

East Bayfront Development – Ground Floor Retail Strategy



Prepared For: Toronto Waterfront Revitalization Corporation

Date: May 5, 2006

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May 5, 2006

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Dear Ms. Piattelli:

Re: East Bayfront Ground Floor Retail Strategy

urbanMetrics is pleased to provide the Toronto Waterfront Revitalization Corporation ("TWRC") with this strategy to develop groundfloor retail space as part of the East Bayfront community. The report which follows is based on our extensive experience in the retail and tourism industries, case study research into successful waterfronts and cultural districts, and collaboration with TWRC officials and the East Bayfront project team. In particular, the retail strategy has been developed in concert with the cultural/entertainment strategy prepared by LORD Cultural Resources.

Yours truly,
urbanMetrics inc.



Rowan Faludi,
Principal

EXECUTIVE SUMMARY

The goal of the retail and cultural animation strategy is to engage residents, regional visitors and tourists with the waterfront by offering a variety of things to see and do from shopping and dining experiences to cultural activities, festivals, and the pleasure of outdoor space by the water.

Based on the current concept plan, there would be 181,503 square feet of ground floor commercial space available for occupancy on the north and south sides of Queens Quay Boulevard, 90,902 square feet flanking Sherbourne Park (including corner properties on Queens Quay Boulevard, and some 93,534 square feet along the waterfront (including space fronting on the Jarvis Slip). In total, there is a potential for approximately 366,000 square feet of ground floor commercial space within the East Bayfront Precinct.

Retail experts, urbanMetrics inc. have demonstrated that without cultural and other forms of animation, the amount and type of retail that can be attracted by the number of residents and office workers projected in the Precinct Plan is limited primarily to convenience uses in modest numbers. This type of retail and food service is not destination-oriented and the overall result will be the appearance of a self sufficient, but largely internal community, not overtly welcoming to visitors, no matter how “accessible” the waterfront itself may be.

Artscape, the Toronto-based world leader in developing projects that attract and retain artists and knowledge workers as tenants have demonstrated that this limited approach would not fulfill the aspiration for an “intelligent community” set forth in the East Bayfront Precinct Plan because artists and workers in creative industries prefer an environment with “interesting public spaces and gathering places” such as unique cafes, restaurants and meeting areas. Without sufficient commercial and cultural animation, these industries would be unlikely to locate here – and if they did (as a result of incentives) would be unlikely to stay. This finding was substantiated in interviews conducted by Lord Cultural Resources for this study.

What the retail and cultural animation strategy adds to the East Bayfront Precinct is a significant number of local, regional and tourist visitors who will increase the market for retail and food services to a point where it becomes attractive for unique and specialty retail to locate there. This type of retail is itself a destination that will attract more visits – and more spending by local residents and office workers than what they would spend on ‘necessities’ in convenience retail. This heightens the attractiveness to both residential and office users who could be considered part of the “creative economy”.

In order to identify what would attract culture and animation to the waterfront, Lord Cultural Resources conducted interviews with 22 leaders in the field and studied 13 precedents for successful animation and mixed-use attractions on waterfronts. To complement this research, urbanMetrics conducted case studies at successful waterfront retail and entertainment districts, including Baltimore’s Inner Harbour, Granville Island, Faneuil Hall in Boston, and South Street Seaport in New York.

We applied this information and the accumulated knowledge of our two firms to formulate the, conclusions and recommendations that are summarized below:

There is a large supply of cultural uses, institutions and festivals that are interested in locating in the waterfront area of the East Bayfront Precinct for a range of reasons including:

- Many small organizations (both for-profit and not-for profit) are being evicted due to rising property values in Toronto
- New cultural organizations and uses are continually being invented
- Cultural organizations seek security of tenure through long-term leases and condominium options
- They are attracted to the waterfront

However, the site has challenges:

- Isolation from the rest of the city
- Lack of identity
- The possibility that it will feel like a subdivision rather than a new urban place on the waterfront
- Being pioneers in a construction site for the early years of development

These can be overcome with incentives such as below market rents and security of tenure. Also it will be important to communicate that the owner of the arts spaces is not a private developer but an agency with commitment to the long-term tenure of the arts and creative industries

The Report categorizes cultural animation opportunities as follows:

- **Low Impact** – comprised of office and gallery uses for creative industries and arts organizations, small 200-300 seat theatres, public art, and specialty festivals and events. These attract between 10,000 and 100,000 visits per year and require 1,000 – 12,000 square feet for each attraction depending on the use. This group of users would look for below Market rents in the pioneer phase. Their long-term commitment could be secured by pegging rents at \$12-\$14 psf gross. The type of cross-subsidization that might be required from other residential or commercial tenants would not be dissimilar to the method used in tenancing a shopping mall.

The “low impact” scenario envisions a distributed network of 5-10 low-impact cultural entities each attracting from 10,000 to 100,000 visits a year – that is, a total of from a low of 50,000 to a high of 900,000 visits – an average of 300,000 depending on such factors as the nature and mix of the cultural attractions, scale and location.

- **Mid Impact** – comprised of intermediate sized institutions such as a Centre for Contemporary Art, Museum for Aboriginal Art, a branch of a National Museum, A wine and culinary centre, a Children’s Museum and Kid’s Marketplace plus related festivals (such as an international art biennale, wine and food festivals, new media festivals and Toronto Alternative Art Fair. Each of these could attract between 100,000 and 800,000 visits per year and require between 20,000 to 60,000 square feet. For this category of users, a long term, nominal sum land lease may be sufficient. These players will be able to raise all or a significant portion of the funds from private and public sources to build and fit out their facility. They will be able to pay their own occupancy costs but they will not be able to pay common area charges,

The mid-impact scenario envisions two of these cultural attractions plus four related festivals for a visitor range of 1 - 1.5 million per year.

- **High Impact** – comprised of one or more attractions known to attract more than 800,000 visitors per year such as an Aquarium (900,000 to 3 million visitors depending on the type and size); Acrobatic Circus School and Attraction, a Chicago-style Millennium Park (1 million visitors) or an international flower festival like Floriade.. These attractions have large space requirements (100,000 – 250,000 square feet), high capital costs and parking requirements. Feasibility studies need to be conducted to determine the types of incentives and fees required to bring this category of attraction to the site and the impact on residents.

The high-impact scenario envisions one high impact attraction likely on the urban edge of the site plus related festivals with a visitor range of 1.5 to 2 million.

Recommendations

- The most successful waterfront districts are those that have strong physical linkages with other major visitor destinations. East Bayfront should not be a standalone destination but should become one part of the overall Toronto Waterfront experience. Creative linkages (both water and land based) should be used to connect East Bayfront with other waterfront and downtown destinations such as the Distillery District
- East Bayfront needs to establish its own identity distinct from Toronto's other attractions, such as Harbourfront, the Distillery District, Ontario Place, etc. In part this can be accomplished through the type of cultural and entertainment attractions developed on the site, as well as, through branding East Bayfront as a unique experience. If East Bayfront is seen as duplicating the experience of other destinations, there is a risk that it will simply cannibalize their attendance.
- Most of the top waterfront and downtown cultural districts examined derive a significant portion of their market from their surrounding regions. This enables them to develop a critical mass of venues and activities to also function as compelling tourist destinations. The ability to draw from the regional population base will be dependent on the availability of sufficient parking in the East Bayfront Community.
- Urbanistic Approach: planning to achieve public engagement means taking an urbanistic approach by which is meant a combination of low-impact, mid-impact and high impact attractions or festivals.
- Creative Approach: With the goal of being an Intelligent Community and branding Toronto as a creative city, it will be necessary to engage with cultural organizations and festivals in order to attract them as tenants and partners. This means innovating some type of co-design process and new forms of leases to assure security of tenure.
- Commercial Condominiums or strata titles should be explored. This would allow the TWRC to sell space it controls to arts/cultural groups at the full cost of construction; while those groups would receive the opportunity to build equity over time. As landowner TWRC could build into the agreement many forms of protection in case of default or re-sale.
- A Public Request for Expressions of Interest (REOI) process be launched as soon as possible to determine which cultural groups, creative industries and festivals would be interested in locating in the East Bayfront Precinct. The study identified a significant number of opportunities through the interview process. The REOI will doubtless reveal additional opportunities.
- The strategy for ground floor retail and cultural space has been analyzed by urbanMetrics inc., which assessed the potential for the retail component and by Lord Cultural Resources Inc. and Artscape, which developed cultural and animation strategies for East Bayfront.

- The retail strategy has been based on an evaluation of three core markets for commercial space within the East Bayfront Precinct: the on-site residential population, on-site employees, and visitors/tourists. The retail space potential for the residential and employee markets is largely driven by population/employment and nearby competition. The potential for tourist and visitor retail spending is related to the cultural and animation strategy. Thus the greater the numbers attracted by culture and other types of animation, the greater likelihood of attracting more unique destination types of retail and food services – which then have the potential of themselves becoming a destination.
- The proposed residential component will comprise some 10,000 residents – the equivalent of a small town, such as Port Hope or Paris, Ontario. In that retailing is important part of community life, we would expect that East Bayfront should be capable of offering its residents a good range of retail stores and services, recognizing the existing commercial infrastructure in the GTA. We have estimated that about 20% of residents spending will be undertaken on the site, which would represent about 60,000 square feet. This would include convenience retail, restaurants/fast food, services and a limited number of comparison retail stores. We have assumed that a large supermarket or automotive uses will not be developed within East Bayfront.
- Retail facilities are an important amenity to attract employment uses to an area. The ultimate employment within East Bayfront is estimated at approximately 8,000. The primary retail and service categories required to serve downtown employees, include: restaurants and fast food outlets for lunch-time expenditures; restaurant, bars and entertainment expenditures to support after-work expenditures; convenience retail and services to serve the day-to-day needs of employees; limited comparison retail space (e.g. fashion, jeweller, home decor, etc.) to serve the lunch time shopping by employees; and, business services. Based on research conducted in other downtown environments, we estimate that the on-site employees could support some 40,000 square feet of retail and service uses.
- The amount and location of cultural and retail space for each of the three scenarios developed by Lord Cultural Resources has been shown in Figure 1. This table should be considered as a general guide and should be treated with flexibility depending on the physical capacity of the site, parking needs, planning regulations, and overall design goals. As indicated in the cultural strategy report, the cultural and entertainment components identified are still subject to a more detailed market and feasibility assessment.
- As indicated by this table, the cultural and retail components range from about 200,000 square feet under the low impact scenario to about 700,000 square feet under the high impact scenario. In the low impact scenario, the retail component is almost entirely dedicated to serving local residents and employees. Under the medium and high scenarios, the volume of visitor traffic will support a larger cluster of retailing and services, including the incorporation of retail “pavilions” that could function as attractions unto themselves. A small boutique hotel of approximately 50 rooms has also been included in the high impact scenario to serve both tourists and local businesses.

**Figure 1:
Retail and Cultural Space Summary**

Scenario	Restaurants and Fast Food				Total
	Retail	Other Services	Culture and Entertainment		
(Square Feet of Gross Leasable Area)					
Low Impact Scenario					
Queens Quay Boulevard (North Side)	25,000		15,000		40,000
Queens Quay Boulevard (South Side)	25,000	5,000	15,000		45,000
Flanking Sherbourne Park		5,000			5,000
Waterfront Promenade	10,000	10,000		100,000	120,000
Total	60,000	20,000	30,000	100,000	210,000
Medium Impact Scenario					
Queens Quay Boulevard (North Side)	35,000	5,000	15,000		55,000
Queens Quay Boulevard (South Side)	35,000	10,000	15,000		60,000
Flanking Sherbourne Park		10,000			10,000
Waterfront Promenade	50,000	20,000		200,000	270,000
Total	120,000	45,000	30,000	200,000	395,000
High Impact Scenario					
Queens Quay Boulevard (North Side)	45,000	10,000	15,000		70,000
Queens Quay Boulevard (South Side)	45,000	15,000	15,000		75,000
Flanking Sherbourne Park		10,000	40,000		50,000
Waterfront Promenade	75,000	30,000		400,000	505,000
Total	165,000	65,000	70,000	400,000	700,000

Note: In the High Impact Scenario, the boutique hotel is represented by the 40,000 square feet of other services space.

- Some of the uses, particularly with regards to the high impact scenario, would occupy multiple levels, so that the total space will exceed that available on the ground floor alone. It is also important to recognize that under both the low and medium impact scenarios, the amount of retail space recommended along Queens Quay Boulevard, could, for the most part, be accommodated on the south side of the street and be located on lands within TWRC ownership. Because, TWRC has an interest in controlling the leasing of the retail space, restricting retail development to the south side of Queens Quay Boulevard may be preferable. However, from a marketability standpoint, we have recommended that the space along Queens Quay Boulevard be centrally concentrated on both sides of the street around Sherbourne Park.
- Under the high impact scenario, the retail and service components are consistent with the establishment of East Bayfront as a major tourist and visitor destination. This scenario will require extensive planning to ensure that adequate parking can be provided and the entertainment components can be appropriately integrated with the employment and residential components of the project.

