Wellington West Business Improvement Area 2019 Boundary Expansion Study

FINAL REPORT FOR CITY OF OTTAWA

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1. Executive Summary

OVERVIEW OF BOUNDARY EXPANSION PROJECT

Since our founding in 2008, the Wellington West Business Improvement Area has been building a different kind of commercial district. We've been intensely focused on three things: 1) serving, supporting, and equipping our 550+ businesses and 200+ property owner members for business success; 2) creating a warm, safe, and professionally maintained commercial district for our members, neighbours, and community partners; and 3) cultivating a diverse and exciting "community of communities" to maximize the benefits of local ownership, mutual cooperation, and civic engagement.

In preparation for the coming of the Light Rail to our area in Fall 2019, from May to November 2019, the Wellington West Business Improvement Area has carried out this research study to explore the viability, benefits, and business dynamics involved with a possible expansion of our current boundaries toward the three LRT stations that will serve our area by 2022.

And now we would like to welcome new members

As a result of this study, the BIA is proposing an expansion to its existing boundaries, to include businesses within the three areas adjacent to the existing BIA (See Figure 1 below).

- → **Area 1: Gladstone Station** – along Gladstone Avenue West of the O-Train Line 2.
- → **Area 2: Tunney's Station** – South side of Scott Street near Holland Avenue
- → **Area 3: Bayview Station** – South side of Scott between Pinehurst and O-Train

Figure 1: Boundaries of WWBIA – showing existing area in red and orange, with proposed new expansion areas in blue.

We believe we have much to offer businesses in these three areas, and since none are likely to be included in any other existing BIA, we are uniquely positioned to represent and assist them into an integrated BIA. Details on each of the three expansion areas are provided in the report.

And for all members, while the proposed boundary expansion would only add a total of 19 properties, with around 45 businesses, to the BIA, this would represent a 33% increase to the assessed value of our area,

which is critical to expanding our pool of resources while allowing us to ensure that our levies per member remain affordable – we currently have the lowest average levy per member of any urban BIA in Ottawa.

HOW WILL IT WORK?

In January 2020, we will be asking our existing members to approve this plan at our Annual General Meeting. This will followed by a letter to City Council, then a public feedback period where our members and prospective new members will be given an opportunity to object if they so desire, hopefully leading to Council approval before fall 2020, allowing us to welcome new members on January 1 2021.

In addition to the critical LRT station connections, the expanded boundaries will allow us to represent all the commercial properties in Hintonburg and Wellington Village the BIA's primary trade area while supporting the BIA's Vision to build upon our "community of diverse communities".

Finally, the addition of new members within a single BIA would allow us to expand the range of services and support to all members – old and new – while doing it more cost-effectively.

2. The Vision for Wellington West BIA

The Wellington West BIA has prepared the following vision statement to guide its priorities and activities over the next eight years:

> "A diverse and welcoming community of communities collaborating to achieve mutual business success."

3 ELEMENTS OF OUR VISION

This Vision statement is built on three mutually reinforcing concepts:

Element 1. A Community of Diverse Communities

Our diversity comprises distinct ***Business Districts.*** These include all the businesses along the Wellington Street West mainstreet corridor through Hintonburg and Wellington Village. But while the mainstreet defines the spine of our BIA, 40% of all member businesses are located in at least three major off-Wellington business districts: the Parkdale Market/Holland district (over 100 businesses), the Loretta/Gladstone district (over 50), and the Armstrong Street/Bayview district (over 25).

BIA members participate in a wide diversity of ***Business Sectors*** (See figure 1)**.** While the area is well known for its restaurants (15% of all businesses) and stores and boutiques (13%), businesses in the health & beauty sector now account for almost 1 in 5 businesses, while almost 1 in 3 offer professional services.

Finally, the BIA's diversity is reflected in the more than 85,000 people of all ethnic, linguistic, and income levels who live or work in ***Residential Neighbourhoods*** within a 20-minute walking radius, including Hintonburg and Wellington Village, Little Italy, Chinatown, Lebreton Flats, Hampton Park, Westboro Beach, Westboro, Mechanicsville, Champlain Park, and the Civic Hospital (See table 1).

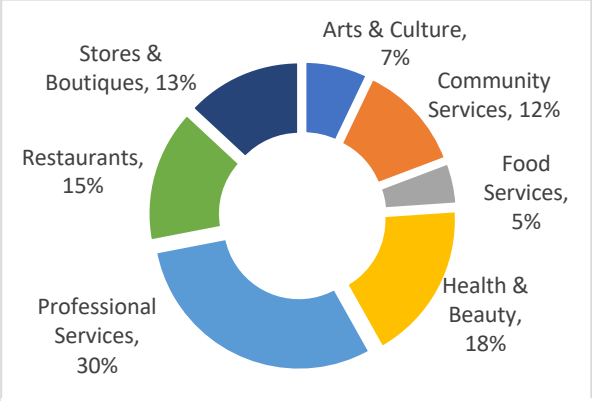


Figure 2: Composition of BIA members by business category.

