



Investing in Northern Ontario Downtowns

Value of Investing in Northern Ontario Downtowns

Prepared by the Canadian Urban Institute for the Ontario Trillium Foundation August 2014



Acknowledgements

CUI would like to thank the Ontario Trillium Foundation for financially supporting this important research and championing the Northern Ontario Downtowns edition.

CUI would also like to thank the following project partners for their ongoing support and commitment to this research.

PROJECT PARTNERS

- City of Greater Sudbury
- Downtown Sudbury BIA
- City of Sault Ste. Marie
- Downtown Sault BIA
- City of North Bay
- Downtown North Bay (DIA)
- City of Timmins
- Downtown Timmins BIA
- City of Thunder Bay
- Fort William Business District BIA
- Waterfront District BIA
- Lakehead University
- Algoma University
- Laurentian University
- Canadore College
- Nipissing University
- Cambrian College
- NORDIK Institute

CUI would also like to acknowledge the contributions of the following interns in researching and producing this report.

INTERNS

Crelene Duck	Algoma University
Andrew Carr	Lakehead University
Matthew Marsilli	Lakehead University
Erika Sagert	University of Toronto
Victor Lin	Ryerson University
Carmela A.	York University
Tyler Duval	Laurentian University
Tyler Venable	Nipissing University
Elysia Monahan	Canadore College
Kendall Dufoe	Canadore College
Wenjie Xu (Jackie)	Canadore College
Meghan Robidoux	Nipissing University
Charles Arbez	Ryerson University
Jordan Vanderhoeven	Ryerson University
Seemal Saif	University of Waterloo
Martin Marchiori-Wong	University of Toronto
Izzie Collier	University of Toronto
Cedric Henry	Algoma University
Tychon Newman Carter	Laurentian University
Kim Wakeford	Nipissing University/College Boreal
John Beckingham	Canadore College
Samantha Biglieri	Ryerson University
Hannah Nogiec	University of Toronto

STUDY TEAM

- Glenn Miller, Canadian Urban Institute
- Christine Meehan, Planner & Project Officer, Canadian Urban Institute
- Tom Weatherburn, GIS Analyst, Canadian Urban Institute

Contents

1. About the Study: Investing in the Value of Northern Ontario’s Downtowns.....1

2. Northern Ontario Downtowns Are Key to the Region’s Future.....2

8. Downtowns in Northern Ontario Share Many Characteristics with
Counterparts in the Rest of Canada.....8

13. How did the project work?.....13

15. Applying the 5 principles.....15

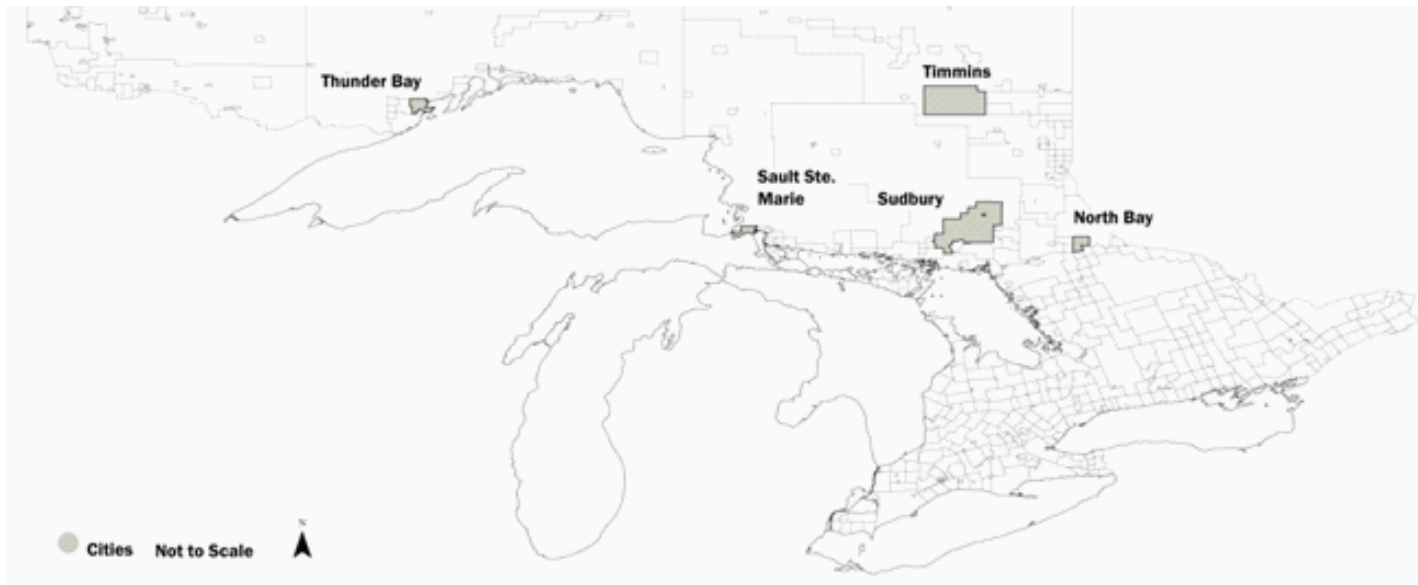
- Vision
- Visibility
- Prosperity
- Liveability
- Strategy

I. Appendix.....I

About the Study: the Value of Investing in Northern Ontario's Downtowns

The Northern Ontario Downtowns Project, made possible by funding from the Ontario Trillium Foundation, is a comprehensive community engagement and research initiative designed to help promote and illustrate the importance of Northern Downtowns (Thunder Bay, Sault Ste. Marie, Timmins, Sudbury and North Bay). Building on a nationwide study undertaken by CUI examining 17 downtowns across Canada (The Value of Investing in Canadian Downtowns), the goal of this project is to inspire and inform city builders and stakeholders about the innovation and opportunities for downtown revitalization.

THE LOCATION OF THE 5 NORTHERN CITIES IN ONTARIO



The project has also resulted in development of a web-based platform (www.DowntownsMatter.com) that will provide a platform for sharing study results and celebrating the value of investing in downtowns. The Downtowns Matter website will continue to grow as new research is conducted and shared, which will contribute to our collective knowledge of the value of investing in Canadian downtowns.

Northern Ontario Downtowns are Key to Region's Future

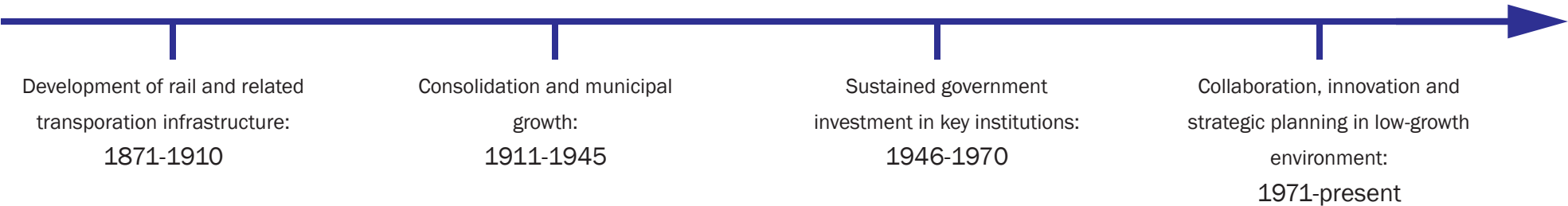
The starting point for the Northern Downtowns project was our belief that the downtowns of the five largest cities in Northern Ontario will prove to be at the heart of successful strategies to maximize the region's economic potential. Following intensive collaboration over an 18 month period with a wide variety of stakeholders in Thunder Bay, Sault Ste Marie, Timmins, Sudbury and North Bay, we conclude that although each of these cities – and their downtowns – has its challenges, there is also evidence of innovation and renewal across the board.

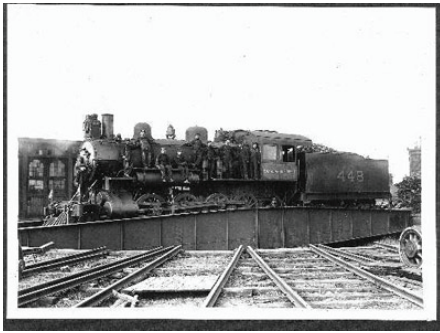
The following overview sets out highlights from the Canadian Urban Institute's assessment of the role played by these downtowns. Although the focus of this project is forward looking, the context for our analysis began with a high level review of the recent past and the critical role of private investment and public policy since the late 1800s.

This overview blends five interconnected factors that have combined to create the current context:

- Continuous multi-sector efforts to transform the region's resource economy.
- Critical investments in transportation and communications infrastructure that influenced the region's growth and established physical and virtual connectivity beyond the region.
- The role of government – primarily the province – in targeting investment in post-secondary and other key institutions.
- Strategies of renewal focused on the region's principal cities designed to stimulate growth.
- The impact of all these factors on the region's demographic make-up, and the current focus on developing metrics and strategically relevant plans to build on the region's natural and human capital.

Our analysis identifies four distinct eras of development as reflected in the trajectory of population growth.





Development of rail and related transportation infrastructure: 1871-1910

The period from mid-1870s to the end of the first decade of the 20th century was characterized by massive investments in rail, road and marine infrastructure. Each of the five cities was established during this time, which is reflected in the physical footprint of rail yards and other transportation infrastructure still present in each of the downtowns.

The modern era of economic growth in Northern Ontario began in 1875 with intensive strategic investment in rail access by the CPR and the CNR that was to last more than four decades. The construction of rail links helped establish Port Arthur and Fort William (Thunder Bay), North Bay and Sudbury as transportation hubs. The introduction of rail service and construction of port facilities connected the North by rail and water to markets in southern Ontario, the U.S. and western Canada. In addition to providing outlets for the transshipment of grain from Western Canada via the CNR to Winnipeg – the first grain elevator was constructed in Thunder Bay - investments by the CPR facilitated the expansion of logging and mining activities in communities throughout the North. Key policy interventions such as the passing of the Crown Timber Act in the late 1890s, which banned the export of raw lumber, sparked a boom in lumber milling and facilitated pulp and paper mills in locations such as Sault Ste Marie.

By the end of the first decade of the 20th century, Timmins had also been connected by rail, through the development of the Temiskaming and Northern Ontario Railway (T&NO), confirming Northern Ontario's role as a leader in resource development. The region's economy, centred on nickel, gold and silver mining, created companies that were to become household names like Inco, Falconbridge, Hollinger and Algoma Steel. However, the ability to sustain economic performance in a resource-based economy is heavily dependent on external drivers. The impact of the 1970s Oil Crisis, for example, would later trigger significant reductions in employment at INCO and Falconbridge* .

*Some 19,000 jobs were lost at these plants by 2005.

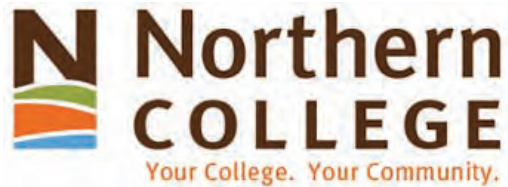


Consolidation and municipal growth: 1911-1945

Fueled by strong but cyclical demand for timber and mineral resources through the First and Second World Wars, each of the five cities expanded their roles as service centres for smaller communities in their immediate hinterland, shedding any suggestions that they were still “company towns.” Sault Ste Marie (1912), North Bay (1925), Sudbury (1930) incorporated as cities, sowing the seeds for their downtowns to establish a meaningful presence as the principal neighbourhoods of their respective cities*.

The move to modern communications that would connect Northern Ontario to the global economy began in the late 1930s, with the opening of the first major airfield in Northern Ontario at Fort William.

*Port Arthur (1884) and Fort William (1907) amalgamated in 1970 to create the new city of Thunder Bay. In 1973, the Town of Timmins amalgamated with four neighbouring townships to form the City of Timmins.



Sustained government investment in key institutions: 1946-1970

The post-war era in Northern Ontario began in 1946 with the establishment of Lakehead technical college in Thunder Bay as the region's first post-secondary institution. This was a precursor to an intensive period of direct government intervention in the future of Northern Ontario, which continued with the transition of Lakehead to full university status in 1965. Two years later, Laurentian University and Cambrian College opened in Sudbury, followed in 1967 by the creation of Nipissing University and Canadore College in North Bay, and Northern College in Timmins*. The rationale for these investments was in part to encourage economic stability by providing ways to retain newcomers arriving to work in the resource sector while also attempting to stem the outflow of youth and other working age citizens. The rate of population growth in this period was unprecedented.

The adoption of advanced communications in the form of commercial air travel and telecommunications was stimulated by strategic investments in military preparedness, beginning with the establishment of the Royal Canadian Airforce base in North Bay in 1951. Sudbury was also the beneficiary of this investment with construction in 1952 of an airport as an emergency landing site for CFB North Bay. Commercial air service soon followed, with airports created in Timmins (1955) and Sault Ste Marie (1961). Development of NORAD (North American Air Defense Command) in North Bay in the 1960s led to massive investments in secure communications facilities, which laid the groundwork for advanced telecommunications in several Northern Ontario cities.

*College Boreal, the region's principal francophone institution - was established in 1995.

Collaboration, innovation and strategic planning in a low-growth environment: 1971-present

The 1970s saw the end of a period of rapid population growth and a transition to more modest but relatively stable development, triggered in large part by the impact of the Oil Crisis, which undermined the viability of key corporations while at the same time increasing transportation costs. This took its toll on economic activity in Northern Ontario. Although Northern cities continued to perform better economically than the rest of the region, the share of Northern Ontario as a percentage of Ontario-wide population began to slip.

The fourth – and current – era can also be characterized by a concerted effort on the part of both federal and provincial governments to support research and innovation. This was achieved through the establishment of agencies like FEDNOR (Federal Economic Development Initiative), and the Northern Ontario Heritage Fund Corporation as an offshoot of Northern Development and Mines. Provincial plans recognized the key role of downtowns as key hubs to leverage the critical mass of investment taking place in the five largest Northern cities. The recently established Northern Policy Institute is already taking a lead role in conducting research and developing position papers on major initiatives such as investment parameters for the Ring of Fire infrastructure.

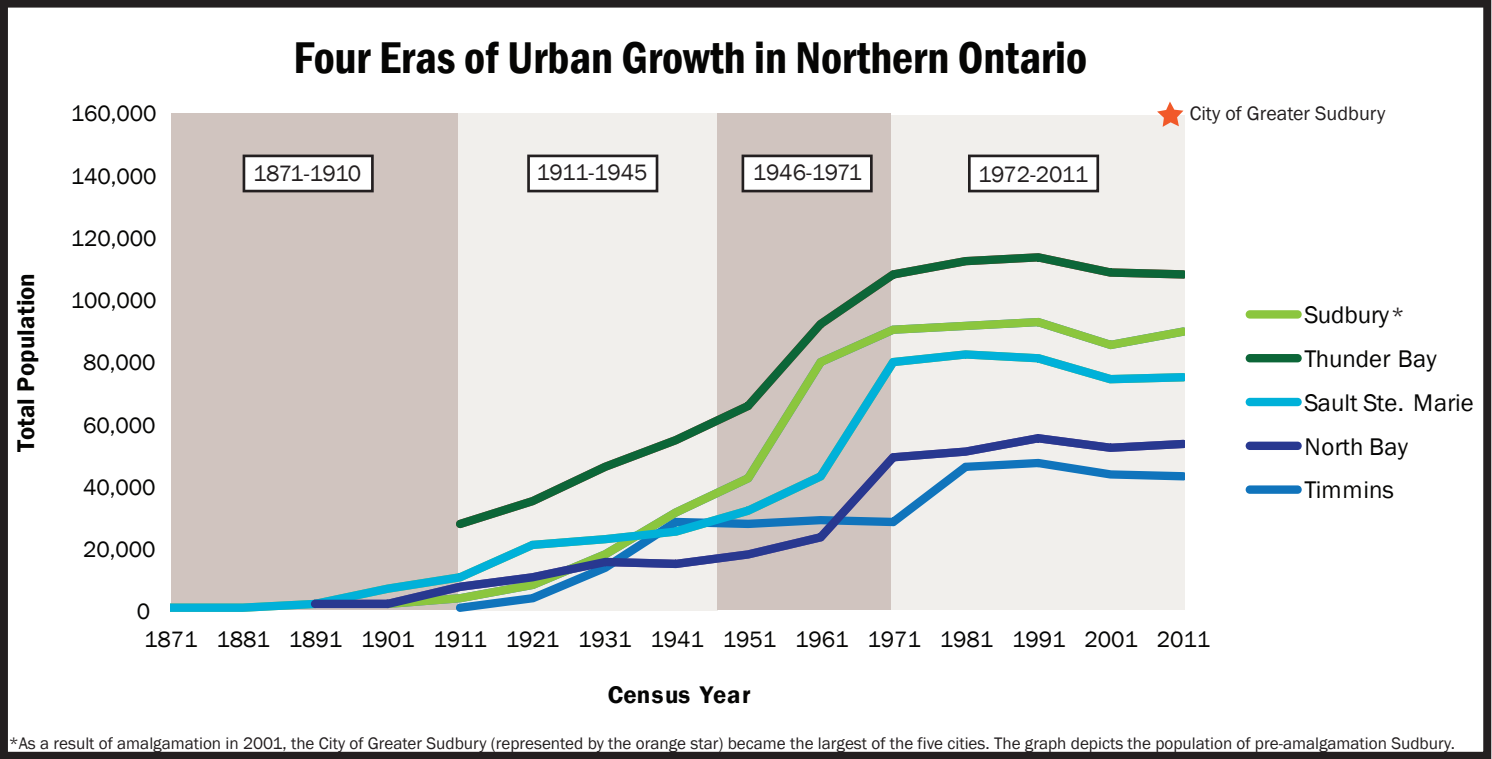
The negative impact of the 1973 Oil Crisis on Northern Ontario's economy led to a number of less than successful attempts to rejuvenate the economies of Northern cities. Combined with a strong trend that favoured suburban development, the economic restructuring that accompanied higher transportation costs and reduced demand for resources left downtowns struggling to retain their economic momentum. While the formation of Business Improvement Areas, made possible by the creation of provincial legislation in 1970, mitigated the impacts on "main street" to some extent, a number of cities chose to allow construction of enclosed downtown shopping malls in an attempt to counter the impact of suburban retail growth. In a number of instances, the focus for renewal initiatives was centred on the creation of waterfront plans. The desire to relocate the railway lands that had provided some of the initial stimulus for economic growth was widespread, but so far only North Bay has been able to broker a deal with CPR to put these plans into effect. This occurred in 1999.