- Unlike the United States, Canada is limited in the number of chains it has to tenant unique specialty retail projects. One way to overcome this is to provide incubation opportunities for crafts people to lease space on a short term basis with an opportunity to develop their products and merchandising into more permanent concepts. The Southern Ontario market has an extensive array of crafts people with high quality products. A market building that is able to accommodate both permanent retailers and selected crafts people on temporary leases would provide a unique retail venue in the Toronto area and would complement the cultural strategies for the project.
- The potential for noise and safety impacts by night time entertainment venues on nearby residents is a concern that should be addressed through design and leasing strategies. There needs to be some separation between the residential components of the project and those likely to attract patrons after 10pm.

In summary, East Bayfront can be successful in a number of different roles. Strategic decisions need to be made with regards to its character and contribution to Toronto's urban economy.

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1 Background

The TWRC's mission is to transform the Toronto waterfront into a series of sustainable, mixed use urban precincts integrated with parks and open spaces that greatly expand the City's capacity for urban living, employment and recreation. East Bayfront is the first significant development project by the TWRC. As is currently planned, the 55 acre East Bayfront lands will accommodate an on-site population of approximately 10,000 with an employment base of some 8,000 persons.

As described in the East Bayfront Precinct Plan:

The East Bayfront precinct is the most central waterfront revitalization area to the downtown core. As such, East Bayfront represents an important opportunity for Toronto's city centre to establish a positive and meaningful relationship with its waterfront. The East Bayfront must be a marvelous water-related public destination - for all of the people of the City, the Province, Canada, and the world. The full extent of the 1.5 kilometres of water's edge must become a clear, vibrant public destination with a variety of experiences and amenities along its length. But at the same time it must be a highly local environment, be a real neighbourhood within the city and have strong connections to adjacent communities. It must be a beautiful and desirable place to both live and work.

In other words, East Bayfront must fulfill a number of related goals, including becoming a vibrant self sustaining neighbourhood; a sought after business address, and a visitor attraction generating interest from well beyond the Toronto region. As its first major project, East Bayfront must be a catalyst to the future development of the entire waterfront and represent a showcase for excellence in Waterfront planning. A strong and appropriately scaled retail structure will be essential to supporting these goals.

It is important to recognize that this retail strategy has been undertaken in conjunction with the overall planning for East Bayfront, and in particular, the work undertaken to date to define the residential, employment, cultural, and transportation components. Because retailing generally responds to market needs, any significant changes to the individual components of East Bayfront may influence the amount and type of retail development that could be justified.

We have also had the opportunity to review the March, 2006 Retail Opportunity Assessment completed by Thomas Consultants. This work provided a good overview of the local retail market and a review of other high profile waterfront destinations. Even in the short time since this study had been prepared, continued research and visioning by TWRC and its consultant team have advanced the level of understanding of what East Bayfront will become. Our work is intended to complement

the work undertaken by Thomas based on our on-going collaboration with the project team and our extensive experience with specialty retail environments.

Based on the most current site plan, there is a total of 365,940 square feet of ground floor space along Queens Quay Boulevard, flanking Sherbourne Park and along the waters edge, distributed as follows:

- 181,503 square feet on the north and south sides of Queens Quay Boulevard;
- 90,902 square feet flanking Sherbourne Park (including corner sites on Queens Quay Boulevard; and,
- 93,534 square feet along the alignment of a planned waterfront promenade, including space fronting on Jarvis Quay at the southwest corner of the Precinct.

This is the space intended primarily for cultural/entertainment and retail space within East Bayfront, although some of the specific uses identified will require one or more levels above the ground floor.

In developing a retail strategy for mixed-use communities, such as East Bayfront, we have found it useful to separate the various markets which the retail space will serve. In this regards, we have examined the retail needs of:

- The on-site residential population;
- The on-site employment base; and,
- Visitors from across the GTA and tourists from outside the Toronto Area.

To a large extent, the retail needs of the on-site residential and employment base, is a fairly simple formula driven exercise, owing to their utilitarian requirements for a range of goods and services combined with the existing retail hierarchy already in place in downtown Toronto. The most difficult and most creative aspect of a retail strategy deals with the retail required to support visitors and tourists. For the most part, visitors and tourists must be attracted to East Bayfront by the potential for a compelling range of experiences. As part of a major multi-cultural metropolitan region, East Bayfront must distinguish itself from literally dozens of other high quality destinations and attractions in the Toronto area. As a showcase for Toronto's waterfront, it must also compare favourably to other world class urban communities.

Unlike most shopping, retailing to tourists and visitors is not so much about buying goods and services as it is about the experiences and the emotions invoked as part of the shopping excursion – buying a one of a kind item from the craftsperson who made it; acquiring a memento to capture the memory of a unique place or adventure; or dining in a picturesque setting. Tourists and visitors also

do not have the same time constraints and financial inhibitions that they might otherwise have during their typical daily routines. Likely for this reason, shopping is typically rated as number one or two activities undertaken by tourists to an urban area. Because of these characteristics, it is essential to base a tourist/visitor retail strategy on a good understanding of the experiences offered by a destination.

2 Retailing to Support the Local Population Base

Some 6,300 housing units and 10,000 residents are planned for East Bayfront. This population would be equivalent to that found in mid-sized Ontario towns, such as Port Hope, Ingersoll, or Paris. These communities generally comprise commercial infrastructures including the full range of goods and services, with the exception of those at the highest end of spectrum, such as department stores, high-end fashion stores, and the largest of the big box stores. In that retailing is important part of community life, we would expect that East Bayfront will be capable of offering its residents a similar range retail stores and services. At the same time, however, it must be recognized that as part of a metropolitan area, a wide range of other relatively close retail opportunities would also be available to residents of East Bayfront.

Several other considerations must also be recognized when planning for retail opportunities in East Bayfront. Due to the planned densities, we would anticipate that in general, housing would be geared to smaller household sizes, with fewer children, and a population based skewed towards the two ends of the life cycle – young singles and couples, working downtown, as well as retirees, near retirees and empty nesters. Approximately 20% of the units are anticipated to be affordable rental units. Unlike many waterfront condominium projects, which average incomes substantially above the metropolitan average, East Bayfront will be home to a mix of high and more modest income residents.

Figure 1 summarizes the required retail space to support the ultimate population of 10,000. The following points summarize the logic supporting our analysis.

- In general the average Canadian resident supports between about 30 and 40 square feet per capita. Based on our experience and knowledge of the East Bayfront plan, we have assumed an average of about 33 square feet per resident. The distribution by category is based on our extensive research into commercial structures in communities across Canada.
- Due to space limitations, we have assumed that automotive services, such as gas stations, automotive repair outlets, car dealerships, etc. will be provided off-site.
- We have also assumed that a large scale supermarket would also not be included within the development due to space needs and the existence of the Loblaws superstore immediately northwest of the East Bayfront site. We would expect, however, that at least one large grocery store (10,000 to 20,000 square feet) or food market will be available on the site.

- With the exception of convenience retail uses, we have assumed that the majority of other retail space requirements will be provided elsewhere in the Toronto Area, such as the downtown core, enclosed shopping centres, retail strips and big box centres.

As indicated by Figure 1, the residential population base will require just over 60,000 square feet. The bulk of this space will be comprised of convenience retail and services space.

**Figure 1:
East Bayfront Community
Residential Based Retail Space Requirements**

Retail Category	Per Capita Space	Total Space Required for 10,000 Residents	Locally Provided Share	Space Required in East Bayfront
		Square Feet		
Shopping Centre Inclined Retail ¹	15.0	150,000	10%	15,000
Supermarket and Convenience Retail	6.0	60,000	35%	21,000
Restaurants, Bars and Fast Food	3.5	35,000	25%	8,750
Local Entertainment ³	1.5	15,000	25%	3,750
Other Services ⁴	6.0	60,000	25%	15,000
Automotive	2.5	25,000	0%	-
Total Retail Space	34.5	345,000	18%	63,500

SOURCE: urbanMetrics inc.

1) Includes most comparison retail categories typically found in shopping centres, including: department stores, general merchandise, fashion and accessories, home furnishings and electronics, and other non-food specialty retail stores.

2) Includes food stores (excluding supermarkets), pharmacies, optical and other medical supply stores, and cosmetics.

3) Includes local entertainment uses, including cinemas, bowling centres, billiard halls, amusement arcades, fitness centres and similar outlets.

4) Includes a all services requiring storefront commercial space, such as video rental outlets, real estate offices, travel agencies, financial services, medical offices, social service agencies, and others.

2.1 Locational Criteria for Residential Based Retail Space

In that the site is relatively compact, we would expect that a large percent of home-based shopping trips will be made by foot. As a result, more relaxed parking standards can be applied than might be in effect in other parts of the City. Adequate parking, however, will be required to support the food store.

To encourage pedestrian activity, it will be important to cluster those uses that will be largely oriented to the on-site residential and office populations. The large grocery store will represent an anchor for these uses and should be given a location on the site that is convenient, but will help to encourage pedestrian movement throughout the retail district.

Queens Quay Boulevard will be the commercial spine for East Bayfront. The residential-retail space should be oriented in close proximity to the residential buildings to encourage pedestrian movement and cross-shopping between commercial uses.

The East Bayfront Precinct Plan makes reference to the possibility of enclosing the retail space with “all weather arcades”. In our opinion, the arcades as depicted in the precinct plan would have the negative effect of blocking the store windows from passing traffic and reducing sidewalk sunlight penetration. The most successful street front environments are those which are open and visible to pedestrians and traffic in order to maximize the likelihood of customers entering a store. We have also undertaken studies which show a direct correlation between sunlight penetration and retail rents in pedestrian commercial areas. The disastrous experience of the Rideau Street Mall in Ottawa suggests that an open-air retail environment is much more conducive to a vibrant street life, than a weather protected enclosure, even when it can be open during good weather. Our view is that storefront awnings would be a preferable means of dealing with weather than all-weather arcades¹.

As is discussed below, we would recommend that most of the restaurant, bars and night-life activities should be oriented to the signature features of East Bayfront – i.e. the Waterfront and Sherbourne Park and preferably shielded from the residential uses. We would also suggest that one or more signature restaurants be placed at the corners of the Park at Queens Quay Boulevard to act as a gateway to the commercial and cultural activities along the parkside and the waterfront.

¹ On a practical note, the Smoke Free Ontario Act, which will come into effect on May 31, 2006, would ban smoking under a permanent enclosure. This could make this space less desirable for restaurants and cafes, which will rely on patios to serve their smoking customers.

3 Retail to Support the Local Employment Base

As with the retail space to support on-site residents, the retailing required for the on-site employees and businesses is to a large extent formula driven. The primary retail categories to support the employment base include:

- Restaurants and fast food outlets for lunch-time expenditures;
- Restaurant, bars and entertainment expenditures to support after-work expenditures;
- Convenience retail and services (e.g. dry cleaners, hair salons, banks, etc.) to serve the day-to-day convenience needs of employees;
- Limited shopping centre-inclined retail space (i.e. comparison retail) to serve the lunch time shopping by employees; and,
- Business services, such as banks, print shops, caterers, computer services, etc. to serve local businesses.

The Precinct Plan calls for an employment base of about 8,000, of which approximately 1,000 will be generated by the retail and cultural/entertainment components. Based on the East Bayfront Employment Strategy being prepared by James McKellar, the remaining 7,000 jobs, should not be targeted at the traditional office sector, but should be geared primarily to smaller knowledge based firms with more flexible space requirements than have typically been offered in the office towers of the financial core.

The attraction to these firms would be the ability to operate in a unique community overlaid with dynamic cultural and entertainment elements overlooking urban greenspace and the Toronto waterfront. It is assumed that many of these employees would be well educated with above average incomes.

The most comprehensive study with regards to employee spending patterns, was conducted by the International Council of Shopping Centers in 2004². The study examined retail spending in suburban and downtown office settings in five US metropolitan areas, including Chicago, Atlanta, San Francisco, Dallas and Philadelphia.

² Office Worker Retail Spending Patterns – A Downtown and Suburban Area Study, 2004, International Council of Shopping Centres.

Some of the key findings of this research, as they relate to East Bayfront, include:

- Between 24% and 40% of shopping trips by office workers are made closer to their place of work than to their homes. The abundance of retail opportunities near to their place of employment greatly influences where they shop.
- Where significant retail concentrations exist, persons traveling to work by public transit tend to spend more on comparison retail merchandise than commuters who drive.
- Only about one in four downtown office workers take their lunch to work. The remaining employees either eat in a restaurant (16%), a fast food outlet or food court (20%), buy their lunch locally at a deli/grocery/carry out shop (29%), or eat at a company cafeteria or other outlet (9%). Based on these results, East Bayfront will require between 1,000 and 1,500 restaurant and fast food seats to serve the local employment base.
- The deli/grocery/carry-out business is the fastest growing segment of the downtown office lunch market, surpassing fast food outlets and restaurants. In addition restaurant and fast food space, it will be important to provide more casual lunch areas – both indoor and outdoor - for those who bring their lunch from home or purchase carry-out food. An indoor public garden (e.g. Calgary's Devonian Gardens) with views of the lake could be a unique attractor for employees and office tenants.
- There is a growing incidence of downtown office workers who stay after work for dinner, drinks, and entertainment although per capita expenditures have decreased. Flexible transit schedules have a strong influence on the ability of employees to partake in after-work dining and entertainment.

