowknife lacks a highly visible segment of high-quality retail space. Other than in its shopping centres, not much retail space is available, and the few street-level spaces that are available are not contiguous spaces. The district’s evolution differs from that of most other North American cities of comparable size in that, rather than growing organically from a traditional trading cluster, it was created as a government and office centre. Because of this, many of its buildings were designed in ways not particularly conducive to retail businesses, which rely on visibility to cars and pedestrians, on physical proximity to other retail businesses, and, in pedestrian environments, on large storefront display windows.

In the immediate future, improving the quality of the sidewalk-level streetscape, particularly near the 50/50 intersection, may help improve retail performance and make the Downtown Area more appealing to shoppers and entrepreneurs. Over time, increasing the amount of ground-level retail space with good visibility from the street will be crucial to expanding downtown Yellowknife’s retail offerings. Finding solutions to the high vacancy rate at Centre Square Mall and to redevelopment of the 50/50 lot will be central to this challenge.

- **Social problems:** The challenges posed by the presence of homeless and inebriated people dominated much of the Consultant Team’s qualitative research. These challenges are a serious impediment to downtown retail growth and development. Solving the social challenges in downtown Yellowknife is long-term and requires specialized attention. Yet, retail development will be extremely challenging until some of these issues are alleviated. Alleviating the visible symptoms of these challenges will be essential to improving downtown Yellowknife’s retail performance.

The latter two of these three impediments, in particular, appear to be bogging down the overall retail revitalization process and therefore are preventing planning and implementation of other needed revitalization actions. The Consultant Team's recommended strategies and actions focus primarily on overcoming these impediments.

8.1 Downtown Success Factors

There are many factors that characterize successful, vibrant downtowns. Among the most important:

- **Enough market demand to support the number of businesses needed to occupy all available commercial space within the district:** Market demand might be generated by area residents, visitors, or remote customers (via internet or catalogue).
- **Enough sales volume for businesses to afford the rent levels property owners need to generate in order to properly maintain and periodically rehabilitate their buildings:** For most downtown retail businesses, the Consultant Team recommends a benchmark of rent not exceeding 6-10 percent of gross sales (so, for example, a business whose rent is \$20/square foot should be generating between \$200-\$333/square foot in gross sales). The inverse is also true – the rent levels that property owners can command directly depend on the sales volumes realistic for the downtown district. Without this balance between retail sales and rent levels, the downtown experiences a market failure. This seems to be the case with Centre Square Mall, where rental rates do not align with likely potential retail sales levels.
- **Business synergy:** Generally speaking, a successful downtown should have several clusters of businesses that offer products of interest to similar types of customers. This is particularly important with regard to businesses that offer products for which shoppers like to compare styles and brands before deciding what to buy, such as apparel and home furnishings.
- **Tools and incentives to effectively guide business development:** The business compositions of the strongest and most successful downtowns are almost always guided by a set of tools and incentives specific for the district's particular business development needs. A selection of tools and incentives has been suggested in Section 8.3.5 of this report.
- **An engaging storefront/sidewalk experience with strong storefront contiguity:** Regularly-spaced storefronts, with large and inviting display windows, keep pedestrians engaged and interested in exploring further down the street. When pedestrians come upon a vacancy, or a display window masked with blinds, drapes, or other visual barriers, they subconsciously perceive that the retail portion of the district has ended, and they soon stop browsing.

- **Safety:** Shoppers must feel safe from both physical hazards (such as broken sidewalks, potholes, and fast vehicular traffic) and from crime.
- **Differentiation from other shopping, dining and entertainment options:** Given Yellowknife's relative geographic isolation, this has not been an important consideration for the Downtown Area in the past. But with the growth of new retail on Old Airport Road, downtown Yellowknife now needs to differentiate itself and its offerings from this growing, auto-oriented shopping area. As global tourism expands, the community will need to differentiate itself from other places from which the Aurora Borealis can be seen, offering shopping, dining and recreational experiences unique to Yellowknife.
- **Comprehensive action:** Successful downtown revitalization initiatives must include simultaneous activities in three categories - physical improvements, marketing and economic development – with a broad base of public- and private-sector support. Physical improvements, marketing activities, or business development alone cannot rebuild a downtown's long-term market performance. Work must take place in tandem in each of these categories, with the goal of supporting one or several over-arching economic development strategies for a downtown district.
- **Incremental activity:** Successful revitalization takes time, with small changes gradually building capacity and laying the groundwork for larger changes. Large transformations often seem insurmountable. Breaking these large transformations into small tasks is the most effective way to bring about lasting improvements.
- **Marketing activities appropriate for the markets the district is trying to serve:** Marketing activities should appeal to the interests, emotions, needs and habits of the specific market segments the district is trying to target. For example, in districts with large daytime worker populations (as happens to be the case in downtown Yellowknife), lunchtime marketing activities might be more successful than weekend activities.
- **Management:** Successful revitalization requires full-time, dedicated management. Just as shopping malls have full-time staff responsible for ongoing marketing, leasing, and maintenance, downtowns need dedicated staff to coordinate these functions and ensure that the district is making steady progress towards reaching its strategic goals.
- **Serendipity:** In both retail mix and physical environment, serendipity is essential, providing something pleasantly unexpected for locals and visitors that, in some way, reflects the community's and the district's personalities.

8.2 Downtown Yellowknife: Assets and Liabilities

8.2.1 Downtown Area Assets

- A captive market of 2,700-plus daytime workers, providing a built-in base of potential shoppers for Downtown Area businesses
- Approximately 1,500 Downtown Area residents, representing a localized market for Downtown Area retail businesses and restaurants
- At least 115,000 visitors annually (most of them visiting to see the Aurora Borealis)
- Several strong destination businesses, such as Overlander Sports and Shoppers Drug Mart, that attract shoppers from throughout the region
- Yellowknife's Indigenous heritage
- Yellowknife's mining history
- Business and property owners, civic leaders, and residents who are deeply committed to downtown Yellowknife and its future

8.2.2 Downtown Area Liabilities

- Lack of an agency or organization dedicated to Downtown Area revitalization and management
- Very few cohesive, contiguous sections of street front retail
- Not much storefront-level visual interest (storefront window displays, in particular)
- Only modest new retail demand from population growth
- Trash, human waste, crime, and panhandling associated with homeless and inebriated people
- Relatively few shopping opportunities for visitors
- Few visual clues to the city's significance as an Aurora-viewing destination
- Relatively few wayfinding signs, making it difficult for visitors to navigate the Downtown Area or to find Downtown Area landmarks and attractions
- Significant (and growing) competition from retail businesses on Old Airport Road

- Absentee ownership of significant downtown commercial space, particularly at the Centre Square Mall.

8.3 Strategic Imperatives

These strategies are not linear in nature. The Consultant Team has identified five strategies which, if implemented, could likely result in positive outcomes for the Downtown Area.

8.3.1 Strategy 1: Focus particular design attention and concentrate retail development activity on the area within two blocks of the 50/50 intersection

The intersection of 50th Avenue and 50th Street is arguably downtown Yellowknife's prime intersection – its “100 percent corner”. Sutherland's Drugs, CIBC Banking Centre, the Franklin Avenue-facing section of the Centre Square Mall, and the buildings on the north side of Franklin Avenue (from 5004 Franklin Ave. to 5014 Franklin Ave. i.e. Bijou Boutique, Ice Blink, Hairada etc.) comprise the strongest concentration of traditional storefront buildings in downtown Yellowknife, with relatively large display windows and a concentration of retail uses. The Consultant Team recommends that new retail development and physical improvements initially be concentrated in the area within two blocks of this intersection, then gradually expand block-by-block along Franklin Avenue.

- **Storefront design:** Traditional downtowns/main streets are characterized by continuous street front retail units, with large display windows that subtly blur the distinction between the public space of the sidewalk and the private space of the business, encouraging pedestrians to browse and to come inside. Yellowknife's Downtown Area is an anomaly in that there are very few retail storefronts. This is not just physically obvious; it also shows up in comments from visitors (many of whom do not perceive downtown Yellowknife to be a retail or dining district) and from area residents.
 - **Improve storefront window displays:** The first, and easiest, step to take is to encourage business owners throughout downtown Yellowknife – but particularly in the concentrated area within two blocks of the 50/50 intersection – to improve the design of their storefront window displays. Ideally, the window displays of retail businesses should be changed at least twice monthly, displaying new merchandise and encouraging window-shopping.

