

*Business Forum*  
*on*  
*City Development*

*Minutes*

*February 25, 2009*

*Greater Charlottetown Area Chamber of Commerce*

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*Greater Charlottetown Area  
Chamber of Commerce*

*Tourism  
Charlottetown*

*Downtown  
Charlottetown Inc.*



*Charlottetown Area  
Development Corporation*

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## **Introduction**

The Greater Charlottetown Area Chamber of Commerce, in conjunction with Downtown Charlottetown Inc., Tourism Charlottetown and the Charlottetown Area Development Corporation hosted a Business Forum on City Development at the Rodd Charlottetown Hotel on February 25, 2009.

### **Stan MacPherson, Forum Chair - Opening Comments**

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Mr. MacPherson, after welcoming attendees, outlined the goals for the evening:

- to forge a stronger, more open, more comfortable relationship between the business community and the elected officials of the city
- to encourage both to work collaboratively to address future development issues, challenges and opportunities
- to establish a platform for both to become partners in setting the vision for the future development of the city

Mr. MacPherson emphasized that achieving these goals requires a full understanding, by the business community and City Hall, of the limitations and responsibilities of each. This includes a desire to address gaps in understanding of policies and processes, as well as the conditions necessary for businesses to grow and prosper.

He expressed his hope that the Forum would identify significant issues and possible solutions. As Chair, he stressed that the key success factor for the Forum would be the establishment of a stronger, more cooperative and enduring relationship between the business community and elected officials.

### **Presentations (5)**

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#### **His Worship, Mayor Clifford Lee, City of Charlottetown**

After introductory comments and recognition of elected officials and city staff, Mayor Lee spoke to issues which he believed to be central to the evening's discussion.

1. Provincial / Municipal fiscal relations -
  - 1.1 *in particular, the recent provincial government decision to move from a tax credit system to a grants system*

The Mayor outlined the financial implications of the change, as identified in the recent review by MacPherson Roche Smith & Associates. He reiterated that the City of Charlottetown could lose in the area of \$30 million over the next ten years. This will place serious restrictions on the City's ability to finance programs and services.

*1.2 elimination of the Urban Services Agreement*

This will result in the City losing \$860,000 per year, again impacting on the City's financial position.

*1.3 the 34¢ issue*



The Mayor stressed the importance of the recommendation of the MacPherson Roche Smith & Associates Report that the Province and the City need to establish a process to find a clear and equitable solution to these issues.

2. Waterfront development - The Mayor stressed that a waterfront master plan has been in place since 1970, and updated as recently as two years ago following public meetings. Additional amendments were made in the past two years to accommodate developments on the waterfront.
3. Level of development activity - In 2008, the City issued \$87.3 million in building permits, 62% higher than 2007, and approximately \$21 million above the average since amalgamation in 1995. This speaks well for the future of the City.
4. Parking Study - Following the completion of the Study, a new committee of City Council was struck and it is expected that decisions will be made in the next month or two.
5. Police Study - The Study was released February 25 and two recommendations have a direct bearing on the business community - a downtown satellite police station during the summer months, and the need for regular and ongoing consultations with groups representing business interests. City Council has endorsed all recommendations in the Report.
6. Arts and Culture - Mayor Lee expressed his belief that the arts and culture community can play a significant role in vitalizing and improving the business atmosphere of Charlottetown. There is need for the levels of government and

various interested parties to develop a plan to set out how the arts and culture sector can help to reshape the City.

7. Tax incentive programs - A review is underway, in consultation with the Chamber, and a report is expected to be placed before City Council in the near future.
8. Sewer and water rates - Again with input from the Chamber, a review has been completed for submission to Council.
9. Urban transit system - Now, with Cornwall and Stratford involved, there is really one transit system for the larger urban area. This should help address parking issues and have a positive environmental impact.
10. Tourism and special events - As the result of cooperative efforts, special and sporting events are thriving with significant economic impact on the City's economy. In 2008, the City was host to 115 conventions. 2009 will see the hosting of the Canada Games, bringing with it improvements to parks and recreation infrastructure and increased spending in local businesses.


The Mayor ended his presentation on an optimistic note, stressing that Charlottetown is a successful and prosperous community. Improvements can be made and will continue to be made. More and closer cooperation with business interest groups is essential and the Forum is a great first step in that direction.

### **Douglas Coles, President Greater Charlottetown Area Chamber of Commerce (GCACC)**

In opening, Mr. Coles noted the presence of the four major business groups involved in, and advocating for, the development of the City. Their presence indicates their common resolve to address issues and find solutions.