Figure 2 summarizes our analysis of the space required to support an on-site employment base of approximately 8,000. It is based on our interpretation of the ICSC Office Worker Spending data and our experience in the Canadian market, as well as our understanding of the current planning for East Bayfront.

**Figure 2:
East Bayfront Community
Employment Based Retail Space Requirements**

Retail Category	Space Supported by Employees Spending Closer to Work			
	Per Capita Space	Total Space Required for 8,000 Employees	Estimated East Bayfront Share	Space Required in East Bayfront
Square Feet				
Shopping Centre Inclined Retail ⁽¹⁾	2.0	16,000	50%	8,000
Convenience Retail ⁽²⁾	1.5	12,000	90%	10,800
Restaurants, Bars and Fast Food	2.5	20,000	50%	10,000
Entertainment ⁽³⁾	0.5	4,000	50%	2,000
Other Services ⁽⁴⁾	1.0	8,000	75%	6,000
Total Retail Space	7.5	60,000	61%	36,800

SOURCE: urbanMetrics inc.

1) Includes most comparison retail categories typically found in shopping centres, including: department stores, general merchandise, fashion and accessories, home furnishings and electronics, and other non-food specialty retail stores.

2) Includes food stores (excluding supermarkets), pharmacies, optical and other medical supply stores, and cosmetics.

3) Includes local entertainment uses, including cinemas, bowling centres, billiard halls, amusement arcades, fitness centres and similar outlets.

4) Includes all services requiring storefront commercial space, such as print shops, mail box outlets, travel agencies, financial services, medical offices, social service agencies, and others.

3.1 Locational Criteria for Employment Based Retail Space

The bulk of convenience retail and services space oriented to the employment base should be situated in close proximity to the office components.

At the same time, it will be important to cluster the retail space on the site to establish critical mass and create the concept of a retail district or street within East Bayfront. For this reason, the employment based retail should also be developed as an extension of the retail corridor along Queens Quay Boulevard.

As with the residential based eating and drinking space, the employee base space should be oriented around the scenic features of the site, including Sherbourne Park and the Waterfront.

4 Cultural and Entertainment Based Retail Facilities

As noted above, the amount of retail related to the cultural and entertainment components is more difficult to predict in that it is largely dependent on the nature and scale of the attractions on the site. Our conclusions with respect to the cultural/entertainment based retail space is based on two separate analyses. The first is based on case studies at other notable waterfront/entertainment areas in North America. The second is based on the work undertaken by LORD Cultural Resources Planning and Management Inc. on developing parameters around the cultural and entertainment programming in East Bayfront.

4.1 Waterfront District Case Studies

The purpose of our case study research is not to duplicate what has been developed elsewhere, but rather to understand what makes waterfront retail projects successful – in terms of location, scale, tenant mix, theming, design, accessibility, and other elements that will be important in the design of East Bayfront.






A long list of potential case studies was reviewed before settling on five major waterfront retail developments. Four of these are considered “top of class” successful projects that have helped to transform their neighbourhoods into major destinations for both tourists and regional residents. One is an emerging waterfront that has, for various reasons, struggled to achieve the goals originally established for it. All five projects provide valuable lessons for East Bayfront.

The five projects selected were:

- Inner Harbour and Harbourplace, Baltimore, MD
- Faneuil Hall and Marketplace, Boston, MA
- Granville Island, Vancouver, BC
- South Street Seaport, New York, NY
- North Coast and Flats District, Cleveland, OH

A detailed description of these projects have been provided in the Appendix to this report. Figure 3 summarizes the key details of each project.

**Figure 3:
Case Study Overviews**

Project		Description	Retail Space	Tenant Mix	Anchors	Nearby Residential Base	Nearby Employment Base	Regional Market Size	Hotel Rooms	Annual Visitation
Inner Harbor and Harbor Place, Baltimore, MD		Mixed-Use historic district heavily oriented to entertainment uses, including National Aquarium, historic ships, Maryland Science Centre, Fort McHenry and nearby Camden Yards MLB baseball stadium.	450,000 sf existing and 350,000 sf additional planned	Mix of chain and specialty retail establishments with heavy orientation to restaurants and entertainment	Barnes & Noble (Books), ESPN Sports Zone, Hard Rock Café, Best Buy (Electronics)	2,600 residents 1,649 residential units, 630 additional units proposed or under construction.	21,400 employees in 4.4 million square feet of office space	8 million (Baltimore-Washington Metropolitan Area)	2,485 rooms in the Inner Harbor area	15 million visitors
Faneuil Hall, Boston, MA		Historic site of Quincy Market and restored colonial properties. Part of Boston's Freedom Trail and near to major attractions including the New England Aquarium, The Children's Museum, The Old State House, and Paul Revere's House.	198,000 sf in 3 market buildings. 750,000 sf in broader district	Mix of chain and independent retail establishments. About 45% of space in market buildings is leased to restaurants and food tenants	Ann Taylor, The Coach Store, Crabtree & Evelyn, Crate & Barrel, and Victoria's Secret.	27,000 residents in downtown Boston	150,000 workers within 1/4 miles of Faneuil Hall	6.2 million in Trade Area	2,800 rooms within 1/4 miles of Faneuil Hall	20 million visitors. 65% from Boston Area
Granville Island, Vancouver, BC		Federal Government Recreation and Entertainment Development in Vancouvers False Creek Area	300,000 sf of retail, craft, entertainment and restaurant space	Mix of food, craft and specialty retail, with an emphasis on one-of-a-kind merchants and craftspeople	Public Market, Childrens Market	115,000 residents in nearby False Creek basin and adjacent to English Bay	2,900 on-site employees and 20,000 in neighbouring Downtown South and False Creek	1.8 Million in Vancouver CMA	85 Rooms at Granville Island Hotel	12 million visitors. 71% from outside British Columbia
South Street Seaport, New York		Historic seaport in south Manhattan includes Maritime museum and historic ships. Touted as one of the top five tourist attractions in New York with scenic views of the Brooklyn Bridge and East River	285,000 sf	Predominance of national premium retail chains with a large restaurant component.	Arbercrombie & Fitch, J Crew, Talbots, Ann Taylor	n/a	Adjacent to the New York City Financial Core	20 Million in New York Metropolitan Area	n/a	10 to 12 million visitors annually
Cleveland North Coast and Flats		Two historic waterfront areas. Flats has functioned as an entertainment district. North Coast is an area recently subject to a renewal, including Rock and Roll Hall of Fame, Browns (NFL) Stadium, Great Lakes Science Centre and other museums.	485,000 sf in the flats	Mostly restaurant and entertainment - about 10% of space comprises retail shops. (32% vacancy rate)	Nautica Entertainment Complex in the Flats	1,500 residents in the Flats in three residential complexes. None on north shore.	940,000 sf	2.2 million in Cleveland Metropolitan Area	None	5 million visitors to the Flats

4.2 Waterfront Project Success Factors

Based on the review of these case studies, there are a number of lessons that can be learned.

First, the cultural/retail component has to be of a large enough size to represent a “destination” worth traveling to by the regional population and tourism base. All of the waterfront areas have numerous cultural and commercial venues that offer a variety of experiences that work together to create a major attraction. The ability to capture the local (i.e. regional) population base is often a key to its success, particularly for those areas with highly seasonal tourist markets. Although Faneuil Hall is one of Boston’s premier tourist attractions, it still draws two-thirds of its visitors from within the greater metropolitan area.

Secondly, themeing is extremely important in creating cohesion amongst the various cultural and commercial elements. Faneuil Hall, Baltimore’s Inner Harbor and South Street Seaport have historical backdrops that are so strongly engrained in American culture that they cannot be created artificially. Granville Island does not have the history of Boston, New York or Baltimore, but seems to maintain the sense of its former industrial roots.

Faneuil Hall, Baltimore’s Inner Harbor, Granville Island and South Street Seaport all rely on both conventional and non-conventional transportation connections to link to other parts of their cities to enhance the critical mass effect of their attractions. Faneuil Hall is part of Boston’s famous Freedom Trail. Baltimore’s waterfront is connected by low cost water taxis, which transport visitors to nearby historic sites and districts within the harbour. Baltimore also has a very extensive “boardwalk” extending throughout the harbour area. Granville Island can be reached via ferries and an “aquabus” from False Creek. There is also a heritage street car connecting to the Island. South Street Seaport is in close proximity to the Brooklyn Bridge and is a stop on the City’s double decker bus route. All of these waterfronts are creatively woven into the fabric of their respective cities.

Proximity to the downtown core is a major factor for the success of Faneuil Hall and Baltimore’s Inner Harbor, which boast the highest visitation levels of the five areas reviewed. Both of these projects are within an easy walking distance of their respective downtown business districts and are popular destinations for lunchtime and after work dining and entertainment.

Similarly, some of the difficulties faced by Cleveland’s North Shore are due to its distance from the downtown core and the physical separation by an older industrial area.

Baltimore’s Inner Harbor also owes its success to the fact that it stands virtually alone in terms of being a major tourist draw in the City. With limited exceptions most of the City’s top visitor attractions – i.e. the National Aquarium, Camden Yards, Fort McHenry, the historic ships, Little Italy, and others,

are either within the Inner Harbor or connected to it. This clustering effect is bolstered by some 2,500 hotel rooms within close walking distance to these attractions.

With respect to retail, food is a major draw for both Granville Island and Faneuil Hall, as well as many other major waterfront areas, such as Pike's Market in Seattle. Faneuil Hall, Baltimore Harbour and Granville Island all contain a large selection of specialty retail that is atypical of that found in traditional malls – arts, crafts, as well as chain retail that typically locates only in select specialty centres.

Success has also created problems for several of the areas reviewed. A comment made with regards Faneuil Hall is that rents have increased to the point that many of the original tenants have been forced out in favour of chain operators, thus reducing the uniqueness of this important heritage district. The retail components of both Faneuil Hall and South Side Seaport are owned by the General Growth Properties Inc., which acquired The Rouse Company, a major US retail developer that specializes in non-traditional retail centres. The same company also owns Harborplace in Baltimore's Inner Harbor. While these projects are successful, they are "anchored" by well-known national retailers, that help to create the draw for the selection of local and independent merchants. The Flats in Cleveland has faced a different set of issues. Its substantial entertainment focused concept has led to crime and public disorder problems that have been difficult to police. In recent years there has been significant tenant turnover and vacancies. About one third of the commercial space in the Flats is now vacant. The difficulties faced by the Flats stress the importance of a diversified product offering together with a well designed plan to accommodate after-hours entertainment.

4.3 Challenges and Strategies for East Bayfront

From our discussions with TWRC officials and the consulting team, as well as our review of the Thomas report, several challenges for the retail component of East Bayfront have been identified. To the extent possible, we have attempted to identify means to address them.

Avoid Duplication with Toronto's Other Major Attractions

A significant challenge for the East Bayfront will be to incorporate the success factors identified above without duplicating the experience in other parts of the City – Harbourfront, St. Lawrence Market, the Distillery District, Ontario Place, Vaughan Mills, etc. This should be accomplished through a combination of theming and the incorporation of unique cultural/entertainment venues.

Clustering and Connectivity with Other Attractions

East Bayfront is a relatively isolated site. It is beyond an easy walking distance from Toronto's major downtown attractions and the office core. Without a strong mix of attractions at East Bayfront, it is likely that it will not develop into a compelling visitor destination and will not be capable of sustaining a

tourist/visitor oriented retail component. A single major attraction would also not be sufficient to establish East Bayfront as an entertainment or cultural district. A stand alone attraction, for example, could satisfy its food and retail needs internally. As a result, the best way to maximize the opportunity for retailing on the site would be to develop a mix of experiences catering to a range of markets, recognizing the need to generate visitation over four seasons.

The most successful waterfront districts are also those which are well connected to other attractions, thus enhancing the cluster effect – e.g. Faneuil Hall, which is connected through the Freedom Trail and Baltimore's Inner Harbor, which is linked by water taxi's and a boardwalk. These types of connections will be critical for East Bayfront to succeed as a cultural/entertainment district. For example, the waterfront creates an excellent opportunity to link with other attractions, such as Harbourfront, SkyDome, Ontario Place, the Toronto Island Ferry Terminals, Queens Quay Terminal, etc. through convenient low cost water transportation. Creative solutions will be required to link and package East Bayfront with Toronto's other attractions.

Expand Overall Market Rather than Cannibalize Other Attractions

The need to create strong linkages with other attractions is also important because if East Bayfront were to become successful, but remain a largely stand alone attraction, there is a risk that it will siphon visitors away from other Toronto attractions, thus reducing the economic impact for the City. By creating strong linkages, synergies can be created that enhance overall visitation to downtown and the waterfront.

Connect to the Downtown Core

Connectivity to the downtown employment base is a significant advantage enjoyed by most of the projects case studied. The physical separation of East Bayfront from the downtown core is a factor that should be addressed. Due to time constraints, it is unlikely that East Bayfront will develop into a regular lunch destination for financial core workers, but improved accessibility together with a parking strategy, may enhance its ability to attract after work functions.

Parking and the Need to Draw from Throughout the Toronto Region

While it is beyond the scope of this study to undertake a parking strategy, there is no question that the provision of parking will be a key to the success of the East Bayfront cultural, entertainment and retail components. Most of the projects examined are able to exert a strong draw throughout their metropolitan areas. The ability to tap into areas of the Toronto region that are not well served by non-peak-hour transit will be a key to the development potential of the entertainment, cultural and retail components.