Ground-level personal and professional service businesses, which often veil their offices from public view with curtains or window blinds, can and should also be encouraged to improve their ground-floor window displays in order to make the experience of strolling along the sidewalk a more pleasant and engaging one for pedestrians. A bank or investment firm might display a moving stock market ticker, for example, or a professional services business might adhere images (historic photos or contemporary artwork, for instance) printed on large sheets of clear vinyl

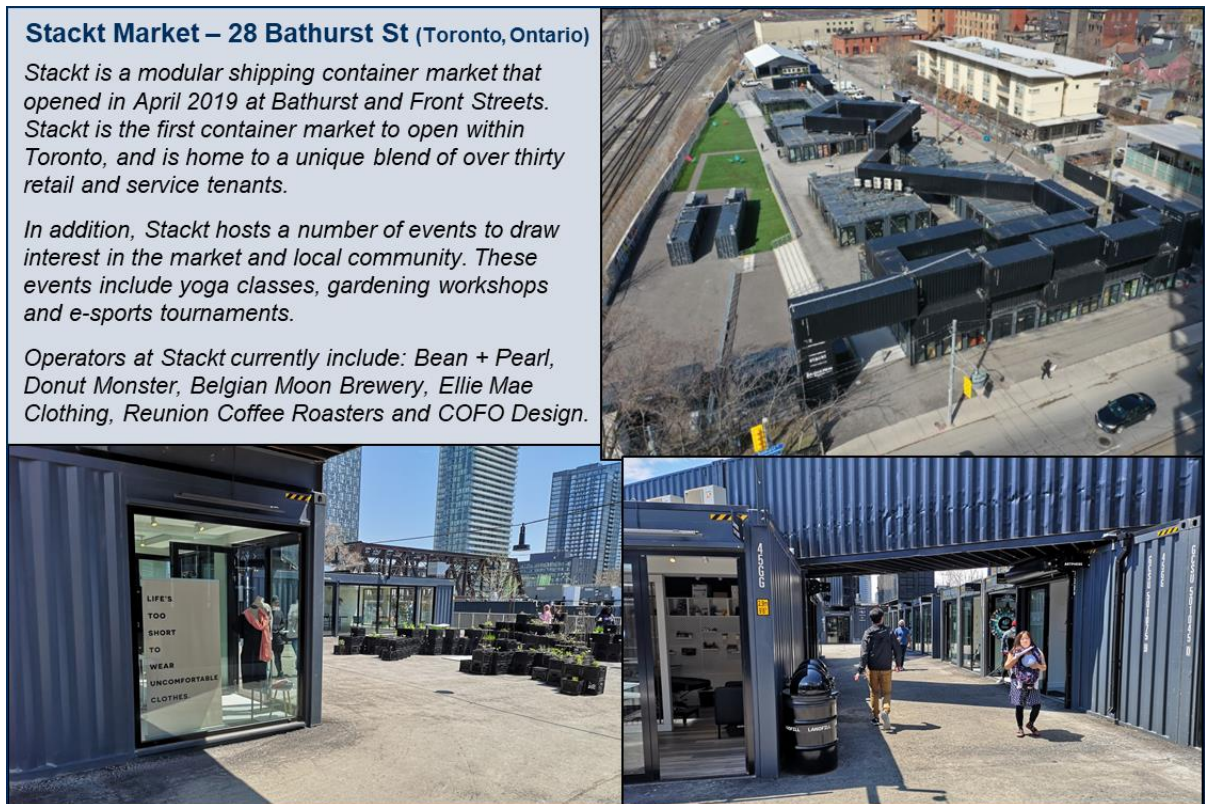
to their windows, with the business’s interior lighting providing back-lighting for the images. Or a business might display artwork from area schools – or provide window display space to local non-profit organizations. The Theatre might consider installing façade-mounted poster boxes, promoting current and upcoming films and events.

There are several online resources available to provide inspiration and tactical information on storefront window displays. Visual Merchandising and Store Design (www.vmsd.com), an international trade publication, is a good starting point.

Many communities encourage and support storefront window display improvements by offering periodic window display competitions, maintaining a shared inventory of props and lighting, and providing occasional workshops on display design.

- **Provide ambient light from storefront windows:** By leaving storefront window lights on throughout the evening, Downtown Area businesses can provide ambient light for the district’s sidewalks, improving safety (and the impression of safety).
- **Redesign storefronts:** For the mid-term, the Consultant Team recommends that the City develop a program to encourage property owners to redesign their street-level storefronts to enlarge or create storefront display windows. The program might provide voluntary or mandatory design guidelines, free architectural guidance to property owners, incentive grants, grants for energy-efficient features, and similar services to stimulate improvements.
- **The 50/50 Lot:** Unlocking the potential at the 50/50 lot has been the focus of Downtown Area development for years. The most recent consult report (theia Partners, *Creating Vibrancy in Downtown Yellowknife: 50/50 Site and Beyond*) views the site through the lens of creating something “*that would be a major benefit to the City and to the downtown*”. The report also recognizes that development on the site would not be a panacea to the challenges being faced by the Downtown Area. While we agree with this latter point, the Consultant Team does not necessarily agree that development at the 50/50 lot needs to be a major benefit to the City and to the Downtown Area. The Consultant Team believes that the inability to develop the lot has been influenced on the perception that a grand vision and development is required. Several specific ideas to consider regarding the 50/50 lot:
 - With respect to the 50/50 lot, we recommend that new development, when it eventually occurs, sets the street edge with zero-setback storefronts and activates the sidewalks through traditional storefronts. This could begin with temporary interventions, such as using shipping containers to create a container market, then be replaced at some point

by permanent new development consisting of traditional street-facing storefronts.

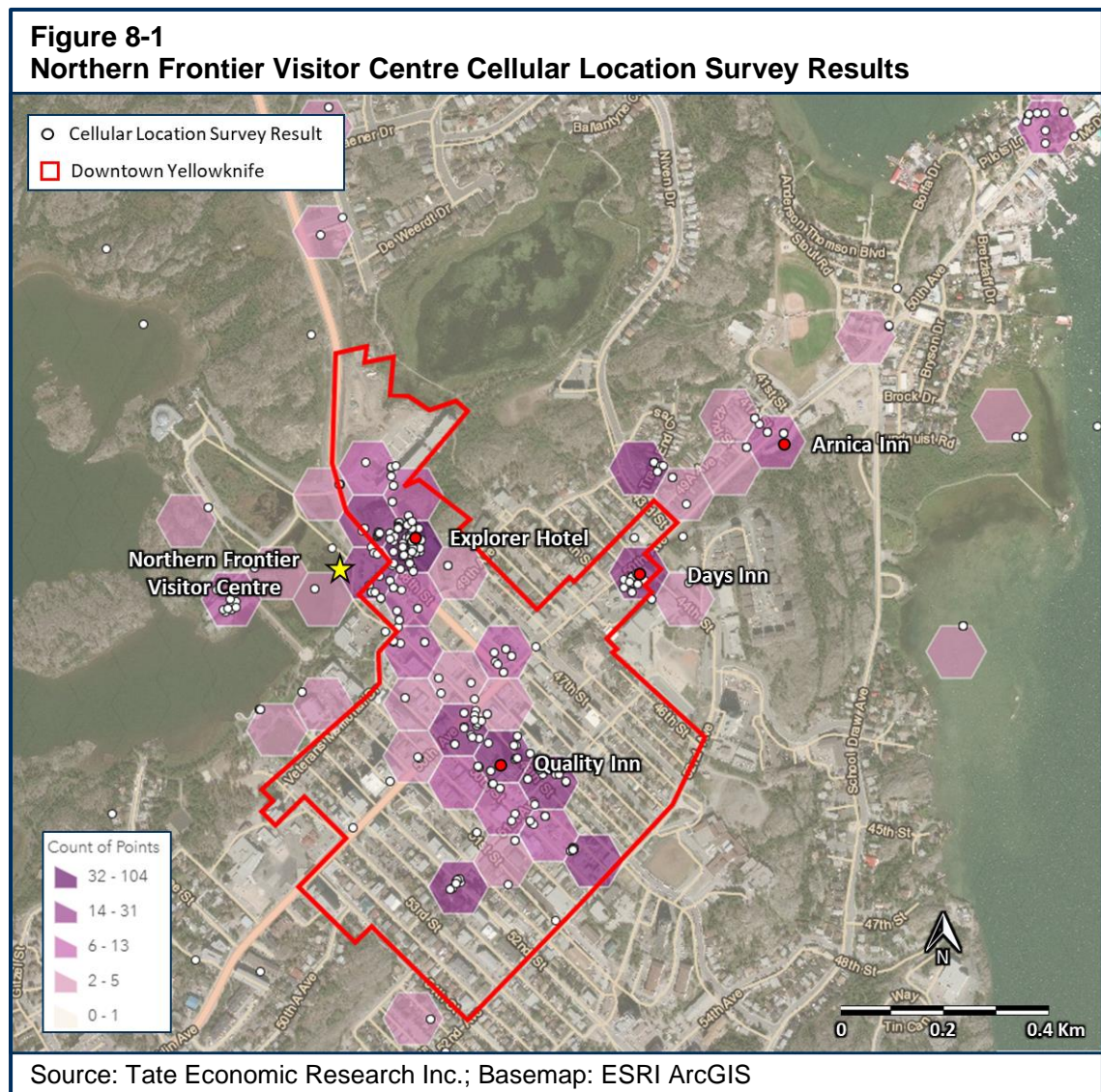


- Consideration should be given to relocating the Yellowknife Visitor Information Centre to the 50/50 Lot. The Visitor Information Centre is a major tourist destination in the City of Yellowknife. Statistics provided by the City indicate there were approximately 25,000 visitors to the Visitor Centre in 2018. The Visitor Centre has an international draw, with the majority of customers originating from beyond Canada, particularly from Asia.

