



## **Creating Vibrancy in Downtown Yellowknife: 50/50 Site and Beyond**

### *Introduction and Purpose*

The purpose of this report is to supplement a presentation delivered on July 9th, 2018. It is intended to provide high-level strategic guidance on four topics:

- Positioning 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.

This work comes out of a genuine desire by the City of Yellowknife to improve the quality, vibrancy and resiliency of the downtown. Initially we were approached to look at a plan for the 50/50 Lot. Our initial explorations of the 50/50 lot led us to believe that downtown revitalization led to two conclusions:

- 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.



Our brief report is not intended as a stand-alone document, but rather it should be understood as a primer or a supplement for an in-person presentation, talking about the future of downtown revitalization in Yellowknife.

### **Advisement on Positioning the 50/50 Lot for Success**

The 50/50 Lot is located in a very strategic location in the heart of Yellowknife's downtown. Currently, the lot exists as a surface parking lot, hosting garbage bins, and can be a location for public drinking or vagrancy. The City had acquired the lot with the intention of ultimately leveraging it to support the vibrancy, attractiveness and economic competitiveness of the downtown.

Our initial exploration led to two key findings:

- There are not any obvious public uses with funding ready to take advantage of the site and develop it in a way that would be a major benefit to the City and to the downtown; and
- Currently, the site is so encumbered, that it makes it unappealing to pursue redevelopment.

Without being able to find a shovel-ready anchor tenant, the emphasis needs to turn to setting the conditions for the 50/50 lot to become the most attractive site for the right kind of development anywhere in Yellowknife. As a land owner, the City should be asking themselves the question: how do we make this the preferred site in the City for a potential anchor end-user at this strategic site?

Without knowing who the anchor end-user might be, it would be key to look generically at how to improve the competitiveness of the site. Competitiveness can be improved by making the sites quicker to develop, improving the flexibility of the site for different



end-users, and/or putting in place development conditions that are favourable to other comparable sites. Concrete steps to improve the attractiveness of the site should include:

*Step 1:*

*Have Yellowknife City lawyers review the caveats/easements to ensure the bulk of the site is developable.*

Currently the site has a series of encumbrances that could restrict development potential. A potential buyer, particularly one looking to move quickly, will certainly move on to another site that is less encumbered, rather than gamble on the assumption that they will be able to favourably negotiate terms on agreements that are not particularly well-defined.

Consolidating access to the adjacent land-owners into one loading/servicing area, would dramatically clean up the site and provide for much more interesting development potential.

While negotiating, it likely makes sense to see whether it is possible to link the 50/50 site into the adjacent development to complement the mall, office, retail and library spaces. The City should also review the caveat blocking the development of a hotel on the site. The tourism economy is strong in Yellowknife, and this site is well-located for that kind of use. Ultimately a boutique hotel could be complementary to Yellowknife's existing offerings. We would describe this a relatively low-priority, but in the interests of making the site more desirable, it makes sense to try to accomplish this at the same time.



It is in the best interest of adjacent land-owners to see the 50/50 site redeveloped successfully. A high-quality use on that site would raise the value of their assets, and would also help drive positive traffic for the overall area. Staying a vacant lot, particularly one with vagrancy and loitering issues, depresses real estate values for everyone, and does little to improve the viability of the mall, the hotel, or adjacent office uses.

*Step 2:*

*Upzone the property and get it ready for a great user.*

Yellowknife is currently in the enviable position of being able to proactively upzone the 50/50 site. In the development industry, time is money, and if needing to choose between a pre-zoned property that accommodates intended usage, or one that requires a full rezoning (and price being equal), the developer will choose the site that has zoning in place and a quicker path to construction.

The challenge is that currently no intended final user is known, and therefore the required height, building form, and type of use is also unknown. We recommend creating a zoning envelope that allows for maximum flexibility while protecting broad City interests. What this looks like in practice would be:

- maximize height – allow for the greatest possible height the City feels comfortable with, knowing that is a maximum and not a minimum;
- use ‘form-based’ zoning, instead of restrictive usage for most of the building – instead of being too prescriptive with the type of usage, aim to be as broad and inclusive as possible to accommodate a wide-variety of uses. Only restrict those uses that have a real and defined bona fide reason to be restricted (e.g. adult



- entertainment). The ground floor should be animated in some fashion, but it could be retail, institutional, or publicly accessible commercial. Form based zoning would focus on ground floor ceiling heights suitable for retail, a regular rhythm of building openings, and a significant amount of fenestration on the ground floor;
- allow for flexibility within the zoning envelope – generally the interest of the regulator is to regulate, with a temptation to define a series of generous step-backs in the building and set-backs from the neighbours and other restrictions that drive building form. Not knowing the end-user, there is a risk that well-intended zoning provisions make for unworkable floorplates or otherwise hamper the development. If in doubt, aim for greater flexibility and rely on site-plan provisions or contractual provisions with a known end-user to enforce more specific provisions.