Limitations on on-site parking, may to some extent be overcome to some extent, through strong transit connectivity to other parts of the waterfront. For example, if Harbourfront could be connected

to East Bayfront by a water taxi service or a reduced fare LRT, its parking could also serve East Bayfront visitors.

Limited Range of Retailers in Canada

Unlike the United States, the range of unique retailers to support specialty retail centres in Canada is relatively small. This is one of the reasons why the Vaughan Mills development had taken longer than expected to develop. One way to overcome this issue is to provide incubation opportunities for crafts people do lease space on a short term basis with an opportunity to develop their products and merchandising into a permanent concept. The Southern Ontario market has an extensive array of crafts people with high quality products. A market building that was able to accommodate both permanent retailers and selected crafts people on temporary leases would provide a unique retail venue in the Toronto area and would complement the cultural strategies for the project.

Separation between Entertainment and Residential Functions

The potential for noise and safety impacts by night time entertainment venues on nearby residents is a concern that should be addressed through design and leasing strategies. There needs to be some separation between the residential components of the project and those likely to attract patrons after 10pm.

4.4 Integrated Retail and Cultural/Entertainment Strategy

As indicated previously, the extent of retail development will be directly related to the cultural/entertainment programming on the site. LORD Cultural Resources has developed three potential cultural/entertainment scenarios for East Bayfront. A detailed description of each scenario is contained in their submission. In brief, however, the three scenarios are as follows:

4.4.1 Low Impact Scenario

Focusing on small scale attractions such as, Artist live/work spaces, small independent theatre companies (200-300 seats), a contemporary photography museum, a new media centre and a public art and sculpture garden. The rationale behind this scenario is related to physical space limitations and a goal of ensuring the dominance of the residential and employment elements of East Bayfront. The individual attractions would draw attendance in the 10,000 to 50,000 range, with total visitation to East Bayfront in the 200,000 to 500,000 person range.

4.4.2 Retail Strategy for the Low Impact Scenario

This level of attendance would not be sufficient to justify a large retail/entertainment component, for three reasons. First the number of visitors would not support it. Secondly, they would not justify the necessary investment into transportation connections, parking and joint marketing to create the cluster effect with other Toronto attractions. Finally, the motivation behind this scenario would be due

to a desire to subdue the cultural/entertainment elements, so from this perspective, the retail component should also be scaled back.

Under the Low Impact Scenario, we would recommend that tourist/visitor related retail be confined to a small artisan market pavilion of approximately 10,000 to 15,000 square feet, together with one or two restaurants along the waterfront promenade. A café overlooking the park may also be integrated into this concept. Because of the limited amount of retail space required under this scenario, not all of the ground floor space along Queens Quay Boulevard would be required. The most logical option would be to concentrate the space required for on-site residents and employees in the buildings on both sides of Queens Quay in proximity to Sherbourne Park.

4.4.3 *Medium Impact Scenario*

This scenario would involve the development of several attractions drawing between about 100,000 and 300,000 visitors annually to East Bayfront. Attractions ideas include: an aboriginal cultural centre and gallery, a permanent home for the Children's Own Museum, an international flower show and garden, a contemporary art gallery, a wine and culinary arts centre, a water art park, and a community arts centre. We would estimate that this would translate into total attendance of between about one and two million visitors annually. Based on the attractions identified in the cultural strategy about half of the attendance would be from the Toronto Area. This level of visitation is sufficient to warrant a moderate scale retail centre and additional restaurant and entertainment space.

4.4.4 *Retail Strategy for the Medium Impact Scenario*

The retail component could consist of a specialty retail market building next to the waterfront of between about 40,000 and 50,000 square feet housing both unique permanent retailers and high quality crafts persons that may require space on a short term basis. Additional specialty retail space in the order of about 10,000 to 20,000 square feet may also be added along Queens Quay Boulevard to expand the commercial concentration. The nature of the specific cultural components lend themselves to specific retail concepts – e.g. educational toys – to support the children's market, plant and garden centre type outlets to support the flower show/garden, book stores to support the art galleries, etc. Two or three restaurants and cafes could also be developed along the waterfront promenade and flanking Sherbourne Park.

4.4.5 *High Impact Scenario*

The high impact scenario would involve the development of several mega attractions, such as an aquarium, a permanent theatre for Cirque du Soleil, a Cosmology Centre (astronomy based science centre), and the transformation of Sherbourne Park into an internationally acclaimed park with world-class art, music, architecture and landscape design. Individually these venues would attract annual visitation between 500,000 and 1.5 million persons, with the largest share from outside of the Toronto Area. In total, East Bayfront could be expected to draw an attendance level similar to that attained by Harbourfront, which is reported to be as high as 12 million annual visitors.

4.4.6 Retail Strategy for the High Impact Scenario

The retail strategy for the high impact scenario would be similar to that for the medium scenario – but larger. A retail market building of 50,000 to 75,000 square feet could be warranted, with opportunities for crafts people on short term leases, unique permanent local retailers and national chains. Restaurants would be developed along the waterfront promenade and on either side of Sherbourne Park. Because this concept would be more heavily oriented to tourists from outside the Toronto region than the other two concepts, there would also be an opportunity for an on-site hotel. A small boutique property of approximately 50 rooms would be a good fit with the cultural strategy proposed by LORD Cultural Resources.

5 Summary and Conclusions

The amount and location of cultural and retail space for each of the three scenarios has been indicated in Figure 4. This table should be considered as a general guide and should be treated with flexibility depending on the physical capacity of the site, parking requirements, planning regulations, and overall design goals. As indicated in the cultural strategy report, the cultural and entertainment components identified are still subject to a more detailed market and feasibility assessment.

**Figure 4:
Retail and Cultural Space Summary**

Scenario	Restaurants and Fast Other Culture and Food Services Entertainment				Total
	Retail	Food	Services	Entertainment	
(Square Feet of Gross Leasable Area)					
Low Impact Scenario					
Queens Quay Boulevard (North Side)	25,000		15,000		40,000
Queens Quay Boulevard (South Side)	25,000	5,000	15,000		45,000
Flanking Sherbourne Park		5,000			5,000
Waterfront Promenade	10,000	10,000		100,000	120,000
Total	60,000	20,000	30,000	100,000	210,000
Medium Impact Scenario					
Queens Quay Boulevard (North Side)	35,000	5,000	15,000		55,000
Queens Quay Boulevard (South Side)	35,000	10,000	15,000		60,000
Flanking Sherbourne Park		10,000			10,000
Waterfront Promenade	50,000	20,000		200,000	270,000
Total	120,000	45,000	30,000	200,000	395,000
High Impact Scenario					
Queens Quay Boulevard (North Side)	45,000	10,000	15,000		70,000
Queens Quay Boulevard (South Side)	45,000	15,000	15,000		75,000
Flanking Sherbourne Park		10,000	40,000		50,000
Waterfront Promenade	75,000	30,000		400,000	505,000
Total	165,000	65,000	70,000	400,000	700,000

Note: In the High Impact Scenario, the boutique hotel is represented by the 40,000 square feet of other services space.

As indicated by this table, the cultural and retail components range from about 200,000 square feet under the low impact scenario to about 700,000 square feet under the high impact scenario. In the low impact scenario, the retail component is almost entirely dedicated to serving local residents and employees. We have assumed that the small amount of retail and service space required to serve visitors would be largely internal to the cultural components, with the exception of a small craft market building.

In Figure 4, we have allocated all of the cultural/entertainment space to the waterfront promenade. While the waters edge will be one of the most important features for visitors to East Bayfront and there is rationale in clustering the cultural/entertainment attractions, space and design requirements of the individual venues may dictate alternative locations within the project.

It is also important to recognize that under both the low and medium impact scenarios, the amount of retail space recommended along Queens Quay Boulevard and flanking Sherbourne Park could almost entirely be accommodated on the south side of the street and along the park edge on lands within TWRC ownership. Because, TWRC has an interest in controlling the leasing of the retail space, restricting retail development to the south side of Queens Quay Boulevard may be preferable. However, from a marketability standpoint, we have recommended that the space along Queens Quay Boulevard be centrally concentrated on both sides of the street in proximity to Sherbourne Park.

Under the high impact scenario, the retail and service components are consistent with the establishment of East Bayfront as a major tourist and visitor destination.

The retail and service components would serve three primary functions:

- to serve residents and employees in East Bayfront;
- to support the cultural and entertainment components; and,
- as a visitor attraction unto themselves.

In particular, this scenario will require extensive planning to ensure that adequate parking can be provided and the entertainment components can be appropriately integrated with the employment and residential components of the project. It is also expected that the space required for the cultural/entertainment venues under the high scenario would not be confined to the ground floor. The scale of attractions, such as an aquarium or a cosmology centre, for example, would require multi-level structures.

Our recommendations rely on the same assumption as in the cultural strategy that there be vigorous cultural programming throughout the Precinct and that it will be complementary and not competitive with Harbourfront and the Distillery District. It will also be important for both the high and medium impact scenarios to seek creative ways to connect with and to joint market with other downtown attractions. East Bayfront should not exist as a freestanding destination, but should be seen as part of the overall experience of visiting Toronto's waterfront and adjoining districts.

In terms of phasing, the retail and service space related to the employment and residential space, should be developed in proportion with the development of the office and residential components. For example, about 100,000 square feet is required to serve employees and residents, about 25,000 square feet would be required when about one-quarter of the office and residential space is completed, and 50,000 square feet would be needed when the office and residential component is

half completed. As part of the retail strategy, it would also be appropriate to identify a location for a larger unit (i.e. 10,000 to 20,000 square feet for a grocery store that would be required towards the end of the East Bayfront project.

Depending on the scenario and the specific venues included, the cultural and entertainment component could be an important amenity to attracting employees and residents to East Bayfront. The first phase should include Sherbourne Park, the waterfront promenade and a selection of cultural/entertainment elements that can act as a regional draw – for example a wine and culinary arts centre, an aboriginal cultural centre, a small craft market and several innovative restaurants. As is the case with many successful entertainment and tourist venues, new attractions should be added approximately every two years combined with a dynamic events programming schedule to maintain the freshness of the East Bayfront experience.

Appendix A: Case Studies

Appendix A: Case Studies

Baltimore Inner Harbor and Harborplace

Retail

232 retail establishments Account for 16% of downtown retail stores (City of Baltimore)

Approx. 450,000 square foot of existing retail space, 100,000 square foot coming in 2006 (Lockwood Place) and 250,000 square foot planned (Inner Harbor East)

Retail Distribution

Harborplace and The Gallery

100 stores 273,000 square feet

MERCHANDISE MIX (# Tenants)

Restaurants: 36

Accessories: 12

Bath and Beauty: 8

Cards and Gift:

Apparel: 29

Houseware and Homes: 2

Jewelry: 10

Music Book Entertainment: 1

Services: 8

Shoes: 9

Specialty: 24

Sports and Fitness: 4

Technology and Electronics: 5

Toys and Hobbies: 1

Power Plant Live

150,000 square feet of restaurants and entertainment venues and 160,000 square feet of office space

Merchandise Mix (# Tenants)

Bars: 6 Restaurants: 6 ESPN Zone, Barnes & Noble and Hard Rock Café

Lockwood Place

Coming up in 2006:100,000 square feet of retail space

Best Buy only tenant confirmed yet

Inner Harbor East

3.5 M square feet planned development including mixed use development including housing, office, hotel and entertainment venues and including 250,000 square feet of retail space, 500 residential units, more than 1 million square feet of office space and more than 950 hotel rooms. Currently only 50,000 square foot on the ground, 70,000 under construction and the rest is planned

Current Merchandise Mix (# tenants and/or square footage)

Grocery Store: 1
 Apparel: 1
 Services: 1
 Bank: 1
 Accessories: 1
 Specialty: 1
 Electronics: 1
 Furniture: 1

Parking

13,793 parking spaces (Downtown Baltimore Partnership)

Employment

21,416 jobs (Downtown Baltimore Partnership)

Marina Slips

362 in the Inner Harbor, 2784 in Baltimore Harbor (158 in Inner Harbor Marina and 204 in Inner Harbor East) (2001) from Maritime Master Plan Dec 2003

Residential

2,600 residents (47% owned) 1,649 residential units, 393 residential units under construction, 237 units proposed (Downtown Baltimore Partnership)

OR

Inner Harbor					
Census Data	1990	2000	Pct of Total	Change	% Change
Population					
Total Population	302	762	100.0%	460	152.3%
White	259	628	82.4%	369	142.5%
Black	31	66	8.7%	35	112.9%
American Indian	0	3	0.4%	3	#DIV/0!
Asian ¹	10	32	4.2%	22	220.0%
Other Race	3	18	2.4%	15	500.0%
Two or More Races ²		15	2.0%	15	
Hispanic ³	13	35	4.6%	22	169.2%
Age					
0 - 4 Years	7	22	2.9%	15	214.3%
5 - 11 Years	2	9	1.2%	7	350.0%
12 - 14 Years	1	4	0.5%	3	300.0%
15 - 17 Years	3	1	0.1%	-2	-66.7%
18 - 24 Years	57	60	7.9%	3	5.3%
25 - 34 Years	112	242	31.8%	130	116.1%
35 - 44 Years	45	144	18.9%	99	220.0%
45 - 64 Years	57	198	26.0%	141	247.4%
65+ Years	18	82	10.8%	64	355.6%
Family Household Type⁴					
Families	55	149	100.0%	84	170.9%
Married Couple Family	42	125	83.9%	83	197.6%
With Persons Under 18	8	19	15.2%	11	137.5%
Male Householder, No Wife Present	6	7	4.7%	1	16.7%
With Persons Under 18	0	2	28.6%	2	#DIV/0!
Female Householder, No Husband Present	7	17	11.4%	10	142.9%
With Persons Under 18	2	6	35.3%	4	200.0%
Housing Characteristics⁵					
Total Housing Units	198	637	100.0%	439	221.7%
Occupied Units	176	502	78.8%	326	185.2%
Owner Occupied	64	167	33.3%	103	160.9%
Renter Occupied	111	335	66.7%	224	201.8%
Vacant Units	21	135	21.2%	114	542.9%
For Sale Only	2	39	28.9%	37	1850.0%
For Rent	7	18	13.3%	11	157.1%
Not for Sale or Rent	12	78	57.8%	66	550.0%

Source: City of Baltimore

Marketing Strategy

No 1 Tourist Destination (City of Baltimore)

Downtown Baltimore Partnership marketing goal:

“Developing an aggressive image campaign to promote Baltimore’s multitude of one-of-a-kind event and attractions through multimedia advertising – marketing Downtown as the place to live, work and play.”