Element 2. Welcoming Places to Explore & Be Inspired

The concept of being welcoming relates to both inclusive public spaces and open, inviting and physically accessible storefronts. The introduction of three light rail stations to the area will further enhance our accessibility by transit. We are also welcoming in terms of relationships of trust between business, customers, and residents. The concept of exploration and inspiration relates to the physical qualities of the area, including a combination of a diversity of businesses, building types, heritage, its cleanliness and safety; and its network of public spaces and public art.

Element 3. A Collaborative Engine for Entrepreneurial Success

The success of the BIA is ultimately a reflection of the success of its member businesses. A diverse and welcoming BIA is entirely dependent on business vibrancy. The BIA's role is to support, attract, retain and strengthen the creative, energetic and risk-taking entrepreneurship that every business owner brings to the area. The relationship between the BIA and its members is built and strengthened through regular and open communication. The BIA also encourages a spirit of collaboration among business owners.

UNIQUE CHARACTERISTICS OF EXISTING BIA

Demographic trends

The BIA's catchment area – within a 20 minute walk - includes an equal mix of residents (44,000) and employees (42,000) (See Table 1). One quarter of these employees work in Tunney's Pasture.

Table 1. Residents and Employees within the Wellington West BIA Trade Area

CATCHMENT AREA	HOUSEHOLDS	POPULATION	EMPLOYEES
Total Trade Area	21,975	44,370	41,625
Primary Trade Area	6,054	12,224	7,634
Hintonburg	4,228	7,855	3,490
Wellington Village	1,827	4,369	4,144
Secondary Trade Area	15,921	32,146	33,991
Mechanicsville	1,363	2,155	540

Champlain Park	418	1,106	2,113
Little Italy/Chinatown/LeBreton	6,625	12,156	11,130
Westboro Beach/Westboro/Hampton Park	6,195	13,097	12,508
Civic Hospital	1,320	3,631	7,700

Notes: Data for households/population are from 2016 Statistics National Census; employment data are from 2011.

Household size

Households across the catchment area are small and getting smaller, with strong growth in households with 1 or 2 persons (Figures 2 and 3).

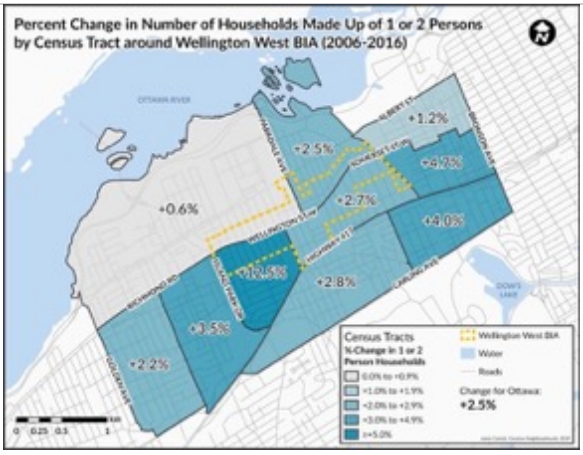


Figure 2. % change in number of 1 or 2 person households around BIA by census tract, 2006-2016.

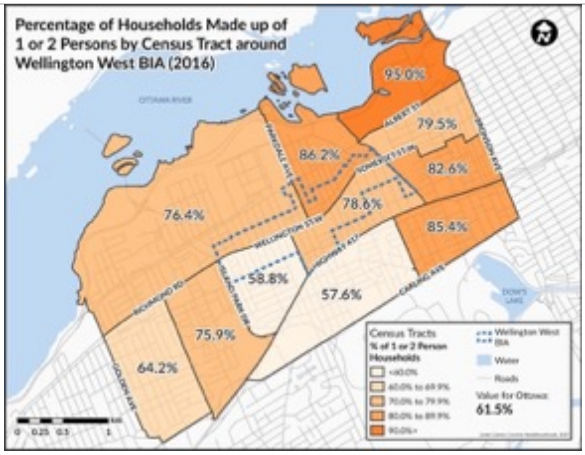


Figure 3. % of 1 or 2 person households around Wellington West BIA by census tract, 2016.

Education & Income

Compared to the city average, residents in the catchment area are more educated (Figure 4) and household incomes are growing more faster (Figure 5).

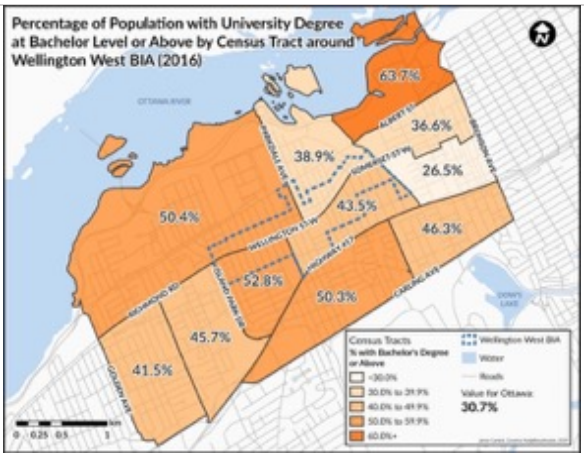


Figure 4. % of population with Bachelor's degree or above in census tracts around WWBIA, 2016.