The added bonus of upzoning a property is that it creates additional value for the property, thereby improving the City's investment in this parcel. Ad hoc upzoning of City property on a regular basis can be a friction point for private-sector competitors (due to an inherent advantage of the landowner and the regulator being the same entity), but assuming that this is a one-off for a strategic parcel the reward is worth the risk of criticism.

*Step 3:*

*Explore the right use of incentives to foster redevelopment.*

It is common practice in North America to alter development charges and/or property taxes in different areas to incentivize desired development. Ottawa and Gatineau both have different examples of successful incentive programs that helped spur development in strategic areas. Up until several years ago, Ottawa offered a waiver of development charges for residential development downtown. For decades, downtown had been the



preserve for federal government office buildings, almost to the exclusion of anything else. On evenings and weekends downtown became a ghost town with little to no pedestrian traffic, many shops closed or having limited hours, and almost no life and vibrancy.

In the early 1990's, several of the existing older residential buildings that did exist in the core were actually being transformed into office, further exacerbating the problem. The waiver of development charges for residential projects, combined with a reduction in building permit fees, was quite successful. A new wave of condominium and mixed-use residential buildings came on stream, ultimately resulting in over 4000 new residential units being added in the core in a little over a decade. That program changed the face of the downtown, and greatly improved the vibrancy, the viability of restaurants, the desirability of downtown, and the walkability of the community. Ultimately the program was sufficiently successful that it could be safely shut down, development charges and permit fees returned to normal, knowing that downtown had become a sufficiently attractive neighbourhood for residential development that it required no further incentives.

The Ville de Gatineau took a different tactic, but also aiming to increase residential development in the core in the former city of Hull (now the downtown of Gatineau). Downtown Gatineau is full of history, some wonderful retail-lined streets, and a heavy population of civil servants. Unfortunately, up until recently, it had a definite shortage of high quality residential offerings relative to the number of jobs located downtown. The Ville de Gatineau looked to incentivize downtown development by offering a property tax waiver up to 9 years for qualifying residential buildings. Buildings with green building certification (LEED) were eligible for longer property tax rebates than non-green buildings. After twenty years of decline, the incentives helped spur on an unprecedented downtown residential boom, primarily high-quality purpose-built rental, but also a couple of condominium buildings (typically a waiver of property tax for a set period will be more effective at driving rental activity as it is more difficult for a



condominium developer to monetize property tax rebates as the benefit accrues to the owner of the unit and not directly to the developer or builder).

Expedited permitting is another incentive used by different jurisdictions in certain areas to increase the attractiveness of development. This is particularly appealing in jurisdictions that have long and onerous permitting processes, and may not be applicable to Yellowknife.

*Step 4:*

*Animate the site*

The City of Yellowknife has done a decent job ensuring the site is clean and presentable. There is some minimal landscaping, and some artwork on the wall. The location is definitely enviable, at the heart of downtown. We recommend that the City of Yellowknife make it well known that the site is available for \$1 a day (plus any cleaning costs) for any civic use; that could include arts and music, busking festivals, pop—up markets etc. Through animating the space, you start to familiarize the City with the location as more than a parking lot. The large parking lot area is likely non-competitive with the more polished plaza in front of City Hall.

It has become relatively common in major urban centres to have pop-up uses that go beyond tents and market stands. The National Capital Commission, recognizing a lack of vitality along the canal waterfront, issued an RFP for quasi-public uses that were temporary (1 year) in nature. Respondents were responsible for carrying their own costs to set up and operate, but paid no rent, and were able to be a for-profit enterprise. The end-result were some modest installations, one of which has continued on as a popular patio spot for a drink along the Rideau Canal. It has become common in Toronto, Vancouver, Montreal etc to see converted shipping containers used as small cafes/bars, for tourism promotion, or as micro-retail outlets (Old Port of Montreal is one example,



see also the proposed Stackt Market in Toronto). The 50/50 site could be ideal for this type of use, getting the site animated quickly and easily, and providing an additional downtown draw with very little City investment.