The Consultant Team has analyzed Cellular Location Survey data for the Northern Frontier Visitors Centre. The Northern Frontier Visitors Centre closed on May 15, 2017. Cellular Location Results were examined for the period of January 1, 2014 to May 15, 2017, the date it closed.

Cellular Location Survey Results data was obtained for all devices 2 hours before and after visiting the Northern Frontier Visitors Centre. Figure 6-3, below, shows the results of this analysis. The cellular location data indicates that the majority of visitors come directly from and / or return to their hotel. There are significant clusters of points surrounding the Explorer Hotel, Quality Inn / Centre Square Mall, the Days Inn, and the Arnica Inn. There is also significant clustering in Old Town. This

analysis indicates while the visitor centre generates significant traffic there is very little benefit to the downtown as a whole.



- The City might explore the possibility of a land exchange, of sorts, with the REIT that currently owns Centre Square Mall, swapping the 50/50 lot for the Mall and making the 50/50 lot available for new retail/mixed-use development (with the requirement that new development conform with retail-friendly design principles, such as zero-setback placement and provision of display windows and recessed, weather-friendly entryways). Enclosed downtown shopping centres have not been very successful over time, primarily because of the importance of street visibility for retail businesses. This is a similar scenario with Centre Square Mall in that its shops are inward-facing, with no street visibility (other than the very few shop spaces that front onto Franklin Avenue). The Consultant Team therefore suggests that the City consider adapting the inner portion of the

Centre Square Mall for a public use, such as a library, visitors' centre, school, or medical facility – a use that does not require a high level of visibility from the street.

- Retaining City ownership of the 50/50 lot, with development taking place via a long-term land lease, might provide the City with long-term benefits and with greater control over the quality of development. For instance, revenue from the land lease might help capitalize a Downtown Area revitalization fund. Furthermore, the City might retain some space in the new development to provide subsidized storefronts for a period to high-priority new businesses.

8.3.2 Strategy 2: Make the Downtown Area more visitor-friendly

Yellowknife currently attracts at least 115,000 visitors annually, and this number has considerable potential for strong growth. But the Downtown Area is difficult for those not familiar with the location of specific businesses to navigate. There are very few wayfinding signs directing visitors to key attractions. The presence of a large number of homeless people appears to frighten tourists, discouraging them from shopping. Unlike many other downtowns, there is no visible cluster of restaurants or retail businesses. The Consultant Team therefore recommends actively making the Downtown Area more visitor-friendly. Some possible activities might include:

- Placing business directories and promotional literature about downtown Yellowknife in area hotels and Airbnb rooms
- Improving Downtown Area directional signage
- Working with area hotels to offer shuttles from hotels to downtown Yellowknife during dinner hours
- Encouraging area restaurants to offer deliveries to area hotels
- Placing “welcome!” signs, in a variety of languages, in Downtown Area storefront windows
- Working with Downtown Area retailers and restaurants to source high-quality, locally made products from area artisans and crafts people that might be of interest to visitors (and that are easy to pack or ship home) and that are unique to Yellowknife

8.3.3 Strategy 3: Alleviate symptoms of social challenges within the Downtown Area

The core social challenges themselves are difficult to solve and require specialized expertise from the social, health, housing and law enforcement sectors. However, it is imperative that the negative impacts of these challenges on downtown Yellowknife's commercial performance be minimized. The key is ensuring that the homeless and those suffering with substance abuse be treated with compassion while also

aggressively keeping the Downtown Area's physical environment clean and safe. For the purposes of making downtown Yellowknife conducive to retail growth, there must be greater emphasis on public cleanliness and safety. This is, in essence, an issue separate and distinct from that of solving the underlying social challenges.

Many downtown revitalization programs throughout North America and Europe have grappled with nearly identical challenges. Among the actions that the Consultant Team believes might be useful in downtown Yellowknife:

- Providing one or more public restrooms in alleys and/or other secondary public spaces for use primarily by those experiencing homelessness and addiction
- Pressure-washing the Downtown Area's sidewalks and other public spaces early every morning
- Engaging dedicated maintenance staff to keep the Downtown Area's sidewalks and public spaces clean
- Improving exterior lighting, particularly in alleys and other secondary spaces throughout downtown Yellowknife
- Installing a network of exterior security cameras that are monitored 24/7 by security personnel
- Increasing police visibility in the Downtown Area

The International Downtown Association in the US and the Association of Town and City Management (formerly called the Association of Town Centre Management) in the UK have excellent resources and experience databases available on the topic of providing a clean and safe downtown environment for shoppers and downtown residents while also acting with compassion and responsibility to address these and similar social challenges.

8.3.4 Strategy 4: Establish a professionally staffed Downtown Area management organization

The City of Yellowknife devotes some municipal staff time to some aspects of Downtown Area management (such as public safety), and there are several private-sector organizations that organize some Downtown Area activities and events. But no single entity is officially tasked with guiding or assisting with business or property development or with marketing downtown Yellowknife. The Consultant Team believes that such an organization would be highly advantageous for downtown Yellowknife, playing a central role in all three of the strategies outlined above.

A Business Improvement Association (BIA) might be a logical organizational model. While the concept has been discussed and rejected in downtown Yellowknife in the past, the Consultant Team recommends that it be reconsidered, particularly considering the growing social problems with which downtown Yellowknife is grappling. Some of the business and property owners who participated in the

consultant team's April 9th stakeholder sessions mentioned that they now spend \$400-\$600 each per month to clean up feces, urine, blood, and trash left on or near their property by homeless people. This amount exceeds the contribution a business or property owner might expect to make to support a BIA or other downtown revitalization/management initiative.

While a Business Improvement Association (BIA) is the most common type of downtown management entity in Canada, it is not the only downtown management option. In the US, the Main Street Programme is the most popular downtown management model, with nearly 2,000 towns and cities participating.

The Main Street Programme has been brought to Canada at various times over the past 40 years by the National Trust for Canada, which offered a similar program – Rue Principale – in the 1980s and now offers Regeneration Works, and by the Ontario Ministry of Agriculture, Food, and Rural Affairs (OMAFRA), whose Downtown Revitalization Program advocates creation of a volunteer Management Committee, representing a broad range of downtown stakeholders, and several working groups, each focusing on one of the four areas of work advocated by the Main Street Programme (design, organization, promotion/marketing, and economic development). But a community need not be part of an umbrella organization like the National Trust or OMAFRA to launch an independent Main Street Programme; any community can choose this organizational model. Some key characteristics:

- The organization should be guided by a volunteer board of directors representing a broad range of district and community stakeholders.
- It should have several strong working committees, one for each of the district's major strategic imperatives, and access to specialist volunteers who can provide guidance on architectural design, urban design, marketing, visual merchandising, public relations and other necessary subjects.
- It should have full-time professional staff to manage the day-to-day activities needed and to help ensure that the committees and specialist volunteers are on track and moving forward in carrying out the organization's strategies.
- It should be financially supported by both the public and private sectors, with fund raising the responsibility of the board of directors (not the staff).
- Its work should be guided by strategic plans of 3-5 years in scope, with the plan adjusted annually to reflect activities completed and emerging opportunities. The strategic plan should serve as a litmus test for deciding which activities the organization should pursue, with a tight focus on activities that most directly advance the strategic imperatives.

Consideration should also be given to adjusting the boundaries of the Downtown Area to make it more compact. From a retail commercial perspective, the current boundaries of the Downtown Area are extensive and do not reflect the realities of actual geographic function of the Downtown Area.