He went on to report on the 2009 Issues Survey of Chamber members:

- 👤 the greatest response rate yet
- 👤 over the next 12 months, nearly 80% of businesses expect the number of employees to increase or stay the same



**The GCACC has over 850 members employing 16,000 in the greater Charlottetown area.**

- 60% of respondents expect the level of economic activity to increase or stay the same
- 75% of businesses expect to perform as well as, or better, than in 2008
- compared to national norms in these three areas, the response shows a significant degree of confidence in the locally economy
- when questioned on the top three issues which the Chamber Board should focus on in the coming year, members identified:

Vibrancy of downtown	long-term vacant or derelict buildings, vagrancy and panhandling and a lack of planning to resolve issues
Government attitude toward business	taxation, including workers compensation premiums, levels of service relative to taxation burden, transparency in government budget line items and water rates
Municipal planning and development	perception that there is a lack of long-range planning, case by case handling of applications and a lack of appreciation of the importance of development to the growth of the City

Mr. Coles confirmed the Chamber’s commitment to addressing these three concerns, thereby enhancing development opportunities in the City.

**Scott MacKenzie QC, on behalf of Downtown Charlottetown Inc. (DCI)**

Mr. MacKenzie outlined the goal of Downtown Charlottetown Inc. - to revitalize the downtown core, recognizing that revitalization is not a short-term process but one which is ongoing. He stated that vibrancy must be based on a mix of retail, residential, restaurants, theatre, events, etc., and business services that meet the needs of both residents and tourists. He stressed that effective partnerships among governments (all three levels), businesses and residents are essential so all can work together to common ends.

Downtown Charlottetown Inc. is also involved in business recruitment to the City core area. There are thousands of square feet of vacant space in the downtown, space that

is available for development, to create jobs, and a higher density of residential units. DCI is committed to addressing the vacant space issue through the expansion of existing businesses and the attraction of new business. Generally speaking, additional expenditures on infrastructure are not required for this to happen.

In the opinion of DCI, more certainty in the development process is required. Mr. MacKenzie stated that developers must know the rules and how they will be applied, and when approvals are given, developers need to be able proceed forthwith without any additional regulatory constraints.

DCI hopes for great partnerships with all interested parties and is ready to do its part to facilitate their establishment.

### **Kevin Murphy, on behalf of Tourism Charlottetown**

Mr. Murphy spoke to the main initiatives of Tourism Charlottetown, noting that despite some criticism surrounding the Festival of Lights, there have many successes. A key issue is finding and establishing a permanent site for festivals, concerts and major events - a great tourism asset.

Fall Flavors is going to be a growing event and will be a theme in the 2010 provincial campaign. The Jack Frost Festival, while not a money maker, is becoming a significant event, drawing people from both on and off Island. The Sound and Light Show, with a Birthplace of Confederation theme, will debut this summer in front of Province House. The cruise industry has made great strides in the past five years, and with the port improvements, should grow to the benefit of the downtown. Other initiatives, such as music venues and Confederation Players, build an enticing and enjoyable tourism experience. In the view of Tourism Charlottetown, the waterfront is a great tourism asset, but more is possible. The MC&IT<sup>1</sup> market is a substantial and growing segment of the industry and 2009 is expected to be a record year. However, Mr. Murphy noted that the regional competition is fierce, and Tourism Charlottetown is examining what needs to be done to meet the competition head on and take MC&IT to the 'next level'.



**The Jack Frost Festival is now the largest winter festival east of the Quebec Winter Carnival.**

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<sup>1</sup> Meetings, Conventions & Incentive Travel

Tourism Charlottetown believes that tourism in Charlottetown is strong and well positioned with momentum. 2009 is expected to be a good year with meetings and conventions and the Canada Games.

### **Jim Larkin, Chair Charlottetown Area Development Corporation (CADC)**

Mr. Larkin provided an overview of CADC activities over the past few years. Highlights are as follows:

- Jean Canfield Building - CADC was involved in land purchase and assembly
- Ceridian - indirect player
- Invesco - building owned by CADC
- Founders' Hall - rejuvenated and now making money
- CGI Building
- Homburg Office Tower
- Confederation Court Mall
- Homburg Hotel
- Murphy Condos (a great example of what can be done in the downtown)
- Dominion Building



**CADC encourages the City to regularly review Bylaws to ensure they are current and up to date.**

Challenges identified by CADC:

- the Dominion Building when vacated
- attracting new businesses to downtown
- lack of consistency, perceived or otherwise, in the City's planning process

### **Stakeholder Observations (7), from the podium**

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#### **Tanya O'Brien, V.P. Dyne Holdings**

Ms. O'Brien noted that, while a developer in the downtown for more than 30 years, Dyne Holdings has, with Homborg's equity, been able to substantially increase its development presence. Homborg purchased Confederation Court Mall in 1999, added the Northumberland Condominiums in 2008, and now is moving forward with an additional \$45 million investment to build a new office building on Fitzroy St., a new 82 room hotel on Grafton St., and to redevelop the Confederation Court Mall.