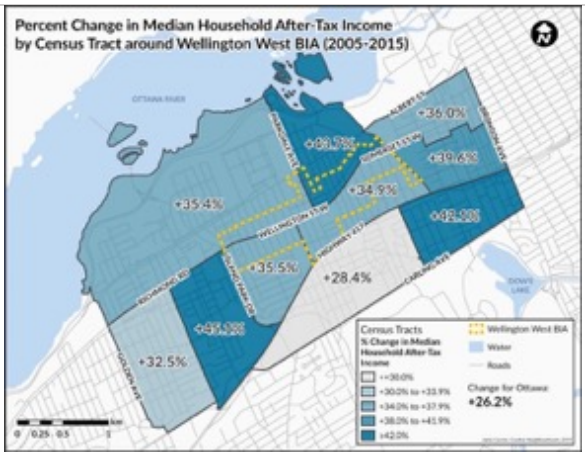


Figure 5. % change in median household after-tax income in census tracts around WWBIA, 2006-2016.

Income Diversity

An important characteristic of the BIA catchment area is its demographic diversity.

While incomes are on an upward trend, the area includes some of the city's wealthiest and poorest neighbourhoods, with Hintonburg, Little Italy and Chinatown household incomes well below the city average, and Wellington Village and the Civic Hospital well above (figure 6).

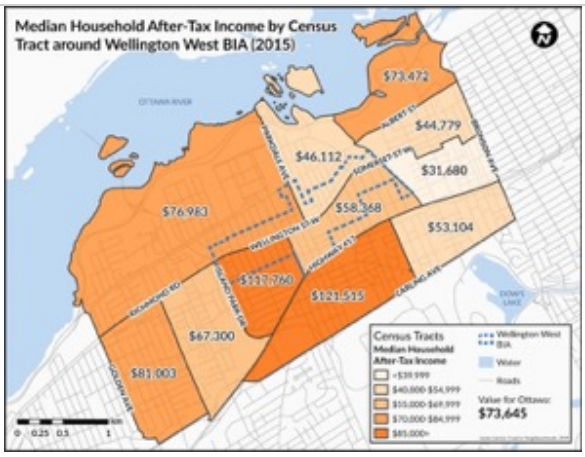


Figure 6. Median household after-tax income in census tracts around the Wellington West BIA, 2016.

Age Diversity:

While most neighbourhoods – including Wellington Village – are older than the city average and aging faster, neighbourhoods to the east – including Hintonburg - are relatively young and aging more slowly (Figure 7/8).

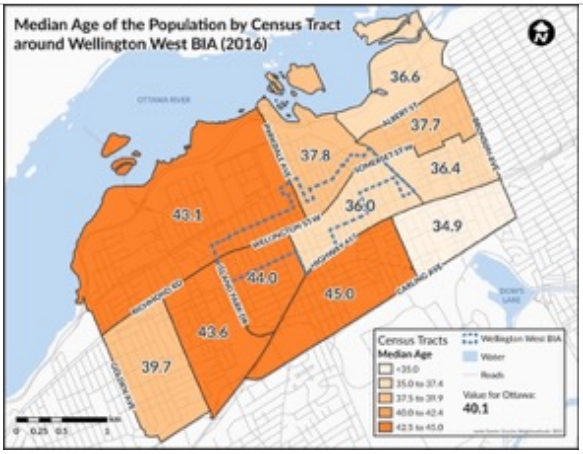


Figure 7. % change in median age of population in census tracts around Wellington West BIA, 2006-2016.

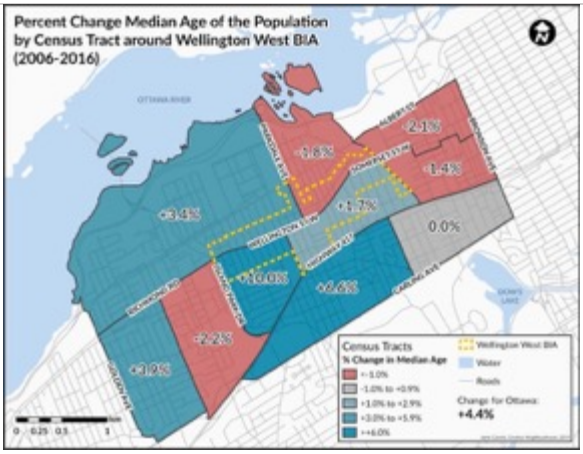


Figure 8. Median age of population in census tracts around the Wellington West BIA, 2016.

THE BIA TOMORROW

Development pressures & opportunities

The proposed boundary expansion is taking place within the context of significant change and increase in development pressure, driven to a great extent by transit-oriented development opportunities. The BIA will be served by three LRT Stations by 2022, including the intersection of Lines 1 and 2. Bayview and Tunney's Pasture and now both operational, with a new station at Gladstone planned for 2022.

Transit-oriented intensification is driving development, concentrated to the North and East of the BIA

Over 9,000 residential units are proposed within a 1 km radius of Wellington St West, translating into the potential for over 16,000 new residents. New development includes a ratio of less than 1 parking spot per unit of housing, assumes reliance on transit/walking/cycling.

Table 2. Summary of all development applications within 1 km of Wellington St W.

Number of Development Applications	69
Residential Units	9,234
Commercial Area	90,579 m^2
Population Capacity	16,160
Car Parking Spots	6,819
Bike Parking Spots	4,357

Source: City of Ottawa.

