

DOWNTOWN REVITALIZATION

THE BOW, CALGARY, CANADA



H&R REIT SIGNS THE LARGEST SINGLE TENANT LEASE IN CANADIAN HISTORY **H&R REIT TO DEVELOP THE BOW** **A 1.9 MILLION SQUARE FOOT HEAD OFFICE COMPLEX IN CALGARY**

TORONTO, Feb. 9 /CNW/ - H&R Real Estate Investment Trust announced that it has entered into agreements for the development of "The Bow" - EnCana Corporation's future head office of approximately 1.9 million square feet, to be constructed in the heart of downtown Calgary. A subsidiary of H&R, Centre Street Trust, has completed the acquisition of the lands from affiliates of EnCana Corporation for a price of approximately \$70 million. The Project will be located on a high profile site comprising the better part of two city blocks in downtown Calgary. The north block of the Project will contain The Bow, a class AAA, state-of-the-art, office and retail complex which will be the tallest office building in western Canada and will dramatically transform Calgary's skyline upon its completion, expected by fall 2011. In addition to The Bow, the south block of the Project will include retail, additional office and cultural facilities of approximately 200,000 square feet, to be developed on adjoining lands.

EnCana Corporation, the sole tenant for 100% of the office space and 700 parking stalls in The Bow, is a North American industry leader in unconventional natural gas and integrated oilsands development, and is one of Canada's largest companies with a current enterprise value of approximately CDN\$53 billion. EnCana enjoys strong investment grade ratings. The Bow is designed to fully meet EnCana's current and future office needs and to serve as its headquarters for at least the next 25 years.

The north block of the Project will be developed with a 59-storey office tower containing approximately 1.84 million square feet of class AAA office space, approximately 20,000

square feet of retail space and a 700-vehicle below-grade parking garage. The striking architecture of the steel and glass, crescent-shaped, office tower will include a full height interior atrium, which is designed to provide the tower with spectacular mountain views, an abundance of natural light and three "sky-gardens" that will provide the tower's occupants with unique meeting and amenity space. Construction of the Project is expected to commence this summer and has a current budgeted cost of approximately \$1.1 billion for the north block.

The south block of the Project will be a multi-level, mixed-use building containing approximately 100,000 square feet of high-quality retail space, and up to 100,000 square feet of additional office and cultural arts space, as well as up to an additional 700 vehicle below-grade parking garage. EnCana Corporation has agreed to be responsible for the reimbursement of the cost of the 100,000 square foot office and cultural component of the south block development. This facility is expected to feature first class retailers and cultural users and will be designed with a quality and finish substantially equivalent to The Bow, so as to create a fully integrated world class mixed-use development.

This remarkable Project has been designed by Foster + Partners of London, England - an international studio for architecture, planning and design that currently has projects in 22 countries and has worked in as many as 55 countries. The retail consultants were Canada's leading retail consulting firm, Talbot Consultants International Inc. of Toronto.



THE BAY CENTRE, VICTORIA, CANADA



THE BAY CENTRE, VICTORIA, BRITISH COLUMBIA, CANADA.

In the 1980's the downtown core of Victoria, B.C. was suffering from the loss of its traditional retail revenue to the suburban shopping centres. Richard Talbot was retained as the retail market consultant to work together with a task force comprised of both the private and public sector to stem the leakage and to preserve and strengthen the downtown core. In this capacity, he was initially responsible for the renovation and leasing of derelict historic buildings and the development and leasing of complimentary office, residential and retail facilities. However it soon became apparent that without the re-development of Victoria's "anchor" department store, Eaton's, Victoria's key "high street", Government Street, would continue to decline and thus the long term retail revitalisation goal could not be achieved. The key component to this major re-development project was the designing of a modern regional shopping centre which would not be merely architecturally sensitive to the historical buildings surrounding it but would actually integrate the shopping centre into the existing streetscapes through the retention of the heritage store frontages thus ensuring the retail revitalisation of the downtown core's traditional "high street" retailing function. In 1985 Mr. Talbot was tasked to put together the feasibility studies and was responsible for the land assembly that eventually resulted in the key to the entire retail revitalisation programme, the development of the Victoria Eaton's Centre. The retail re-positioning and re-merchandising studies were then carried out by Talbot Consultants and the architectural design for the centre and the surrounding streets by Waisman Dewar Grout Carter Inc. The resultant centre was, at that time, practically unique in that it was not purely internalised but instead placed as much emphasis on street frontages and street retailing as it did on the internal mall. The result has been spectacular. Retailing is again thriving not only on Government Street but also on the surrounding streets. The preservation of Victoria's downtown core has thus been assured and it now functions as a world-wide tourist attraction as well as a thriving downtown retail destination for the local residents. If any further proof of the success of our "Retail Action Plan" is needed then it can be found in the recent announcements of the Eaton's department store closings. Unlike the pattern elsewhere in Canada in Victoria it was the suburban store that was selected for closure and the downtown store that was retained and eventually sold to The Bay thus resulting in the renaming to "The Bay Centre".