No marketing strategy that focuses on the waterfront only because it is such an important component of the downtown. The organization has been established twenty years ago. According to one spokeswoman: “since Harborplace and Gallery took off there is no need to do any other promotion to attract retailers or visitors”

Baltimore Waterfront Partnership established in early 2006, consist of a 17-member board of directors including property owners, directors of non-profit attractions, and several city department directors: “will provide overall management of the public areas along the waterfront and will perform supplemental services, such as landscaping, maintenance and visitor services”.

Inner Harbor Master Plan Analysis (Dec 03 not yet approved) suggests that:

Pluses:

- Success of the Harbor as a cultural and retail/tourist destination
- Connections to the city (eg. Calvert Street)
- Resurgence of development
- Expanding Downtown
- Baltimore’s “Central Park” resource—the Harbor

Minuses:

- Traffic and parking dominate
- Perceived scale of development
- Pedestrian environment and connections compromised
- Amount of “permanent” quality open space seems inadequate, is deficient

Baltimore Waterfront Festival

“The Volvo Ocean Race serves as the centerpiece of the Baltimore Waterfront Festival, and visitors can experience the excitement of this international competition. Live music, exhibitors, family fun and plenty of food round out the weekend.” April 27-30 06

Office Supply

4.4 million square feet (Downtown Baltimore Partnership)

Visitation

15 million visitors annually in the inner harbour (Downtown Baltimore Partnership)

68% Leisure 32% Business (Baltimore, from Area Convention and Visitor Association)

International USA:Maryland:

2,485 hotel rooms in the inner harbor (Downtown Baltimore Partnership)

Economics

\$520 million investment in planning stage (2005-2008) (Downtown Baltimore Partnership)

Attractions

Cultural Facilities (National Aquarium, Maryland Science Centre, Frigate U.S.S. Constellation)

Sport Facilities (Stadium, Boat Rental, Marinas)

Convention Centre

Waterfront Promenade

Children Playing Area

Ingredients for success (According to Downtown Partnership)

Proximity to Downtown with

High employment base

High population density

High proportion of high-income households

DOWNTOWN QUICK FACTS

-12.5 M square feet of office space, 3.4% of vacancy rate, 23% of the total MSA, 0 square foot under construction (Downtown Baltimore, Q4 2005, CBRE)

-103,000 employees within 1 mile-radius (from convention centre, Retail Assessment Story Board)

-3,145 households within 1 mile-radius (from convention centre, Retail Assessment Story Board)

-3,134 retail establishments within 1-mile radius (from convention centre, Retail Assessment Story Board)

-1.3 M square foot of retail space (Retailing in Downtown Baltimore Maryland)

-9,400 residents in Downtown, 5,000 rental apartments, 700 units under construction, 2,500 units in the development pipeline

-2,000 hotel rooms under construction (Retailing in Downtown Baltimore Maryland)

-11.02 million visitors from beyond 50 miles

-3.8 million visitors from within 50 miles

Cleveland North Coast and Flats District

Marina: 1,800 slips (The Plain Dealer on July 3, 2004)

Retail: 481,000 square feet in the Flats, vacancy rate >32% (Downtown Planning Partnership).
Mostly entertainment

(# of establishment)

Restaurants (30) 270,000 square feet Night Club and Bars (13) 69,500 square feet Adult
Entertainment (3) 33,000 square feet Retail (6) 43,500 square feet

Office: 940,000 square feet 5% vacancy rate (CBRE Cleveland)

Residents: No known residential structure in the waterfront

3 apartment complex in the Flats District (Planner)

Apartments at Nautica 55 units

Apartments at Stonebridge 225 units

Total of approximately 1,500 residents

200-300 units in the pipeline

Attractions:

Flats:

Nautica Entertainment Complex

5,000 seat pavilion

North Coast:

Rock and Roll Hall of Fame

Great Lakes Science Center

Cleveland Browns Stadium

Historic Maritime Museums

Burke Lakefront Airport

International Women's Air & Space Museum

Visitation:

5 million people every year in the Flats (Downtown Cleveland Partnership)

9.1 M visitors In Cleveland

45% business 55% Leisure (Convention Centre)

No hotels rooms in the flat or on the waterfront

Promotion Strategies

According to *Greater Cleveland Partnership* (PR), “there is not much happening right now”. Currently trying to redevelop the district by find tenants in abandoned buildings by working with private developers to bring investment in the area

According to Laura from *Downtown Cleveland Partnership* VP Economic Development

- The current state of the north shore in Cleveland is underutilized and the flats district devastated.
- The city recently announces a 50 year plan to revitalize the waterfront. Redevelopment involving residential and office portion is project to take place in the future
- The areas are not actively promoted
- The Flats is used to be promoted as great entertainment district and frequented by tourists but now most businesses have closed. The reputation of the neighbourhood was affected by numerous gang fights and drowning. There is no known incentive to promote the Flats by governmental organizations
- There is proposed development for mixed uses on the eastern bank of the river
- Recently created BIA but does include the flat within it
- The waterfront IS NOT connected to the CBD: highway, railway, 4 storeys high elevation difference and 10 blocks between the lakeshore and the first buildings
- “Retail is premature”

According to the Thomas Newman from *Flats Association* the group is trying resolve problems such homelessness and tourism is not being envisioned in the near future.

The Flats Entertainment District

Planned Development

(3,000 Acres Waterfront development district) (Cleveland Planning Commission)

50 Year-Plan

3.9 million square foot of office and retail space 7,400 residential units 5 new marinas

Downtown

-18 million square feet of office space, 21.8% vacancy rate and 0 square feet under construction

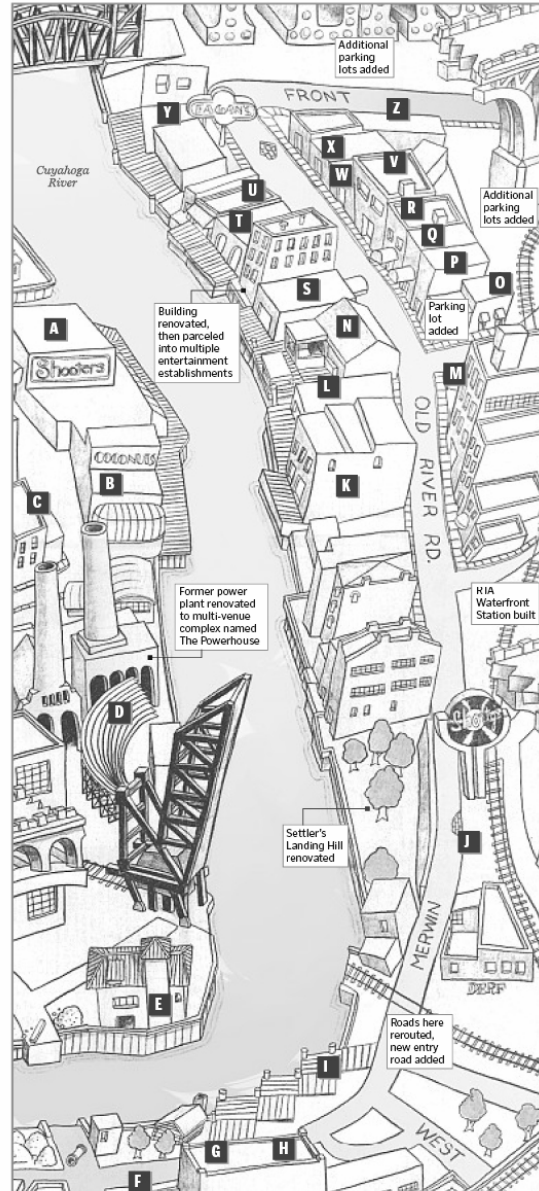
-146,000 jobs

-8,500 residents

-4,336 businesses

-56,953 parking space

-2.58 million square foot of retail space



The Flats | 1988

A Shooters	P Tangerine Fahrley's
B Club Coconuts	Q Noisemakers
C Harbor Inn	R Jimmy's
D Nautica Stage	S Rumrunners
E Flats Oxbow Association	T Sabers
F Flat Iron Cafe	U Cleveland Beach Club
G Splash	V Peabody's Down Under
H Aquilon	W Silky Sullivan's Saloon
I Heritage Park	X The Circus
J Shorty's Delux Diner	Y Fagan's
K Watermark	Z The Playdium
L River's Edge	
M Biggie's	
N D'Poo's on the River	
O Kindler's	

The Flats | 2006


A Shooters	P Closed/vacant
B Jillian's	Q Closed/vacant
C Harbor Inn	R Jimmy's
D Scene Pavilion	S Closed/vacant
E State Fish Market	T Closed/vacant
F Flat Iron Cafe	U Cleveland Beach Club
G Club Alchemy	V Heaven and Earth
H Closed/vacant	W Club Cielo
I Heritage Park	X Gentleman's Club
J Parking lot	Y O'Connor's Irish Pub
K Closed/vacant	Z Closed/vacant
L Closed/vacant	
M Closed/vacant	
N The Beachcomber	
O Amsterdam	

FILE ILLUSTRATION JOHN BACKDEBE, GRAPHIC BY A. J. JANKE | THE PLAIN DEALER

South Street Seaport, New York City

Description

A thriving community complete with a world-class maritime museum, breathtaking views and more than 100 shops, cafes and restaurants. This renovated American landmark is located on Lower Manhattan's historic waterfront adjacent to the Brooklyn Bridge.

<p>New York, NY 285,000 SF</p> <p>Location: 19 Fulton Street longitude -74.003253, latitude 40.706276</p> <p>Anchor: Non-Traditional Anchors</p> <p>2004 Demographics</p> <table border="1"><thead><tr><th></th><th>3 mile</th><th>5 mile</th><th>10 mile</th><th>Trade Area</th></tr></thead><tbody><tr><td>Population:</td><td>814,852</td><td>2,211,742</td><td>6,500,830</td><td>9,441,304</td></tr><tr><td>Avg. HH Income:</td><td>\$85,462</td><td>\$75,052</td><td>\$66,440</td><td>\$60,656</td></tr><tr><td>Daytime Pop. '03:</td><td>990,710</td><td>2,525,789</td><td>3,871,115</td><td></td></tr></tbody></table> <p>South Street Seaport's historic atmosphere and location on the East River make it one of New York City's top five tourist attractions. It is located within downtown's financial and insurance districts, is within walking distance of Wall Street and Lower Manhattan's many tourist attractions like the World Financial Center, City Hall and the New York Stock Exchange. The project is easily accessible via subway, bus, car or boat. With several new restaurants, South Street Seaport is a dining mecca, offering dining options such as Red, Harbour Lights, Il Porto, Cabana and Heartland Brewery.</p>		3 mile	5 mile	10 mile	Trade Area	Population:	814,852	2,211,742	6,500,830	9,441,304	Avg. HH Income:	\$85,462	\$75,052	\$66,440	\$60,656	Daytime Pop. '03:	990,710	2,525,789	3,871,115		
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General Growth Properties, Inc. McNaughton
SOUTH STREET SEAPORT

Number of Tenants: 80

Major and Unique Tenants:

Abercrombie & Fitch
Metropolitan Museum of Art Store
US Olympic Store
New York Yankees Clubhouse Store
Victoria's Secret
J. Crew
Talbots
Ann Taylor
GAP

Number of Restaurants and Eateries: 17 + Food Court

Visitation: 10-12 Million Annually

Attractions: Tall Ships and South Street Seaport Museum

Granville Island, Vancouver

Background

Granville Island is designed to attract local residents and visitors to meet, explore, and experience a year-round variety of cultural, recreational, educational, commercial, and industrial activities. It is recognized as one of the most successful waterfront developments in North America.

Situated in False Creek between the Burrard and Granville Bridges, it is adjacent to the marinas and aquatic activities of both False Creek and English Bay.