These developments include the potential for almost 1 million square feet of new commercial space

The impact of LRT combined with development pressure can expect to lead to increases property assessments/taxes/lease rates.

Proximity to the areas three rapid transit stations will serve as a rationale for transit-oriented development. Proposals have already been prepared for large mixed-use developments around each of these three stations. One example is Trinity Centre, proposed in relation to Bayview Station, which will include as many as 1,241 residential units and 11,926 square meters of commercial and office space.

Table 3. Recent development applications within 1 km of Wellington St W - completed or under construction.

Number of Development Applications	11
Residential Units	1,453
Commercial Area	5,715 m2
Population Capacity	2,543
Car Parking Spots	1,064
Bike Parking Spots	725

Eleven of the 69 development applications within 1 km of Wellington St W, 11 are either recently completed or currently under construction in the form of residential and mixed-use developments. Developments under construction will contribute 1,453 new residential units and 5,713 square meters of new commercial space. This will add an estimated 2,543 people to the area, along with roughly 1,000 car parking spots (Table 4).

Figure 9 shows the geographic distribution and size of residential developments within 1 km of Wellington St W, and Figure 10 shows the same for commercial developments. The proposed development locations are generally clustered around a few key areas: Westboro along Richmond Rd and the LRT line; along Parkdale Ave, north of Wellington St W; and around Preston St/Little Italy, close to the O-Train/future Trillium LRT line.

Figure 9. Residential development applications within 1 km of Wellington St W.

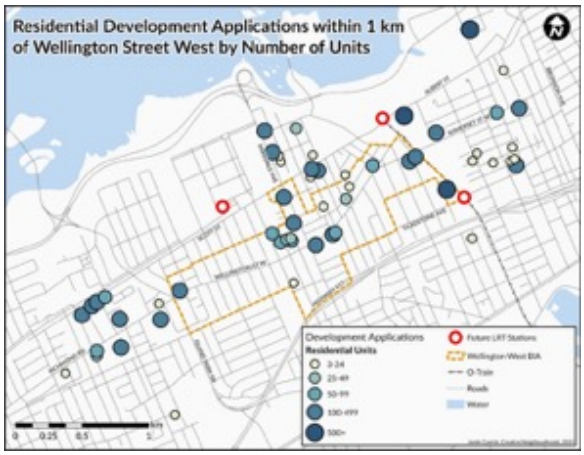


Figure 10. Commercial development applications within 1 km of Wellington St W.

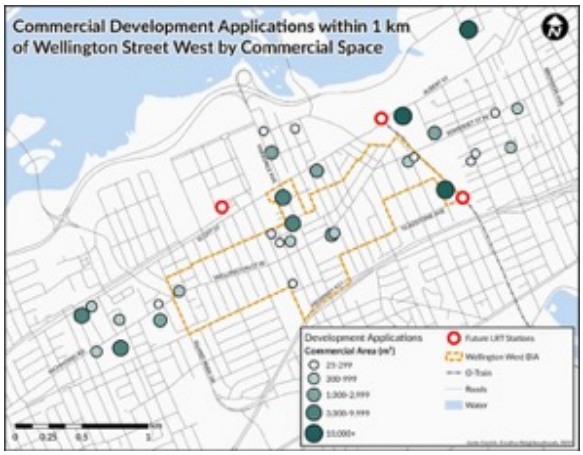
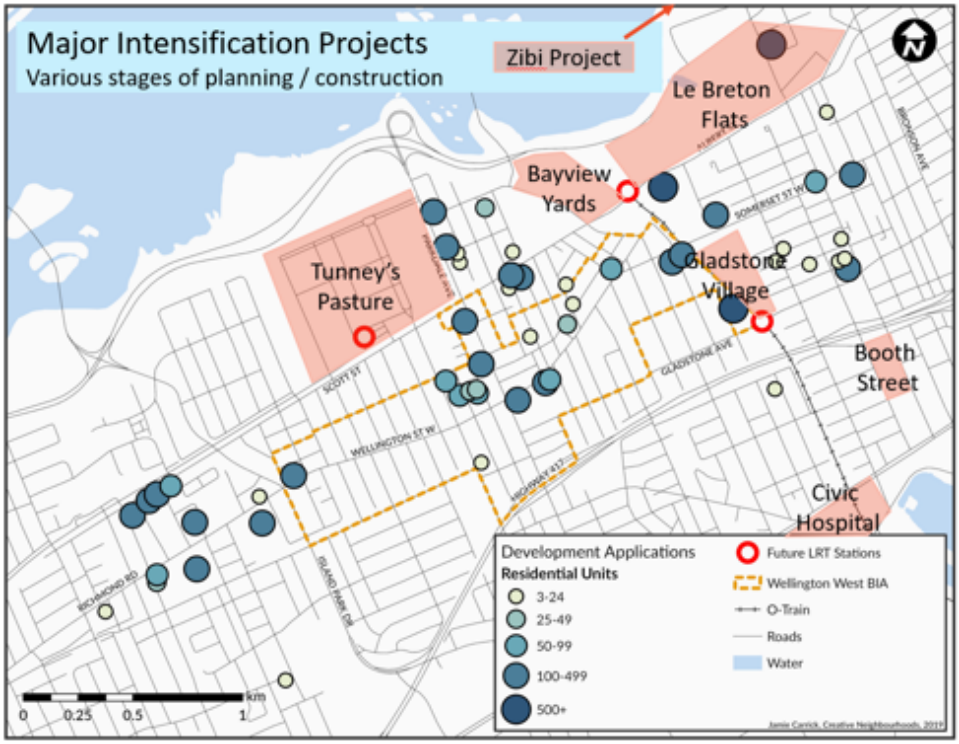