*Step 5:*

*Get realistic.*

Currently the 50/50 site is surrounded by a very underwhelming mall and some bars that are unpolished. The mall has been in slow decline for some time, with the split ownership model discouraging reinvestment. It may be that the home-run, civic building, community animating, highly sustainable building that fixes downtown's woes is some time off in the future. The City should continue to work with the mall owners to encourage investment. Neighbouring properties should be upzoned to encourage disposition and redevelopment. Investments in combatting homelessness and addiction should continue, being cautious not to overburden specific communities where reinvestment is desirable. Getting people living downtown will be helpful for all sites as that supports local retail and food and beverage offerings, even in the months where tourism is slow. A policy review should be conducted to determine what barriers may exist to downtown residential development, and whether incentives could help spur that kind of investment.

### **Advisement on a City Development Company**

The City of Yellowknife, like all growing and ambitious cities, has over the years acquired some interesting parcels of land. Some parcels, like the 50/50 lot, were acquired not for public infrastructure projects, but rather for broader strategic City objectives related to vibrancy, quality of life, economic development and so on. Historically, the City has been deeply involved in the land development business, creating subdivisions, servicing and selling lots, and has started the process of acquiring downtown parcels. The City is





now asking the question as to what extent it wants to be in the real estate development business, aside from the ancillary disposition of surplus lands as occur from time to time in the running of a City.

For this discussion, we are focused primarily on the role of the City as an urban developer. The City has longstanding involvement in the creation of new subdivision land development on the fringes of the City. Whether that is a wise and appropriate use of City resources is beyond the scope of this engagement. The question we focus on is whether the City should be in the business of acquiring and developing urban parcels in the interest of furthering downtown revitalization.

As it stands currently, the City of Yellowknife holds some interesting assets, has acquired assets for potential development purposes, but does not have a well-defined development strategy for the urban assets or a dedicated team with urban development experience responsible for their development. Many cities in North America, faced with the same questions as Yellowknife, have responded by forming a land development company. Best practices for these corporations are that they would be arms length entities, with their own board of directors, autonomous staff, and a responsibility to produce dividends to their sole shareholder; occasionally they are nested within the city bureaucracy as a separate department. Either way, they primarily serve two overarching purposes:

1. Furthering City policy objectives – this could be affordable housing, downtown revitalization, transit oriented development or otherwise;
2. Create an economic dividend for the city – leverage surplus land for top returns, returning funds to the city.

Although they are common, they are not always successful, and have often courted criticism. Common critiques include competing unnecessarily with the private sector, and an inherent conflict of interest as land-use regulator and real estate developer.



Inevitably, cities will always have a need for buying and selling land. Public infrastructure typically requires land, and change is always a constant, meaning previously needed parcels become surplus, or additional lots must be acquired to achieve stated purposes. The question is not whether the City should buy and sell land as required, but rather whether the City should be explicitly in the business of being a development company, buying and selling land not for public infrastructure per se, but for broader policy objectives and as a way to generate revenue.

#### **Decision-making framework for a City-Owned Land Co:**

To help the City in determining whether it is desirable to be in the land development business, we have formulated a series of questions that, once answered, will greatly inform whether the City of Yellowknife should be in the development business. Before embarking on the questions, it is helpful to look at a series of short case-studies of City owned land development companies to better understand how they typically operate.

#### *Case Study 1: Ottawa Real Estate Partnerships and Development Office*

The Ottawa – Real Estate Partnerships and Development Office (REPDO) helps dispose of surplus parcels from the over 4,000 lots of City owned land. REPDO deals with the acquisition of land for infrastructure projects, leasing of lands/buildings as available, and dispositions guided by City policy. A core element of REPDO is the Ottawa Community Lands Development Corporation which was set up in 2009. As a municipal services corporation, the City serves as the sole shareholder. And since it is a legally separate entity, the Corporation can enter into subdivision and development agreements with the City and with third parties when selling development lands that achieve specific project objectives. It has generally been effective in generating revenue while being sensitive to trying to create projects that fulfill community needs. While financial considerations are paramount, the Corporation is instructed to also create non-financial benefits for the City, such as social and cultural benefits.