Ms. O'Brien stated that Dyne and Homborg, in making this substantial investment, have expectations that the City Corporation will provide its full support and ensure that development happens, and is not dragged down by an abuse of City bylaws or lack of vision.

Ms. O'Brien suggested that vibrancy is a function of people and activity. People want to be where there is activity and access to a range of services, where it is safe, easy to access, and with parking available. In her view, the City can enhance vibrancy by:

- 🍷 improving access to the downtown
- 🍷 creating an appropriate linkage between the waterfront and the central core
- 🍷 addressing the parking issue
- 🍷 upholding, and if necessary, changing its bylaws, to deal with deteriorating properties



**University Avenue Is the main entrance to the City and should look like it & feel like it.**

She ended by stating that the City cannot afford to not take these steps. To do otherwise will mean more run-down buildings, fewer people and a loss of vibrancy.

### **Terry McKenna, Sterns Ltd.**

Mr. McKenna brought to the Forum's attention the issue of Charlottetown's aging infrastructure, a situation not unlike many municipalities throughout North America. In his view, the City needs to establish a clear list of priorities and a long term plan. As it is often difficult to find matching dollars for infrastructure projects, it is important that projects are selected according to a long term plan.

He stressed the importance of third party reviews to address perceived spending efficiencies within City operations. He stated that it would be desirable to subject City programs to regular value for money audits, and thus give confidence to the business community and residents that tax dollars are being allocated in the best interests of tax payers. Just as it is important for the City to look internally for efficiencies and better ways of conducting its affairs, so businesses must look at ways of doing better in the current economic environment.

## **Quentin Bevan, Bevan Bros.**

Mr. Bevan noted that while there have been many successes over the recent years, there are now significant challenges that are impacting on City finances. The simple solution for the City is to raise taxes. But before such action, it would be prudent and wise for the City to look internally to see if there are ways to 'cut back'. If taxes do need to go up, the increase should be fairly applied to both the business base and residents.



**There is a perception, whether right or wrong, that the City is not run as efficiently as it could be.**

With regard to development, he again suggested that there seems to be a perception of no overall plan and bylaws that are applied inconsistently. He emphasized the need for a development strategy for the entire city, not just the core area or the waterfront. Also, a guide for developers would be of benefit, outlining what is required to get a project approved and implemented.

He reiterated that the business community is a resource that should be consulted more frequently on issues and possible solutions.

## **Joel Ives, Century 21**

Mr. Ives focused on residential developments and noted that density and height restrictions need to be examined (and changed) if the downtown core is to be able to accommodate future residential demand. The very low current residential vacancy rate strongly suggests that people are looking for accommodation in the downtown and are willing to pay for it. The recent growth in commercial business in the downtown could only increase residential demand in the downtown. He stated that more can be done to assess the demand for residential space, demographics, and amenities required by those looking to reside in the downtown area.

## **Michael Bird, Delta Hotels**

Mr. Bird outlined what he believes to be the underpinnings of future city development:

- 👤 courage and leadership by elected officials
- 👤 vision

- 👤 a strategic approach to development that is proactive and not reactive to the 'squeaky wheel'
- 👤 a proactive and streamlined process for reputable developers - welcome them as partners from the beginning
- 👤 ensure that infrastructure is in place before demand arises e.g adequate storm sewer systems, parking, way signage etc.
- 👤 a strategy to have all ground level space of all commercial buildings in the downtown occupied by the Spring of 2010

### **Keith MacLean, Remax**

As a realtor, Mr. MacLean stressed the importance of people in the development process. Attitudes, and 'mind sets' are critical to what can be achieved. He suggested that the community must get beyond "That won't work here!".

He commented on the noticeable increase in immigration. This is a very positive direction, but in his view, the community is underutilizing the skills and abilities immigrants have to offer to the development of the city.

### **David Hooley QC, Chair of the GCACC Dominion Building Task Force**

Mr. Hooley described the background and recent activities surrounding the reuse of the Dominion Building. The Dominion Building is a prominent landmark in the City of Charlottetown. The building has 177,000 sq. ft. of space and six stories on 1½ acres - the largest single structure in the city.

He noted that the Task Force held several public forums to solicit public opinion on what might be an appropriate use for the building. This was followed by a formal community needs assessment. From that assessment came the idea of a cultural cluster comprising one or more of a provincial museum, provincial archives, provincial library, plus other possible cultural entities/activities. He informed the Forum that a Toronto based architectural firm that specializes in cultural buildings has been commissioned to provide information on the feasibility of the concept, including financial considerations. The Task force is not committed to any concept, other than the timely redevelopment of the building.