RIDEAU STREET, OTTAWA, CANADA



RIDEAU STREET RETAIL ACTION PLAN, OTTAWA, CANADA.

Talbot Consultants International Inc. was asked by an Ottawa developer to put together a seminar for the public and private sector in Ottawa based on our experience with revitalising downtown shopping streets throughout the world. The motivation for such a request came from the problems that both sectors had experienced with the deterioration of Ottawa's main shopping street from its high profile as the street on which Canada's Parliament Buildings are located to a tertiary retail area.

In 1994 the City of Ottawa formed the joint public and private sector "Rideau Street Retail Action Committee" consisting of the City of Ottawa, the Regional Municipality, the Transportation Authority and, two private sector groups, the Rideau Area Business Improvement Association and the Rideau Street Property Owners Association. The committee's first task was to issue a proposal call for a market consulting firm that had a solid track record with similar projects both within Canada and internationally. Seven such firms were contacted and bid. The Talbot Consultants International team (including an architectural firm and a consumer research firm) was selected.

Phase I involved detailed consumer research, retail inventories, market potential analysis, architectural and traffic evaluation and the contacting of local, national and international retailers. Phase I concluded with two key deliverables. Firstly a viable "Retail Action Plan" for the street that can be implemented by the public and private sectors detailing our recommended

retail, architectural and traffic changes for the five blocks in the study area. Secondly a detailed listing of the qualified retail prospects identified for each of the blocks by "banner" and contact name. Our recommendations have been implemented. The heated storefront bus shelters have been removed, the heritage facades are being restored, transit and truck traffic has been reduced, on-street car parking is being reintroduced, restrictive vehicle turns are being eliminated and the streetscape beautification programme is being implemented.

The results are already impressive, pedestrian traffic has increased and retail sales are up. More importantly, our "Retail Action Plan for Rideau Street" identified three key redevelopment sites and suggested specific redevelopment uses. Within six months of our final report being issued all three sites had been sold. The first (the demolished Robinson's site) was purchased as the site of a proposed Hotel/Convention Centre/Entertainment Focused Centre, the second (99 Rideau) has been transformed from a 90% vacant derelict structure into a 100% leased restaurant and retail building and the third (the vacant Woolworth's building) has been re-developed into Ottawa's "flagship" Chapters bookstore.

More recently, the Mayor of Ottawa set up a series of weekend long charrettes to determine the optimum planning "vision" for the downtown core. Given the success of our study Richard Talbot was invited to participate in the charrettes as the only non-Ottawa attendee.



Rideau Street's 'renaissance' a work in progress

Mon, Jun 15, 2009 12:00 AM EST



The rebirth of Rideau Street has begun. More people are living and shopping on the street, and sellers of quality goods are starting to return.

So far, the biggest change has been the construction of two luxury apartment towers, one on each side of the street, steps from the ByWard Market and the Rideau Centre. Now, the retail space at the base of these apartment buildings is starting to fill.

There is even the first sign of change at the Rideau Centre itself, the giant shopping complex that has been held partly responsible for Rideau Street's decline into mediocrity during the past 25 years.

Until now, the Rideau Centre has always turned its back on Rideau Street, facing inwards with almost no presence on the street.

That is changing, as the centre converts a small ground-floor food court into an upscale retailer with store windows facing Rideau Street. The retailer is likely to be a fashion store, and to have its own street entrance.

It might seem a small change. But, in reality, it's a big one. Ever since the Rideau Centre opened, that stretch of Rideau Street has been a place to hurry through, to loiter, or just to wait for a bus. It wasn't a nice place for strollers and window shoppers.

Cindy VanBuskirk, Rideau Centre manager, said the centre "jumped at" the chance to remodel this 4,000-square-foot space and open it up to Rideau Street when it got the chance. Previous tenants included a Burger King.