The degree to which Northern Ontario had grown to depend on the convenience of commercial air service became evident in 1996 when a newly elected provincial government cancelled subsidies to norOntario, an airline whose roots were established in 1971. The introduction in 2010 of Porter's Dash-8 service to Northern Ontario, beginning with Thunder Bay, followed by Sault Ste Marie, Sudbury and Timmins, has done a great deal to reestablish these linkages.

Investment in Northern Ontario's educational institutions continued with the establishment of the Northern Ontario School of Medicine at Lakehead and Laurentian, forming an innovative core of community-based medical outreach and education through the use of dedicated telecommunications technology. Algoma became the province's 13th accredited independent university in 2008, joining the ever expanding Sault College of Applied Arts and Technology as a focus of post-secondary education in that city. The twin goal of investment in post-secondary institutions was to reduce dependency on the resource-based nature of the Northern economy, and to both attract new residents and retain existing ones. The provincial government also created a number of regional health centres, which helped establish a network of research institutes. In addition, starting in the 1980s, the provincial government adopted an official policy of relocating government departments to Thunder Bay, Sault Ste. Marie, Sudbury and North Bay, bringing more than 1500 jobs to these cities. Today, provincial ministries have offices in all five cities. These include Labour, Municipal Affairs and Housing, Transportation, Finance, Northern Development and Mines, Community Services, and Infrastructure.

To this point, relatively few provincial investments had been centred in the downtowns of Northern cities. Responding to the collaborative planning efforts that had continued through many economic cycles in places like Sudbury, local decision makers began to see their efforts to create and build on a critical mass of investment in downtowns started to pay off. The first high profile evidence of this shift in thinking was in Sudbury, which achieved another first in 2010 with the opening of the School of Architecture in Sudbury. Lakehead’s Faculty of Law, which opened in 2013, represents the first new law school in Ontario in four decades but also the first move to centre post-secondary education in the downtown. The school has a strong focus on First Nations, represented by 14% of the student body. Both Laurentian and Cambrian College established music programs in downtown locations during this period. Although the role of innovative mining and medical research and entrepreneurship in beginning the transformation of Northern Ontario’s economy has been documented by Professor Betsy Donald and colleague Heather Hall from Queen’s University, it remains to be seen how these start-up companies can be integrated to form a critical mass of economic activity*.

The Northern Growth Plan, complemented by the affirmative mandate of the Northern Policy Institute, has the potential to build on continuing plans in development in all five Northern downtowns. Representatives of the BIAs and city staff from the five cities that have participated in the Northern Downtowns project to date are expected to formalize their commitment to working collaboratively. This is achieved through using data from the case studies and the direction provided by their respective master plans, as well as utilizing the website (downtownsmatter.com) as a resource for staying connected to other Canadian cities.



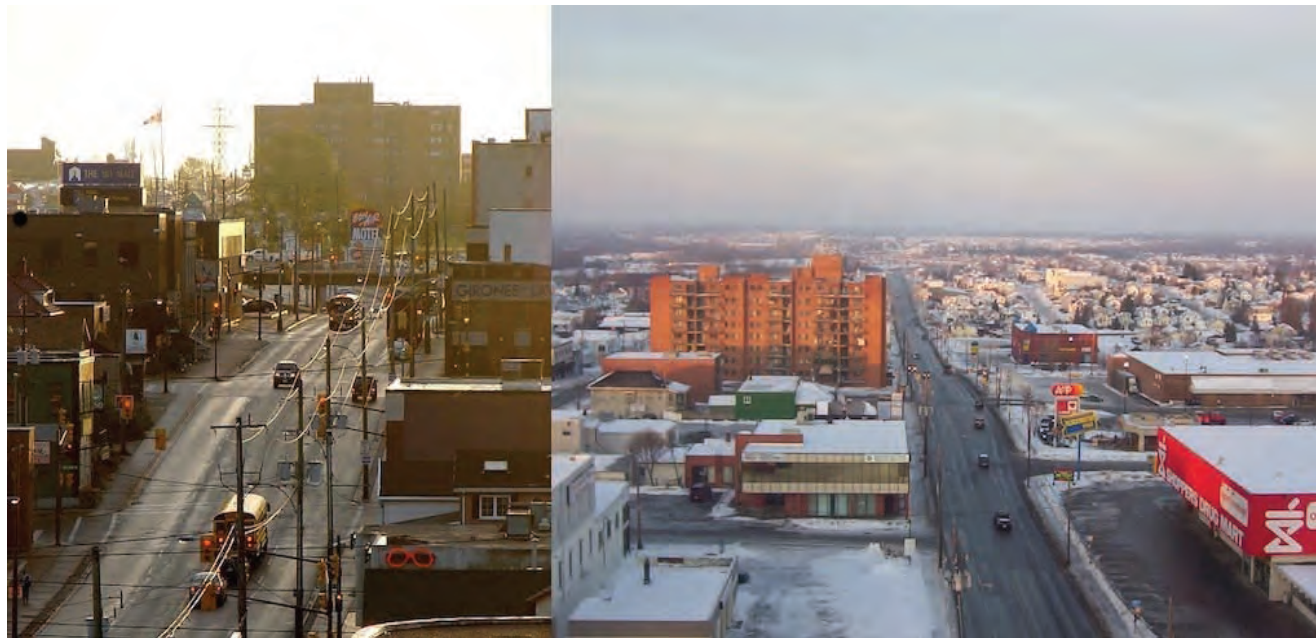
* “Innovation and Creativity on the Periphery: Challenges and Opportunities in Northern Ontario,” Martin Prosperity Institute, 2009.

- *Securing downtown's share of investment* – Even though municipal investment in downtowns can often be shown to deliver a higher return than other locations in a city, municipal decision makers have an obligation to distribute funds equitably and require hard evidence to justify a change in their practice. The value of benchmarking and tracking metrics for the specific geographic area of a downtown has been demonstrated in cities as diverse as London, Ontario and Edmonton, Alberta. This study suggests that Northern downtowns can benefit from this approach. As well, even though many downtowns enjoy increases in the value of assessment and increased tax revenue year over year, improving the share of downtown growth relative to the wider city is a challenge faced by many cities.
- *Municipal amalgamations* – when the land area of a city increases (often dramatically) as the result of amalgamation, the role played by downtown becomes even more important in terms of representing the visible face of the city to outside investors. A common challenge for amalgamated cities is maintaining appropriate levels of investment in downtown to facilitate that role in the face of other priorities. These include the cost to maintain roads, services and provide support for historic centres across a larger land mass, in addition to normal expenses associated with a community's outward expansion. Although Halifax, Ottawa and Hamilton have these factors in common with all five Northern downtowns, the amalgamated City of Greater Sudbury sets an example for how to achieve a desirable balance in terms of municipal investment priorities.
- *Competing for retail dollars* – although many respondents to surveys conducted for the Northern downtowns project expressed their support and appreciation of their downtown, downtown merchants often find that translating that support into a community's spending patterns is a challenge. A key factor in this regard is overcoming the impact of retail expansion into suburban markets at key phases in post-war growth. The decision in the 1970s to “renew” the economy with investments in inward-looking downtown retail malls as a way to mitigate the impact of suburban retail expansion is a familiar story that has been played out in Northern Ontario as well as downtowns across the country. Notwithstanding the positive influence of BIAs, the impact of these malls can be devastating and long-lasting. Places that are working hard to overcome this problem include Edmonton, London and Hamilton. A related issue relates to the distribution of commercial office space. When downtown Regina read the CUI's case study on downtown London that described strong official plan policies to require major office buildings to be located downtown, that city began a process to introduce comparable policies.



- *Aggressively tackling vacancy rates* – vacant stores on “main street” are the bane of BIAs/BIDs across the country. A city that has used data and innovative marketing to reduce vacancy rates is the City of London. A recent innovation in North Bay, for example, is a version of “Open Doors” aimed at reducing the inventory of vacant retail and business space in downtown (Appendix V). The brainchild of the City's planning and economic development specialists, the “opportunities tour” involves a free assessment and advice to the owners by a volunteer team of realtors, designers, building inspectors, electricians and contractors. The expectation is that this will expose vacant properties to more potential investors while giving the owners an opportunity to make strategic improvements or modify their marketing.

- *Increasing livability requires that cities successfully align decision making* - The challenge of building consensus among multiple stakeholders through multiple election cycles to conceive, refine and implement a master plan for something as complex as a downtown is well known to downtown advocates across the country. A continuing source of frustration, however, is when the “best laid plans” for civic improvements or long-term capital investment are undermined by actions taken by other boards or government agencies. Several cities profiled in “Investing in the Value of Canadian Downtowns” have seen examples of this. Downtown St Catharines, which had an excellent track record in achieving “policy alignment” involving several high profile investments by provincially funded entities, recently lost a major downtown employment anchor when the OPP relocated hundreds of employees to a highway location on the outskirts of town. Similarly, Ottawa’s newly minted plans to invest in light rail transit had to adjust to accommodate a decision by the federal government to relocate more than 1000 employees to a suburban location. In Charlottetown, the Department of Fisheries relocated from downtown to the suburbs. In Northern Ontario, Sault Ste Marie is struggling to deal with the planned closing of the last remaining elementary school in downtown – an event similar to one that also transpired in downtown Kingston. Also in the Sault, a major downtown hospital was replaced with a new, larger hospital in the suburbs (although the surplus building has been converted to housing). It is only recently that new facilities are being located downtown (the School of Architecture in downtown Sudbury, the School of Law at Lakehead in downtown Thunder Bay, the Algoma School of Music in downtown Sault Ste Marie) – a credit to the persistence of downtown champions in those cities who continued to believe in their vision for downtown.



Downtown Timmins streetscapes.

- *Improved liveability is a common goal but hard to achieve* – much has been achieved in recent decades in terms of reducing crime and in creating an investment climate conducive to increasing the amount of housing downtown. Perceptions regarding public safety nevertheless persist, even when statistics no longer support those perceptions. Edmonton, Winnipeg and Windsor are examples of this dilemma, which is also of concern in Northern downtowns, including North Bay. The rate of population growth in Northern downtowns has generally been disappointing over the past decade, and in some cases, has actually declined (Appendix IV, VI, VII, VIII, IX).

- *Market housing for seniors in short supply* - a reality facing all downtowns is the need to accommodate the growing population of senior citizens (Appendix IV, XI), in part because the emphasis of residential growth has been suburban in nature for so many decades (Appendix X). In smaller cities, particularly those in Northern Ontario, where the private housing market has been unable to provide sufficient suitable options for seniors, the shortfall of housing choices for people unable to continue living independently is being met by placing residents in long term care facilities – a costly and socially undesirable solution.
- *Embracing winter* – the need to deal with winter conditions is not unique to Northern Ontario but other cities seem to be tackling the issue more directly, beyond organizing special events. Examples of successful festivals include the Fort William Voyageur Winter Carnival in Thunder Bay, the Bon Soo Winter Carnival in Sault Ste Marie and Winterfest in North Bay. As well, North Bay will be building on this base when it hosts the North Bay Special Olympics Winter Games in 2015. A common problem identified in surveys and in interviews conducted as part of our research is that surface parking lots tend to remain unploughed, seriously reducing the availability of parking for shoppers and other potential visitors. Issues such as this are tackled through the “Winter Cities” movement, an international network of cities that actively celebrate winter by promoting design solutions and practical operations procedures to keep downtown (and other) public spaces attractive and accessible.
- *Collaborative strategic plans supported by thoughtful implementation* – perhaps the most encouraging trend in downtowns across Canada – including Northern Ontario – is that business improvement areas are working collaboratively with municipal planners to develop downtown-focused plans. These plans, which typically begin with the development of a shared vision for the future, are showing results, providing a solid platform for improving a community's competitive positioning.



Seniors at Golden Manor for the Aged in Timmins.



Fort William hosts it's Voyageur Winter Carnival in Thunder Bay.

What did the Northern Downtowns Project Set out to Achieve?

1) Measure the Performance of Northern Ontario Downtowns

The goal has been to measure the economic, social and cultural health of the five most significant downtowns in Northern Ontario. This task was carried out using five principles identified by the CUI that allow us to assess and measure a downtown's success. Both quantitative data and qualitative data were used for the analysis. At least five interviews were carried out with stakeholders in each of the downtowns to provide context and insight to augment the quantitative data. We also received more than 1,000 responses to a comprehensive survey on downtown and their perceptions about the role and function of downtown – the first time that we have had access to such an extensive survey sample for our work on downtowns.

2) Benchmark the Performance of Northern Ontario Downtowns

The expectation is that this overview report will provide important information to the many city builders active in these downtowns, sharing comments on their strengths as well as insights into their weaknesses. The reports will be posted on a new website – www.downtownsmatter.com – which will also contain links to 17 other downtown case studies conducted in collaboration with the Canadian members of the International Downtown Association. The assessment describes the many similarities between Northern downtowns and their counterparts in the rest of Canada and allows stakeholders to gauge how their downtown is developing relative to other downtowns in Northern Ontario.

3) Share Research Findings and Success Stories

The project also facilitates two-way communication between stakeholders in Northern Ontario downtowns and their counterparts in downtowns elsewhere in Ontario and the rest of Canada. The project also shares success stories as well as cautionary tales with respect to initiatives that have been less than successful. The case studies will contain details on the various tools and mechanisms used by municipal staff and BIAs/BIDs in different jurisdictions.

4) Create a Centralized Source of Downtown Information

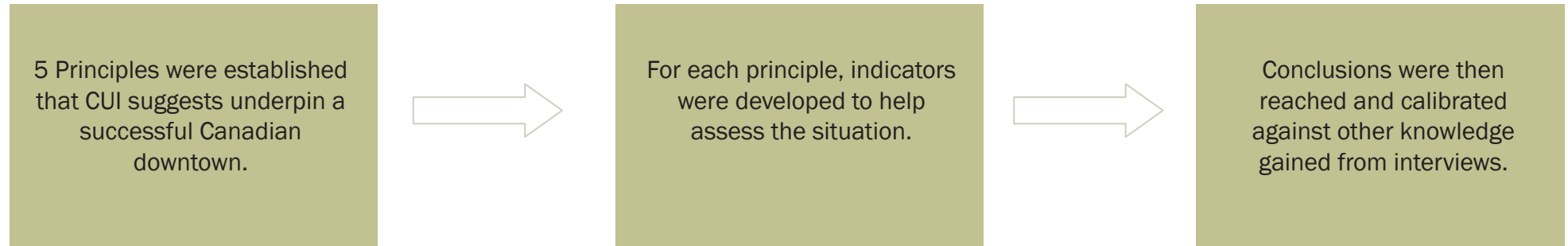
The Northern Downtowns project represents the first comprehensive attempt to highlight the importance of collecting data and developing metrics to discern the health of downtowns in Northern Ontario. Wherever possible, the CUI's methodology utilizes data from sources that are commonly available to municipalities once they have made the commitment to organize their data in a way that facilitates analysis of the downtown area. The benefits of maintaining a centralized source of data and metrics, policies and procedures have been acknowledged in other Canadian cities, and it is the hope of the study team that similar benefits will accrue to the downtowns of Northern Ontario.

5) Build a Network of Downtown Stakeholders

The project aims to develop relationships with various stakeholders in each of the Northern Ontario downtowns. The project initiated outreach to local business and community groups, with the aim of building an extensive network of stakeholders interested in downtown issues. The project has incorporated the views and advice of those representing businesses improvement areas, municipal departments and post-secondary institutions to establish as large a base of support as possible. The project established an internship program for local students, who contributed in a variety of ways over the course of the project, including writing blogs, collecting data and conducting historical research.