8.3.5 Strategy 5: Make the Downtown Area investment more attractive than Old Airport Road investment

The decline of downtown Yellowknife’s retail base is influenced by the development of new retail space on Old Airport Road. Reining in commercial development outside the CBD will be difficult – but, to some extent, it is likely to be crucial to rebuilding a strong retail base. Online sales and tourism can, to an extent, supplant locally generated sales - but this increases the risk of the Downtown Area becoming a tourist-serving district rather than a resident-serving district.

While development or the relocation of stores from the Downtown Area to Old Airport Road should not be punitive, there should be some consideration of incentivising development in the Downtown Area versus other areas of Yellowknife. These incentives could be in the form of property tax breaks or fast track development approvals. The next section outlines some additional tools that could potentially be offered only to Downtown Area businesses.

In addition, minimum store size zoning could be considered for Old Airport Road. In Ontario, many municipalities enact minimum store sizes in non-downtown areas to dissuade smaller retailers from leaving the downtowns. An example of a minimum store size zoning on a development parcel could include a minimum store size of 3,000 square feet with an exception of 2 stores between 500 and 1,000 square feet on individual development parcels.

8.4 Tools and incentives to stimulate and support business development

For the past three years, the City of Yellowknife has spearheaded a program to provide three new businesses with free downtown space for one year. Since 2017, five businesses have opened in downtown Yellowknife as a result of the “Win your space YK” program. The program provides small business coaching to interested entrepreneurs, with finalists selected by a jury through a Dragon’s Den-like competition. In addition to receiving technical assistance and the storefront space, the winning business receives up to \$10,000 in start-up money from the Northwest Territories’ Business Development and Investment Corporation’s Business Development Project Fund. This program has been very successful in both the creation and support of new business in the Downtown Area in partnership with the YK Chamber, GNWT and BDIC.

The City of Yellowknife also offers five years of property tax abatement (declining in 20-percent increments each year) for brownfield remediation, heritage preservation, and development of parking structures – but this benefits commercial property owners and developers, not business owners or entrepreneurs.

There are currently several additional development incentives in place that are, or could be, used to support Downtown Area business development:

- The Government of Northwest Territories offers SEED (Support for Entrepreneurs and Economic Development) grants of up to \$25,000 for

business start-ups and for certain types of business support. Grants require a 30 percent equity match for Level 1 communities (Yellowknife, Hay River, Inuvik, and Fort Smith).

- Northwest Territories' Business Development and Investment Corporation offers small grants of up to \$10,000 "for start-up expenses, expansion, raw materials (for arts and crafts production) and short-term projects that create employment" to businesses with annual revenues of \$500,000 or less. It also offers grants of up to \$3,000 for accounting software, accounting services, and succession planning. And, it provides loans for businesses unable to obtain loans elsewhere, venture investments, and loan guarantees (via a standby letter of credit).

We suggest that the City, or a Downtown Area management entity created with the City's support for the purpose of guiding Downtown Area revitalization, augment these incentives with several new ones to encourage development of high-priority Downtown Area businesses. A few possibilities and examples:

- **A forgivable loan program:** Several North American towns and cities have created forgivable loan programs to encourage development of high-priority businesses, as identified by market research. For example, the City of Waterville, Maine, offers five-year forgivable loans of up to \$50,000 USD for high-priority downtown businesses. Entrepreneurs must pay an application fee of \$250 USD – then, once approved, pay annual interest on the forgivable loan. Each year that the business remains active, the City reduces the loan principal by 20 percent. The loan agreement also includes requirements that help businesses and the overall district succeed, such as operating for a minimum of 48 hours weekly and changing the storefront window display at least twice per month.
- **A deferred loan repayment program:** Businesses with high start-up costs (like restaurants), businesses requiring large inventories, and small, equipment-intensive craft-focused manufactures, often need special assistance in order to weather the first several years of operation. A city government can assist by paying the debt service on a business's first several years of start-up loans from a local financial institution, with the debt repaid to the city by the business at the end of the loan term. This relieves the financial pressure of loan repayment while the business is developing its clientele.
- **Crowdfunded equity:** Crowdfunded equity is now one of the fastest-growing small business development equity markets. In brief, people contribute equity to a business entrepreneur or to a business owner interested in growing and, as with all equity investments, share in the business's success. Hundreds of downtown businesses in North America and Europe have been capitalized with crowdfunded equity using online platforms. With the guidance of a Downtown Area revitalization/management organization, downtown Yellowknife might be able to raise community equity to help capitalize new, high-priority businesses and to help existing Downtown Area businesses interested in expanding.

8.5 Conclusions

Downtown Yellowknife has unique challenges and opportunities. Unlike most downtowns, Yellowknife does not have a traditional main street with continuous retail frontages that lends itself to the creation of footfall traffic and therefore, animated sidewalks and general retail vitality. The lack of a traditional main street is a function of how the Downtown Area developed over time and would be very difficult to rectify. Considering this, revitalizing the retail in the Downtown Area will require several smaller incremental steps that can be expected to result in the creation of a small node which can then be the jumping off point for further success.

In terms of creating a viable node, the most logical location to focus on is the intersection of 50th Avenue and 50th Street. As summarized in this report, development on the 50/50 lot does not need to be a panacea for the entire Downtown Area, rather the goal is to create continuous retail frontages and seeding the beginning of a viable node.

Developing the 50/50 lot is just one of a number of recommendations. There are several incremental steps that can be taken that are critical to the success of the Downtown Area regardless of the status of the 50/50 lot. These recommendations have been outlined in this report.

While there are significant challenges, there are also several opportunities. The City of Yellowknife has a captive market and a thriving tourism industry. This is an important point, as many municipalities struggle with generating demand whereas the City of Yellowknife has demand (both local residents and tourists) to achieve downtown retail success. Many Yellowknife retailers recognize that it is a challenge to operate a successful retail business and that multiple product offerings and revenues streams are required in the current retail environment. There is also a strong entrepreneurial spirit in Yellowknife, as evidenced by the retail hustle of many of the existing retailers.

Appendix A – Cellular Location Services Data

The Consultant Team has utilized cell phone location services data to identify the customer draw of the following locations:

- Your Independent Grocer – 250 Old Airport Road
- Walmart – 313 Old Airport Road
- Your Independent Grocer – 4910 Franklin Avenue
- Boston Pizza – 5201 48 Street
- NWT Brewing Company – 3905 Franklin Avenue
- Northern Frontier Visitor Centre – 4807 49 Street

The cellular location services data is anonymized, permission-based data collected from location enabled mobile devices. Each smartphone has a Unique Device ID and a Common Evening Location (“CEL”). The Unique Device ID represents an identifier for each specific device, and the CEL is derived from where each device spends the majority of its time at night. All of the unique devices were recorded between January 2014 and March 2019. Cellular location data was recorded between January 2014 and May 2017 for the Northern Frontier Visitor Centre due to its closure.

List of Figures

Figure A-1: Your Independent Grocer – 250 Old Airport Road

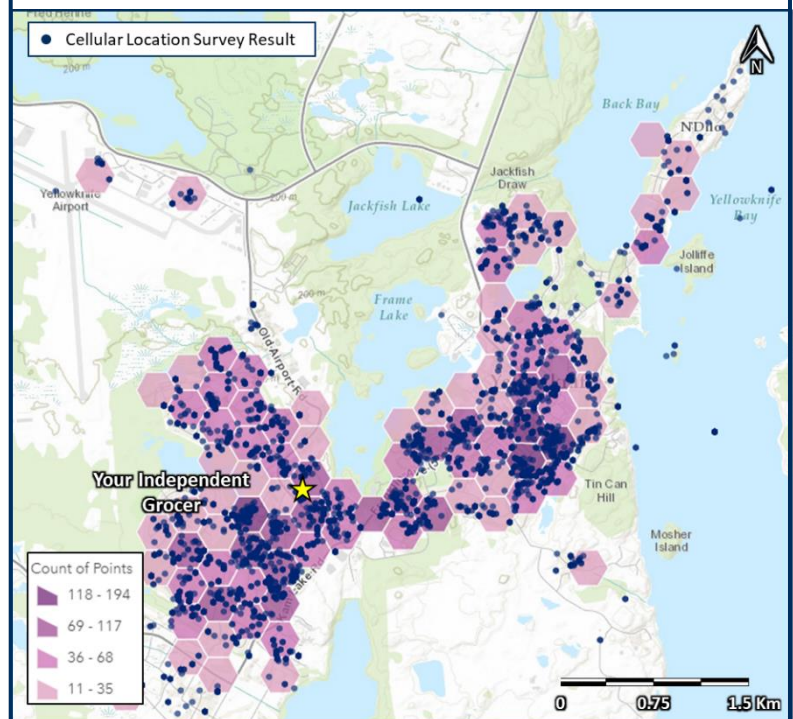
Figure A-2: Walmart – 313 Old Airport Road