Says Ms. VanBuskirk: "The city of Ottawa would like to see more animation on the street, and so would we." It will be up to the retail tenant, which is still to be determined, to decide whether it will have a door on Rideau Street, she said. "But we will encourage the tenant to have such a door."

The biggest influx of new retailers on Rideau Street will be at the base of the new apartment tower where the Caplan's department store stood on the north side of the street, opposite the Rideau Centre. The Caplan's facade has been attractively replicated in the new building.

The tower's address is 90 George St., where its main residential entrance is located on the ByWard Market side of the building. There is retail space on the first two floors on each side of the building, and the developer says there will be public access to these retailers from George and Rideau streets.

Hairstylist Rinaldo is the building's highest-profile tenant thus far. He has his flagship location there, having moved from the World Exchange Plaza. Rinaldo says his customers are still getting used to the new location, and that the shift has not been easy due to delays in construction of the still-not-complete building. "But I love the location – I love the Market," he says.

Jubilee Jewellers, located in the Rideau Centre, had been a possible tenant for the main retail space, on two floors, on the Rideau Street side of the building. But it did not happen. Terrence Guilbault, the builder's developer, says a retailer of quality clothing has agreed to lease the 12,000-square-foot space, and he expects the store will open early next year.

Another big retail tenant, on the George Street side of the building, will be the Swiss Pastries group of gourmet food stores. "There will be nothing like this in Ottawa," says Mr. Guilbault.

At the other large new apartment complex on Rideau Street, built by Claridge Homes at the corner of Waller Street, the major ground-floor retailer is a Pharma Plus drugstore.

These two large apartment developments have already brought hundreds of affluent new residents to the area. "One of the major results of all this growth is that Rideau Street, long underdeveloped, is seeing a renaissance," says Georges Bedard, city councillor for the area.

Among apartments still for sale in Mr. Guilbault's building is a penthouse for \$3.5 million. The least expensive apartment still available at last check was a 530-square-foot bachelor for \$273,000. At that price it didn't have a parking space or storage locker.

At Claridge Plaza, 234 Rideau St., the lowest-priced apartment for sale was a 647-square-foot one-bedroom for \$217,000.

Mr. Guilbault, who has been working on redeveloping Rideau Street for decades, says the two apartment projects have already had "a huge impact" on the street. But more needs to be done, he says.

The developer says the "biggest eyesores" on the street are two enclosed bridges for pedestrians linking the Rideau Centre with the Bay department store. When and if an underground rail line is built through the area, these pedestrian links should be put below ground, he suggests.

Another key to the future health of Rideau Street is redeveloping the site of the former Ogilvy's department store at the corner of Nicholas Street, Mr. Guilbault says.

The first three levels of the facade of the Ogilvy building have heritage value. The Rideau Centre, which owns the derelict and unoccupied building, has agreed to preserve this facade in any redevelopment and expansion of the shopping complex.

The Rideau Centre has said it will not consider expansion until after a new convention centre is built adjacent to the shopping complex. The convention centre is due to be completed in spring 2011.

The Rideau Centre's Ms. VanBuskirk says expansion of the centre could begin in as little as five years, if owners decide to go ahead with it. Among other things, there is demand for a new hotel in an expanded Rideau Centre, she said.

Mr. Guilbault says it's essential that a new building on the Ogilvy site look out on to Rideau Street. Ms. VanBuskirk says she expects that would happen in any redevelopment.

That's good to hear.



SPARKS STREET, OTTAWA, CANADA



GOVERNMENT OF CANADA, SPARKS STREET, OTTAWA, CANADA

Talbot Consultants International Inc. was retained by the Government of Canada's Public Works Department to assist them in planning the future of this very high profile four block parcel opposite Canada's Parliament Buildings. The project is of national significance and involves a blend of heritage and modern buildings providing accommodation for a mix of office, retail, food & beverage and tourist oriented tenants. Our task was to carry out a detailed analysis of each building's structural and financial viability and then, in consultation with a deputy-minister level working committee, recommend what action the Government should take.