How did the project work?

5 principles were used to assess success



One of the most critical elements of the project design was the development of five principles that underpin a successful downtown in Canada. The principles developed were sufficiently broad to account for the uniqueness of every downtown case study, but specific enough to create a platform for comparison.






The principles and indicators were developed during the first phase of the CUI's work with downtowns participating with the International Downtowns Association. The principles were developed in three stages.

First, the project team surveyed CUI staff and Board members to determine 'What Makes a Downtown Great?'.

Second, the team undertook a detailed literature review to consider how others had developed principles relating to urban growth. The project team was particularly influenced by Michael A. Burayidi's (2001) text, *Downtowns: Revitalizing the Centers of Small Urban Communities*. From this text, passages from Kent Roberston of Saint Cloud State University were used to help further articulate and define the principles.

Third, the principles were tested throughout the research to ensure that they were being reinforced by the research findings. This process continued throughout the Northern Downtowns project. For example, based on feedback from a workshop in Sudbury, the CUI added a layer of analysis of residential development to identify population growth within walking distance of downtown.

From this background research, CUI developed the following five principles for a successful downtown below:

PRINCIPLE		WHAT IS IT?	INDICATORS TO MEASURE
	VISIBILITY	Does the downtown have an integral and central role in the life of the wider city?	<ul style="list-style-type: none"> • Downtown's proportion of city wide land area • Downtown's proportion of city wide population • Downtown's proportion of assessment value • Downtown's proportion of tax revenue
	VISIONARY	Does the downtown benefit from strong, bold leaders who collaborate to achieve and sustain a shared vision?	<ul style="list-style-type: none"> • Number of years a plan specific to the downtown has been in effect • Is the vision effective? Who is driving revitalization efforts?
	PROSPERITY	Does the downtown have a robust and innovative economy?	<ul style="list-style-type: none"> • Downtown's residential and non-residential development (# and value of building permits) over 10 years • Change in downtown and city wide assessment base over 10 years • Change in downtown and city wide tax revenue over time • Mix of housing (types and household size) offered downtown • Number of new dwellings over 10 years
	LIVEABILITY	Is the downtown vibrant, liveable and connected?	<ul style="list-style-type: none"> • Population growth over 10 years (linked to census years) • % of population living within 10 kilometres or less of downtown boundary • Age distribution (post-secondary and senior populations) • Land use breakdown downtown • Average parcel size, block size and road width • Number of grocery stores • # of events and festivals • Transportation modal split
	STRATEGY	Is the City investing strategically in its future?	<ul style="list-style-type: none"> • Number of capital projects downtown (over 10 years) and proportion of total capital budget • Dollar value spent on municipal capital projects and proportion of total capital budget

Applying the 5 Principles



Visibility

Does the downtown have an integral and central role in the life of the wider city?

The historical role of a downtown often continues to define its image, long after the economy has changed or the pattern of investment in a city has completely altered the relationship between downtown and the wider city. For visitors, the image of a city is typically represented by the “postcard view,” depicting a downtown landmark such as city hall or a skyline. In the case of Thunder Bay, with two historic core areas, it is waterfront images that tend to prevail. Similarly, Sault Ste Marie tends to depend on waterfront images to convey what is important for that city. For Timmins, on the other hand, the dominant visual focus is on gold mining, with downtown relegated to the background. In Sudbury, despite decades of often successful efforts to enhance the role and perception of downtown Sudbury, the typical “postcard view” is of the Big Nickel, which persists as the archetypical image some 50 years on from the time of its creation. For North Bay, images range from downtown and the waterfront to the famous structure announcing the city as the literal “Gateway to the North.”

Like their counterparts in downtowns across Canada, Northern downtowns occupy less than 1% of the citywide land area, yet they are easily identified as the heart of the city and in most cases are strongly associated with the image and reputation of the city. Although they occupy a small geographic area, Canadian downtowns generate a relatively high percentage of a city’s assessment base and generate a significant percentage of property tax revenue (Appendix I, II, III). In the case of Sault Ste Marie, the downtown generates 10% of the city’s assessment, even though the downtown itself represents less than 1% of the land area.



Growth, decline and renewal is a cycle familiar to anyone engaged in managing or promoting investment in downtowns. Ironically, periods of rapid citywide growth in Northern cities have often coincided with stagnation or decline in downtown. This was the situation in post-war Northern Ontario as rapid suburban expansion led to the construction of large shopping malls on the periphery, which was then followed by well-intentioned but less than successful attempts to counter the impact through the construction of inward-looking malls downtown. Today, even though respondents to the CUI's survey indicate a willingness to support downtown and direct their retail purchases there, downtown retailers rarely see these views translated into dollars spent in their stores. As a result, downtowns have tended to focus on providing a "traditional" shopping experience with "one off" or family-owned businesses versus an emphasis on national retail chain stores.



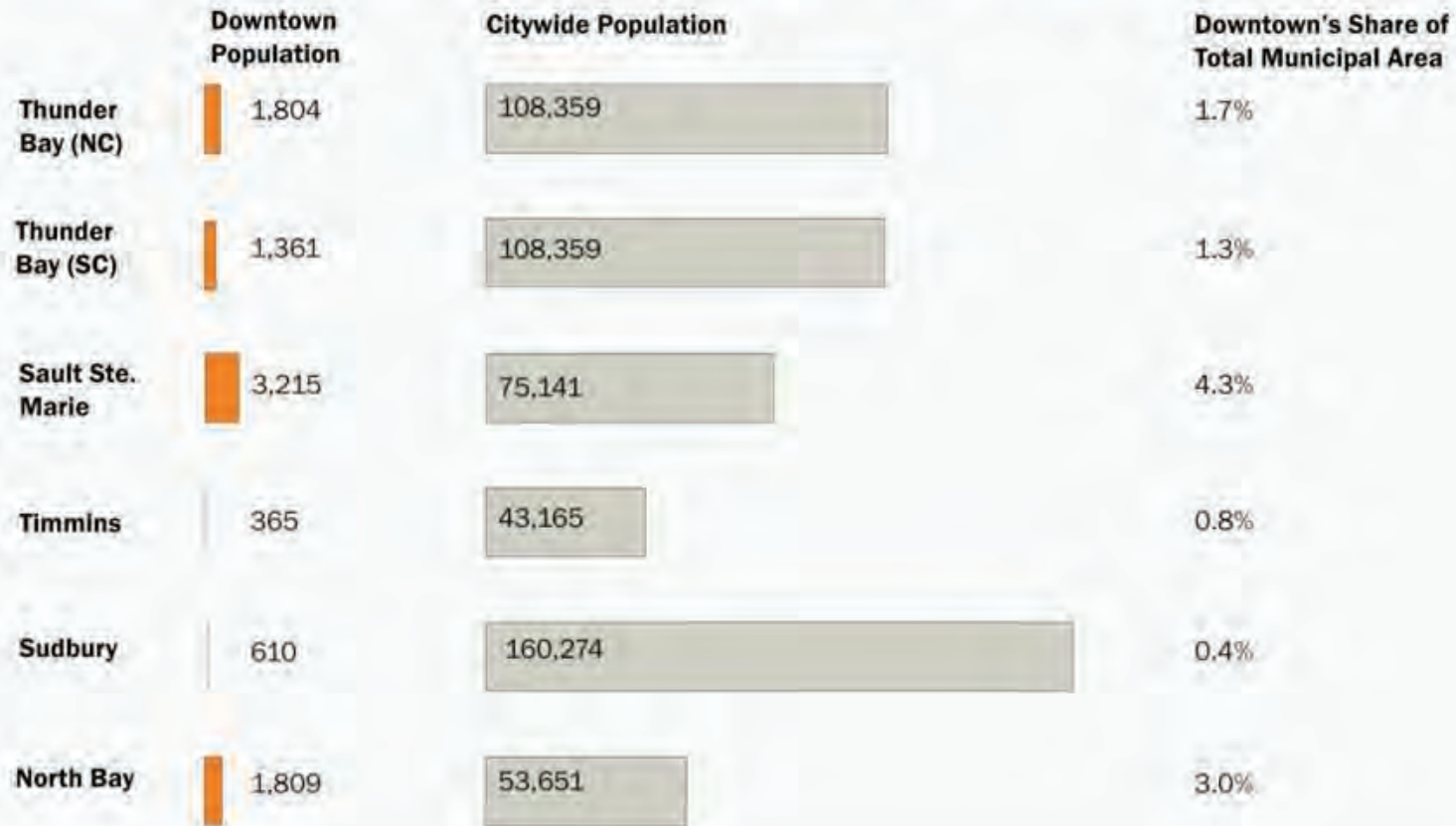
VISIBILITY OF THE DOWNTOWNS IN THEIR MUNICIPAL CONTEXTS



DOWNTOWN AREA, TOTAL MUNICIPAL AREA AND DOWNTOWN'S SHARE OF TOTAL MUNICIPAL AREA

	Downtown Area	Municipal Area	Downtown's Share of Total Municipal Area
Thunder Bay (NC + SC)	173 ha (NC + SC)	33,196 ha (NC+SC)	(NC + SC) 0.52%
Sault Ste. Marie	217 ha	22,322 ha	0.97%
Timmins	25 ha	300,939 ha	0.008%
Sudbury	46 ha	366,455 ha	0.01%
North Bay	851 ha	38,767 ha	2.20%

DOWNTOWN POPULATION, CITYWIDE POPULATION AND DOWNTOWN'S SHARE OF CITYWIDE POPULATION





Vision

Does the downtown benefit from strong, bold leaders who collaborate to achieve a shared vision?

Perceptions about the quality of leadership in Northern downtowns

Residents and business owners in the five Northern downtowns were surveyed to gauge their views on a variety of issues, including the quality and effectiveness of leadership affecting their downtowns. This report benefited from responses from more than 1200 individuals as well as telephone interviews with municipal staff and politicians, members of BIAs, post-secondary institutions, NGOs and resident associations. Overall, the perception of leadership in Northern downtowns is positive, although it should be noted that a disproportionate number of respondents are residents of Thunder Bay.



The survey results indicate that business leaders, developers and investors are seen as champions for the economy of downtown. There is also a sense that municipal staff and elected officials play an important role in coordinating initiatives and facilitating positive change. A number of respondents noted a trend towards the creation of partnerships between the public and private sectors, although about one third of respondents noted frustration with the ability of community leaders to follow a consistent path over the long term. Residents of Thunder Bay indicated that disparities between the south and north cores of the city continue, despite the best efforts of community leaders to achieve a balanced approach. Nevertheless, approximately half of all respondents in the five cities believe that their “voice” is heard with respect to how downtown develops and remain supportive of efforts to revitalize their downtowns.



A vision for Thunder Bay's waterfront



A vision for North Bay's waterfront

A clear vision for downtown is an essential attribute

Downtowns with a clear, flexible and unifying vision tend to be able to sustain momentum to support revitalization efforts. A clear vision is important to guide both decision makers and the many individuals responsible for its implementation. For example, downtown Sudbury, which has a long tradition of undertaking and implementing strategic plans over the years, beginning in the 1960s and 1970s with a renewal scheme that led to the construction of a downtown mall, recently completed a multi-year visioning exercise that led to the adoption of a master plan for downtown.

Thunder Bay's Core Area Renewal Plan, which addresses issues in both downtowns, is linked to strong official plan policies and backed up with urban design guidelines. Flexibility is important because a vision has to stand the test of time and have the ability to address changing circumstances. In Sault Ste Marie, a series of progressively more detailed plans for downtown have been adopted, beginning in 2006 with release of a Downtown Situational Report, which led to adoption in 2007 of a Downtown Community Improvement Plan. In North Bay, revitalization efforts began in the late 1970s with adoption of a Downtown Improvement Area Plan, and continue to the present day with a focus on the waterfront. In 2000, a group called Community Waterfront Friends launched a planning process that has culminated in an attractive vision for improved connections, business retention and enhancements to the public realm.

Clarity of vision – and the patience and persistence to see plans through to completion - is important in order to be able to build enthusiasm and sustain momentum. Above all, a unifying vision guides stakeholders and connects them with resources and to each other.



The Sault's waterfront has been transforming since the 1970s as a result of an ongoing and continuous vision throughout the decades.

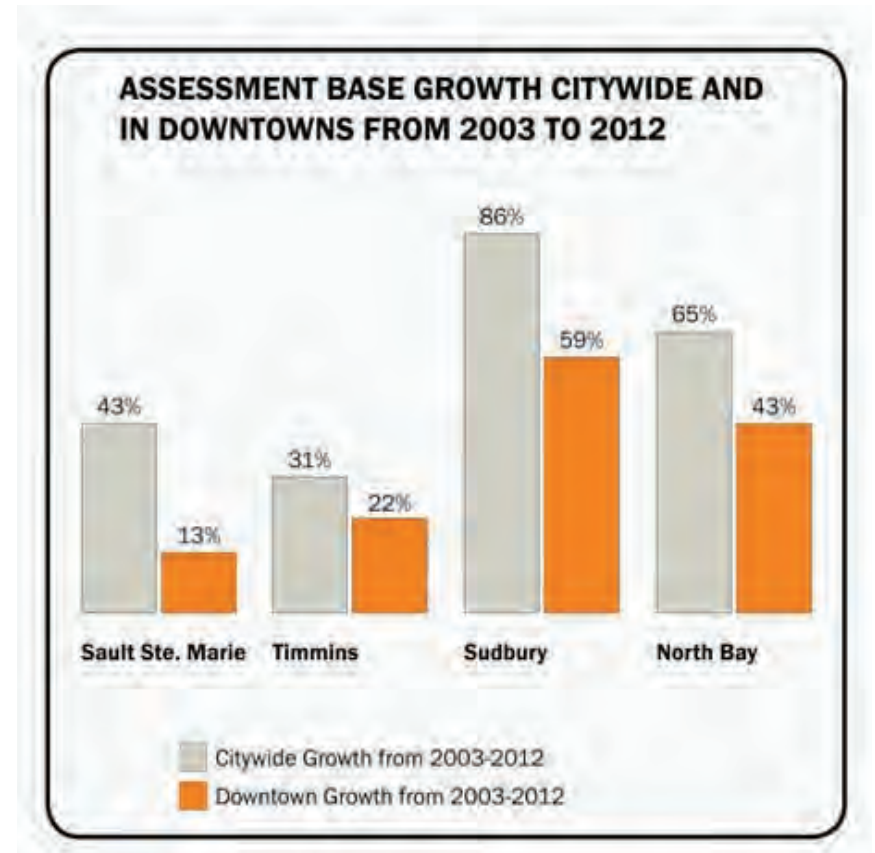


Prosperity

Does the downtown have a robust and innovative economy?

The prosperity of a downtown is measured in several different ways but the most visible is the retail sector, reflected in store vacancies (Appendix V). Like their counterparts in other parts of Canada, the Northern downtowns continue to struggle against the pull of suburban shopping malls. Although conditions vary from city to city, Northern downtowns typically attempt to differentiate the downtown shopping experience by emphasizing the entertainment value of “main street.” Downtown Sudbury positions its retail sector as an entertainment and hospitality district, helped in large part in recent years by the location of the new school of architecture, which provides an anchor to attract a student population. Sault Ste Marie is investing in improved pedestrian conditions on Queen Street, the principal shopping street. Similarly, the north core of Thunder Bay emphasizes its role as an entertainment district, with shops, museums and art galleries. Downtown North Bay also focuses on niche retailing, while members of the Timmins BIA work hard to bring economic activity to vacant stores at grade and second storey spaces.

The Northern downtowns project also tracked downtown performance relative to city wide activity.



Growth in the assessment base: Even though the downtowns are for the most part reporting growth in the dollar value of assessment, their share of assessment base citywide is declining or holding steady – a characteristic shared with many other downtowns across the country.

- The value of Sault Ste Marie downtown assessment changed from \$410M in 2003 to \$463M in 2013 – a rate of increase of 13%. In comparison, citywide assessment grew by 43%. Downtown's share of citywide assessment now sits at just over 7%, down from approximately 12% in 2003.
- The value of Timmins' downtown assessment increased from \$23M in 2003 to \$28M in 2013 – an increase of 22% while assessment in the city as a whole grew by 31%. Downtown's share of assessment remains at about 1%.
- Sudbury increased from \$71M in 2003 to \$114M in 2013, an increase of 59% over the period, but this was overshadowed by a significant 86% increase in assessment citywide. Thus although the dollar value increased over the period, downtown's share of citywide assessment remains at about 1%.
- North Bay experienced a rise from \$69M in 2003 to \$99M in 2013, for an increase of 43%, but citywide assessment increased by 65%, leaving downtown with slightly more than 2% of the city's overall assessment.
- Data were not available for Thunder Bay.