A substantial team is in place of Directors and Advisors. The Development Office has not been without criticism, as some have suggested that the costs associated with the large office outweigh the gains, and the private sector would be more effective at entitlements on surplus parcels. In some cases, entitlements put in place by the City Land Development Corporation have not aligned with market expectations, and otherwise desirable lands have not sold, or sold with a discount relative to comparable parcels.

#### *Case Study 2: Surrey Development Corporation*

The Surrey City Development Corporation (SCDC) is one of the more successful, and high-profile examples of City owned development companies. SCDC has played a pivotal role in a series of exciting projects that have helped transform Surrey's brand.

SCDC's mandate is to help advance the City's financial, social, business and community goals through the development of the City's surplus land holdings, strategic acquisition of properties ripe for redevelopment, and the acquisition of income generating properties.

SCDC is described as undertaking the following activities:

- Real estate development projects on City-owned sites that help achieve the City of Surrey's objectives.
- Acts as a catalyst and facilitator to accelerate beneficial development throughout the City.
- Partnering with private sector partners on real estate development projects.



- Providing real estate consulting advice to help the City achieve its vision for the various neighbourhoods throughout the City.
- Provides an annual dividend to the City of Surrey.

Surrey provides a good example of the staffing required to successfully run a development company – an architect as a president, development managers and coordinators, excellent finance and accounting abilities. It exists as an arms-length development company, with its own Board of Directors, but only one shareholder (the City of Surrey). The Board sets direction, and insulates from direct government interference, but the SCDC is also required to go through the full approvals process. Even with the track record of success, and professional management in place, the SCDC has been controversial, and narrowly survived previous elections.

### *Case Study #3: Calgary Municipal Land Corporation*

The Calgary Municipal Land Corporation (CMLC) is an arms length development company, incorporated in 2007 as a wholly owned subsidiary of the City of Calgary. The CMLC was set-up expressly to implement and execute the Rivers District Community Revitalization Plan – a public infrastructure program approved by the City of Calgary and the Province of Alberta to kick-start Calgary’s urban renewal. Since its inception, the CMLC has overseen the development of the East Village, which as of January 2017 has seen CAD \$2.7 billion worth of investment since 2010. The CMLC has also been tasked with the redevelopment of Calgary's West Village, Stampede Park, Victoria Park, Olympic Plaza, Arts Commons, and Fort Calgary. [2]

CMLC has put their focus on areas the City would like to see revitalization and additional development. By investing in infrastructure, public realm, and visionary planning, the CMLC has been quite successful in attracting private sector development investments in strategic areas.



CMLC has their own staff, and an accomplished Board of Directors including the Mayor of Calgary. Primarily they have focused on large projects with major investments in public infrastructure and master planning; they are focused on land development, and then partnering with private sector development partners for vertical developments.

*Case Study #4: BUILD Toronto*

Build Toronto (Build) is the City of Toronto development corporation established in 2010 to maximize value of residual municipal land assets. Properties made available to BUILD are intended to achieve a series of objectives, including:

- attract targeted industries;
- stimulate desirable employment;
- regenerate neighbourhoods;
- advance development opportunities; and
- general financial return to the City.

An example of how BUILD typically works can be seen at 10 York Street; this parcel is a small triangle of land that was owned by the City and formerly leased for a parking lot. Build sought proposals to develop the land that resulted in an innovative joint venture. In its essence, the joint venture involved Build becoming partners with the developer Tridel. Build contributed the land in return for a proportionate share of development profits, assuming some risk for the potential for higher gain. Tridel delivered a LEED building in a profitable venture.

BUILD has an experienced development team, including in-house expertise on finance, project management, marketing, community engagement, human resources etc. They report directly to a Board of Directors that consists of City Councilors, developers, lawyers, and senior bureaucrats.



The four brief case studies above are only a small sampling of municipal land development companies in North America. Close to Yellowknife, Edmonton has been strongly considered a land development corporation. Edmonton has approximately 9,000 land holdings, dozens of which are high value and could potentially seed a development company. However, concerns about unfair competition with the private sector has kept a municipal development company on ice for now.

The successful municipal development companies share a number of characteristics:

- professional management with significant real estate development experience;
- an independent board of directors;
- a consistent supply of developable land; and
- a clear mandate, going beyond direct financial returns.