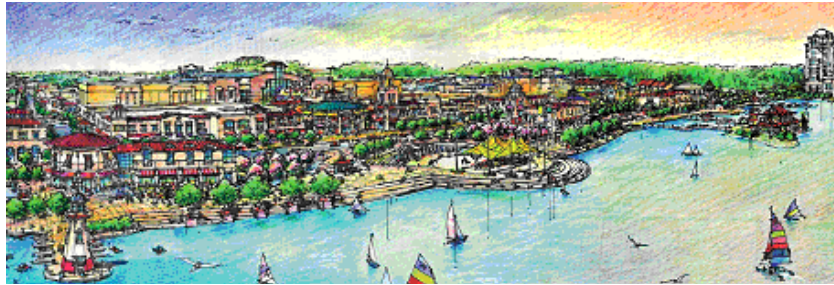
Working directly with Public Works we assembled all the available retail sales, rental records, operating expenses and structural report records for each building within the Public Works Sparks Street portfolio. We then conducted a site visit of each property including interviewing the building manager and each major tenant.

The gathered data was then carefully checked and verified before being entered into a detailed report for each building and then consolidated into a series of spreadsheets for each block. The resultant interim report provided a detailed analysis of the current and projected income stream, deferred maintenance and capital fund requirements by building, block and portfolio.

The project now proceeded to a series of "what-if" scenarios by analysing the various options available to Public Works (including redevelopment and privatisation) and then conducting a workshop with the deputy-minister level working committee before submitting our final report which was eventually accepted by the Federal Cabinet. In 1999 it was announced that the Ottawa area municipalities would be amalgamated into a single city. As a result, in early 2000, the Mayor of Ottawa set up a series of weekend long charrettes to determine the optimum planning "vision" for the East side of the downtown core. Given our extensive working knowledge of the Sparks Street area Richard Talbot was invited to participate in the charrettes as the only non-Ottawa attendee.



CORNELL TOWN CENTRE, TORONTO, ONTARIO, CANADA



CORNELL TOWN CENTRE MARKHAM



CORNELL TOWN CENTRE, TORONTO, CANADA

The Town of Cornell is a new town with a projected population of 30,000 people. It is currently under construction on a 1,275 acre parcel of land located in the north east corner of Toronto and is to be served by Highway 407, Canada's first privatised toll highway. The Town's overall "new urbanism" design concept has been described as "the mother of all orthodox neo-traditional communities in Canada". It also has the distinction of being master planned by town planners and architects Duany and Plater-Zyberk (DPZ). Ultimately the town will contain 11 neighbourhoods, each with parks and open spaces. The approved plan also calls for a 90 acre mixed-use town centre consisting of approximately 1 million sq. ft of commercial development which has to be designed to be compatible with the design concepts of new urbanism. Talbot Consultants International Inc. was retained as the retail planning consultants for not only the Cornell Town Centre but also the neighbourhood facilities scattered throughout Cornell. Our initial tasking was to prepare a market feasibility study to determine the optimum positioning, merchandising and sizing of such a town centre. Our next task was to seek out international architectural and design firms who had demonstrated the vision and experience to create a new urbanism town centre and recommend a preliminary list of 12 to the developer. We were then instructed to reduce these to a short list of 3 and set up half-day workshops with each of the short listed firms. At the conclusion of this process Development Design Group of Baltimore was selected. Our next task was to co-ordinate a thorough site and trade area tour and briefing for the Design Group and then set up a series of interactive workshops, in both Toronto and Baltimore, to translate our market driven recommendations into macro and micro design concepts. This process eventually resulted in the selected concept for the Cornell Town Centre being a 1 million sq. ft. Entertainment Focused Centre (EFC) anchored by a 100,000 sq. ft multiplex theatre and complemented by approximately 900,000 sq. ft of other entertainment venues, retail, food & beverage and services. The requirement to preserve the uniqueness of Cornell's new urbanism design was achieved by configuring the Cornell Town Centre as a series of traditional streetscapes all focused on a huge man made water feature. The construction of the residential portion of Cornell is proceeding quickly and sales have been extremely strong. The Cornell Town Centre project is now regarded as a prime example of new-urbanism retail planning and has recently been selected as a feature project in the updated version of the international development industry's preferred reference text "The Shopping Center Development Handbook" which is to be published by the Urban Land Institute (ULI) in 2005.



✪ TRAVEL/FEATURE



KING'S WHARF CRUISE SHIP TERMINAL—ROYAL NAVAL DOCKYARD ~ BERMUDA by Christine Germyn



My visit to this former British colony of 65,000 people was truly a unique experience. It began with a tour of the Royal Naval Dockyard. Once one of the most strategic military installations in the world, Bermuda's Royal Naval Dockyard evokes the glory of the far - reaching British Empire. Thick stonewalls transport visitors back to the days when the Royal Navy used this imposing structure as headquarters of the Western Atlantic Fleet and the hub of operations for the British along with the American eastern seaboard during the war of 1812.