Granville Island mixes recreational boating, marine industry, educational institutions, a hotel, houseboats, a brewery, retail stores, art studios and galleries, restaurants and places “for kids only” – all in a pedestrian-friendly environment in which cars and trucks are able to move slowly on narrow, brickpaved alleys, sharing the road with tourists on foot or bicycle. Old industrial buildings have been adapted for new uses and infill structures echo their industrial architectural heritage.

Granville Island is used by many residents for grocery shopping, education, entertainment, dining and other services. Granville Island is home to Emily Carr School of Art and Design, Children's Arts Umbrella, the Arts Club Theatre, artisans' studios and numerous arts and cultural festivals and events.

The success story of Granville Island was clearly influenced by its unique advantages. Federal ownership of the island played a major role in the “ease” of development, and a single management entity ensures that day-to-day decisions conform to long-range planning and management goals.

Role of CMHC

Granville Island is managed and developed by the Canada Mortgage and Housing Corporation, a federal agency, on behalf of the Government of Canada. Granville Island is considered to be a significant federal asset and CMHC sees themselves as stewards of that asset on behalf of Canadians residing in the Vancouver region.

There is a Granville Island Trust, appointed by the Minister responsible for CMHC, which acts in an advisory capacity.

Funding

Between 1973 and 1982, the federal government invested \$24.7 million in Granville Island. The funding in 1973 (\$5.7 million) represented the assumption of the Harbour Board's debt. Funding of \$19 million between 1974 and 1982 represented capital improvements to the Island.

Since 1983, however, Granville Island has been financially self-sustaining. Funding for capital improvements and operations is covered by revenues from its tenants, which are from the public, private and non-profit sectors. As directed by Treasury Board in March 1988, CMHC developed a plan for the capital improvements to the Island and has set up an ongoing capital funding reserve.

Characteristics/Size

Granville Island is comprised of 15.2 hectares (37.6 acres) of land area, and 2.1 hectares (5.3 acres) of tidal water area representing a major public land holding in close proximity to downtown Vancouver.

The "Reference Document" outlines general land use categories and the amount of floor space allowed under each category on Granville Island. On April 18, 1978, Council approved the "Reference Document" noting that it be approved for use by persons involved in the preparation of plans and proposals for the redevelopment of the Island, including the Development Permit Board. It was most recently amended on March 23, 1999 to reflect the current scale of development of Granville Island. (see chart below of allowable floor space under each category)

4 The Site

The following represents the amounts of built and open areas to be achieved in the implementation of this plan.

4.1 Overall Areas

(a) Land area - including permanent wharves	37.6 acres
(b) Tidal water area	<u>5.3 acres</u>
(c) Area within Crown Grant	<u>42.9 acres</u>

4.2 Built and Open Areas on Tidal Water

(a) Maximum coverage of water area	1.5 acres
(b) Open water area	<u>3.8 acres</u>
	<u>5.3 acres</u>

4.3 Built and Open Areas on Land

(a) Maximum building coverage	12.0 acres
(b) Open areas as follows:	
(i) Roads	3.1 acres
(ii) Parking Areas	3.5 acres
(iii) Non-tidal Ponds	.5 acres
(iv) Public Open Space	15.0 acres
(v) Covered Outdoor Public Space	.3 acres
(vi) Storage, Industrial and other Open Areas	<u>3.2 acres</u>
	25.6 acres
	<u>25.6 acres</u>
	<u>37.6 acres</u>

4.4 The overall Areas are approximate and are within a 20% ($\pm 10\%$) margin of error. The Built and Open Areas may be varied by 20% ($\pm 10\%$) in the allocation between the above descriptions, except for the Public Open Space which shall be not less than 15 acres.

5 Land Use

5.1 The following represents the amount of land uses that can be achieved in the implementation of the plan.

(a) Industrial	130,000 sq. ft.
(b) Arts and Crafts	125,000 sq. ft.
(c) Institutional	189,000 sq. ft.
(d) Maritime	92,000 sq. ft.
(e) Community and Recreation	60,000 sq. ft.
(f) Market	50,000 sq. ft.
(g) Performing Arts	50,000 sq. ft.
(h) Restaurants and Entertainment	50,000 sq. ft.
(i) Retail	35,000 sq. ft.
(j) Office	52,000 sq. ft.
(k) Residential	25,000 sq. ft.
(l) Hotel	<u>47,363 sq. ft.</u>
Total Built Area	<u>905,363 sq. ft.</u>

5.2 To preserve flexibility and to allow for on-going change as the redevelopment is implemented, there shall be a latitude of 20% ($\pm 10\%$) in the allocation of the various uses within the total built area.

5.3 Uses permitted on the tidal water shall be compatible with the plan.

The Reference Document provides for plus/minus 10% increase/decrease within each category. The addition a movie theatre (defined as entertainment), retail and restaurant uses, will result in the overages. Other land use categories have been previously exceeded, including institutional (Emily Carr School of Art) by 40%, maritime by 39% and office (88%, noting that the original category is only 25,000 sq. ft.). Monitoring of land uses has been done by CMHC staff.

Reference Document Land Use Categories	As-built as of 1999) sq. ft	Total As-built with Addition of Theatre Proposal
Industrial	60,200	
Arts and Crafts	64,000	
Institutional	185,000	
Maritime Market	91,700	
Community and Recreation	45,200	
Market	55,000	
Performing Arts	46,300	
Restaurants and Entertainment	47,000	76,440
Retail	34,800	53,390
Office	51,600	
Residential	0	
Hotel	28,000	
Totals	708,800	728,830

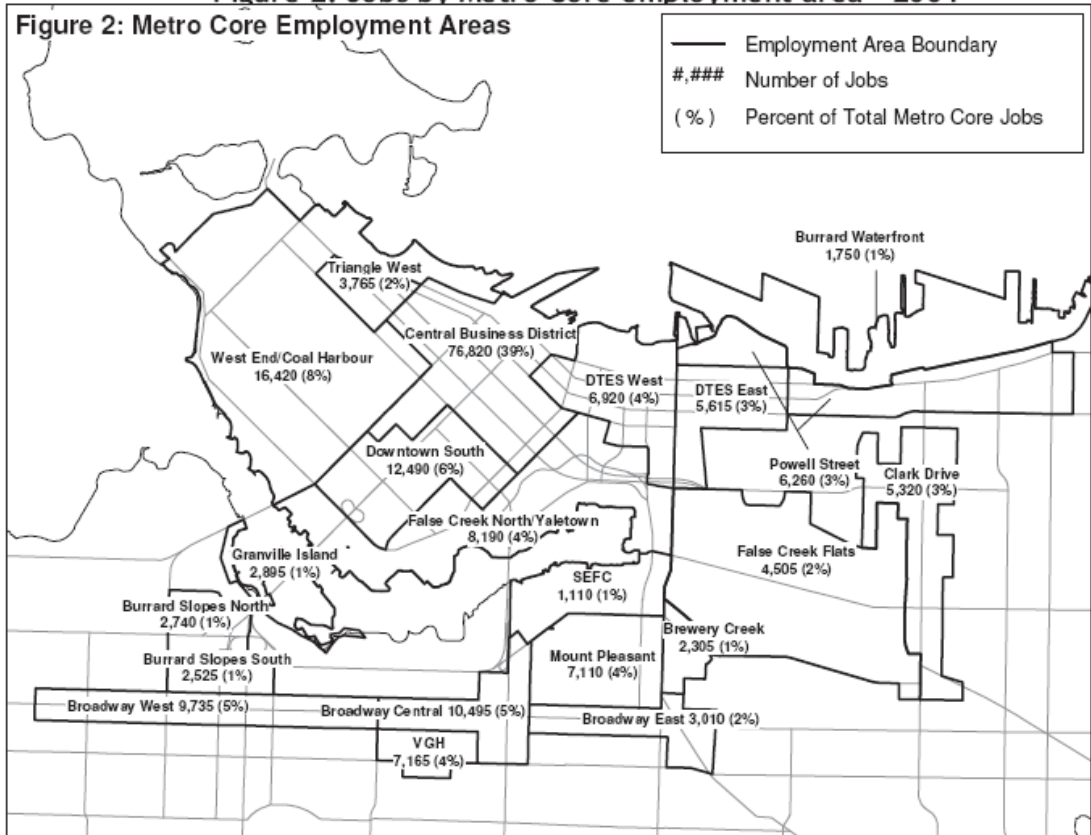
Number and Types of Businesses and Jobs

Granville Island is home to approximately 275 businesses as well as cultural and education facilities that employ 2, 900 people and generates in excess of \$130 million in economic activity annually.

The Island caters to businesses that provide a unique “local” blend of culture, commerce, and crafts, and is fundamentally, a “people place”, with many areas devoted to public use. ¹

¹ http://www.granvilleisland.com/island_insight/planning.html

Figure 2: Jobs by Metro Core employment area - 2001



Statistics Canada 2001 Census-- Jobs by NAICS (2-digit), Employment Areas, 2001.xls

Table 6: Percent of total area jobs in each sector - North of Broadway						
	Mount Pleasant	Granville Island	Burrard Slopes North	Burrard Slopes South	Brewery Creek	SEFC
Manufacturing	27%	6%	15%	6%	24%	19%
Finance and insurance	13%	19%	2%	24%	4%	0%
Wholesale trade	10%	1%	6%	3%	17%	7%
Information and cultural industries	10%	4%	7%	9%	4%	8%
Retail trade	8%	19%	19%	8%	4%	6%
Professional, scientific and technical services	8%	7%	24%	22%	8%	2%
Other services (except public administration)	7%	1%	9%	5%	4%	11%
Administrative and support, waste management and remediation services	5%	3%	1%	5%	2%	7%
Accommodation and food services	2%	22%	7%	2%	2%	16%
Construction	2%	0%	4%	2%	4%	3%
Arts, entertainment and recreation	2%	8%	0%	1%	2%	3%
Real estate and rental and leasing	2%	1%	1%	3%	2%	1%
Educational services	2%	7%	0%	2%	2%	0%
Transportation and warehousing	1%	2%	3%	1%	0%	10%
Public administration	1%	1%	0%	0%	1%	5%
Health care and social assistance	1%	1%	1%	7%	21%	1%
Agriculture, forestry, fishing and hunting	0%	0%	0%	0%	0%	0%
Utilities	0%	0%	0%	0%	0%	0%
Mining and oil and gas extraction	0%	0%	0%	0%	0%	0%
Management of companies and enterprises	0%	0%	0%	1%	0%	0%
Total Jobs - All Sectors	100% (7,105)	100% (2,900)	100% (2,740)	100% (2,525)	100% (2,305)	100% (1,110)

Statistics Canada 2001 Census-- Jobs by NAICS (2-digit), Employment Areas, 2001.xls.

Map of Granville Island



Canada



Granville Island

Visitors and Nearby Residential Population

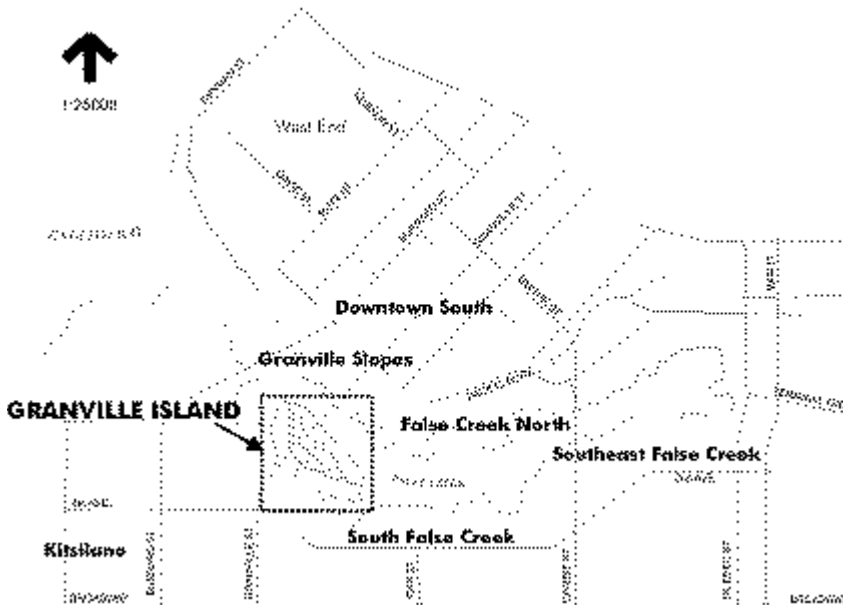
The Island is a significant destination for tourists.

It is anticipated that there will be significant growth in Island visitors related to an increased resident population in the False Creek basin and adjacent to English Bay, as well as visitors from Greater Vancouver and tourists. The projected population growth of these adjacent neighbourhoods from 115,060 residents in 1997 to 162,150 residents by 2021 (a 41% increase in population) will likely result in an increase in visitors to the Island. As the Vancouver region grows it can be expected that an increased number of residents from further afield will also want to visit the Island due to the range of specialty services and products available on the Island. In addition, Tourism Vancouver has projected that there will be a 3% increase in visitors over the next decade. This will also contribute to an increase in the number of tourists visiting the Island.