If Yellowknife wants to get into the urban development business, it would be important for the City to set itself up for success. Even those municipal development corporations are well run, return a consistent dividend, and deliver on City priorities find themselves targets for criticism, and often become election issues.

There are a series of questions the City need to ask that will inform whether the City should be in the development business:

*Question 1: Does the City of Yellowknife anticipate having sufficient volume of quality development parcels that would justify setting up a professional development corporation?*

Without a steady stream of development parcels, it is impossible to justify hiring professional management. Even if you could hire professional management, without a steady stream of projects it would be very difficult to retain top performers. In many cases, a large complicated urban parcel that requires deep city involvement becomes



the impetus for a municipal development company, knowing that parcel will provide a steady stream of work for a decade or more. It might be that the suburban work provides the foundation for a steady stream of development work, with the urban work being added to an accomplished and high performing team; either way, the City needs to ask themselves whether they can justify the investment in a dedicated development team that will be able to execute with confidence development plans for urban parcels.

*Question 2: Is the City willing to invest in fully staffing a development company?*

Looking at the case studies, the typical municipal development company is led by a seasoned development executive, supported by a multi-disciplinary team. Infill development is inherently complicated and contentious and having a competent and professional team is a must. Perhaps this team is already in place for the suburban land development projects? It is important to recognize that the ability to successfully execute on urban and vertical projects is significantly different skills and expertise than greenfield subdivision development work.

*Question 3: Are their particular challenges that would preclude the private sector from achieving our objectives relative to development?*

The most frequent criticism of municipal development corporations is that they unnecessarily compete with the private sector, exposing the municipality to increased risk while undermining economic opportunities for the City. To be able to justifiably respond to this criticism it is key that the municipal development corporation is accomplishing something the private sector is unable or uninterested in perform. This question leads to a series of other follow-on questions:

- Will the private sector develop downtown in the short-term future if economically viable opportunities present themselves?
- Will the private sector deliver on high-quality mixed-use buildings?



- Are there urban areas that are so blighted or so complicated that the private sector will not touch without significant municipal investment?

*Question 4: Is the City in the position to create clear guidelines for acquisitions and dispositions of real estate to ensure activities are aligned with City priorities?*

The best run municipal development corporations have clear mandates that allow them to deliver on City priorities while still being arms length and accountable to an independent board. It would be crucial for success that the City be able to define a very small number of key priorities that a development company would be responsible for delivering on; this could be affordable housing, bringing more people downtown, supporting the tourism trade etc. From our initial round of conversations it was not clear to us that there is immediate consensus around what the top priorities would be for a municipal development corporation.

It is important to note that even if the City does not pursue a City Development Company it does not close the door to all development activities. Low-risk, simple and straightforward development projects could be handled by internal staff on a one-off basis. The City will always be in the business of acquiring sites and building city infrastructure (municipal buildings, recreational facilities, structured parking etc). Failing a separate development company, these initiatives should be well thought through, risk managed, with the question asked as to whether there are other, easier, paths to achieving intended objectives.

### **Advisement on a Downtown Revitalization Strategy**

We were asked to provide high-level advisement on a downtown revitalization strategy, in particular by looking at successful case studies from other cities. Yellowknife is fortunate in that it already has the fundamentals for a good downtown. The downtown area is generally walkable, with a mix of uses including commercial office, hotels,





shopping and restaurants. High quality public realm has been invested in downtown and overall the area is safe and clean compared to many North American downtowns. However, downtown is not as attractive as it once was for real estate investment, is being surpassed by other areas of the City for shopping, and lacks a kind of excitement one would ideally want in a City.

It is important to note that we recognize the City of Yellowknife has some serious social issues that are reflected in downtown. We have heard from many citizens that social issues are a deterrent to the success of downtown. Our mandate did not include proposing solutions to these issues; our work is entirely focused on urban planning issues related to downtown.

From a high level, the key to any downtown revitalization is to ensure that downtown is the preferred place to develop. Excitement comes from activity and people. High quality public spaces lacking people or activities will generally come across as flat. Without people, no downtown can survive – retail and restaurants disappear quickly without a critical mass.