Figure A-3: Your Independent Grocer – 4910 Franklin Avenue

Figure A-4: Boston Pizza – 5201 48 Street

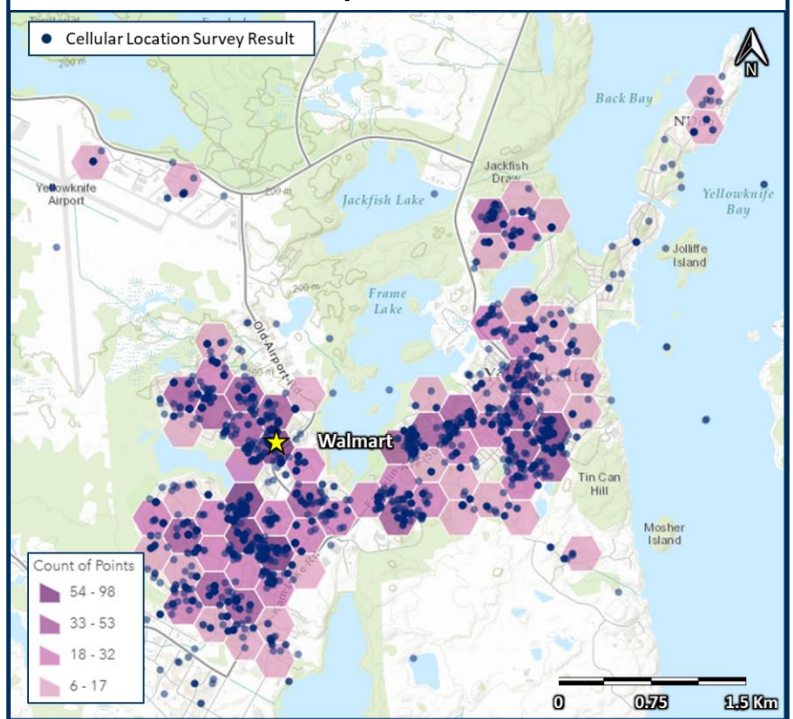
Figure A-5: NWT Brewing Company – 3905 Franklin Avenue

Figure A-1
Your Independent Grocer @ 250 Old Airport Road



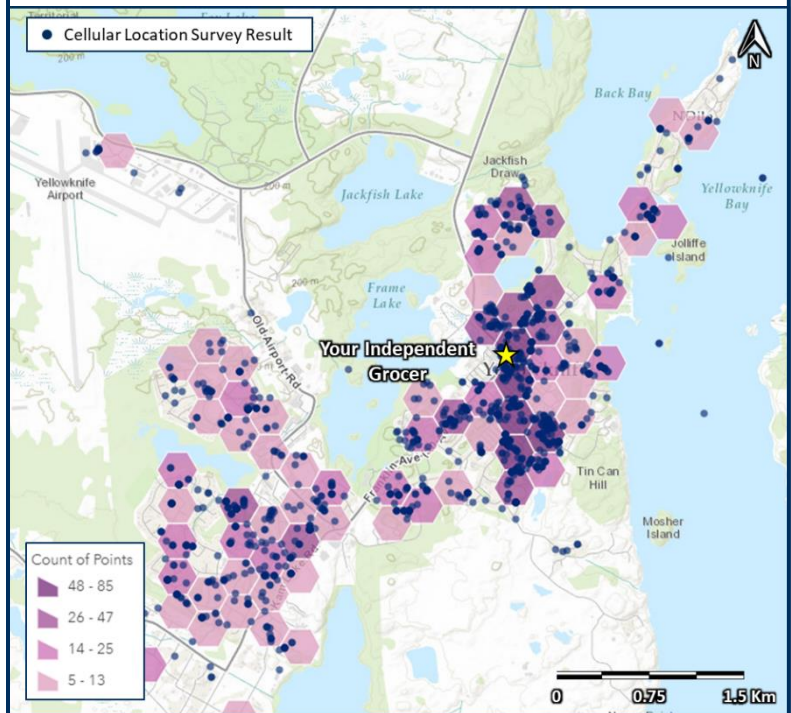
Source: Tate Economic Research Inc.; Basemap: ESRI ArcGIS

Figure A-2
Walmart @ 313 Old Airport Road



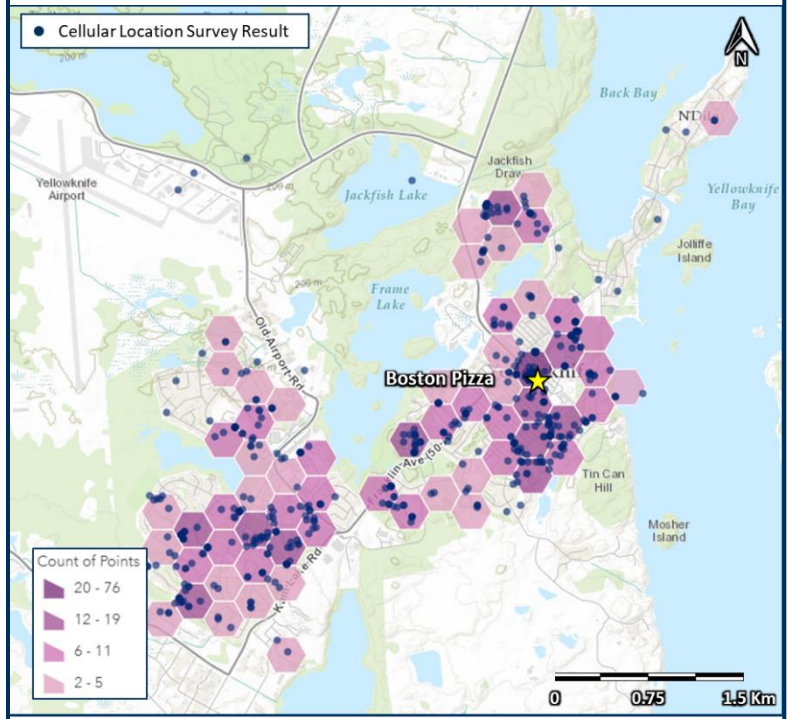
Source: Tate Economic Research Inc.; Basemap: ESRI ArcGIS

Figure A-3
Your Independent Grocer @ 4910 Franklin Avenue

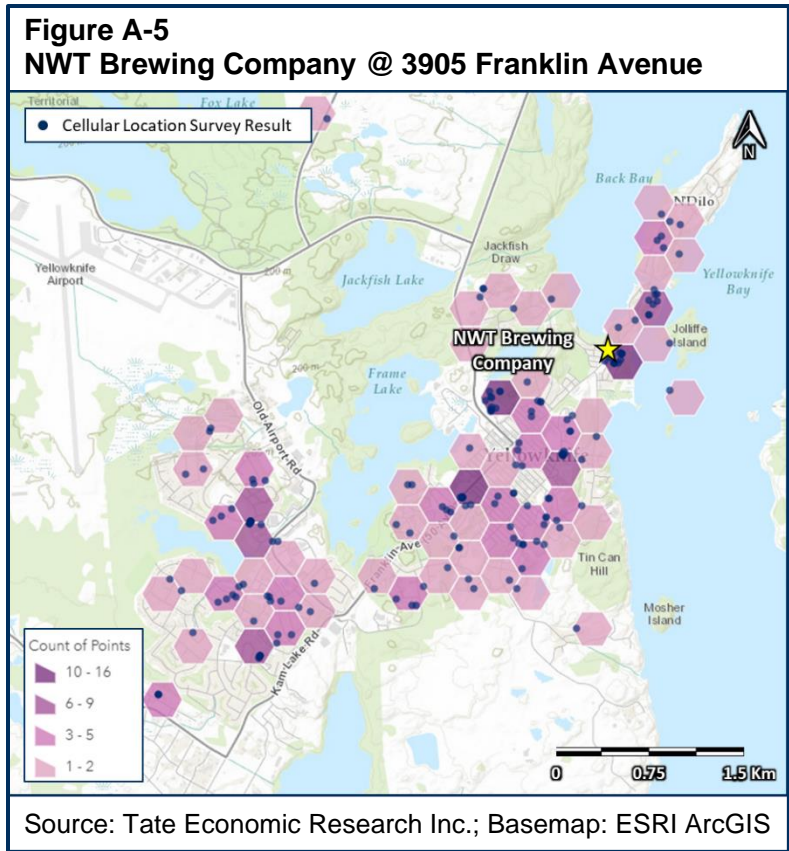


Source: Tate Economic Research Inc.; Basemap: ESRI ArcGIS

Figure A-4
Boston Pizza @ 5201 48 Street



Source: Tate Economic Research Inc.; Basemap: ESRI ArcGIS



Appendix B – Stakeholder Summary

A key part of any retail study is understanding the local perspective. In partnership with City Staff, the Consultant Team has undertaken a comprehensive stakeholder engagement strategy. The stakeholder engagement strategy includes interviews with key stakeholders, public engagement sessions, and a public survey. The following appendix summarizes the results of the stakeholder engagement.