Property values tend to be higher in downtown locations, in part because of the higher value structures. When the most important new buildings in a downtown are provincial courthouses or provincially funded university buildings, this form of development does not necessarily translate into increases in municipal tax revenue. So although the new courthouse in Thunder Bay's south core generated about 50% of the City's building permit value in 2005, the City receives a "payment in lieu" of taxes, which tends to be less than would otherwise be generated. The same is true for Sudbury's new School of Architecture and other structures that are assessed, but not required to pay taxes directly. For these and other reasons, there is not a direct relationship between assessed value in Northern downtowns and the tax revenue delivered to the cities.



Construction of Phase II of the new School of Architecture, Downtown Sudbury.



Building permits are a useful indicator for measuring prosperity

The economic importance of downtowns is reflected in their ability to attract significant proportions of citywide building permit values. As a proportion of citywide building permit values, Northern downtowns generated 7% of citywide construction value between 2003 and 2012 (Appendix XII).

Sudbury and Thunder Bay's North Core (Port Arthur) have consistently attracted moderate levels of growth, under 5% of citywide in their downtowns. Sault Ste. Marie, North Bay, Timmins and Thunder Bay's South Core (Fort William) have seen some bursts of activity ranging from approximately 25% to over 50% in downtown building permit values. Data from the five downtowns indicate that building permits have experienced an upward trend.

Downtowns across Canada are actively growing the number of events and festivals

Festivals and events are important to increase not only the foot traffic within the downtowns but also increase the awareness and vitality of the downtown. Successful events and festivals have the ability to greatly improve the overall quality of life for residents living in remote or smaller downtowns. However, many downtown business improvement associations (BIAs) struggle to gain full support from all their members. Common complaints and challenges that BIAs must overcome include demonstrating the economic feasibility to the businesses and staying open longer than scheduled retail hours. It was noted by the Downtown Sault Association (BIA) that over 4,000 people come into the downtown during a home team hockey game at the Essar Centre. Farmers' markets have also been increasingly popular in smaller and larger downtowns where the number of grocery stores and access to local foods is limited. The City of Sudbury is investing over \$3 million dollars in the relocation and renovations of their Farmers' Market. Downtown Timmins has also had a very successful urban farmers market as noted by many of those surveyed. The Market was championed and implemented by the Downtown Timmins BIA and continues to enjoy support from local residents and the city.



Timmins' Annual Multicultural Festival



Liveability

Is the downtown vibrant, liveable and connected?

During the past decade, Northern downtowns experienced limited population growth, but the numbers have fluctuated from census to census. For example, Sault Ste. Marie grew by 3% between 2001 and 2006 only to decline by 3% between 2006 and 2011. Thunder Bay's south core experienced the complete opposite whereby the population declined by 24% between 2001 and 2006 and rebounded between 2006 and 2011 to its pre-2001 levels. North Bay's downtown experienced the most rapid population growth in percentage terms at 25% 2001 and 2011, while Sudbury's downtown grew by 11% during the same time period (Appendix IV). This growth rate might have been higher except for concerns about high construction, material and labour costs. Future increases are likely following the recent construction of two new student residences built in response to the new School of Architecture.



New outdoor patio in downtown Sudbury.



Downtown Timmins close its mainstreet to automobile traffic.



Active transportation begins with accessibility.

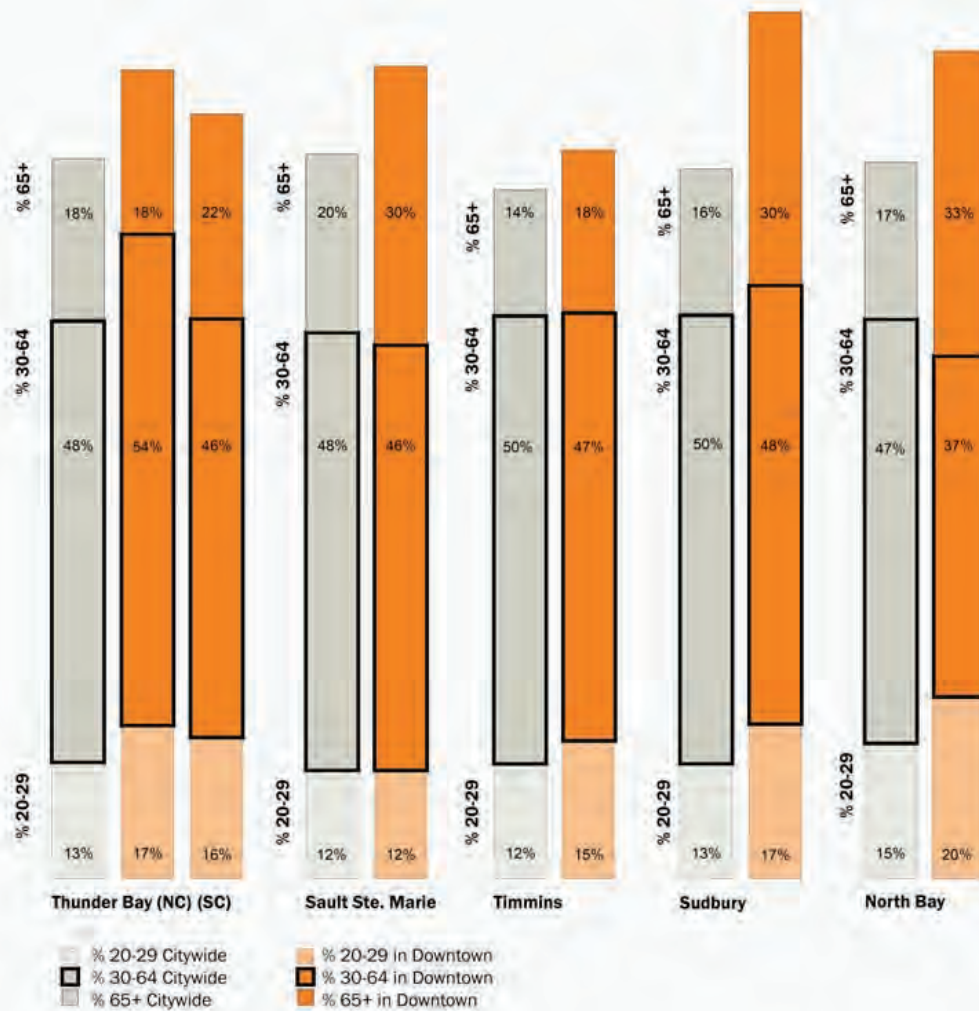
PERCENT OF POPULATION LIVING WITHIN 10 KM OR LESS OF DOWNTOWN BOUNDARY



Downtowns are generally well supported by a substantial proportion of citywide population living within 10 kilometers of the downtown boundary

The size of residential populations in the areas defined as “downtown” tend to be quite small compared to small and medium sized cities elsewhere in Canada. But a closer look at the numbers reveals that on average approximately 90% of the urban population lives within 10 kilometers of the downtown boundary (Appendix VI, VII, VIII, IX). As a result, most residents live within a 10 minute drive to the downtown core. The need to make this distinction was pointed out during a project workshop in Sudbury. Nevertheless, a combination of needing to cope with long winters and the challenge of providing levels of public transit sufficient to meet the needs of residents means that a significant proportion of all travel is by car (Appendix XIII). Having said that, an average of 13% of the citywide population lives within 500 meters or walking distance of each downtown boundary. This is inspiring efforts to improve connectivity and accessibility between the downtown and surrounding neighbourhoods. Downtown Sudbury has envisioned the Elgin Greenway project to connect the disconnected downtown with the well established residential communities surrounding the downtown. The hub trail in Sault Ste. Marie provides a safe and accessible pathway through the downtown that connects to residential neighbourhoods within the wider city.

2011 AGE DISTRIBUTION CITYWIDE AND IN DOWNTOWN



Downtowns contain a higher percentage of senior and younger populations

Overall, the five Northern cities studied are aging more rapidly than the provincial average. Similarly, all five of the downtowns had a higher percentage of the older adults (over 65) cohort compared to the wider city (Appendix IV, XI).

More specifically, in Sault Ste. Marie, Sudbury, and North Bay 30% of the downtown population is over 65. Thunder Bay's north core and Timmins contains the lowest percentage of the over 65 age group with 18% of the city's senior population living downtown. In many of the Northern downtowns older adult residences, which are being constructed with a range of amenities, comprise a significant proportion of new residential development. Older populations have specialized needs and it is important that downtown neighbourhoods are accessible and able to meet these needs.

The downtowns also have a significant cohort of young people aged 20 to 29, relative to the cities as a whole. This trend has remained relatively stable since 2001 and reflects a positive response to concerns expressed in the 1990s. Professor Chris Southcott of Lakehead University, studying census results to 2006, reports that "the rate of youth out-migration, while still high, has decreased since 2001." In addition, the rate of youth out-migration tends to decline the older the age group. Anecdotal reports also suggest that provided there are suitable job opportunities, natives of Northern Ontario will also choose to return to Northern cities for "quality of life" reasons. These include an active outdoor lifestyle, affordable housing and a strong sense of community.

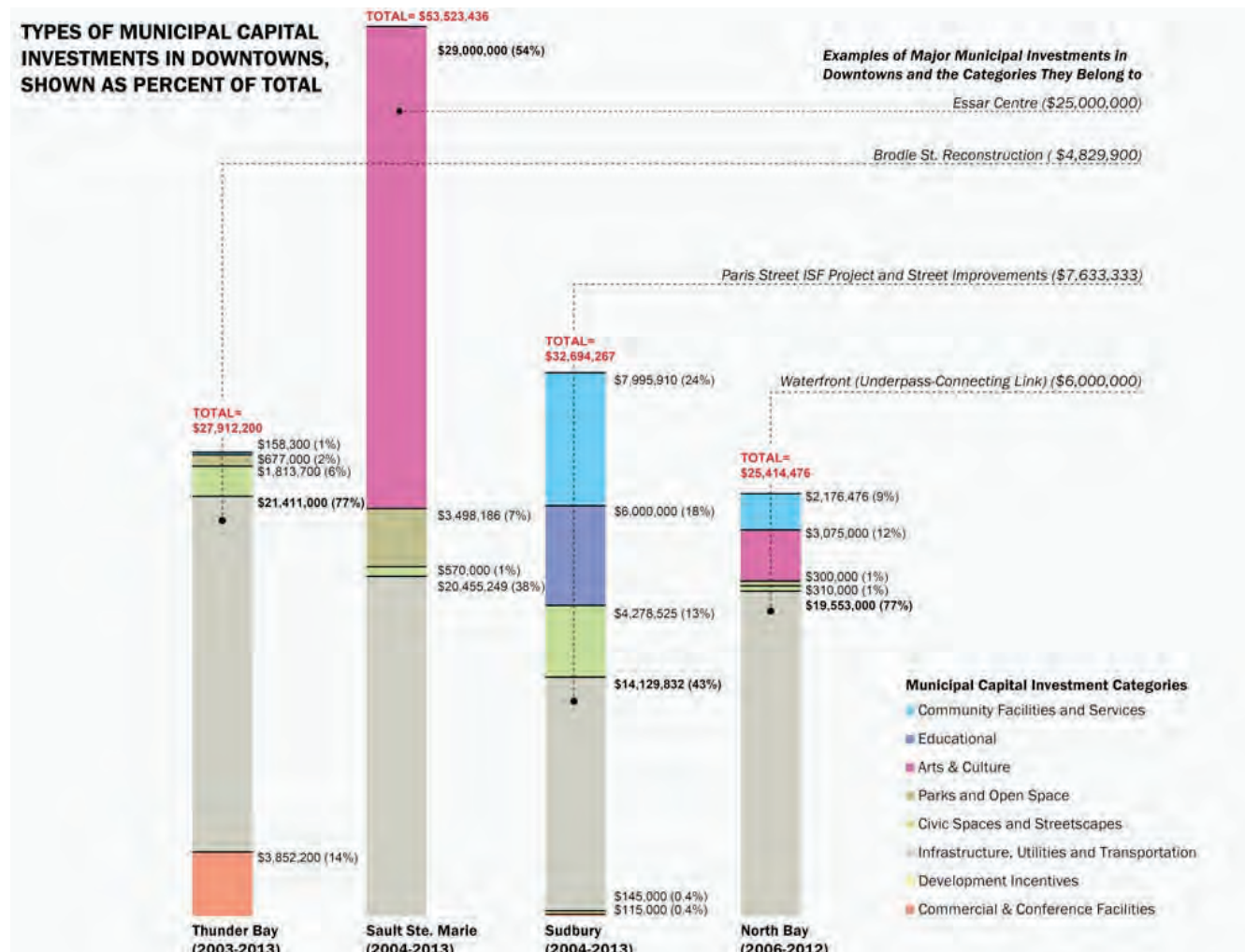


Strategy

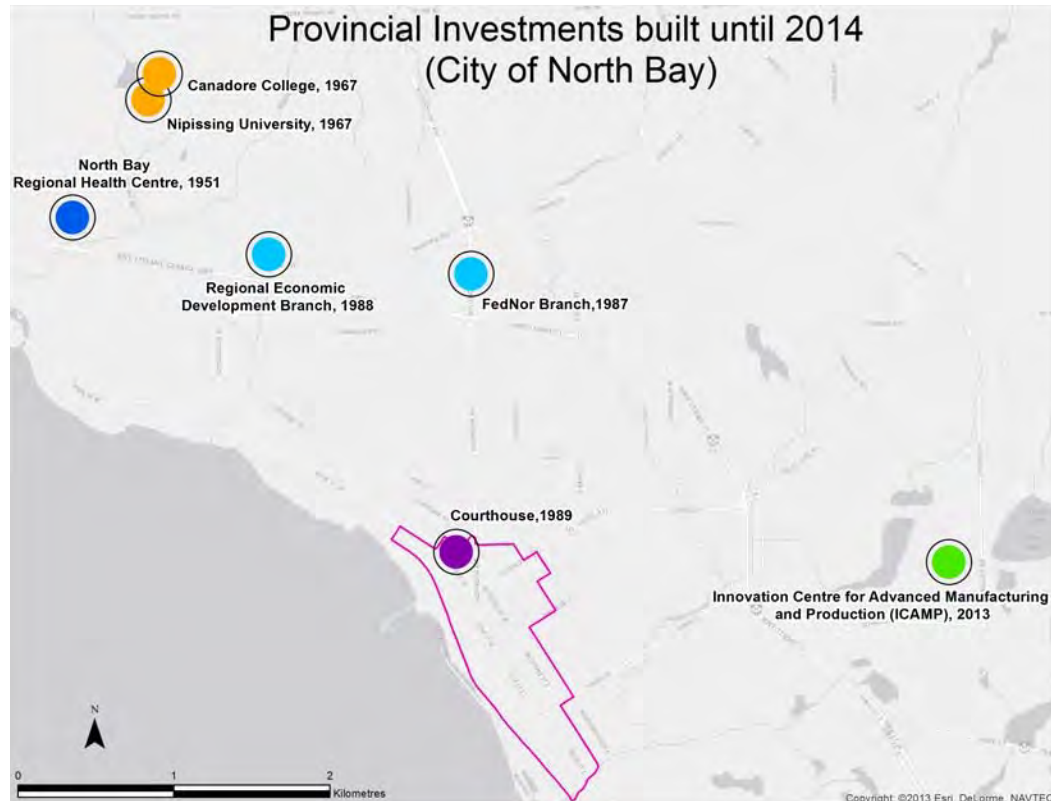
Is the city investing strategically in its future?

This review of Northern downtowns suggests that while there are many advantages to developing a vision specifically for downtown and following through with a plan to implement that vision, there is more than one way to achieve desired goals. Invariably, however, the benefits of following through with complementary initiatives like community improvement plans and collaborations with other orders of government can never be underestimated.

Over the past decade, some 75 capital projects have been completed in the five Northern downtowns. When municipal investments can be coordinated with contributions from other orders of government or the private sector, the value to the community is reflected not only in the tax base but in the increased business activity resulting from increasing the critical mass of people and development attracted to the downtown.



Downtowns are supporting a wide range of new capital projects, but there are many challenges to gaining a full picture on performance



Pedestrian path leading to the waterfront. For the first time in decades, North Bay's downtown is now connected to its waterfront. The City invested \$6M since 2006.

In North Bay, the City's investment in purchasing railway lands from CP back in 1999 represents a core element of the waterfront revitalization plan that attracted an additional \$7M from provincial and federal funders. The result is a trail system improving connectivity to the downtown, a 250 slip marina, a carousel and children's playground. The role of the Community Waterfront Friends not for profit organization has been instrumental in helping this project achieve its goals, inspiring the City to contribute \$1M annually and spurring approximately \$24M in private sector investment, starting this year (2014)*. North Bay is also in the process of creating an arts and entertainment centre by restoring the venerable Capitol Theatre.