During the summer months, it is here that cruise ships dock providing their many passengers the opportunity to go on tours, sightsee or shop till you drop. Unique shopping at the dockyard is located at the Clock Tower mall with a variety of small shops. One of the hot spots at the Clock Tower mall is the Dockyard Glassworks with daily glass blowing demonstrations and timeless collectibles for sale. Next door one can indulge ones self with the baked goods from the famous Bermuda Rum Cake Company whose products come in five flavours which are made exclusively with Bermuda's signature Goslings Black Seal Rum. The Royal Naval Dockyard has four restaurants to select from. Each with a different flare ranging from, British pub style to seafood or multicultural. I chose the Frog and Onion Pub featuring original English Fish and Chips.

When visiting such an exotic locale I would be remiss not to see as many highlights. There is so much to do especially if you love being outdoors. For instance scuba diving and exploring historical shipwrecks from hundreds of years is certainly adventurous. Or anything from a scenic horseback ride along pink sandy beaches on Spice Island to snorkeling in the crystal clear ocean viewing colorful tropical fishes at one of nineteen glorious seascapes would surely wet one's whistle.

The practice of swimming with dolphins has grown in popularity in recent years. I had the opportunity to swim with these very intelligent mammals in the Dolphin Quest facility at the Royal Naval Dockyard. Swimming with these Atlantic Bottle Nose Dolphins was something that I looked forward to my whole trip. Overall, my visit to Bermuda was very enjoyable, interesting and relaxing. I am sure to return. "The ocean sings its harmony and the elements have awakened my spirit".



East Bayfront Precinct, City of Toronto

Toronto Waterfront Revitalisation - East Bayfront Project

Client: The Toronto Waterfront Revitalisation Corporation

Project: Talbot Consultants International Inc. was retained as retail planning consultants by The Toronto Waterfront Revitalisation Corporation (now Waterfront Toronto), which is a consortium of The Government of Canada, The Government of Ontario and The City of Toronto. The East Bayfront precinct is the most central waterfront revitalization area to the downtown core. East Bayfront is within walking distance of downtown Toronto, with a shoreline along Lake Ontario of approximately 1.5 km. The East Bayfront district will provide up to 7,000 new residential homes, 1,400 of which will be affordable housing, 225,000 m² of commercial space, providing jobs for 8,000 people, together with 5.5 ha (13.6 acres) of parks and public open spaces, including the 1.5 ha (3.7 acres) Sherbourne Park and a new shoreline promenade. Work on the East Bayfront is already well underway including the construction of the new \$130 million First Waterfront Place office building, where Corus Entertainment, the Canadian media conglomerate has recently taken a pre-let on 35,000 m² scheme, setting the tone for East Bayfront as a new media hub. Corus is expected to take occupancy of its new headquarters building in January 2010. In addition, a further area of 50,000 m² is committed to an academic institution for occupancy by autumn 2011.



THUNDER BAY CHARITY CASINO, CANADA



Owner: Ontario Casino Corporation

Architect: Moriyama & Teshima

Retail Consultants: Talbot Consultants International Inc.

Value: \$28.0 Million

**CHARITY CASINO, KESKUS HARBOUR MALL & EATON'S PROPERTY,
THUNDER BAY, ONTARIO**

The Keskus Harbour Mall and Eaton's Properties were key components of the North Core central business district of Thunder Bay. The Eaton's property had been vacant since the T. Eaton Company's decision to close its Thunder Bay store in September of 1997. This closure, together with other retail changes in the North Core, and Thunder Bay as a whole, lead to a very high vacancy rate in the Keskus Harbour Mall. There were therefore serious questions over the viability of the Keskus Harbour Mall property if its current use continued. As a result we were retained by The City of Thunder Bay (as a pre-emptive strategy) to identify feasible alternative uses for these buildings and set out the means by which the preferred of these uses could be introduced. Several visits were made to the site and the trade area and interactive workshops were held with City officials and local property owners and retailers. Our conclusion was that, although the key street level frontages of the Eaton's property were still viable for retail, the upper and lower floors of the Eaton's building and all levels of the entire shopping centre were no longer suitable for retail use. We therefore recommended that the shopping centre be "de-malled" with, ideally, 50% of it being converted into