Stakeholder Engagement Sessions

Stakeholder sessions were held on April 9, 2019 at City Hall. Sessions were led by TER and CLUE staff and were monitored by City staff. There were two sessions: one beginning at 11am and the other beginning at 6pm. The sessions were promoted on the City website and through the Chamber of Commerce. The range of attendees included Downtown Area residents, employees, business owners, landowners and other interested community members. There were several attendees at the sessions. In addition, there were follow up comments submitted to the City that were reviewed by TER.

Detailed notes were taken during the stakeholder sessions. The following points summarize our interpretation of the primary themes that were discussed during the sessions.

Downtown Area has Declined:

- Shopping downtown used to be an occasion. Saturday shopping was an important part of the community. Not anymore; and
- The Downtown Area was better and there were more stores with a broader selection in past. We have seen the relocation or closure of stores such as Canadian Tire and others.

Downtown Area Appearance:

- Bring back a sense of pride to the Downtown Area;
- The Downtown Area is dirty – needs more and cleaner garbage receptacles, cigarette butt containers (better and more). Cigarette butt receptacles need to be better quality and sturdier than those used in the past;
- Need a cleaner Downtown Area – need to remove the rough edges and make it more welcoming;

- Dark and gloomy much of the year – cleanliness and brighter colour buildings would help; and,
- City's role should be to clean up. This is not / should not be the responsibility of landlords and tenants. Opportunities for students / summer employees to clean and / or power wash the sidewalks.

Security:

- Social challenges are the greatest problem. Homelessness, aggression, fear, safety;
- Until the social problems are controlled, Downtown Area is hard to fix. People are afraid to come to the Downtown Area. There are people who will not come to the Downtown Area with their families because they perceive it to be unsafe;
- Restaurants have kept doors locked to screen potential customers;
- Bank of Montreal relocated out of Centre Square Mall due to security issues. It is perceived that other businesses have relocated for the same reason;
- Violence / attacks on street are an issue. It is being reported in the news;
- Shelter / sobering house creates social problems. How do we shift it away from downtown; and,
- Need more police presence. Under funding for police. Change in role.

Business Challenges:

- Lack of affordable / appropriate retail space. Need ground floor, walk in retail space;
- Need transit improvements;
- Business is expensive to build / operate / heat and pay taxes on. There is an unfair mill rate burden on businesses; and,
- Biggest problem for some businesses is staffing. It is difficult to find / train / keep staff in Yellowknife. Safety has also been an issue with staff.

Retail Opportunities / Gaps:

- Retail is not clustered, there are no shopping areas;

- Downtown Area needs to be more centralized. Too dispersed – no concentration of restaurants / entertainment (Ice District in Edmonton is good example);
- There are specific gaps in terms of retail and food. There is an opportunity for ready made / prepared meals, clothing, galleries, baker, butcher; and,
- Lots of people work downtown, leave right after work. There is little selection to keep them downtown. Some employees have safety concerns after office hours are over.

Tourism Opportunities:

- Opportunities for co-op, artists, crafts. Asian tourists are looking for “intriguing, independent, indigenous”;
- Opportunity for cultural tourism, YK Dene, local arts and crafts, art workshops, wood carving on Main Street;
- Tourists mill about, looking for something to do;
- Pop up shops for tourists/locals;
- Need a proper visitor centre and signage to promote it. Can it be relocated to its previous location;
- Banff example of a tourist high street. There is an opportunity for a similar experience here, in terms of tourists;
- Tourism has increased greatly in recent years. The retail offerings have not kept pace. There is an opportunity to ask the tourists what they want;
- Federal government has stopped marketing tourism in China – Aurora will peak in 2 or 3 years. Terrific opportunity; and,
- It is important to remember that the Downtown Area was thriving before tourism. Tourism is important but is not a requirement for success.

Other Comments:

- There are government incentives for businesses to start up. However, its hard to find space. Some landlords require long term commitments, which are difficult for new businesses;
- The “Win Your Space” program has been successful. There are other home businesses out there that could operate in space within the Downtown Area, if space was available;
- There should be a disincentive to keep properties vacant for long periods. There are examples from other municipalities where taxes / levies are charged on vacant space; and,
- Absentee landlords are an issue. For example, Esso has limited involvement with their vacant site – it is not considered a priority. Centre Square Mall in particular is challenging due to its ownership and perceived lack of interest in leasing space at affordable rates.

Public Survey

A public survey was conducted using PlaceSpeak, a location-based community consultation platform frequently utilized by City Staff. The survey was available online from March 25 to April 15, 2019 and received 134 responses. The survey contributed to a more comprehensive understanding of the role and function of downtown Yellowknife and identified a variety of challenges and opportunities.

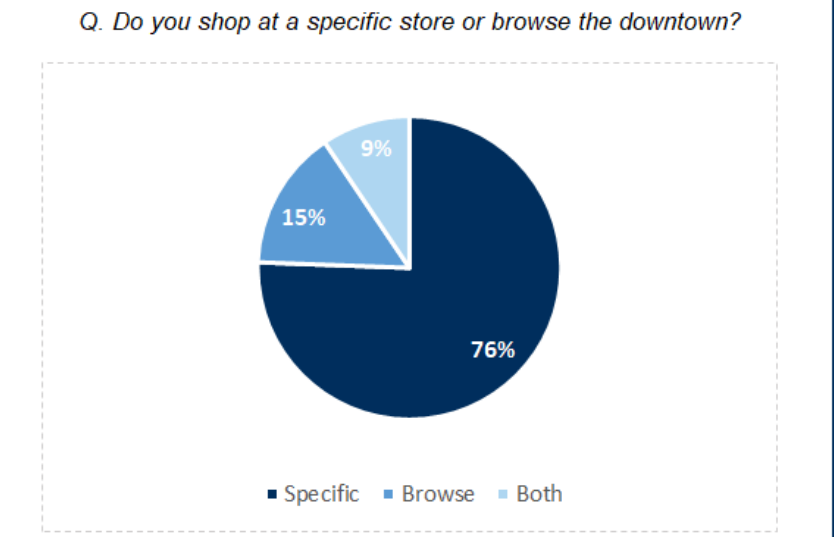
Figure B-1		
Description of Downtown Yellowknife		
<i>Q. What three words come to mind when you think about Downtown Yellowknife? (n=124)</i>		
Key Themes	Count	Distribution
Dirty	54	15%
Empty/Vacant	52	14%
Unsafe	31	9%
Homelessness	31	9%
Unattractive	22	6%
Bad	20	6%
Drunkenness	19	5%
Parking	12	3%
Potential	11	3%
Walkable	11	3%
Work	8	2%
Convenient	8	2%
Neglected	12	3%
Local	7	2%
Other Negative ⁽¹⁾	47	13%
Other Positive ⁽²⁾	14	4%
Total Responses	359	100%
Source: Tate Economic Research Inc. 1) Other Negative includes terms that are vague but generally negative in nature. This includes words such as 'infested', 'cold', or 'avoidance'. 2) Other Positive includes terms such as community, unique, and diverse.		

Figure B-2		
Description of Downtown Yellowknife		
<i>Q. What do you like best about Downtown Yellowknife? (n=119)</i>		
	Count	Distribution
Compact / Walkable	30	27%
Local Businesses	23	21%
Community	13	12%
Nothing	12	11%
Restaurants	11	10%
Mix of Stores	8	7%
Nature / Parks	8	7%
Potential	8	7%
Convenience	6	5%
Flowers	5	4%
Total	112	100%
Source: Tate Economic Research Inc.		