Looking at the City from an economic lens, encouraging downtown development makes perfect economic sense. There have been ample studies conducted that show consistently across the country that dense urban developments create revenue surplus for Cities, that subsidize lower density suburban development. It is much cheaper to provide city services in a dense format in the core, than it is in lower density suburbs. Creating the right conditions for development to flourish in the core is not just good for tourism, for quality of life, for City vibrancy etc, but it also makes good economic sense.

Ottawa and Gatineau are two classic cases where development stalled in downtown, aside from sterile government buildings. A decade ago, relatively little true private sector development was occurring, and almost no residential development. A few things happened to help create the conditions for a mini-boom downtown, and dramatically



more mixed-use that occurs today:

1. Development incentives: The City of Ottawa introduced a waiver on development charges downtown for residential developments. Given that the area was already fully serviced, the waiver of development charges was not as extreme as it might first appear. The Ville de Gatineau offered a waiver of property taxes, up to nine years, for residential development. This created an attractive climate particularly for rental projects that have difficulty cash-flowing in the early years following construction.
2. Revamping official plans - the Official Plan updates prioritized mixed-use development, provided greater opportunities for height, improved cycling and pedestrian experience in the core, and had a defined aim of creating livable downtowns;
3. Focusing on creating life – in both Ottawa and Gatineau, there has been a concerted effort to bring more life downtown. This has included funding skating rinks in the downtown, funding festivals and art events located downtown, and providing dedicated City resources tasked with improving vibrancy downtown.

We have a series of recommendations aimed at improving the downtown experience. Many of these recommendations overlap with the series of steps for the 50/50 site. Actions that help support development for a specific parcel, are often going to be the same kind of actions that support broader development. Some specific recommendations include:

1. Look to incentivize residential – people living downtown is increasingly understood as a cornerstone of any great downtown area. People living downtown support the retail and the food and beverage offerings. A strong downtown residential population provides eyes on the street during all hours, helping improve safety. People living downtown become the strongest advocates for downtown investment, helping drive improvements in public



realm. Yellowknife should be looking at development incentives for downtown residential development including expedited permitting, waiver of development charges, and/or property tax rebates. Often times, incentives are capped as a way to create some urgency through perceived scarcity. In the case of Gatineau, the amount of property tax rebates were limited to 10,000 units. The cap on units encouraged developers who were contemplating development to move quickly to secure the incentive while it was still available.

2. Provide some “sizzle” to your General Plan – the General Plan [Community Plan] is very well done. There is very little we do not agree with fully. The Plan is professional, well thought through, and appears to be developed with careful consultation. Unfortunately it is also a document that does not capture the excitement and the potential of Yellowknife. Small investments in renderings of key nodes, and some higher-reaching ambition can be a catalyst for others to start thinking of downtown as an exciting place to be. There are some small tweaks we also think that could help increase flexibility for downtown development. Currently, retail is required on the ground floor nearly everywhere in the downtown in order to minimize set-backs. Retail is a great tool to increase street-vibrancy, but if we are realistic we can acknowledge that not everywhere in the downtown is going to be suitable for great retail. We encourage a finer-grain approach, with an emphasis on maximizing flexibility to encourage downtown development, particularly residential. The upcoming Retail Revitalization Strategy will be a good opportunity to create policies related to downtown development in conjunction with the Community Plan review process.
3. Use pedestrian/cycle connectivity, combined with easy parking – there is a saying that ‘cars don’t shop’. Investments in excellent pedestrian experience, cycling infrastructure and good public realm have been frequent catalysts for downtown revitalization across North America. Given Yellowknife’s challenging climate, easy parking is also a requirement. In conducting retail studies for other developments, we have learned that once a place has a truly in-demand retail



scene, people will put up with a host of hassles and expenses to have that experience including limited parking; unfortunately, to create that vibrant scene typically requires cheap or free, and easy and convenient, parking to help stimulate that demand.