Figure 11 shows locations around the Wellington West BIA where development projects in various stages of planning or construction are expected to bring major intensification. This includes areas such as LeBreton Flats, Tunney's Pasture, Bayview Yards and Gladstone Village, where developments are generally focused around upcoming or recently completed rapid transit stations. These intensification projects, along with the other proposed developments, are expected to bring population growth and increased traffic to the area. These changes will lead to more parking pressure and a continued rise in property values, taxes and lease rates in the BIA.

Figure 11. Major intensification projects around Wellington West BIA.



3. The Expansion Areas

OVERVIEW OF PROPOSED EXPANSION

The proposed boundary expansion would add a total of 19 properties, home to around 45 businesses, to the BIA's existing membership. This expansion would represent a 33% increase to the existing assessed value of properties within the existing BIA boundaries.

Table 5 Assessed Property Value, Existing and Proposed Boundaries 2019

Existing BIA Member Properties	$ 225,140,813
• Expansion Area 1	$ 15,333,325
• Expansion Area 2	$ 52,654,000
• Expansion Area 3	$ 6,531,446
Total Expansion	$ 74,518,771
Grand Total (Existing + Expansion)	$ 299,659,584

Source: City of Ottawa, 2019

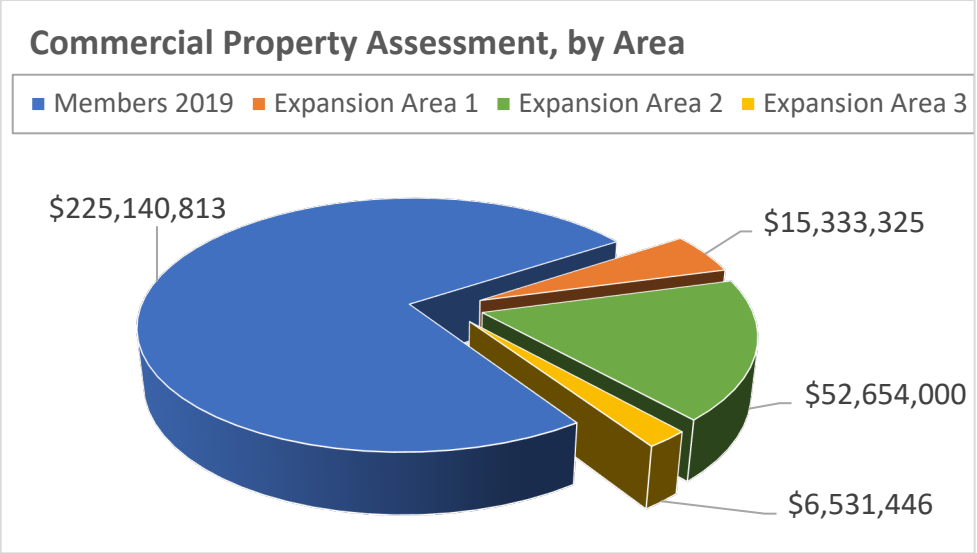


Figure 13. Commercial Property Assessment, by Area

AREA 1: GLADSTONE STATION CORRIDOR

Characteristics of area

Located to the southeast of the BIA, Expansion Area 1 includes a total of 12 businesses located on Fairmont Ave, Gladstone Ave, Sherbrooke St and Spadina Ave. The 10 properties in this area account for $15,333,325 in assessed value. Expansion Area 1 is adjacent to the planned Gladstone Light Rail Station, to be built as part of Stage 2 of the LRT project.