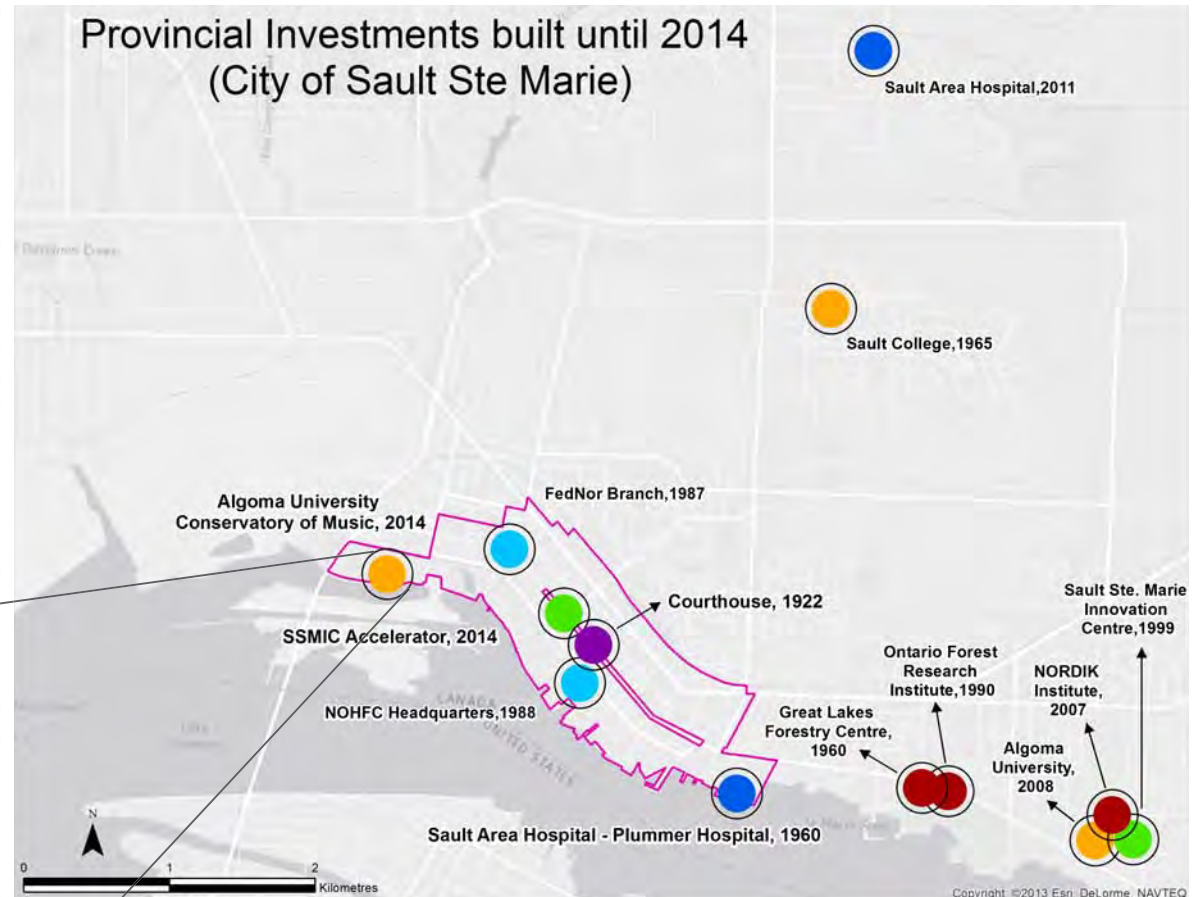
* Community Waterfront Friends" – downloaded from www.waterfrontfriends.org



Downtown portion of the Hub Trail along Sault Ste. Marie's waterfront. The City invested approximately \$1.5M in 2010.



The new home of Algoma University's Conservatory of Music.



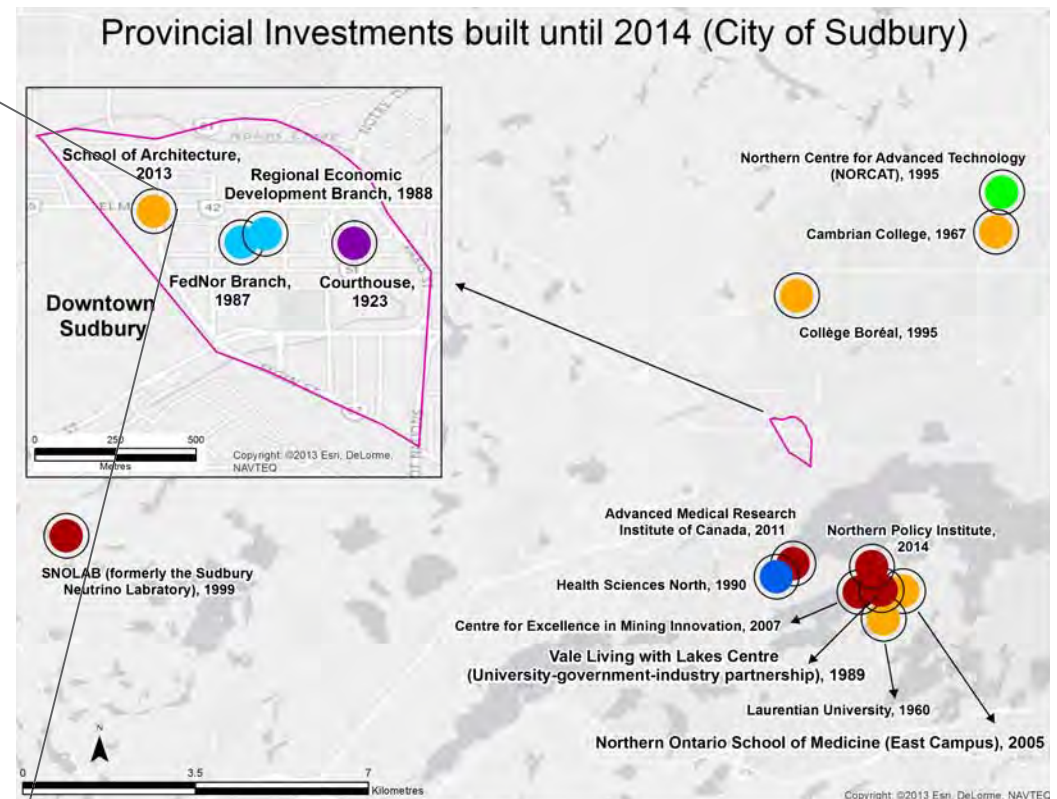
Sault Ste Marie, is another Northern city that has successfully invested in improvements to its waterfront. The City has also made the most of its heritage resources, building the Ermatinger Clergue National Historical Site interpretative centre, utilizing \$1M from NOHFC and \$1.9M from the Canada Cultural Spaces Fund.



Phase I of the Laurentian School of Architecture was completed and opened in September.

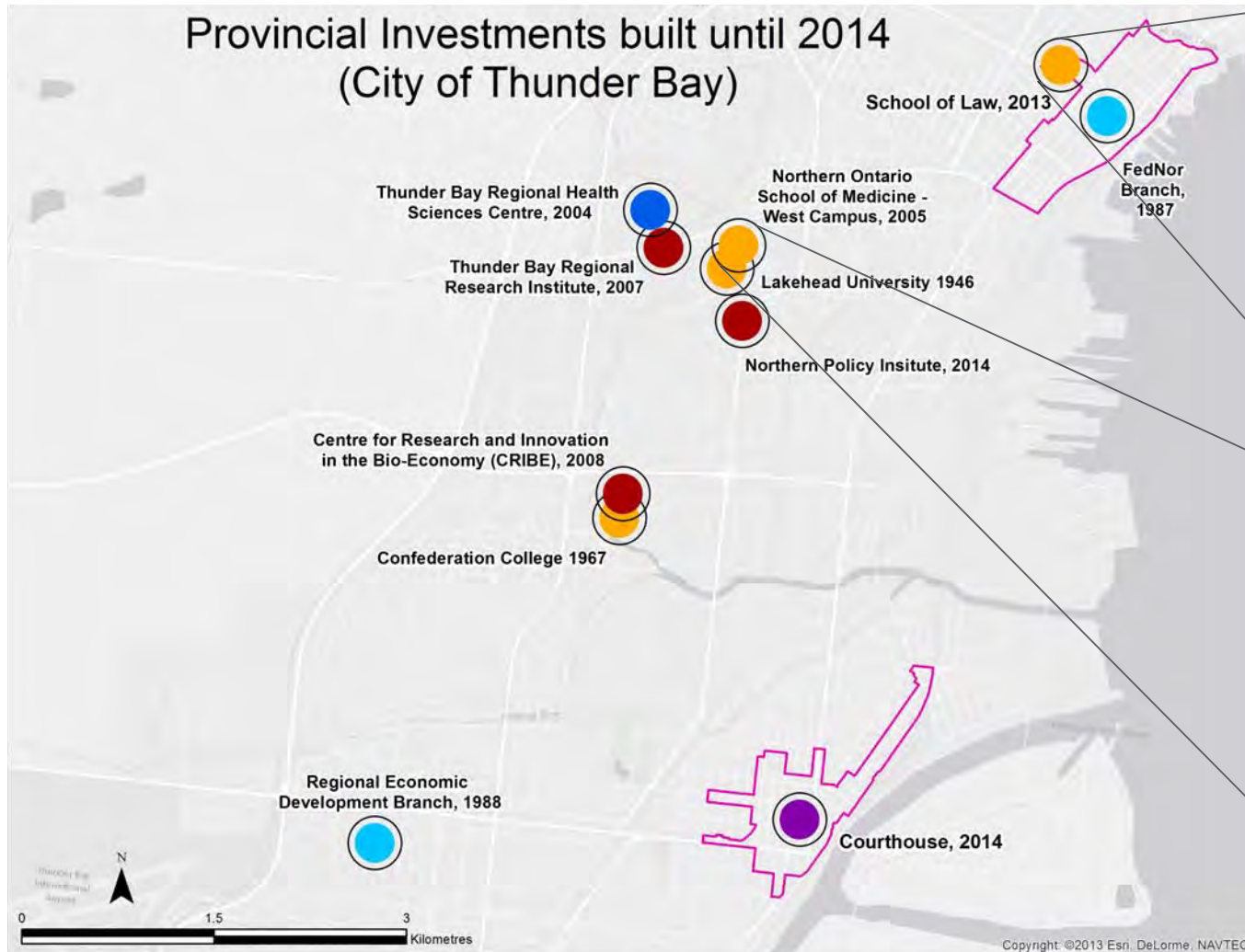


Artistic rendering of Phase II of the Laurentian School of Architecture located downtown Sudbury. The City invested \$10M since 2004.



In Sudbury, the municipality's contribution of \$10M to the first phase of the new School of Architecture was in line with the city's Downtown Master Plan and has already stimulated investments in new student residences, and ensured that phase two of the project would proceed as planned. Additionally, Sudbury purchased CP/VIA's Rail Station Property to provide a permanent home for a popular farmer's market. The City worked "creatively" with a number of stakeholders to utilize container-like structures to ensure the project's success until such time as permanent structures can be afforded.

Provincial Investments built until 2014 (City of Thunder Bay)



Lakehead University, School of Law

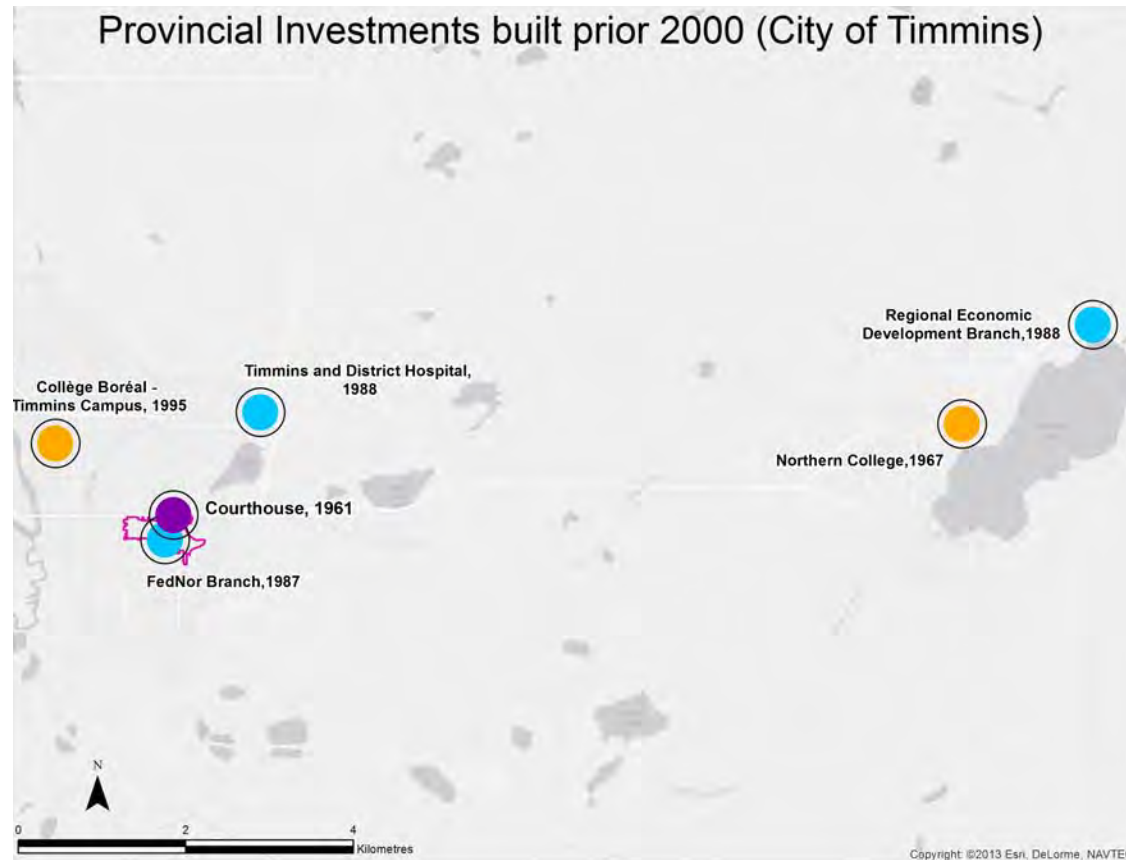


North Ontario School of Medicine, West Campus

In Thunder Bay, the City was able to build on the strength of its implementation plan for the waterfront in the North Core to secure more than \$36M in provincial and federal capital investments. This has led to an estimated \$100M in additional private investment, and received high ratings from residents surveyed for this project.



Provincial Investments built prior 2000 (City of Timmins)



In the case of Timmins, which has focused on developing a corporation-wide strategic plan for 2020, the downtown has still benefited from investment in core institutions such as a new library, a police services building, a transit terminal, a restored Museum and Exhibition Centre and investments in the public realm that include a revitalized public park and market. The Museum will be the focal point for arts and entertainment activities. Local business owners have repaid this show of confidence in the future of downtown by taking advantage of the city's façade improvement program.

Conclusion

The goal of the Northern Ontario Downtowns project has been to measure and assess the economic impact of the downtowns of the five largest cities in Northern Ontario – Thunder Bay, Sault Ste Marie, Timmins, Sudbury and North Bay. Using the methodology developed by CUI in partnership with the Canadian members of the International Downtowns Association, the CUI team worked with municipal staff and representatives of local business improvement areas, ably assisted by interns from Northern Ontario post-secondary institutions and a variety of other partners to create case studies for each city.

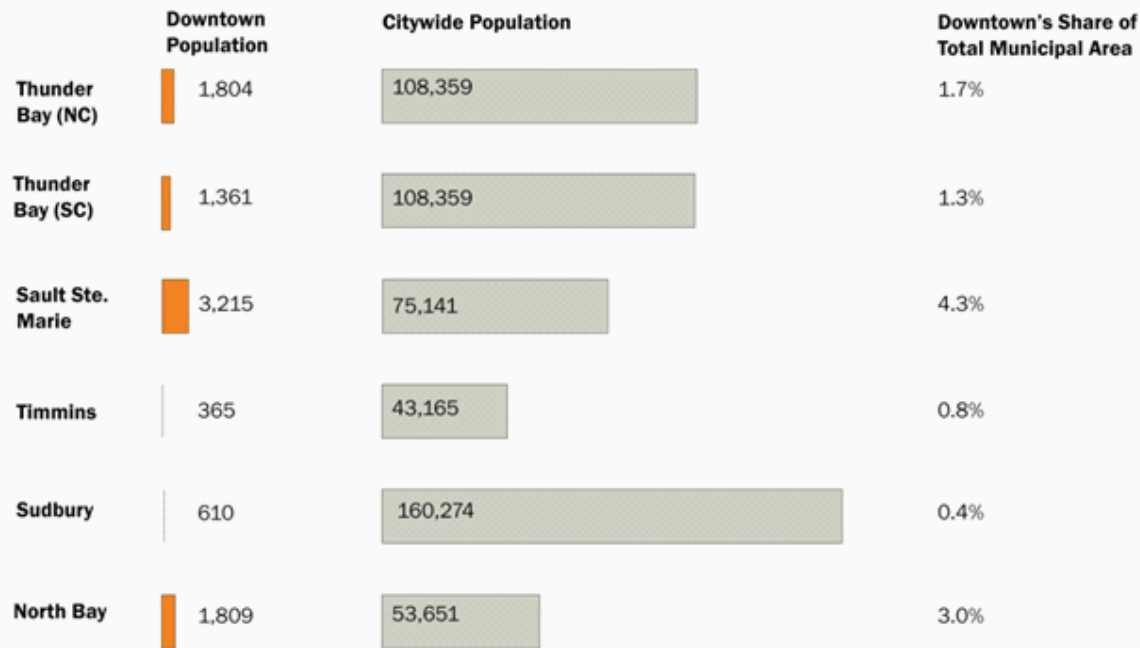
The case study results suggest that the downtowns of all five cities – two in the case of Thunder Bay – have the potential to contribute to the economic vitality of the region, and, that if current trends continue, master plans and other strategic initiatives underway in these cities will provide a solid basis for retaining youth and other working age residents as well as creating economic opportunities likely to attract former residents to return to the North.