4. Commit to better design – as developers, we tread carefully with this recommendation. Too often, design review adds bureaucracy and stifles innovation. That said, the quality of design in downtown Yellowknife is generally lacking. The ground plane of buildings are not always inviting, the pedestrian experience is not always consistent, and too often the design detracts from the natural vibrancy and quality of experience as opposed to adding to it. In many cases, the urban planning has been excellent, with lots of examples of mixed-use buildings, retail at grade, and an emerging network of public spaces. A design review exercise for large buildings, that is efficient and pro-development, could be of assistance in ensuring design complements planning and vice versa. In some municipalities the design review process is actually undertaken by volunteers, who typically have experience with design, planning, or development. The recommendations are typically advisory and non-binding, but they do help inform planning approvals. Knowing that a design review process is in place can help raise the game for designers and developers knowing their projects are subject to a critique.
5. Seed a business improvement district – the City of Yellowknife has actively explored a business improvement district for downtown in the past. A business improvement district is a defined area where businesses have organized together, funded through a special levy, with a focus on improving the business viability in a defined area. Typically they provide events, improve aesthetics through planting/signage/banners, advocate for better crime prevention/improvement of infrastructure etc. The challenge with the traditional model is that it increases property taxes in the short term and can work at cross-purposes by making a struggling area less competitive (due to higher taxes) relative to other parts of the City. What we would recommend is that a BID is set



up, funded by the City for a short term (e.g. 3 years), to allow the organization sufficient time to become effective before adding tax burden. One of the most important roles of a BID in Yellowknife would be to be a strong advocate for solutions around vagrancy or homelessness in the downtown, as well as a strong private sector voice to building owners (such as the mall) who need to be investing to ensure the overall area reaches full potential. Small improvements in the pedestrian experience, in aesthetics, and in a few downtown events can make a significant difference in the viability of business downtown. We recognize that a BID would require the Territorial government to approve amendments to their legislation in advance of the City having the ability to move forward with this initiative. That work with the GNWT should begin immediately to at least give the City the flexibility to introduce a BID in the future. The other key element is to carefully define where the downtown BID would be located. The area needs to be large enough to have sufficient members, but defined enough to be an exciting downtown destination with shops, restaurants, cafes etc.

6. Carefully consider downtown surface parking – retail consultants will often say ‘retail likes retail’. What that means is the best retail areas have a contiguous retail experience. Traditional main streets have retail on both sides, generally uninterrupted except for potentially through animated squares, plazas or pocket parks. Surface parking lots generally break up retail nodes, and lessen the character of a neighbourhood. The City of Yellowknife has done good work in reducing parking minimums, providing greater flexibility on how parking is provided, and introduced allowances for provision of car share vehicles to reduce parking counts. We would encourage Yellowknife to continue to push to reduce or eliminate parking minimums while at the same time understanding that new businesses may need assistance to ensure customers can easily access their establishments. Over the last ten years we have seen an explosion of car free living. Whereas ten years ago it was almost unheard of for us to sell a residential unit without a parking stall, it is now common for buyers to go car



free in good urban locations. Yellowknife is not Toronto or New York when it comes to car-free living, but that trend is coming to the benefit of good urban form. Eliminating surface parking too quickly likely ends up hurting retail more than helping, but over the medium term, Yellowknife should aim to phase out large blocks of surface parking lots. Surface parking should be tucked behind buildings, accommodated on the street, or kept to the fringes of the downtown core. It would be critical to undertake a full parking study, aiming to ensure sufficient parking is provided in the short term, but in a manner more appropriate for a healthy downtown than frequent surface parking lots.

7. Invest in public realm – the Sombe K'e Civic Plaza was a tremendous investment in encouraging downtown development. It has helped bring life and vibrancy, increases quality of life, and provides opportunities for a regular rhythm of events. Focusing on a network of high-quality public spaces, tied together with an attractive pedestrian and cycling environment, will help ensure that downtown is the preferred place for investment. Yellowknife has done a good job of using a regular of rhythm of street trees, adding hanging baskets, and providing waste receptacles. Continue to invest in street improvements, including street furniture and public art to gradually improve the aesthetics of downtown.
8. Add density whenever possible - creating life, supporting retail, contributing to the viability of restaurants all relate to bringing people downtown. Where opportunities exist to add density (e.g. selling air rights over City infrastructure) to accommodate residential should be considered. Official plan reviews should include a focus on downtown development.
9. Aesthetic improvements –Yellowknife had a façade improvement program, but it did not appear to be successful in spurring on widespread aesthetic improvements. This program should be revisited to see how to drive broader uptake. Façade programs have proven to be an effective component of many downtown revitalizations. Demonstrating new investment in a downtown area can help spur on additional businesses to locate in the core, and encourage



other businesses to continue their investment.