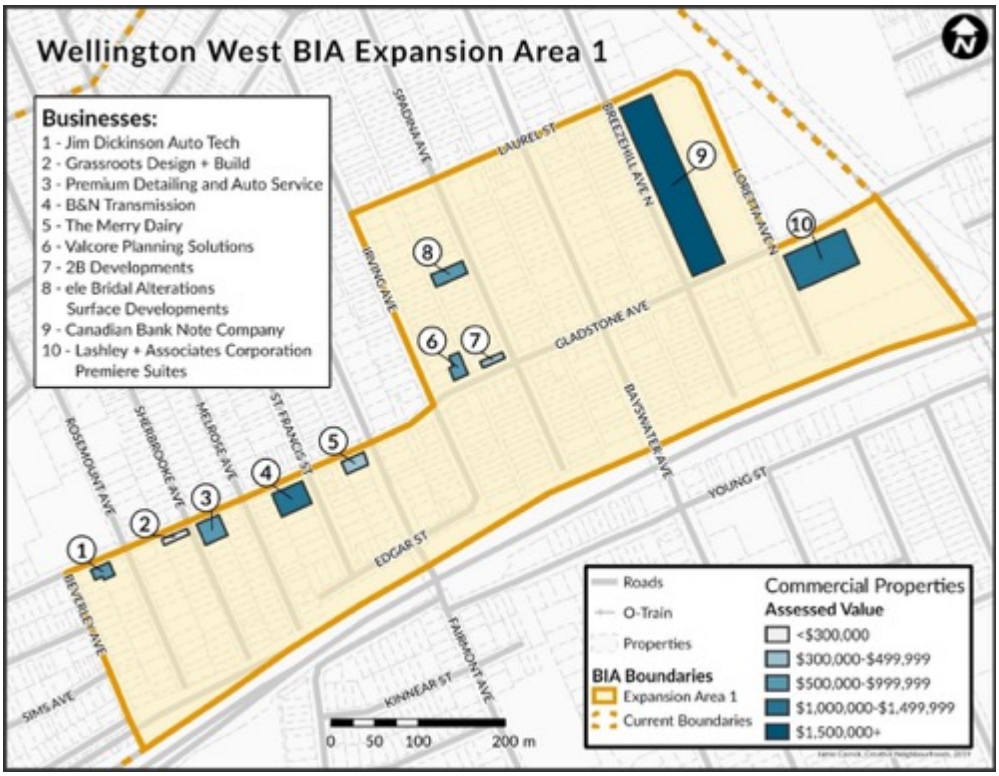


Figure 14. Businesses located in the Wellington West BIA's proposed Expansion Area 1.

Table 6. List of Leviable Properties Included in Expansion Area 1

Unit	No	Name	Class
104	102	Fairmont Ave	CTN
	950	Gladstone Ave	CTN
	975	Gladstone Ave	ITN
	1041	Gladstone Ave	CTN
	1086	Gladstone Ave	CTN
	1112	Gladstone Ave	CTN
	1150	Gladstone Ave	CTN
	84	Sherbrooke Ave	CTN
88	86	Spadina Ave	CTN
	124	Spadina Ave	CTN

Table 7. List of Businesses Included in Expansion Area 1 (c. Sept 2019)

Business Name	#	Street Name	Unit	Alternate Address	PC
The Merry Dairy	102	Fairmont Ave		104 Fairmont Ave	K1Y1X6

Business Name	#	Street Name	Unit	Alternate Address	PC
Lashley + Associates Corporation	950	Gladstone Ave	202		K1Y3E6
Premiere Suites	950	Gladstone Ave	102		K1Y3E6
Canadian Bank Note Company	975	Gladstone Ave			K1Y4W5
Valcore Planning Solutions	1041	Gladstone Ave			K1Y3G3
B&N Transmission	1086	Gladstone Ave			K1Y3G9
Premium Detailing and Auto Service	1112	Gladstone Ave			K1Y1V1
Jim Dickinson Auto Tech	1150	Gladstone Ave			K1Y3H6
Grassroots Design + Build	84	Sherbrooke Ave			K1Y1R9
ele Bridal Alterations	86	Spadina Ave		88 Spadina Ave	K1Y2C1
Surface Developments Office & Showroom	88	Spadina Ave			K1Y2C1
2B Developments	124	Spadina Ave			K1Y2C1

AREA 2: TUNNEYS STATION / HOLLAND AVENUE

Expansion Area 2 comprises the Holland Cross development, at the corner of Holland and Scott, across from the Tunney's Pasture Light Rail station. Holland Cross is home to 25 businesses and accounts for $52,654,000 in assessed value.

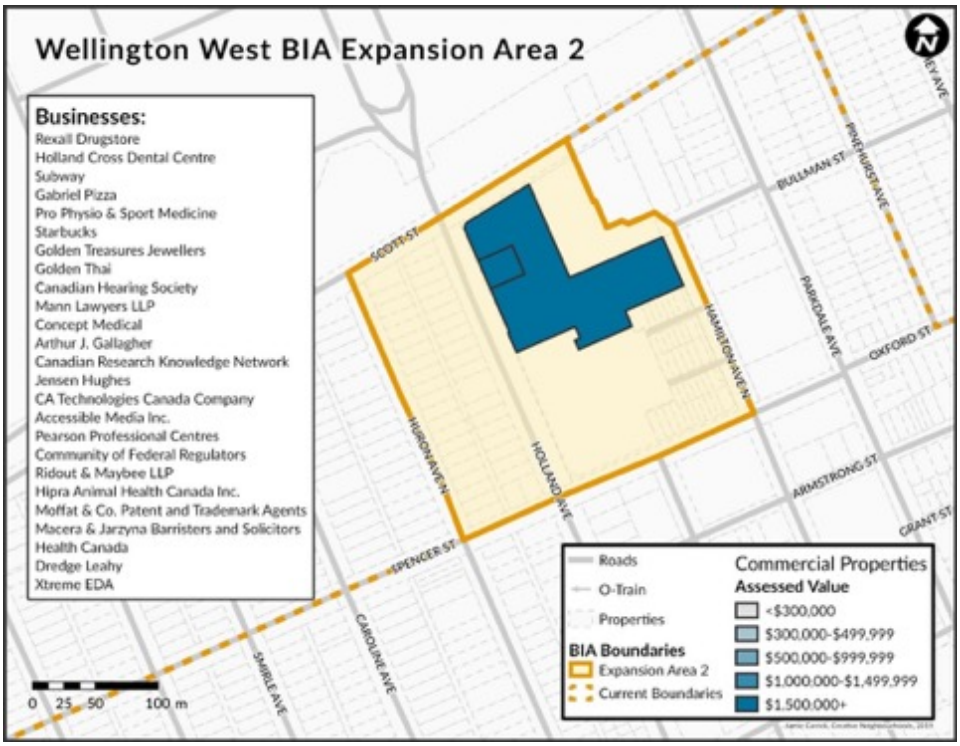


Figure 15. Businesses located in the Wellington West BIA's proposed Expansion Area 2.