As documented in detailed case studies (available for download from www.downtownsmatter.com), and reiterated in this overview report, investing in downtowns not only makes good practical sense but helps create the conditions that contribute to an enhanced quality of life for everyone. The website not only provides community leaders with a way to track each other's progress but creates the potential for two-way dialogue regarding best practices in downtown revitalization between the downtowns of Northern Ontario and the rest of Canada. This is consistent with the legacy impacts sought by the Ontario Trillium Foundation, which provided funding for the project.

Although many commentators emphasize the differences that distinguish cities in Northern Ontario, this study has provided an opportunity to identify key commonalities with downtowns across the country. As stated in the web URL, "Downtowns Matter!"

Appendix

DOWNTOWN POPULATION, CITYWIDE POPULATION AND DOWNTOWN'S SHARE OF CITYWIDE POPULATION

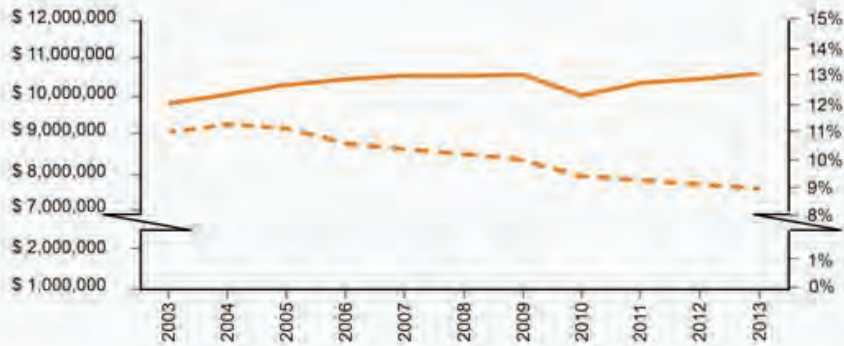


DOWNTOWN'S SHARE OF CITY WIDE ASSESSMENT BASE AND TAX REVENUE IN 2012

	Downtown % of Assessment Base	Downtown % of Tax Revenue
Thunder Bay (NC)	Data Not Available	Data Not Available
Thunder Bay (SC)	Data Not Available	Data Not Available
Sault Ste. Marie	10%	9%
Timmins	1%	0.16%
Sudbury	1%	2%
North Bay	2%	4%

CHANGE IN DOWNTOWN TAX REVENUE (\$) AND DOWNTOWN'S SHARE OF CITY WIDE TAX REVENUE

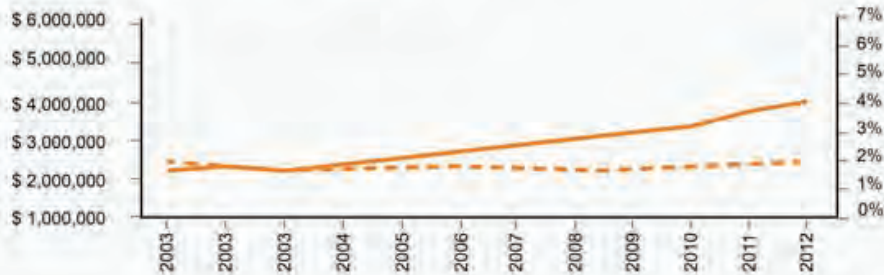
Downtown Sault Ste. Marie Tax Revenue (2003-2013)



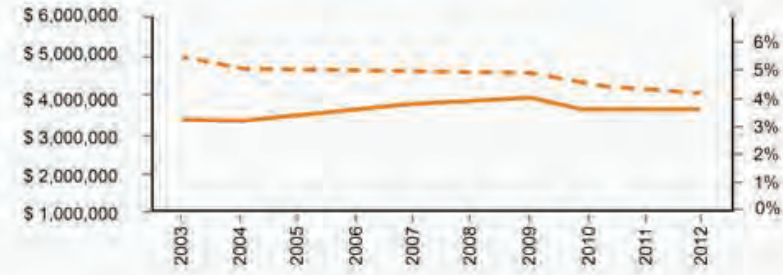
Downtown Timmins Tax Revenue (2003-2012)



Downtown Sudbury Tax Revenue (2001-2012)



Downtown North Bay Tax Revenue (2003-2012)

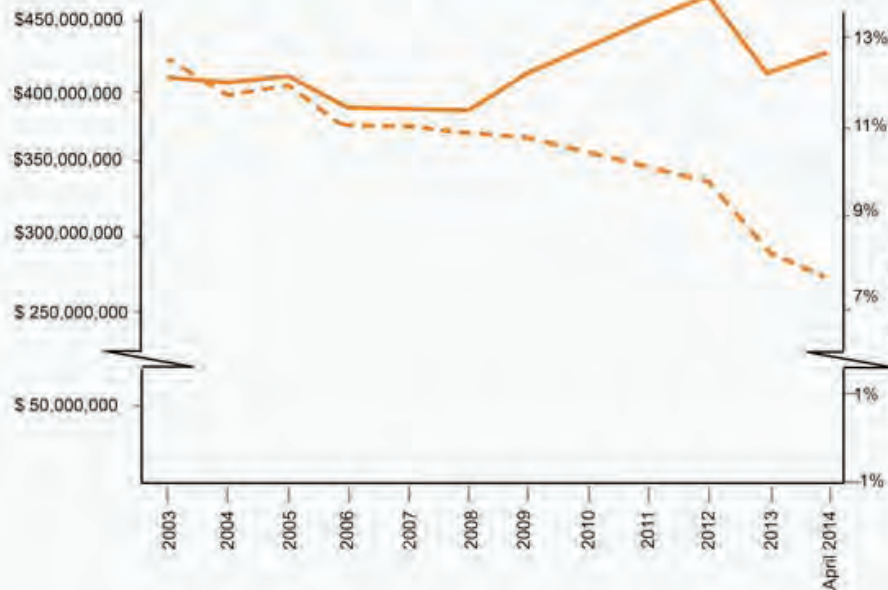


— Downtown Tax Revenue (\$)
 - - % Generated by Downtown

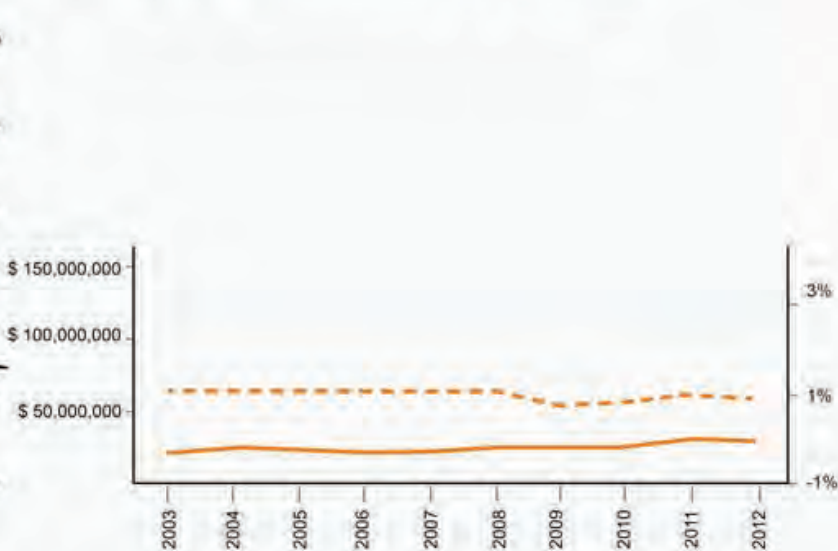
CHANGE IN DOWNTOWN ASSESSMENT BASE (\$) AND DOWNTOWN'S SHARE OF CITY WIDE ASSESSMENT OVER THE YEARS

— Downtown's Assessment (\$)
 - - - Downtown's Share of Citywide Assessment

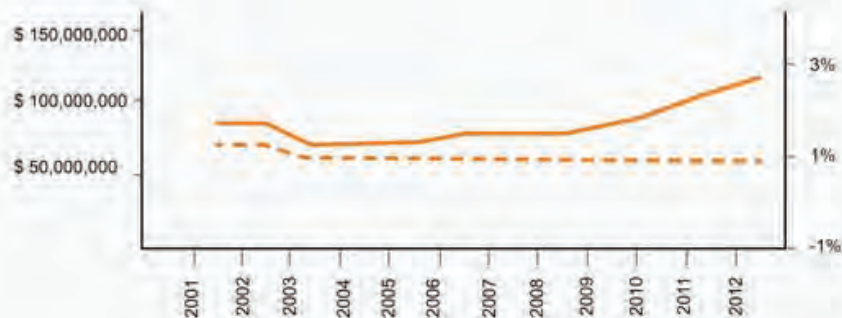
Downtown Sault Ste. Marie's Assessment Base (2003-2014)



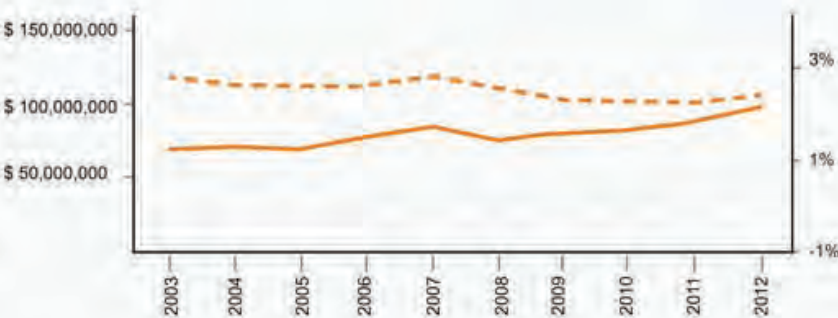
Downtown Timmins Assessment Base (2003-2012)



Downtown Sudbury Assessment Base (2001-2012)



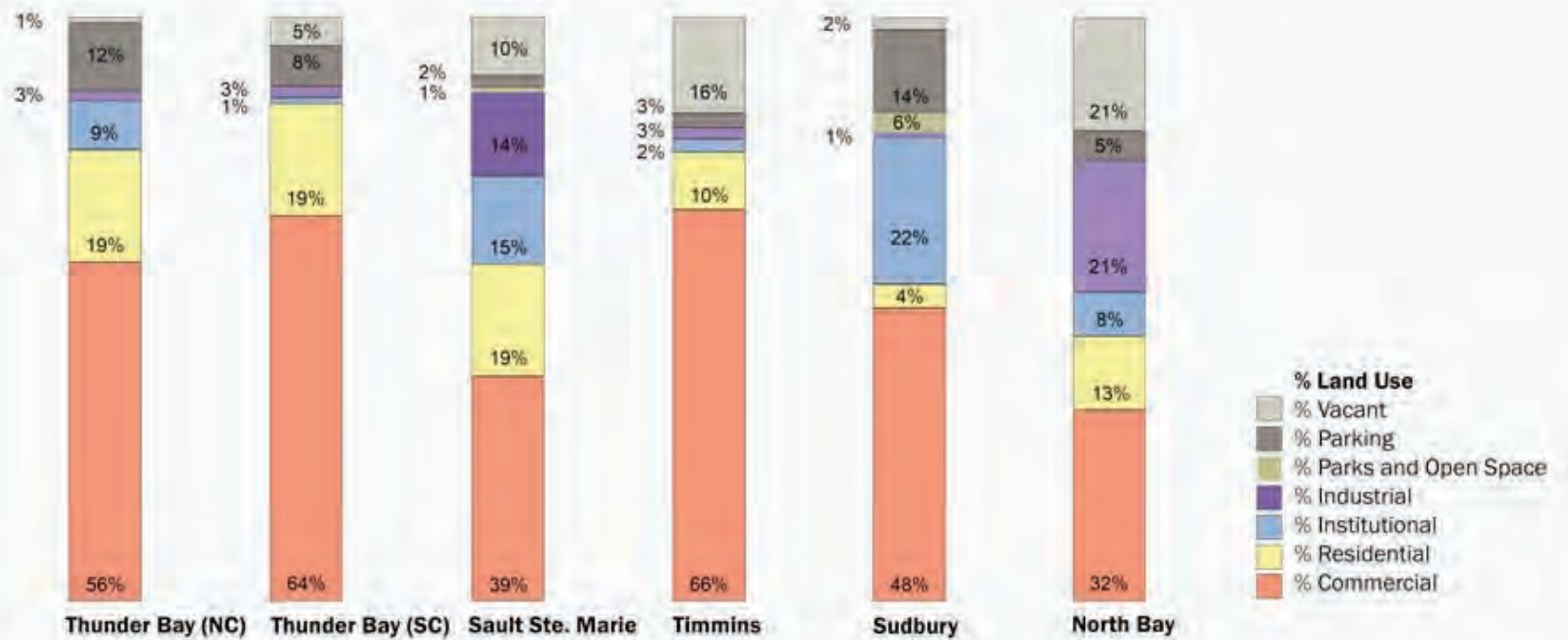
Downtown North Bay Assessment Base (2003-2012)