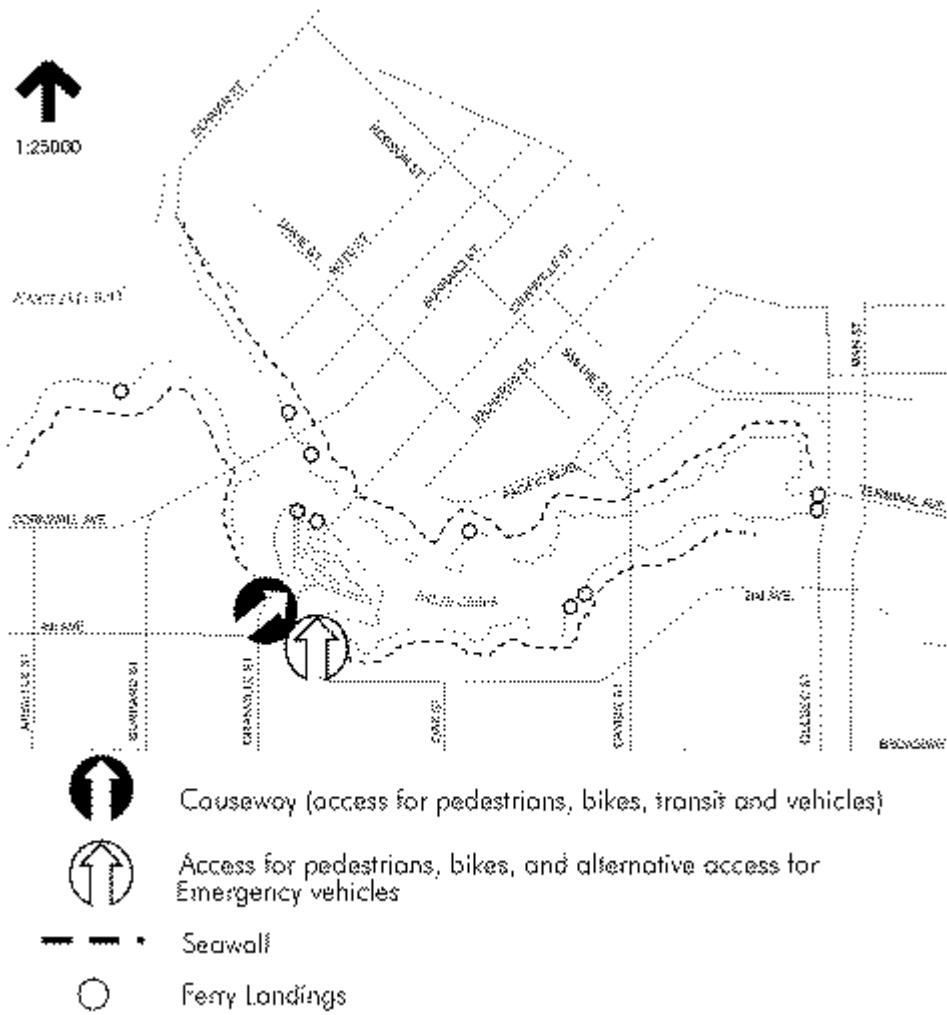
Accessibility

Granville Island is easily accessed by several neighborhoods on English Bay and False Creek (See Maps below).

Map One – Context



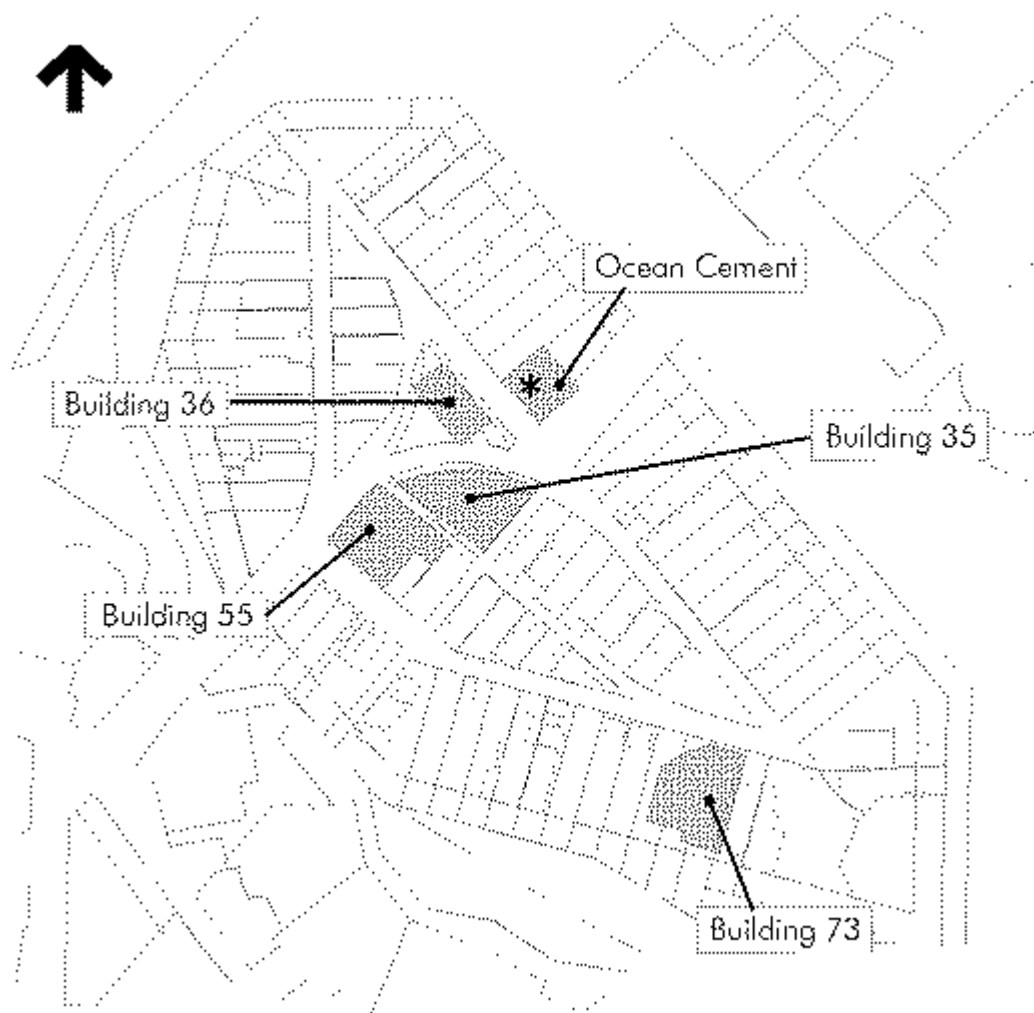
Map Two - Access Map



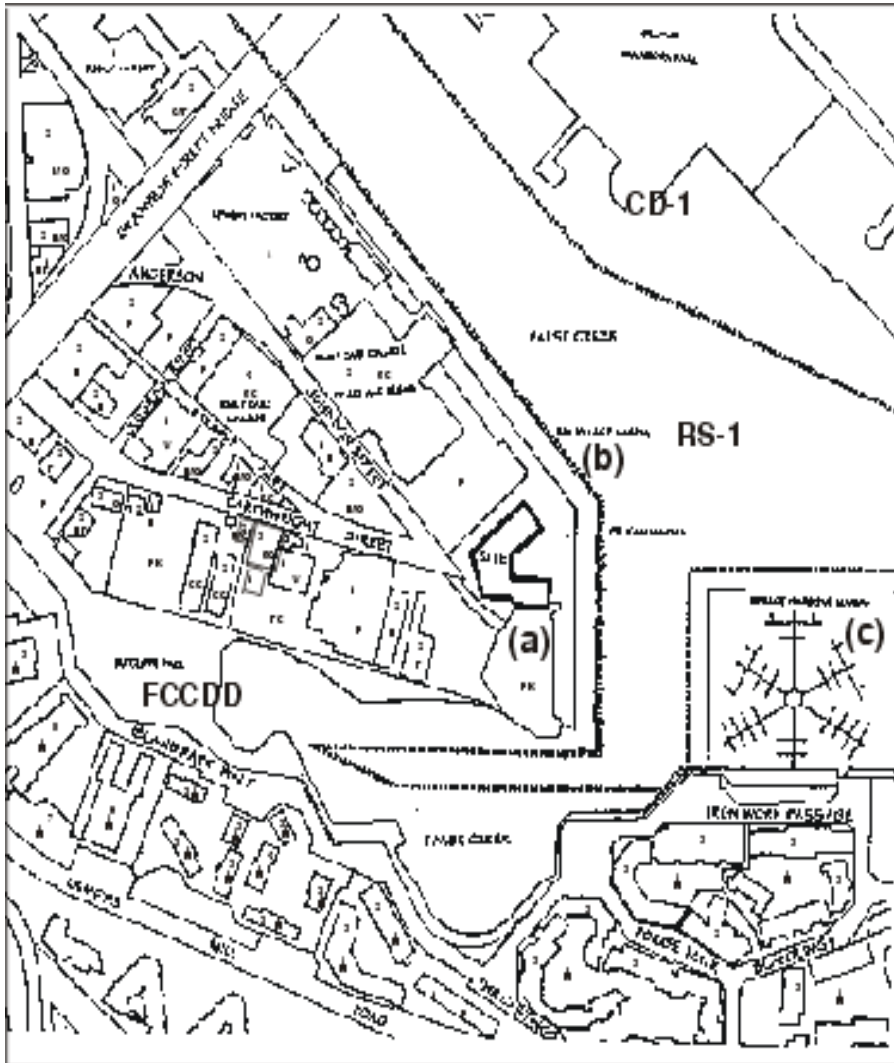
Remaining Development Potential

There are 5 buildings or sites with a total development potential of approximately 116,128 m² (125,000 ft²). 4 buildings will likely be renovated for new uses, some of which are currently used for parking.

Map Three - Potential Development Sites



Surrounding Land Uses



Legend		↑
1253 Johnston St.		
CC	Community Centre	
I	Industrial	
M	Multiple Dwelling	
O	Office	
P	Parking	
PK	Park	
R	Retail	
RT	Restaurant	
SC	School	
T	Theatre	
TC	Tennis Court	
U/C	Under Construction	
W	Warehouse	
RS-1	Zoning District	
5	Number of Stories	
.....	Zoning Boundary	
City Of Vancouver Planning Department		

Faneuil Hall, Boston

History (Phasing) of Faneuil Hall

Faneuil Hall has served as a marketplace and a meeting hall since 1742. Funding was provided by a wealthy merchant, Peter Faneuil. To better accommodate the merchants and shoppers, Faneuil Hall was expanded in 1826 to include Quincy Market, which was designed in the then-popular Greek Revival style. The expanded market was built on landfill stretching out into Boston Harbor. The market remained a vital business hub throughout the 1800's and was used until the late 1950s as wholesale food markets. However, by the late 1950s the buildings had fallen into disrepair and many were left vacant.

Quincy Market and two adjacent warehouse buildings were initially marked for clearance in 1956 by the Boston City Planning Board, but by 1963 planners, preservationists, and historians, convinced the Boston Redevelopment Authority (BRA) they should be saved.

The BRA convinced the Chamber of Commerce to undertake a renewal study of the waterfront area and then obtained federal funding for a detailed plan. The 1964 Urban Renewal Plan drawn up by the Boston Chamber of Commerce recognized the importance of this area in terms of history, architecture, and urban design, although an economically feasible reuse was not yet apparent.

In 1964, City Council approved the Downtown Waterfront Renewal Plan which made explicit provisions for renovating the Faneuil Hall market buildings.

Several years later, the City obtained a \$2 million preservation grant from the federal government which it used to stabilize and restore the buildings. A further \$12 million in public funds was spent to buy the property, relocate the existing merchants, tear down a highway ramp which was in an undesirable location, and install new utility lines.

The City felt it would be better able to protect the historic buildings thus they kept them in public ownership and leased them to the developer for 99-years in exchange for guaranteed annual payments plus a share of rental income above that minimum.

In 1973, the City selected the Rouse Company (in partnership with Benjamin Thompson and Associates) to develop Faneuil Market. This decision was heavily influenced by Rouse's financial commitment to pay the City at least \$600,000 a year in lease payments and an additional \$500,000 donation for the Bicentennial. The City gave the developer an initial three-year property tax abatement and a 99 year lease for the buildings. Over the years, this deal has produced a modest profit for the city.

Public funding contributed approximately 30 percent of the investment in this project.¹

Benjamin Thompson and Associates proposed a restoration plan for the city and the developers. They convinced them that the complex could become Boston's gathering place once again, if reused it to suit the contemporary urban life. The vision was for it to function as a popular market center of food shops, stores, restaurants, cafes, theatre, and such public attractions as parades, puppets and people-watching.

Faneuil Hall Marketplace opened its first phase, Quincy Market, in the summer of 1976. The South Market opened at Faneuil Hall Marketplace on Aug. 26, 1977, and the North Market

¹ http://www.econres.com/documents/Community_Development.html

opened a year later. Faneuil Hall Marketplace originally opened with five restaurants, three bars, seven delicatessens, and 16 food shops, as well as other shops selling a variety of merchandise.

Today, what is known as Faneuil Hall Marketplace is still Boston's central meeting place. The first floor is still used as a lively marketplace and the second floor is a meeting hall where many Boston City debates are held. The fourth floor is maintained by the Ancient and Honorable Artillery Company.²

Faneuil Hall Marketplace is all set around a cobblestone promenade with a unique and burgeoning array of shops, restaurants and outdoor entertainment.