Figure B-3
Downtown Area Role and Function

Q. In a typical month how often do you shop downtown? (n=126)
 Average Number of Downtown Shopping Trips 9

Q. In a typical month how often do you dine-in or take out food from downtown restaurants? (n=120)
 Average Number of Restaurant Visits 5



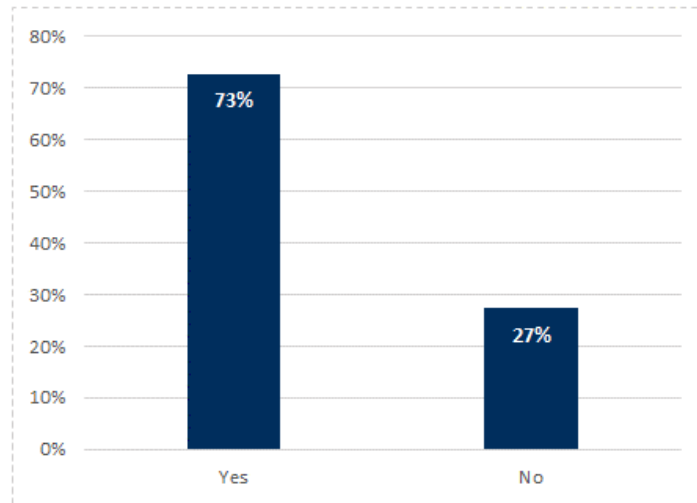
Q. If a specific store, which one store do you shop at most often? (n=133)

Category	Count	Distribution
Supermarket	48	42%
Drug Store	30	26%
Clothing	12	10%
Book Store	6	5%
Other Retail	14	12%
Other Service	5	
Total Responses	115	96%

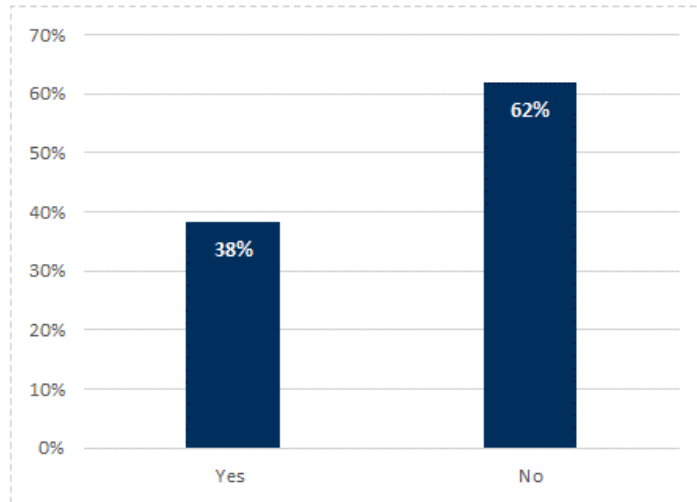
Source: Tate Economic Research Inc.

Figure B-4
Downtown Area Employment

Q. Do you work downtown? (n=127)



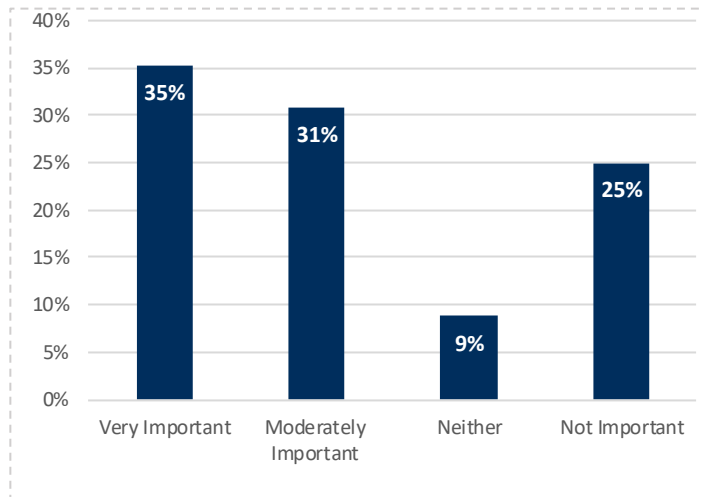
Q. Do you typically shop at lunchtime? (n=109)



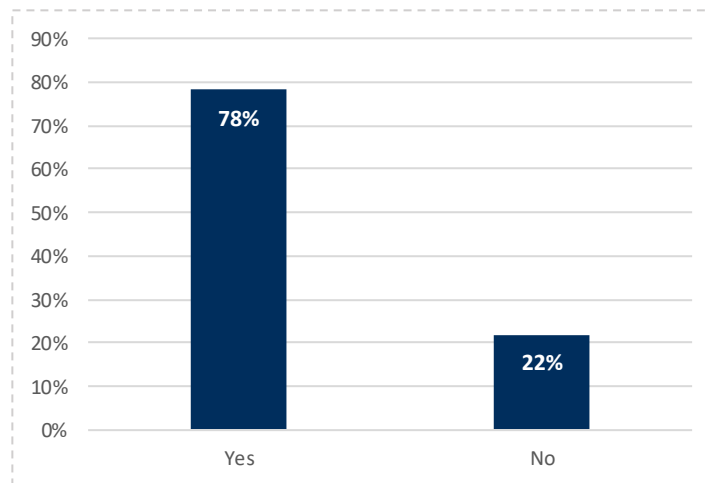
Source: Tate Economic Research Inc.

Figure B-5
Transportation

Q. How important is parking to the downtown shopping experience? (n=127)



Q. Do you consider Downtown Yellowknife walkable? (n=127)



Source: Tate Economic Research Inc.

**Figure B-6
 Transportation (Cont'd.)**

Q. Why do you consider downtown walkable? (n=86)

Theme	Count	Distribution
Compact	55	64%
Safe Sidewalks	10	12%
Convenient	1	1%
Good Parking	1	1%
Accessible	1	1%
Total	68	100%

Q. Why don't you consider downtown walkable? (n=25)

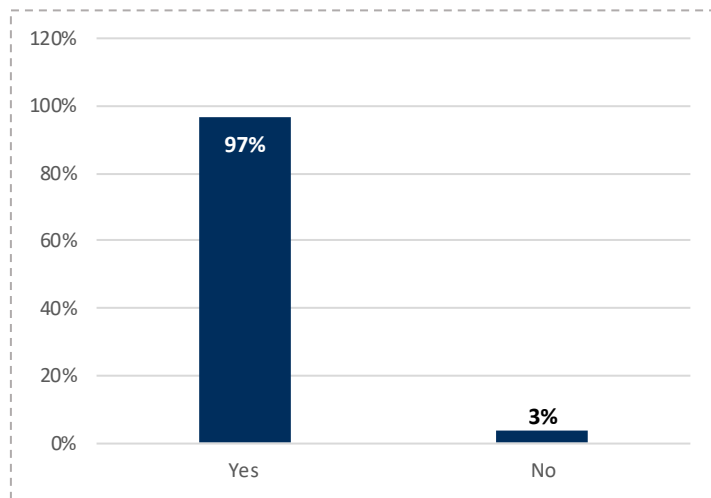
Theme	Count	Distribution
Unsafe	16	56%
Dirty	8	32%
Homelessness	7	28%
Drunkenness	5	20%
Empty / Vacancy	5	20%
Unsafe Sidewalks	4	16%
No Parking	3	8%
Other Negative	3	4%
Total	51	100%

Source: Tate Economic Research Inc.

Figure B-7 Downtown Yellowknife Opportunities		
<i>Q. Name the top 3 stores or services you would like to see in Downtown Yellowknife: (n=111)</i>		
Category	Count	Distribution
Food and Beverage		
Restaurant / Bar / Café	59	29%
Supermarket / Specialty Food	23	11%
Food and Beverage Subtotal	82	41%
Retail		
Clothing	48	24%
Miscellaneous Retail	25	12%
General Merchandise	8	4%
Gas Station	6	3%
Home Furnishing / Electronics	4	2%
Home Supply	1	0%
Retail Subtotal	92	46%
Services		
Other Service	21	10%
Personal Care	2	1%
Health / Social Assistance	3	1%
Financial	1	0%
Service Subtotal	27	13%
Total	201	100%
<i>Q. Downtown Yellowknife would be better if: (n=113)</i>		
Address Social Issues	46	32%
Safer	15	10%
Cleaner	11	8%
Improve Aesthetics	9	6%
Improve the Mall	8	5%
Development	7	5%
More Storefronts	7	5%
Increase Variety of Retail	9	6%
More Green Space	5	3%
More Public Spaces	7	5%
Reduce Vacant Space	8	5%
More Parking	4	3%
Other	10	7%
Total	146	100%
Source: Tate Economic Research Inc.		