Table 8. List of Leviable Properties Included in Expansion Area 2

Unit	No	Name	Class
1620	1560	Scott St	CTN
1620	1560	Scott St	DTN

Table 9. List of Businesses Included in Expansion Area 2 (c. Sept 2019)

Business Name	#	Street Name	Unit	Alternate Address	PC
Rexall Drugstore	1560	Scott St	29	1620 Scott St	K1Y4N7
Holland Cross Dental Centre	1560	Scott St	20	1620 Scott St	K1Y4N7
Subway	1560	Scott St	26	1620 Scott St	K1Y4N7
Gabriel Pizza	1560	Scott St		1620 Scott St	K1Y4N7
Pro Physio & Sport Medicine	1560	Scott St		1620 Scott St	K1Y4N7
Starbucks	1560	Scott St	30	1620 Scott St	K1Y4N7
Golden Treasures Jewellers	1560	Scott St		1620 Scott St	K1Y4N7
Golden Thai	1560	Scott St		1620 Scott St	K1Y4N7
Canadian Hearing Society	1560	Scott St	13	11 Holland Ave	K1Y4N7
Mann Lawyers LLP	1560	Scott St	3rd Fl.	11 Holland Ave	K1Y4N7
Concept Medical	1560	Scott St	400	11 Holland Ave	K1Y4N7
Arthur J. Gallagher	1560	Scott St	410	11 Holland Ave	K1Y4N7
Canadian Research Knowledge Network (CRKN)	1560	Scott St	411	11 Holland Ave	K1Y4N7
Jensen Hughes	1560	Scott St	415	11 Holland Ave	K1Y4N7
CA Technologies Canada Company	1560	Scott St	409	11 Holland Ave	K1Y4N7
Accessible Media Inc.	1560	Scott St	510	11 Holland Ave	K1Y4N7
Pearson Professional Centres	1560	Scott St	512	11 Holland Ave	K1Y4N7
Community of Federal Regulators	1560	Scott St	513	11 Holland Ave	K1Y4N7
Ridout & Maybee LLP	1560	Scott St	601	11 Holland Ave	K1Y4N7
Hipra Animal Health Canada Inc.	1560	Scott St	605	11 Holland Ave	K1Y4N7
Moffat & Co. Patent and Trademark Agents	1560	Scott St	715	11 Holland Ave	K1Y4N7
Macera & Jarzyna Barristers and Solicitors	1560	Scott St	715	11 Holland Ave	K1Y4N7
Health Canada	1560	Scott St		11 Holland Ave,	K1Y4N7
Dredge Leahy	1560	Scott St	100		K1Y4N7
Xtreme EDA	1560	Scott St	200		K1Y4N7

AREA 3: BAYVIEW STATION / SCOTT STREET

Expansion Area 3 is adjacent to the BIA Northeast boundary, and includes 8 businesses located on Carruthers Ave, Pinehurst Ave, Scott St, and Stirling Ave. The 7 properties in this area account for a total of $6,531,446 in assessed value. The area is adjacent to the Bayview Yards LRT station.

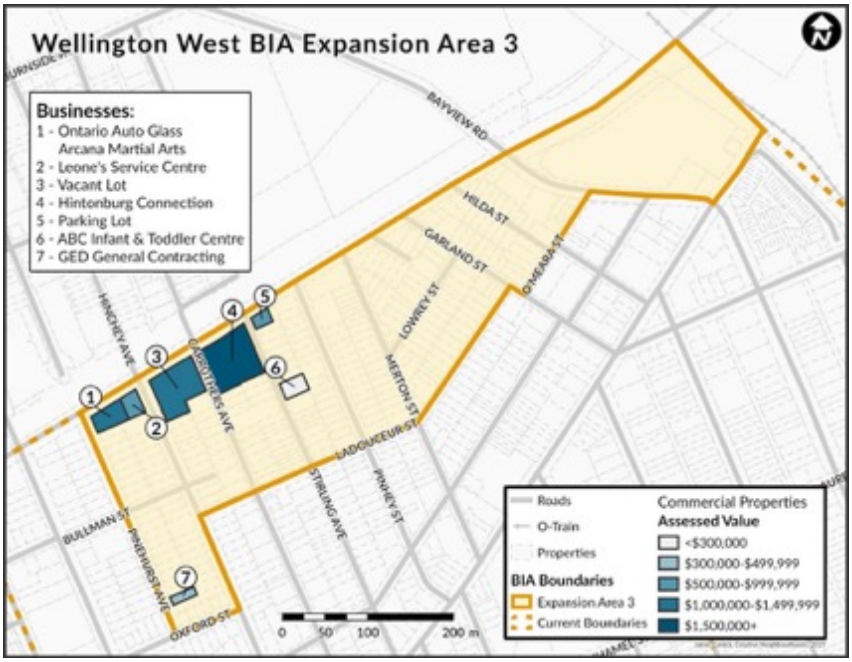


Figure 16. Businesses located in the Wellington West BIA's proposed Expansion Area 3.