Implications of the Development:

The Boston Redevelopment Authority hoped that Faneuil Hall Marketplace would bring crowds back to downtown and subsequently encourage development and investment in the downtown area.

Faneuil Hall Marketplace became a major attraction the day it opened. When the Marketplace opened in 1976, it proved to be a transformative event in historic preservation and urban revitalization. Hotel demand grew 42 percent between 1975 and 1978.

The rebirth of the marketplace was a major step in revitalizing downtown Boston and starting major growth and redevelopment in the city. During the first year of operations, Quincy Market had 10,000,000 visitors. By the mid-1980s, Faneuil Hall was drawing 16 million visitors a year, making it a major attraction in comparison with successful retail centers worldwide.

Sales surpassed even the developer's expectations: \$233/sq ft. in the first year which was three times the amount being realized in downtown Boston stores. By 1987 that figure was close to \$500/sq. ft. which was very high in comparison with typical shopping centers at the time.³

This project was an "important test case". Nationally, the Marketplace's success overturned widespread skepticism about urban shopping malls and inspired imitations across the country, including other Rouse malls in New York City, Philadelphia, and Baltimore. The redevelopment of the Faneuil Hall/Quincy Market area into the Faneuil Hall Marketplace, was the single most influential project in Boston, and one of the most influential projects in urban America.

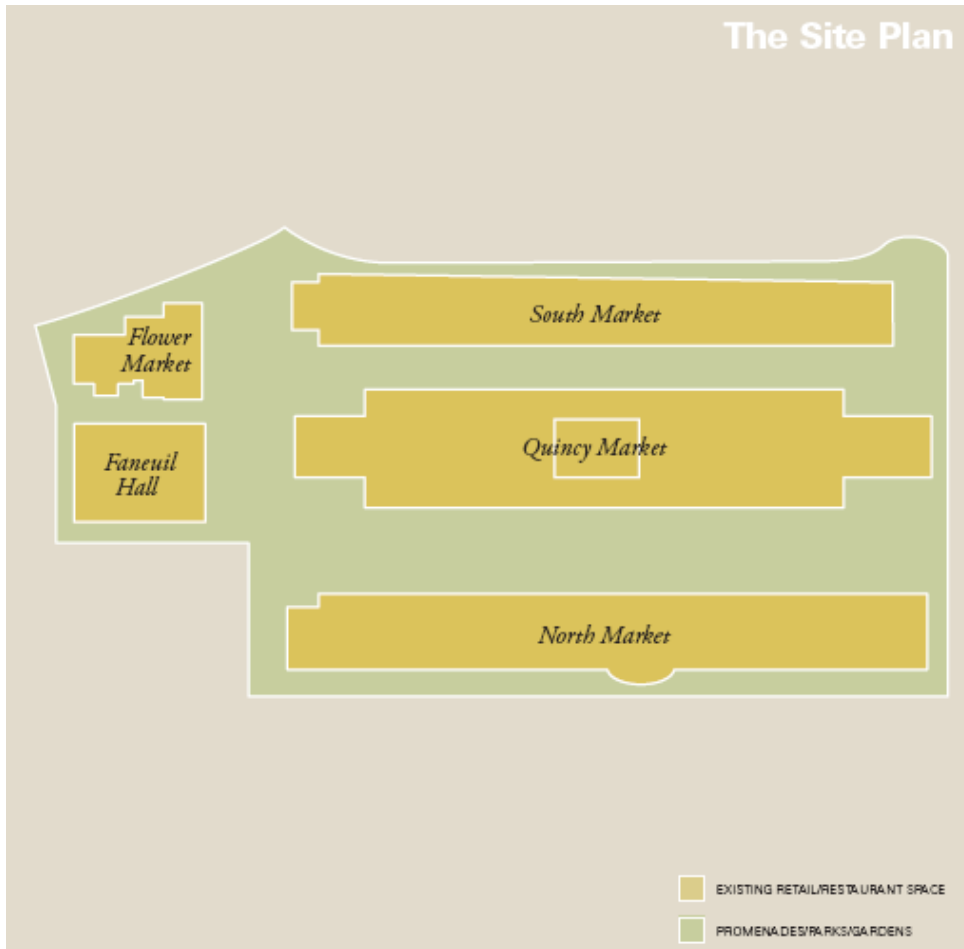
² <http://www.cityofboston.gov/freedomtrail/faneuilhall.asp>

³ <http://www.city.pittsburgh.pa.us/downloads/documents/DTRetRel.pdf>

Location



http://clients.noinc.com/rouse/build/retail/downloads/ICSC_Faneuil_Hall.pdf



http://clients.noinc.com/rouse/build/retail/downloads/ICSC_Faneuil_Hall.pdf

Located in downtown Boston, Faneuil Hall Marketplace is adjacent to historic Faneuil Hall and is bordered by the financial district, the waterfront, the North End, Government Center and Haymarket. Behind the Faneuil Hall, there is the Quincy Market flanked by North and South Markets.

Faneuil Hall Marketplace enjoys a highly visible location on Boston's historic Freedom Trail. Many of the Freedom Trail's most popular historic sites--Boston Common, Bunker Hill Monument, King's Chapel and Paul Revere's House--are just a few minutes away from the Marketplace by foot or public transportation.

The Marketplace is a five-minute walk to the New England Aquarium, The Children's Museum, The Old State House, and Paul Revere's House. Other attractions that are between 7-15 minutes away include The New State House, The Museum of Fine Arts, Boston Public Garden, Old North Church, The USS Constitution, and Fenway Park.

Characteristics/Description/Size of Faneuil Marketplace

Faneuil Hall Marketplace is comprised of three restored 19th century buildings, including the Quincy Market. It sits on 6.5 acres and is a mixed-use facility consisting of 198,000 square feet of retail and 158,000 square feet of office space.

Each of the market buildings uses three levels, including the basement.

The two streets between Quincy Market and the North and South Markets are paved by cobblestone and are closed to cars. Part of the scheme for Faneuil Hall market place is that it would be active both day and night. Unique gift shops, flower markets, restaurants, cafes, pubs, and entertainment spots are open well into the evening. The Marketplace enhances its festival atmosphere with street performances and special events.⁴

In the broader Faneuil Hall Marketplace Area, which includes Quincy Market, Marketplace Center, and the Blackstone Block (which is adjacent to Faneuil Hall Marketplace) there is 750,000 sq ft of retail, restaurant, and services space.⁵

Number and Types of Stores

Faneuil Hall Marketplace offers a unique mix of independent merchants, pushcart vendors, artisans, restaurants, retail shops, and entertainment. The Marketplace thrives on maintaining a balanced mix of diverse shops, from the upscale to the unusual.

When it originally opened in 1977, Faneuil Hall Marketplace had five restaurants, three bars, seven delicatessens, and 16 food shops, as well as other shops selling a variety of merchandise.

Currently, there are 49 retail shops, 44 pushcarts, 18 full service restaurants, 35 food stalls and Boston's most popular comedy nightclub.

The 49 retail shops are a mix of owner-operated and nationally owned shops, with a selection of jewelry, formal and casual clothing, accessories, gift ware, among others. There are specialty retailers, kiosks, bullmarket pushcarts, and temporary store spaces. There is an array of reputable national tenants, including: Ann Taylor, The Coach Store, Crabtree & Evelyn, Crate & Barrel, and Victoria's Secret.

Approximately 45 percent of the space is dedicated to restaurants and other food offerings. Restaurants include: Todd English's King Fish Hall, McCormick & Schmick Seafood, Cheers, Plaza III, Zuma's Tex Mex, Dick's Last Resort, Pinang, Rustic Kitchen, Ned Devine's, and Sam's Cafe at Cheers, and a huge selection of ethnic foods. The Quincy Market Colonnade features 34 eateries and food stalls, which includes fresh homemade food around the world.

Visitors, Hotel, Nearby Workers

Today Faneuil Hall Marketplace is one of the most successful outdoor marketplaces in the world and is visited by approximately 20 million people each year.

In 2004, there were 20 million visitors to the Faneuil Hall Marketplace.

Tourists account for approximately one-third of its customers and half of its revenues. Seventy percent of all adults in the Boston metro area visited Faneuil Hall Marketplace in the past year, with an average frequency of once every two months.

⁴ <http://www.clr.utoronto.ca/cgi-bin/clrdb/VIRTUALLIB/CLIP/clipadd?DB.REPORT=full&DB.RECORD=237>

⁵ <http://www.cityofboston.gov/bra/PDF%5CPublications%5C/Retail.pdf>

Over 13 million people visit Boston annually, with close to 45 percent of domestic visitors actually stopping at Faneuil Hall Marketplace during their stay.

There is a daytime worker population of 225,000 people within one mile of Faneuil Hall Marketplace. There is an estimated 150,000 workers within one-quarter mile of the Faneuil Hall Marketplace.

Downtown Boston has a daytime worker population of almost 290,000. Boston's Downtown Core office market is developed with over 47 million square feet and is currently occupied with an estimated 155,000 white collar employees.

Nearby Vicinity (hotels, workforce, residents, etc)

There are over 2,800 hotel rooms within a one-quarter mile of Faneuil Hall. There are more than 1,100 hotel rooms within a 3-block radius of Faneuil Hall.

The Faneuil Marketplace is located in downtown Boston, and borders the Financial District, historic Boston Waterfront & Boston's North End. Two of the three busiest shopping centers in Massachusetts are located in the center of the city – Downtown Crossing and The Quincy Market/Faneuil Hall Marketplace. Downtown Crossing welcomes over 650,000 different shoppers every three months, many of whom come several times a month. The retail industry in the center of the city generates \$2 billion in annual sales.

<http://www.cityofboston.gov/bra/PDF%5CPublications%5C/pdr97-2.pdf>

Characteristics of Downtown Boston include:

- it is only 1.5 square miles of land (there is no point within downtown Boston when one is more than ¾ of a mile or a 20 minute walk from its centre);
- it is home to over 27,000 residents;
- it has a workplace for 240,000 employees;
- it draws an additional 100,000 every workday for various activities;
- it accommodates people making 1.2 million trips into and out of downtown every day;
- it contains nearly 50 million square feet of private office space;
- it contains almost 6 million sq. ft of retail space with \$2 billion in sales;
- it contains a dozen hotels with 4,500 rooms;
- it contains over 200 arts and cultural venues which attract 10 million patrons annually;
- it accommodates over 50,000 people daily who dine out in its many restaurants.

<http://www.cityofboston.gov/bra/PDF%5CPublications%5C/pdr97-2.pdf> (1997)

Transportation/Accessibility

Faneuil Hall Marketplace is convenient to all forms of public transportation. Faneuil Hall is a short walk from Boston's subway system, commuter rail and buses (stops at the Old State House, Government Center and the JFK Federal Building). The "T," Boston's mass transit line within the city and to the suburbs has four subway stops nearby.

The Marketplace is also adjacent to Route 3/Interstate 93. Parking is seen as inadequate and very high priced, but this appears to be more than offset by the high level of available transit services.

There are 10,724 parking garage spaces within a two-mile radius of the Marketplace⁶.

Nearby Major Attractions

Nearby major attractions include: The Boston Classical Orchestra; Greater Boston Convention and Visitors Bureau; Massachusetts Office of Travel & Tourism; New England Aquarium; Museum of Science; Museum of Fine Arts, Boston; JFK Library and Museum; New England Holocaust Memorial; Boston Duck Tours; Odyssey Cruises; Millennium Bostonian Hotel; Boston Marriott Long Wharf; Omni Parker House; Seaport Hotel; and the Bulfinch Hotel-Boston Bay State Cruise Company⁷.

Recent Developments and Future Plans

Faneuil Hall Marketplace recently completed an \$18 million renovation/remerchandising program that has had a significant impact on traffic and sales volumes. The relocation of the John Fitzgerald Expressway to a tunnel through downtown Boston (completed in 2004) has enhanced the link between Faneuil Hall and the waterfront. A new convention center opened in the Seaport District in 2004.

Issues

Almost 30 years since opening, the Marketplace remains a success. However, there is a concern that the market has become too "touristy". Over 1/3 of visitors are tourists. Rising rents and large national retailers, including the Disney Store, have pushed out many of the original local merchants.

Despite its touristic trappings, the Marketplace still mostly succeeds on its aesthetic and social pleasures, through the development of active and entertaining public spaces. The restored Faneuil Hall is still used as a public meeting space and has been the scene of political rallies and debates.

The success of this project encouraged the development and improvement of other, arguably more authentic, public spaces based on the principles of adaptive re-use pioneered in the original Marketplace development. The success of the Marketplace has also helped to promote a new agenda of managed growth and economic redistribution. The City of Boston, in partnership with the National Trust for Historic Preservation, embarked on an ambitious citywide effort in 1994 to stabilize and upgrade its neighborhood "Main Street" business districts -- a program in which building preservation is incidental to the central goal of community economic development. Public spaces whether in the downtown core or in outlying neighborhoods, are today a key part of Boston's reputation for livability⁸.

⁶ <http://www.faneuilhallmarketplace.com/tourism4.html>

⁷ <http://www.faneuilhallmarketplace.com/tourism2.html>

⁸ <http://www.asu.edu/caed/proceedings98/Ehrlich/ehrllich.html>