Figure B-8
Compaing the Uptown and Downtown Shopping Experience

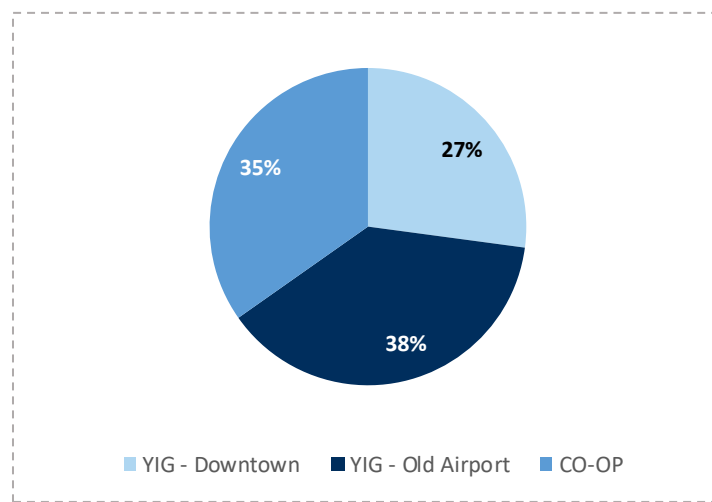
Q. Do you shop in Uptown Yellowknife? (n=118)



Q. In a typical month how often do you shop in Uptown Yellowknife?
 (n=103)

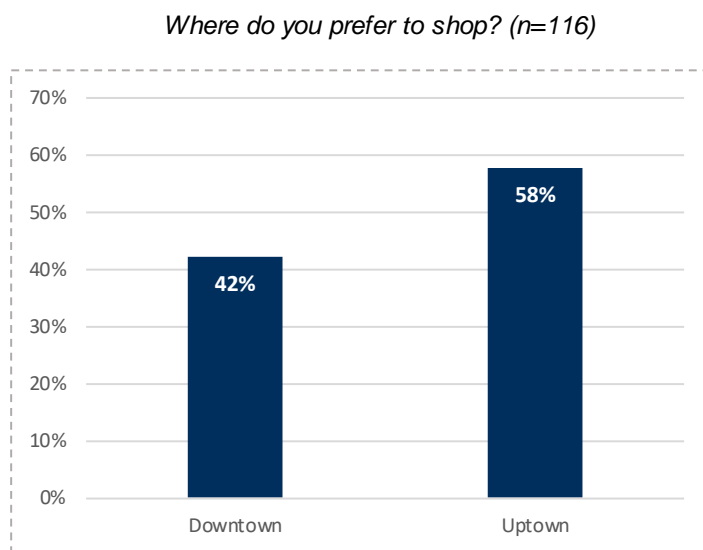
Average Number of Trips 10

Q. Which single grocery store do you shop at most frequently? (n=118)



Source: Tate Economic Research Inc.

Figure B-9
Comparing the Uptown and Downtown Shopping Experience (Cont'd.)



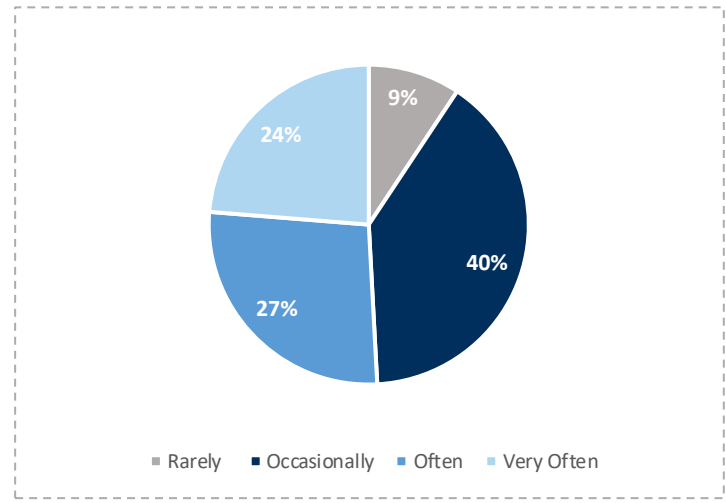
Why do you prefer to shop there? (n=114)

Key Theme	Count	Distribution
DOWNTOWN		
Location (Close to place of residence or work)	39	53%
Walkable	18	24%
Support Local	10	14%
Accessible	3	4%
Community	2	3%
Atmosphere	2	3%
Total	74	100%
UPTOWN		
Location (Close to place of residence or work)	27	26%
Fewer Social Issues	18	17%
Parking	17	16%
Cleaner	12	11%
Variety / Better Stores	20	19%
Safer	11	10%
Total	105	100%
<i>If the same store was in both Uptown and Downtown, which would you go to? (n=116)</i>		
Uptown	48	41%
Downtown	68	59%

Source: Tate Economic Research Inc.

**Figure B-10
 Online Shopping**

How often do you shop online? (n=118)



Are there things you can buy in Yellowknife that you purchase online? (n=118)

	Count	Distribution
Yes	59	50%
No	59	50%
Total	118	100%

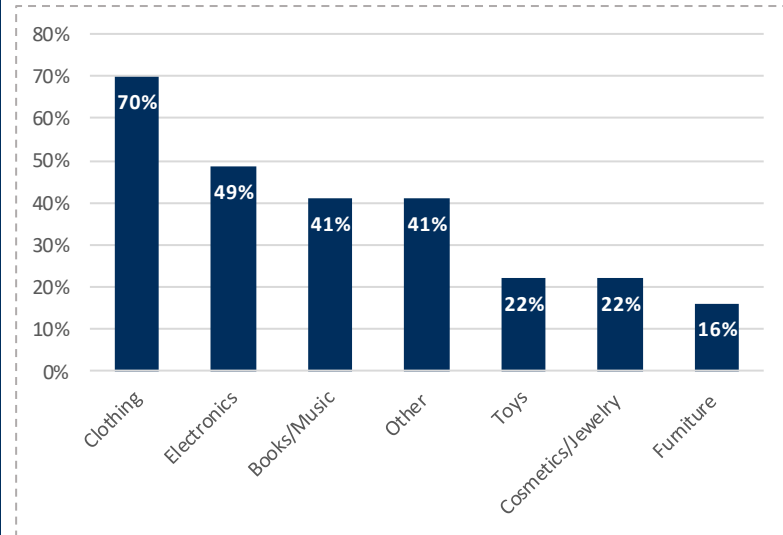
Why do you shop online? (n=51)

Price	32	43%
Selection	26	35%
Convenience	11	15%
Quality	2	3%
Unpleasant Shopping Atmosphere	2	3%
Service	1	1%
Total	74	100%

Source: Tate Economic Research Inc.

Figure B-11
Online Shopping (Cont'd.)

What do you typically purchase online? (n=133)



Source: Tate Economic Research Inc.

Figure B-12 Public Survey

Downtown Yellowknife Survey Questions

Theme: What is the downtown shopping experience?

1. What three words come to mind when you think about Downtown Yellowknife? (one word per line only, please)

1.

2.

3.

2. In a typical month how often do you shop downtown?

Enter number of shopping trips

3. Do you shop at a specific store or browse the downtown?

Specific Store Browse

4. If a specific store, which one store do you shop at most often?

5. In a typical month how often do you dine-in or take out food from downtown restaurants?

Enter number of times

6. Do you work downtown?

Yes No

7. If you answered yes to question 6, do you typically shop at lunchtime?

Yes No

8. How important is parking to the downtown shopping experience?

Very Important Moderately Important Neither Not Important

9. Do you consider Downtown Yellowknife walkable?

Yes No

Why or why not?

Response:

10. What do you like best about Downtown Yellowknife?

Response:

Source: Tate Economic Research Inc.

**Figure B-13
Public Survey (Cont'd.)**

Theme: What could make Downtown Yellowknife Better?

11. Name the top 3 stores or services you would want to see in Downtown Yellowknife.

- 1)
- 2)
- 3)

12. Fill in the response to "Downtown Yellowknife would be better if...":

Response:

Theme: Comparing the Uptown and Downtown shopping experience.

13. Do you shop in Uptown Yellowknife?

Yes No

14. If answered yes to question 13, in a typical month how often?

Enter number of shopping trips

15. Which single grocery store do you shop at most frequently?

- Your Independent Grocer – 4910 Franklin Avenue
- Your Independent Grocer – 250 Old Airport Road
- CO-OP – 321 Old Airport Road

16. Where do you prefer to shop and why?

Uptown Yellowknife Downtown Yellowknife

Why?

17. If the same store was in both Uptown and Downtown, which would you go to?

Uptown Yellowknife Downtown Yellowknife

Why?

Source: Tate Economic Research Inc.

Figure B-14
Public Survey (Cont'd.)

Theme: Online shopping.

18. How often do you shop online?

Rarely Occasionally Often Very Often

19. Are there things you could buy in Yellowknife that you still purchase online?

Yes No

If Yes, What?

If Yes, Why?

20. What do you typically purchase online?

Clothing

Electronics

Toys

Cosmetics/Jewelry

Furniture

Books/Music

Other

Source: Tate Economic Research Inc.