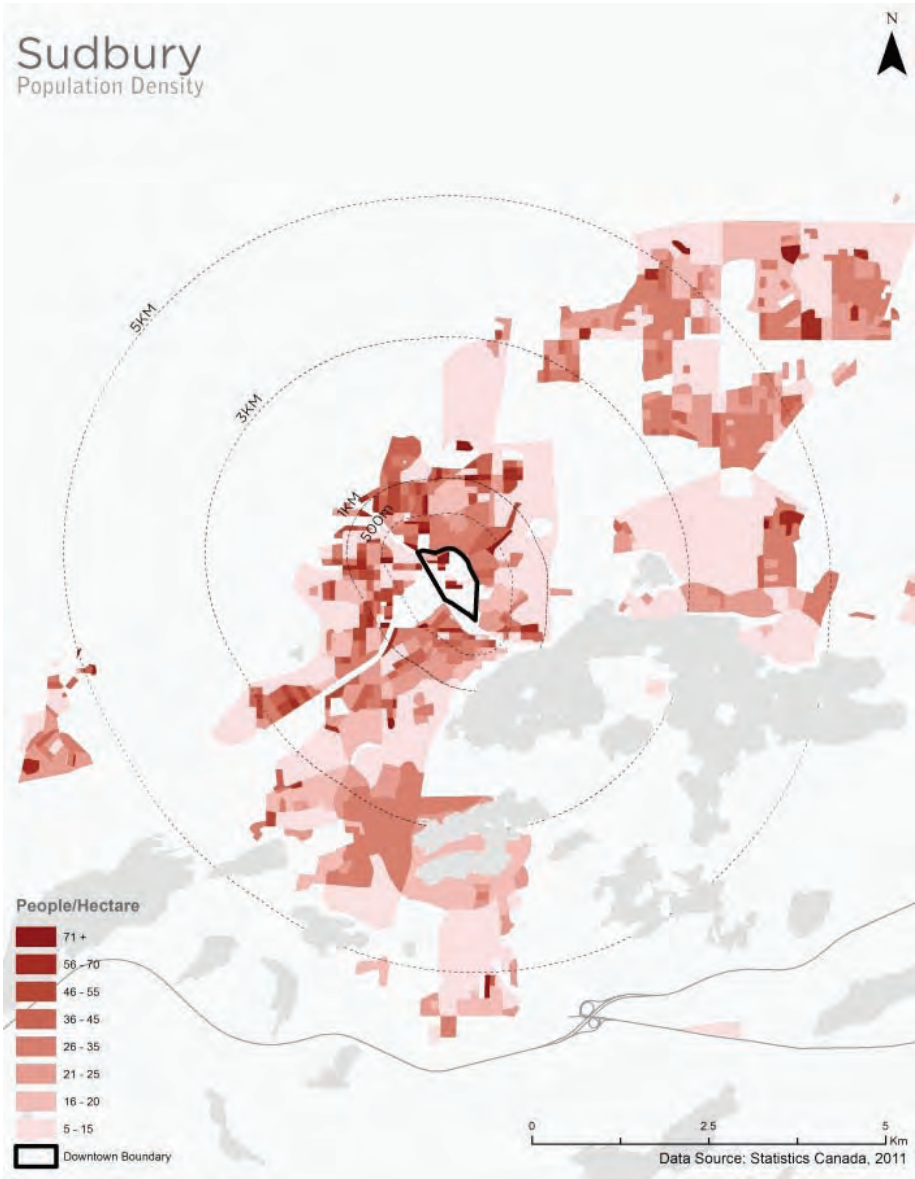
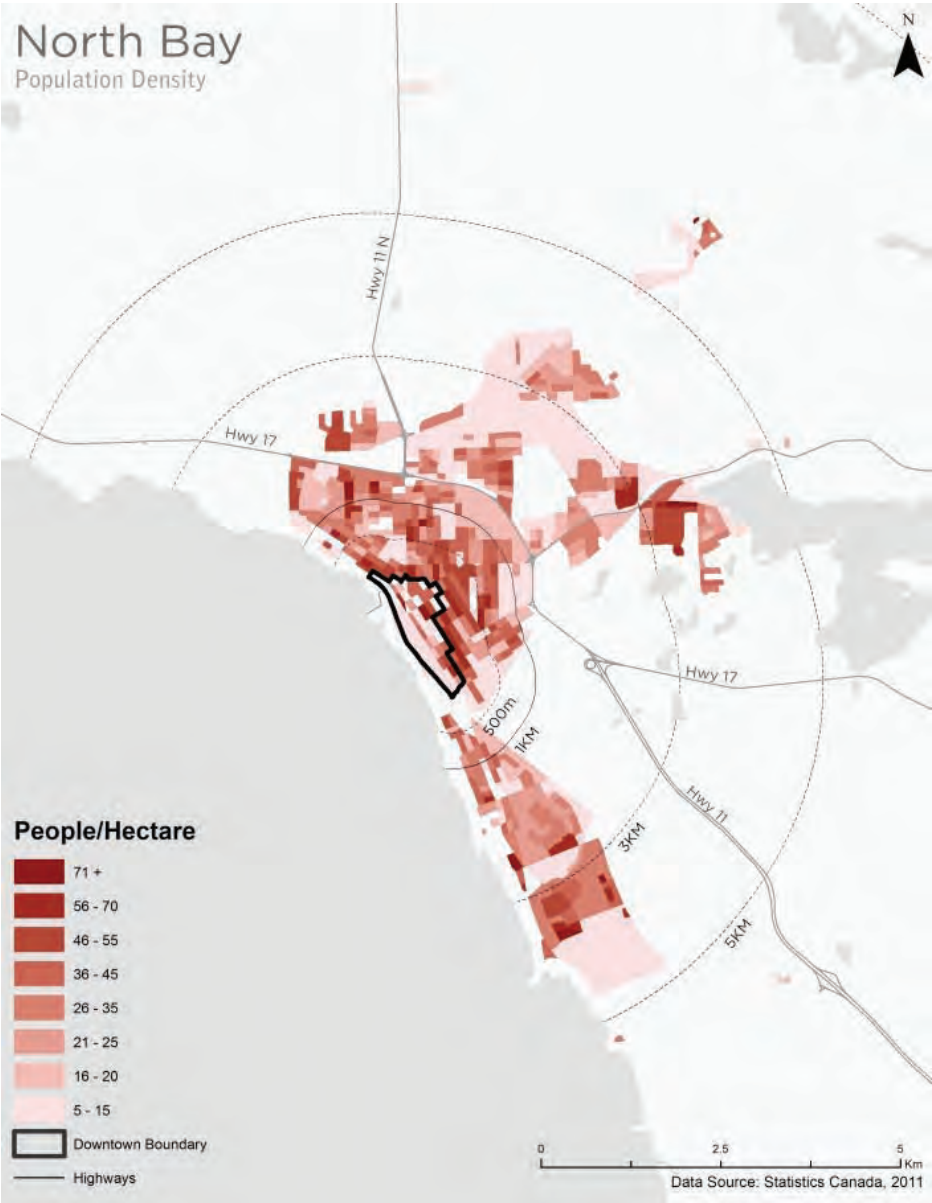
POPULATION CHANGE OVER 10 YEARS
PERCENT CHANGE IN DOWNTOWN POPULATION BETWEEN 2001 & 2006 AND
BETWEEN 2006 & 2011



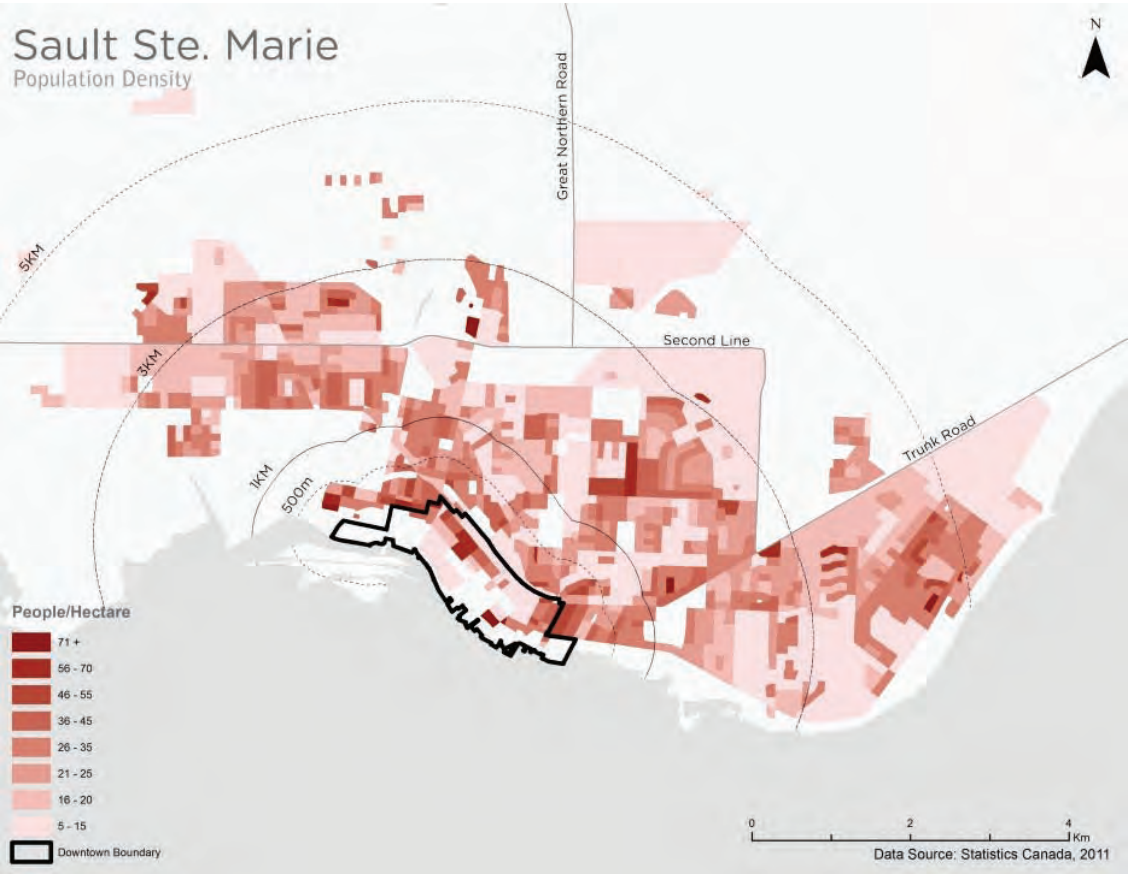
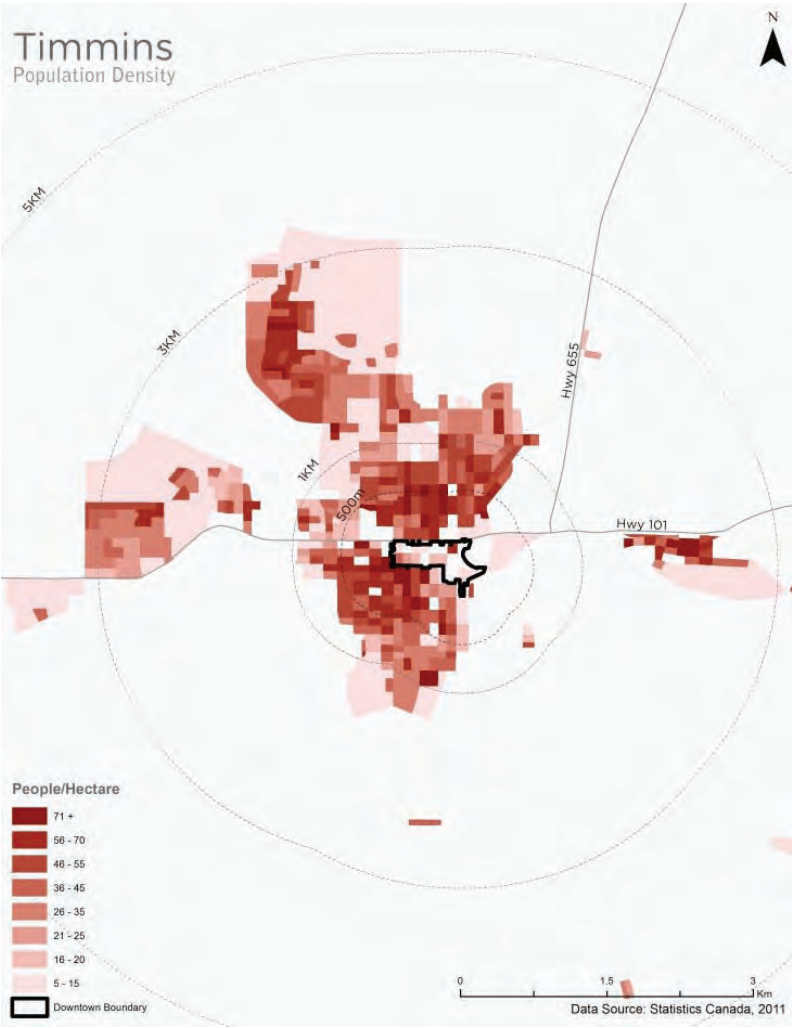
DOWNTOWN LAND USE BREAKDOWN



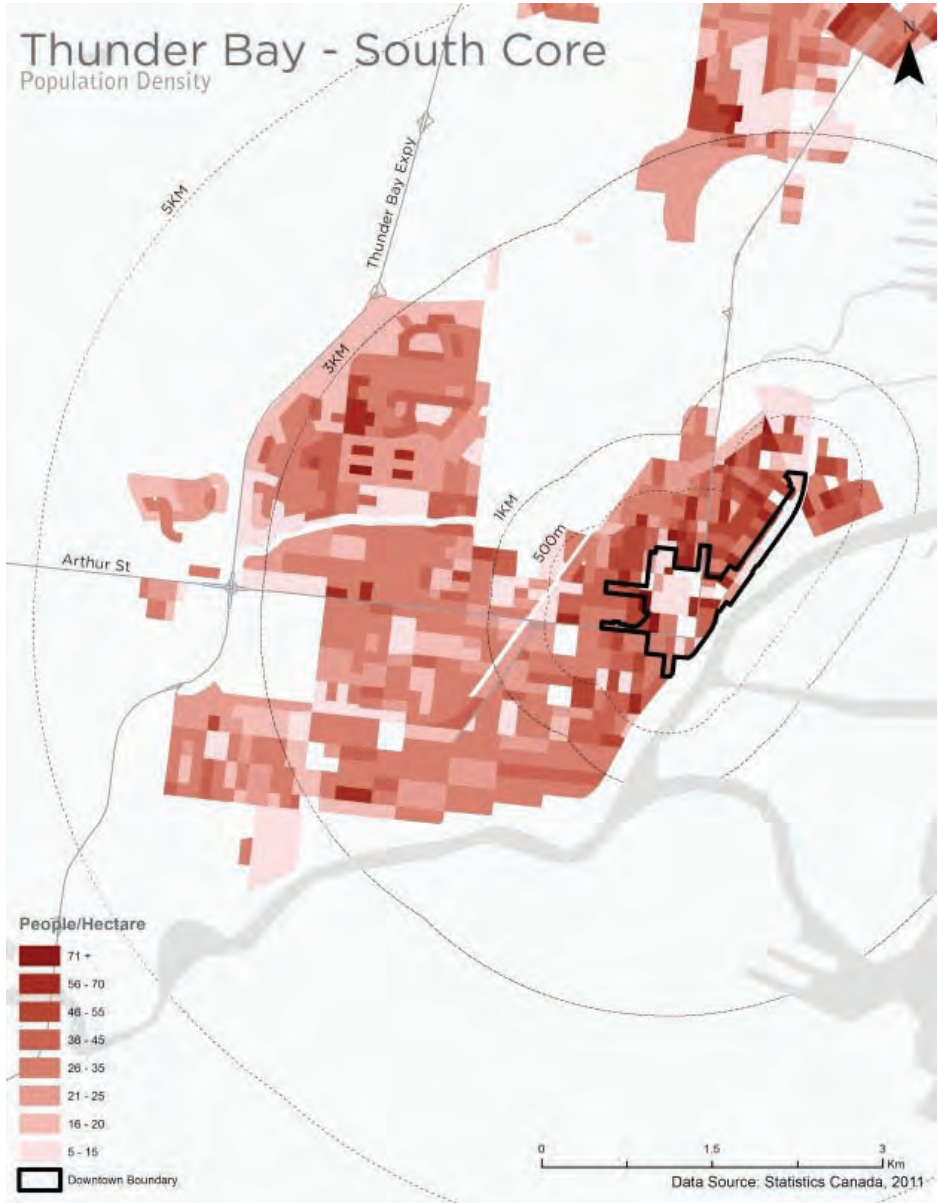
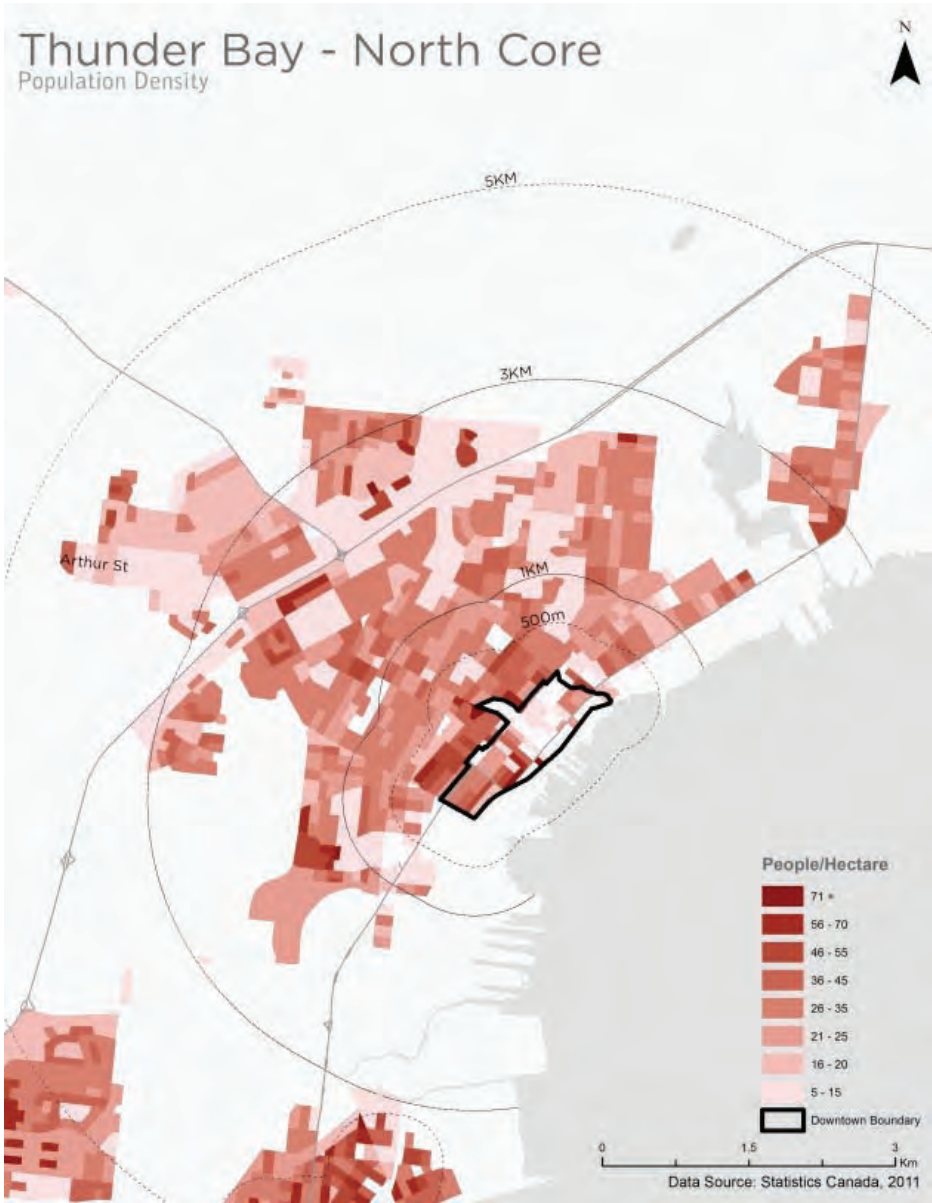
Population density maps showing the concentration of residents living withing 10 km of downtown