Table 10. List of Leviable Properties Included in Expansion Area 3

Unit	No	Name	Class
177	175	Carruthers Ave	CXN
	172	Carruthers Ave	IHN
	5	Pinehurst Ave	CTN
	1480	Scott St	CTN
	1484	Scott St	CTN
	1426	Scott St	GTN
	29	Stirling Ave	CTN

Table 12. List of Businesses Included in Expansion Area 3

Business Name	#	Street Name	Unit	Alternate Address	PC
Hintonburg Connection	175	Carruthers Ave		177 Carruthers Ave	K1Y4R6
Vacant Lot	172	Carruthers Ave			K1Y1N7
ABC Infant & Toddler Centre	5	Pinehurst Ave			K1Y1K2
Leone's Service Centre	1480	Scott St			K1Y2N4
Ontario Auto Glass	1484	Scott St	A		K1Y2N4
Arcana Martial Arts	1484	Scott St			K1Y2N4
Private Parking Lot	1426	Scott St			K1Y4R6
GED General Contracting	29	Stirling Ave			K1Y1P7

BIA LEVIES ACROSS OTTAWA

→ Wellington West has one of the lowest levies in central Ottawa despite having the second highest number of leviable properties.

ASSESSMENT / PROPERTIES / LEVIES

Urban Mainstreet BIAs	Properties	Total Assessment	Average Property	2019 Levies
Downtown Rideau	415	1,656,773,419	3,992,225	$1,157,690
Bank Street	160	1,048,821,203	6,555,133	$886,600
Glebe	118	346,444,488	2,935,970	$690,000
Byward Market	275	373,609,775	1,358,581	$550,000
Sparks St	88	642,744,361	7,303,913	$517,141
Westboro Village	111	244,393,807	2,201,746	$487,155
Preston BIA	131	231,796,498	1,769,439	$459,193
Vanier	220	351,143,132	1,596,105	$375,350
Wellington West	280	221,355,611	790,556	$343,350
Somerset Chinatown	96	61,378,024	639,354	$169,900
Somerset Village	17	16,414,125	965,537	$15,850
Suburban / rural BIAs				
Kanata North	167	896,437,845	5,367,891	$426,500
Barrhaven	92	549,997,781	5,978,237	$291,250
Heart of Orleans	156	210,633,502	1,350,215	$230,670
Manotick	66	62,700,748	950,011	$220,166
Bells Corners	105	309,862,783	2,951,074	$182,934
Kanata Central	29	412,286,495	14,216,776	$180,000
Carp Road Corridor	260	239,470,076	921,039	$115,000
Carp Village	28	8,448,004	301,714	$13,000

LEVY PER PROPERTY IN EACH BIA

→ Wellington West has by far the lowest levy per property of any full-service urban BIA in Ottawa..

LOWEST LEVY PER PROPERTY

Urban Mainstreet BIAs	Property Count	Total Assessment Value	Average value	2019 BIA levy	Levy per property
Downtown Rideau	415	1,656,773,419	3,992,225	$1,157,690	$2,790
Bank Street	160	1,048,821,203	6,555,133	$886,600	$5,541
Glebe	118	346,444,488	2,935,970	$690,000	$5,847
Byward Market	275	373,609,775	1,358,581	$550,000	$2,000
Sparks St	88	642,744,361	7,303,913	$517,141	$5,877
Westboro Village	111	244,393,807	2,201,746	$487,155	$4,389
Preston BIA	131	231,796,498	1,769,439	$459,193	$3,505
Vanier	220	351,143,132	1,596,105	$375,350	$1,706
Wellington West	280	221,355,611	790,556	$343,350	$1,226
Somerset Chinatown	96	61,378,024	639,354	$169,900	$1,770
Somerset Village	17	16,414,125	965,537	$15,850	$932

SAMPLE LEVIES FROM CURRENT BIA

→ Showing the effect of levy increases and Boundary Expansion.

SAMPLE PROPERTY LEVIES – EXISTING BIA

	Very small Hintonburg Shop	Small Welli Village Store	Medium/Large Welli Village Store	Large Hintonburg Store
2019 Current Year Levy	$255	$435	$1697	$2632
2020 Proposed +15%	$298	$509	$1987	$3083
Effect of Boundary Expansion	$211	$360	$1406	$2181

(*All figures are City-verified estimates based on 2019 property assessments.)

SAMPLE LEVIES FOR NEW BIA MEMBERS

→ Cost for new members - based on current 2019 assessments / budget levels.

SAMPLE PROPERTY LEVIES - EXPANSION PROPERTIES

	Area 1 Gladstone retail	Area 2 Holland Cross Store	Area 3 Scott Auto Shop
Estimated Size	3500 sq. ft	2000 sq. ft	5000 sq. ft.
2019 Levy If expansion in effect	$510 ($42.50 /mo.)	$405 ($33.75 /mo.)	$855 ($71.25 /mo.)
Cost per sq. ft.	$0.15	$0.20	$0.17