## **Open discussion (7), from the floor**

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### **Tim Banks**

After commenting on the desirability of recent investments in the region and in Charlottetown, Mr. Banks raised the following points:

- 👤 The City's programs and finances should be scrutinized regularly through an external audit process, similar to the Provincial Government or public companies. It is only through such external and impartial reviews that value for money can be achieved.
- 👤 A Harmonized Sales Tax would be good for Island business and would encourage additional investment in the local economy. The Chamber should revisit this matter and bring it back to the attention of the Provincial Government.
- 👤 Access to downtown should be improved. University Avenue is a bottleneck and discourages downtown visitations and redevelopment.
- 👤 Local business must focus on service, as that is the pivotal factor in consumer behavior. We have to be much better than our competitors to ensure our investments are viable and that hinges on excellent service.
- 👤 Don't be consumed with always looking to government to fix development problems. For example, put the Dominion Building up for sale - you might be surprised at what transpires when business is given an opportunity.
- 👤 Work closer together - business organizations, business operators, and governments.

### **Philip O'Halloran**

Mr. O'Halloran spoke on behalf of a group of city builders and developers. The major concern raised was the cancellation of the downtown revitalization tax incentive program. Reinstatement of the incentive program would bring long term revenues to the City, whereas no, or minimal, benefits accrue if development does not take place. As well, additional development would occur if the geographic coverage of the program was expanded. This is an important program for developers and builders, and Mr. O'Halloran urged the Chamber to advocate for its reinstatement.

## **Larry Jones**

While the Forum heard many comments on the need for development, Mr. Jones stressed that development must be thoughtful - that is, in keeping with the heritage of the city, its history and its 'way of life'. A public discussion on this issue is important and urgent, as it would influence and guide future developments in the city.



**We need a vision of what the city should be and can be.**

## **Bill Waters**

Mr. Waters stressed the need to really know what is going on in the downtown, who is in business, the types of business, owner/operator concerns, customers served, where tourists are coming from, tourists' needs, etc. Such information is important in developing a strategy for the revitalization of the downtown.

## **Stephen Dunne**

Mr. Dunne focused on the issue of ground floor vacant space and stressed that it must be addressed. He suggested that an ad hoc group be formed with this as their single focus. He noted that the city would be much better off if this were tackled, with emphasis on some key corners.



**Sometimes we've seen these buildings for so long, you ignore them and forget about them.**

## **Michael Bird**

Mr. Bird noted that the Charlottetown bi-pass is a quick and easy gateway to downtown and should not be overlooked. With the goal of having 100% of visitors make contact with the Tourism Information Center and Founders' Hall, this gateway is going to be of much more significance.

## **Mitchell Tweel**

Mr. Tweel expressed his appreciation to the Chamber for organizing the Forum and thanked all participants and attendees.

## **Mayor Lee - Concluding Remarks**

Since the issue of the perceived difficulties with development regulation and processes was raised by a number of speakers, the Mayor stated that if an application complies with the City of Charlottetown zoning and development bylaw, it is only a matter of two or three days to have the application approved. It becomes complicated when the development does not meet the bylaw or exceeds the bylaw. He noted that Council ultimately must make a decision on all applications that don't comply. The Mayor reported that of 120 applications recently reviewed, which were not in compliance with the bylaw, Council accepted the recommendation of staff or Planning Board in all but three cases.

Given the perception that there are significant difficulties with the bylaw and the review and approval process, the Mayor committed to the establishment of an ad hoc committee to review the zoning and development bylaw. He, in turn, invited those who are interested in serving to contact his office. The Mayor cautioned that any suggested changes must go through a legislated public process.

With regard to the tax incentive programs, the issue is now under review by the City's Economic Development Committee, and Council intends to address the matter prior to the next City budget.

The Mayor thanked the organizers of the Forum, stating that by working together Charlottetown can be better than it is today.

## **Stan MacPherson - Closing Remarks**

- 👉 there is a lot to be proud of in Charlottetown, with remarkable strides over the past twenty to thirty years
- 👉 the Forum has identified a lot of issues and good suggestions
- 👉 there seems to be a real willingness to cooperate and dialogue, and there is an absolute recognition of the importance of working together
- 👉 the business community is an excellent resource that can be tapped to address issues and find solutions
- 👉 the move forward must be in a focused, strategic, cooperative way

Mr. MacPherson ended the Forum with a heartfelt thanks to all presenters and those in attendance.