a new "Thunder Bay Charity Casino" and the balance being demolished for casino parking and an urban park. As far as the Eaton's store was concerned we recommended that small retail units (suitable for local retailers offering goods and services synergistic with casinos) be "wrapped" around the Eaton's street frontages and that the balance of the building be converted into "The Thunder Bay Casino Hotel & Convention Centre". Once our recommendation had been accepted our final tasking was to provide a qualified "hit-list" of hotel and food & beverage operators and retailers and suggest suitable leasing and marketing materials. The sale of the Keskus Harbour Mall to the Ontario Casino Corporation was announced in August 1999 (one month after the completion of our study) and, shortly afterwards, the Eaton's store was optioned by a local developer for conversion to retail and casino hotel as recommended by us. This option was subsequently exercised and the sale closed in October 1999. Since then, as planned, the revitalisation of downtown Port Arthur has escalated with the return of successful retailers & restaurants to the downtown core.



SOUTH ETOBICOKE REGENERATION PROJECT, CANADA



CITY OF TORONTO, THE SOUTH ETOBICOKE REGENERATION PROJECT (SERP), TORONTO, ONTARIO, CANADA.

The South Etobicoke Regeneration Project is a cooperative venture involving five BIAs, The Small Business and Local Partnerships Office of the City of Toronto's Economic, Development, Tourism and Cultural Division and the South Etobicoke Regeneration Project (SERP). The South Etobicoke Regeneration Project study area is located in the south-east quadrant of The City of Toronto in an area south of the QEW to Lake Ontario, west of the Humber River and east of the Etobicoke Creek. It includes The Mimico by the Lake, Long Branch, Mimico Village and Lakeshore Village BIAs and the Alderwood pending BIA. Talbot Consultants was retained to analyse this area (which is typically perceived by investors and businesses as a declining market populated by aging blue collar workers and retirees) and then develop an "Action Plan" to revitalise the South Etobicoke business environment by increasing investment and general economic activity in

the area and thus create employment opportunities. Our study showed that this area was in fact currently evolving as a high growth area in transition from "empty-nesters" to "young families". As a result the majority of the existing retailers and food & beverage outlets were no longer positioned or merchandised correctly and most new format retailers had failed to recognise the rapidly growing market potential. The project has recently been completed with a specific "Action Plan" generated for each of the five BIAs plus an overall "rifle" marketing strategy for the entire Study Area that can now be implemented by The South Etobicoke Regeneration Project team and The City of Toronto's Economic Development Department. The presentations of the plans to each of the communities and the overall strategy to the City have been received with wide acclaim and our final presentation is now carried on the City of Toronto website.





CITY OF KITCHENER, DOWNTOWN RETAIL ACTION PLAN, KITCHENER, ONTARIO, CANADA.

The City of Kitchener's downtown started to decline some twenty years ago when an enclosed shopping centre was approved at the eastern end of downtown's main shopping street, King Street. This decline was accelerated when a second enclosed shopping centre on King Street was approved at the western end. The remaining destination appeal of King Street was then further eroded by the City's decision to demolish the traditional outdoor Farmer's Market. These three significant actions resulted in the traditional retail landscape being fractured thus leaving downtown extremely vulnerable to the waves of suburban enclosed shopping centre developments in the 1970s and 1980s and, more recently, the "big box" developments outside the municipality. Although the steady decline of Downtown Kitchener had been deplored and debated for many years, no significant action was taken until 1995. By that time, the downtown's major hotel had dropped to below 50% occupancy, one of the two major enclosed shopping centres had gone into bankruptcy and one of the three downtown department stores had vanished in a "mysterious" fire leaving only a burnt-out site. After the 1995 municipal elections the new Mayor

and Council immediately issued a tender call for downtown revitalisation consulting services and, although we were not the lowest bidder, we were selected based on our extensive downtown revitalisation experience elsewhere. Our mandate was to work closely with both the City and the downtown retailers through their Business Improvement Area (BIA) committee. Our tasking involved retaining and supervising a consumer research firm, working closely with the city's traffic engineering department and the heritage committee's architect as well as interviewing a large number of "stakeholders". Our final "Retail Action Plan" was approved three months later by City Council. Council immediately implemented our two key recommendations on parking and traffic. The results were spectacular. King Street retailers reported an immediate sales increase of 15 - 20%. Then, within six months, both shopping centres sold, the hotel sold to Sheraton, the City is now foreclosing (for taxes) or expropriating the burnt-out site so that it can be resold for redevelopment to the private sector and, later, approval was given to move the Farmers Market out of the City Parkade and back to where it was.