10. Leverage the arts – there is a long history of the arts acting as a catalyst for neighbourhood revitalization. Artscape were the first tenants in the Distillery District helping to immediately create a sense of place, and helping populate the area with creative people. Granville Island was helped along by the Emily Carr University of Art and Design. The City of Cambridge experienced a downtown resurgence that was spurred by the relocation of the School of Architecture from the University of Waterloo. Yellowknife has a good arts scene, and a committee should be struck to determine how best to leverage the arts to help downtown, and how downtown can best be leveraged to help the arts.
11. Restrict supply elsewhere – it is difficult to greatly change the market in Yellowknife. Chances are, in the years to come, the demand for apartments and condominiums will grow in line with (more or less) historical averages. Where the City can have great influence is in shaping where those apartments and condominiums are constructed. Introducing new supply through re-zoning in areas where it may be cheaper and easier to build, undermines the attractiveness of downtown as a development destination.

### **Advisement on Economic Development to Drive the Downtown**

Perhaps the most critical piece of making downtown vibrant and exciting is to invest in successful economic development. Yellowknife has a slow and uneven growth rate, which makes ambitious plans for downtown residential development and vibrant retail challenging. Every city has a unique set of advantages and disadvantages in attracting investment, and Yellowknife is more unique than most. Yellowknife is remote, with a climate most of the world views as absurd; it is also a major arctic centre in a time when arctic studies are growing in stature and importance. Cold climates can be attractive for certain industries, including technology firms. Yellowknife has ample fresh water, an educated population base, experience with resource extraction and is a peaceful, prosperous city in one of the most successful countries in the world. It is time for



Yellowknife to fully exploit every advantage it has for economic growth.

Yellowknife does have an economic development strategy and has laid a solid foundation. We believe there is an opportunity to make the strategy bolder, more ambitious, and give it higher priority within the City to position it for success. We have four recommendations:

1. Make Economic Development a priority – perhaps the most important activity to drive economic development in Yellowknife is to raise the profile of the Economic Development office in the municipality. Currently the economic development function is shared within the Department of Policy, Communications & Economic Development. The City may want to consider a standalone economic development department, led by senior staff and reporting directly to the City Manager, with representation at the most important committees, etc. within the City. Currently, the Economic Development staff is split between economic development and communications. If it is to be a top priority, it needs to be positioned in the City as a priority with the associated resources and staffing additions.
2. Define top priorities where Yellowknife can be a global winner – the current strategy speaks to a couple of areas where Yellowknife can grow economically. Areas identified included mining and tourism, which are likely too broad of categories to really establish global leadership. We would prefer the City drill down further, and really create foci in areas where Yellowknife could become world-class. In our discussions, some preliminary examples brought forward included northern sustainable mining, emerging technologies that benefit from cold climates, post-secondary arctic studies, and Aurora themed tourism. These examples may not necessarily be appropriate, but they give an indication of the type of focus that allows a City to establish a niche in a global marketplace. Accepting a niche, understanding it, and prioritizing it, would provide the economic development team with the focus to pursue national and international





contacts active in that space. There may be modest investments that would dramatically improve competitiveness in that space. Having really defined priority areas could actually provide a use for the 50/50 site. If, for example, Yellowknife committed to being a leading City for post-secondary arctic studies, it could then start building a network of active institutions in that space, offering favourable terms for a downtown location.

3. Ensure everyone knows, and shares, top priorities – once the priority areas are well understood, look for opportunities to broadcast the message broadly. Ensure the economic development team is active on a national and international scale in events and forums working on those priorities. If the scale of current initiatives is expanding to the national and international level, the accompanying resources (staff and financial) must be considered;
4. Begin laying the groundwork for a geographic hub – a geographic hub for economic development can be a game-changer for the City. This hub could be, but does not need to be, the 50/50 site. As examples of wildly successful economic development hubs, Toronto has MaRS, Ottawa has the Innovation Centre, and Waterloo has Communitech. All of these hubs are oversubscribed, have been a collision ground for new ideas and promising start-ups, and have been economic success stories for the City they are located in. A successful hub might be years in the making. Conversations should be occurring with the business community, the Territory, and the Federal government to lay the groundwork for funding.
5. Due to the location of Yellowknife, the city should engage and work with logisticis companies to understand the barriers/impediments and opportunities available to a remote city. As an example, Iceland capitalized on its remote location to facilitate more "layover tourism" on trans-Atlantic flights by allowing air carriers to utilize smaller aircraft.