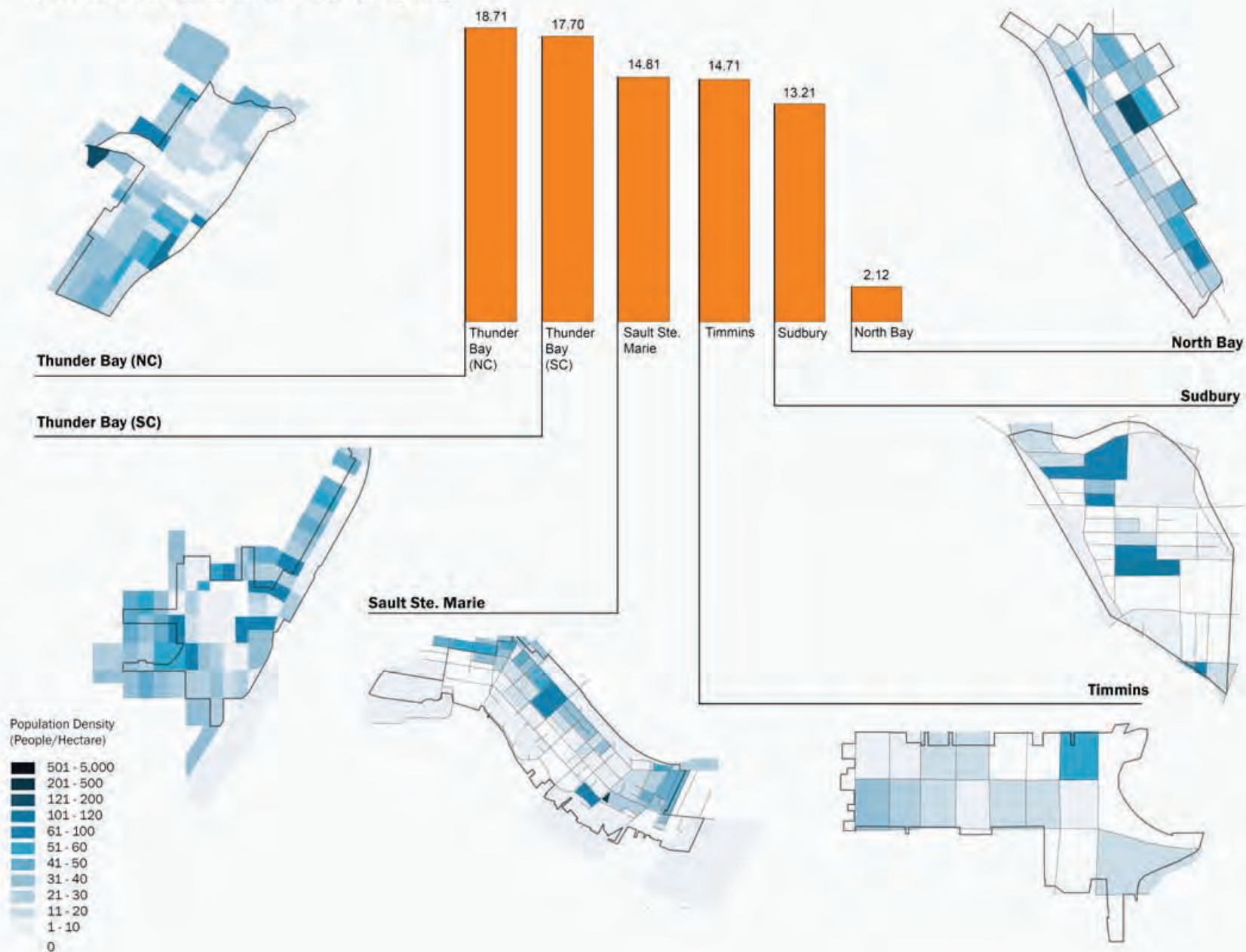
Population density maps showing the concentration of residents living withing 10 km of downtown



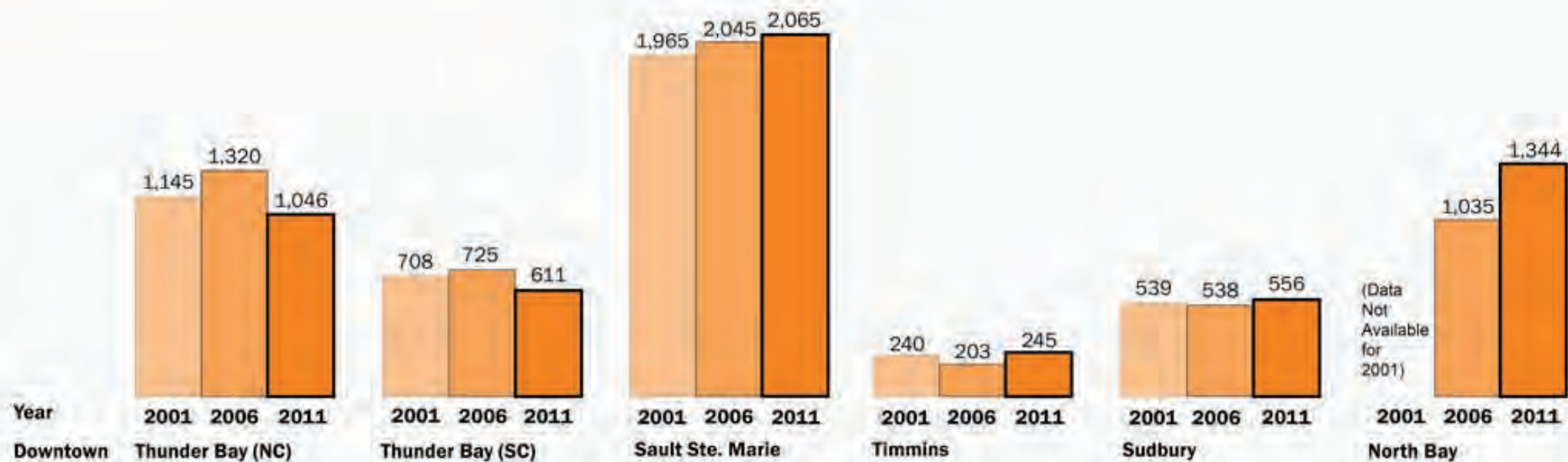
Population density maps showing the concentration of residents living withing 10 km of downtown



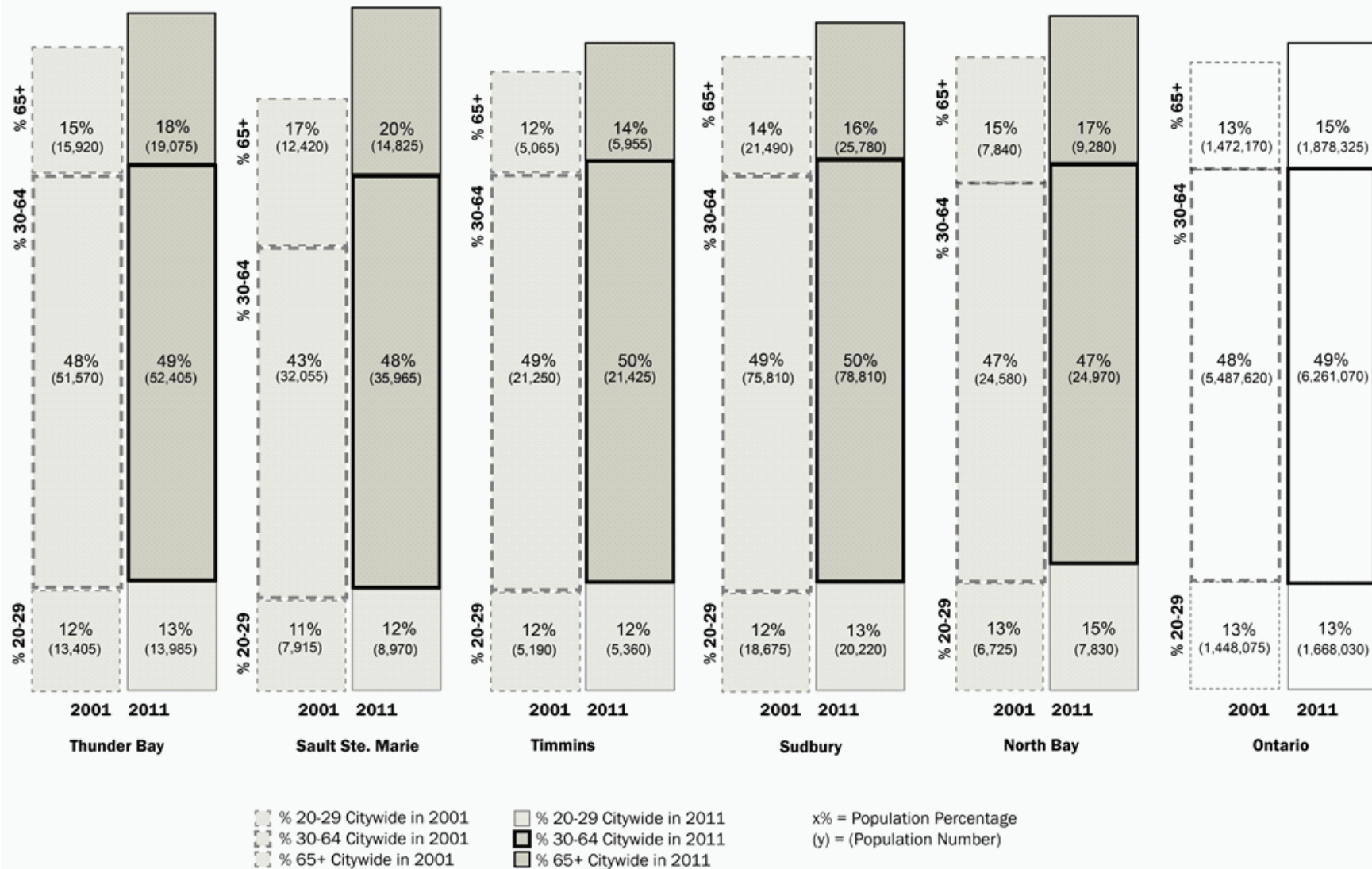
DOWNTOWN POPULATION DENSITY (PPH)



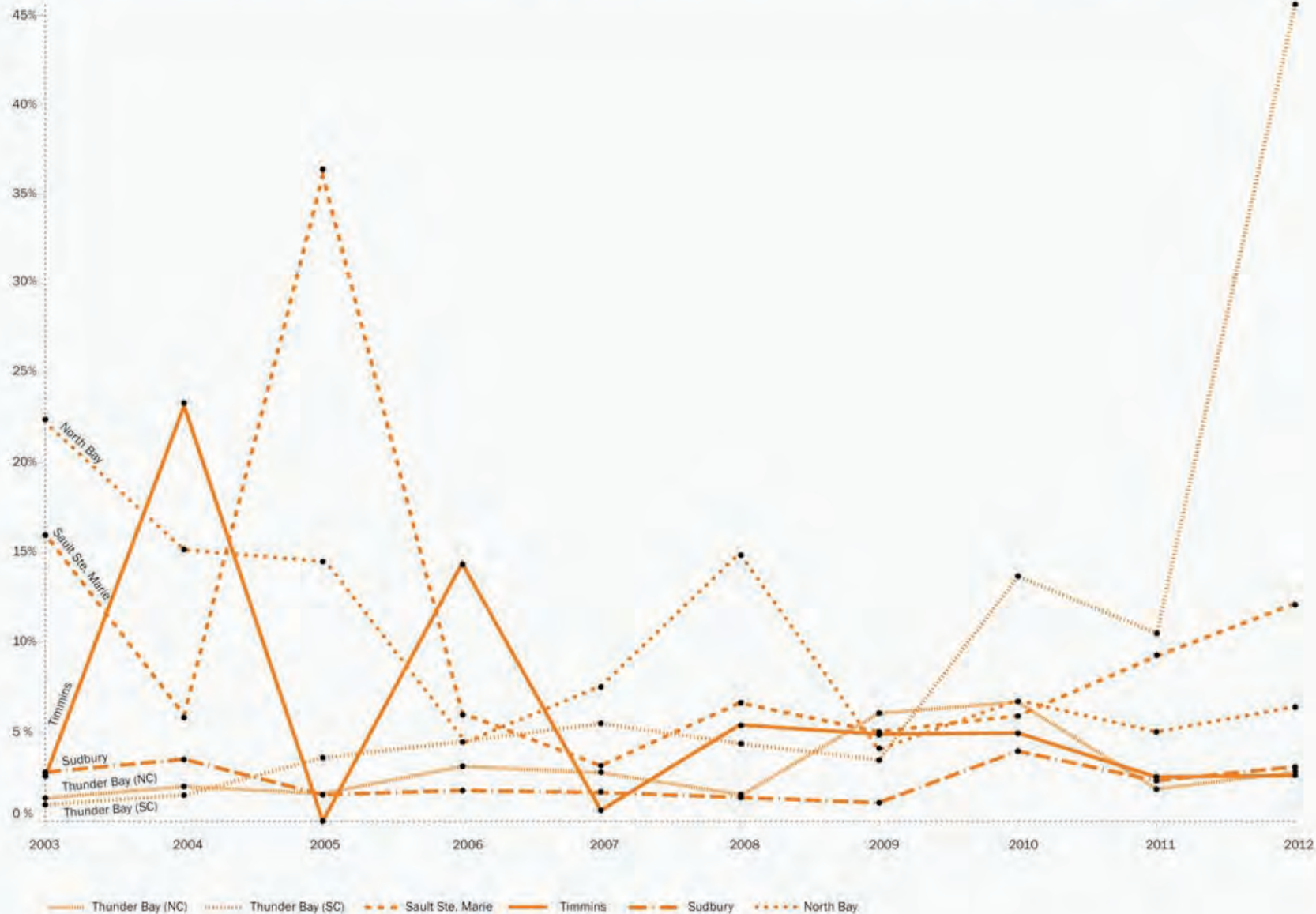
NUMBER OF DOWNTOWN DWELLINGS OVER 10 YEARS (IN 2001, 2006 AND 2011)



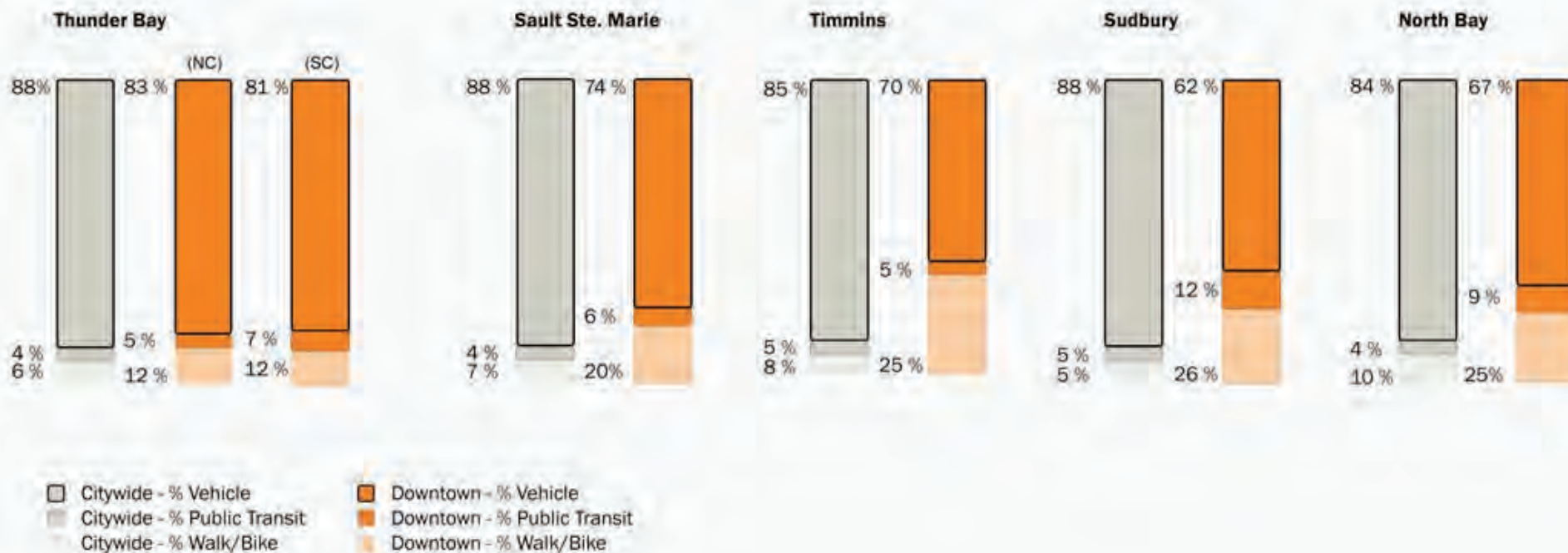
2001 & 2011 AGE DISTRIBUTION CITYWIDE AND IN ONTARIO



CHANGE IN DOWNTOWN'S SHARE OF CITY WIDE BUILDING PERMIT REVENUE OVER 10 YEARS (2003-2012)



% OF TRANSPORTATION MODES CITY WIDE AND IN DOWNTOWNS



PERCENTAGE OF DWELLING TYPOLOGIES IN THE DOWNTOWNS