UNION STATION, TORONTO, CANADA



CITY OF TORONTO, UNION STATION REDEVELOPMENT

The building of Union Station was ordered by the Board of Railway Commissioners in 1905. The ground under Union Station was owned by the City of Toronto, which leased it to the Grand Trunk Railway in 1905, then later to the Toronto Terminals Railway Company (jointly owned by Canadian National and Canadian Pacific) to build Union Station. Union Station was designed in the grand manner of the Ecole des Beaux-Arts in Paris. It was built by Canadian Pacific Railway and Grand Trunk Railway at a time when a railway station was viewed as the gateway to a city, Union Station was the largest and most opulent train station erected in Canada during the last great phase in railway station construction. Construction began in 1913 but was delayed for several years because of the First World War. Since the opening in 1927, Union Station has been one of the most significant hubs in Canada's transportation network. In the last 35 years, the station has taken on added importance in the Toronto area as the terminal for commuter rail services and as a vital link in the Toronto subway system. Union Station is the most important focus of commuter and inter-city rail facilities within the downtown core of the City, as well as being the most important point of interchange to other transportation modes within the City. The Station provides the opportunity for interchange between

different modes of transit including rail, GO buses and the TTC's bus, LRT and subway facilities as well as the planned air-rail link to Pearson Airport. In 2001 the City took back the ownership of the station and then issued an RFP to major international developers for the redevelopment of the property with two objectives:-

- 1: To recommend a repositioning, re-merchandising and redevelopment plan to optimise concession revenues in the existing facility.
- 2: To recommend the highest and best use of the entire property without regard to potential use but within the specified operational and Heritage constraints.

As Canada's leading transit anchored concession revenues consultant Talbot Consultants was retained by the City of Toronto to conduct the due diligence review of the retail redevelopment components of the resultant RFP Responses. The redevelopment contract has now been awarded and redevelopment has commenced.



MONDAY REPORT ON RETAILERS

Downtown Revitalisation The "New" Development Opportunity

By:

Richard D. B. Talbot CD, CPM, CMR President and C.E.O.
Talbot Consultants International Inc.

In spite of what your mother may have told you, retailing is in fact the world's oldest profession. Over thousands of years, in every corner of the world, the most successful retailing format that has evolved has been downtown street retail. In the beginning street retailing grew up between the two major urban destinations: the seat of government (i.e. the castle/palace etc.) and the seat of religion (i.e. cathedral/temple/mosque etc.). Initially stores started as temporary booths and kiosks in the form of farmers' and craftsmens' markets. However, as cities became more urbanised, successful street vendors moved into permanent storefronts. This evolution can be clearly seen worldwide and the on-going transition can still be experienced in, and adjacent to, traditional street markets.

The next evolutionary step was to weatherproof the key downtown streets. Examples of this format still thrive, from Istanbul's Grand Bazaar (built in 1455), to Toronto's Eaton Centre. In fact this format is so successful that it has become the standard model for the enclosed malls that form our new suburban downtowns. However, in most cases, the key "dumbbell" anchors are no longer government and religious centres but department stores and entertainment centres. Unfortunately the success of the suburban enclosed malls has had a detrimental impact on the traditional downtowns that they surround and, as residents and retailers moved into the suburbs, many downtowns were left only to office workers thus resulting in a downtown wasteland on weekday evenings and on weekends.

However, it's my belief that there are now a couple of windows of opportunity to reverse this trend. Over the past ten years, we have seen a strong polarisation of retailing into two major categories, which I have categorised as "chore shopping" and "pleasure shopping," thus creating what I term "the dumbbell phenomenon". Essentially what this means is that consumers today are so time-stressed, with both males and females employed, that most shopping trips have been simplified into two main categories, either chore shopping or pleasure shopping.

In the chore shopping category, the consumer is seeking everyday household goods and supplies and wants to purchase these as quickly as possible. This has led to the "big-box" stores and the "power centres" proliferating in our suburban areas which, in turn, has resulted in the increasing number of residents in our downtown cores being denied easy access to major chore shopping retailers. I see this as the first new window of opportunity for downtowns.

Meanwhile, at the other end of the dumbbell, pleasure shopping attracts those seeking an escape from everyday life and, most importantly, chore shopping. This means "an outing" to meet friends, to window shop and browse and, in particular, to patronise one-of-a-kind retailers, restaurants and entertainment simply not available locally.

Up until recently, chore shopping has been the major focus of new retail development. As a result the dumbbell phenomenon has become unbalanced and much more focus now must be paid to the growth of the pleasure shopping component. This has, of course, met with some success with the new town centre malls since, essentially, they try to mimic the format of the traditional downtowns. Many consumers, however, are now starting to find that the major regional shopping centres all seem to look alike, with the same retailers and the same design. Shopping centre developers are therefore seeking to move away from the chore shopping perception that they have created by trying to create more of a

pleasure shopping environment. This has resulted in the move by suburban developers towards entertainment-focused centres and, more recently, lifestyle centres.

It is the consumer's boredom with the major enclosed malls that provides downtowns with the second new window of opportunity, this time to also attract pleasure shopping. The new entertainment and lifestyle centres seek to replicate (through architecture and merchandising mix) the traditional downtown. However, these are not cheap to execute. This provides a huge opportunity for the traditional downtowns as they already have "real" architecture in place; all they need to add is the correct mix of retailers. The major challenge for the existing downtown cores, over the next five years, is to revitalise quickly enough to meet the pleasure shopping needs of their consumers, or face new Disney-style sanitised "downtowns" in their suburbs in the form of the new lifestyle centres.

Both chore shopping and pleasure shopping used to be found exclusively in the traditional downtowns. Now, our towns and cities need to counter-attack by attracting both chore and pleasure shopping back downtown.

In our recent downtown revitalisation study for The City of Long Beach, California, we stressed this need to attract both chore and pleasure shopping and, in a very successful public/private partnership between Developers Diversified Realty (DDR), Downtown Long Beach Associates (DLBA) and The City of Long Beach, this is currently being achieved. In my view Downtown Long Beach now provides perhaps the best example anywhere of a working blueprint for attracting chore and pleasure shopping, entertainment and residents back downtown.

At the north end of Pine Avenue (the traditional main street), the aging Long Beach Plaza enclosed mall has been demolished, city streets reintroduced and the old mall replaced with "CityPlace," a 450,000-sq.-ft. multi-streetfront development anchored by Wal-Mart (134,144 sq. ft.), Albertson's (58,085 sq. ft.), Nordstrom Rack (30,216 sq. ft.) and Ross Dress For Less (28,248 sq. ft.). What has been particularly successful has been wrapping these big-boxes with 240,000 sq. ft. of specialty retail, thus maintaining street-front animation and increasing rents, and adding 341 residential units above the retail. The result has become a blueprint for success in attracting chore shoppers and residents back downtown.

At the south end of Pine Avenue, DDR has also recently completed "The Pike at Rainbow Harbour". This 370,000-sq.-ft. entertainment focussed centre consists of waterfront restaurants and entertainment venues, including a state-of-the-art, 14-screen Crown Theatre, a 40,000-sq.-ft. GameWorks and a wide range of restaurants. Between The Pike and Ocean Boulevard, more than 3,000 residential units have been completed or are under construction. So, The Pike project has also become a blueprint for success, this time for attracting entertainment retail and residents back downtown.

As mentioned, these two major downtown redevelopments are linked by Long Beach's traditional main street, Pine Avenue. In our final report, A Retail Action Plan for Downtown Long Beach, we recommended that Pine Avenue seize the opportunity being offered, and re-position and re-merchandise the street-front retail and food & beverage into the pleasure shopping component for Downtown Long Beach thus providing a five block link between the new chore shopping component (CityPlace) and the new entertainment-focussed centre (The Pike). In order to "fast-track" this process we provided a detailed prospective tenant "hit-list". Once the target retailers we have specified have all been secured Downtown Long Beach will, for the first time since WWII, return to its original planned function of a balanced and vibrant downtown. I urge those seeking to revitalise downtowns elsewhere to "go back to the future" and visit Downtown Long Beach as soon as possible.

Richard Talbot is President and Chief Executive Officer of Talbot Consultants International Inc., an international retail consulting and retail development planning company based in Unionville, Toronto. Current projects range across North America to Europe and the Middle and Far East. Mr. Talbot holds the professional designations of Certified Property Manager and Certified in the Marketing of Real Estate and is a member of The Canadian Association of Professional Heritage Consultants. His company's development assignments range from major mixed-use projects and downtown redevelopments to shopping centres and retail components of all sizes. Its retail consulting services are provided to a full range of Canadian and international retailers. Talbot Consultants has offered retail revitalisation services to a wide range of downtowns and BIAs worldwide. Details on its "Retail Action Plan for Downtown Long Beach" the articles referred to above and outlines of other downtown revitalisation projects can all be found at www.talbotconsultants.com.