

# Sparks Street Mall Vocation Study

## Phase 1: Research Findings

(Volume 1, Main Report – Executive Summary)

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National Capital Commission  
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# Executive Summary

## History, Planned Function and Actual Function

Sparks Street has a significant history, including many of the best heritage properties in the City. This is inadequately portrayed through on site interpretive services or literature available to tourists. **More emphasis on the historical significance of Sparks Street would make it a more rewarding place for tourists to visit.**

Both planning and marketing documents view Sparks Street in very broad terms. **They do not adequately distinguish it from other parts of downtown or provide it with a specialization or niche that would allow it to better compete with the Rideau Centre, the By Ward Market, Elgin Street and other parts of downtown.**

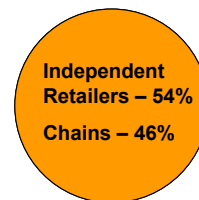
Sparks Street still has a critical mass of retail (464,000 square feet – similar to Carlingwood or Billings Bridge Shopping Centres), and low vacancy rates. Its major store categories are fashion, tourist shops and services. **Although Sparks Street has declined as a destination for comparison retailing and lacks specialization, it still has a pulse.**

One of its key weaknesses is its lack of a major anchor, capable of attracting people to shop and to channel people throughout the whole mall. **To some extent, 240 Sparks Street could act as an anchor facility. More could be done to integrate 240 Sparks with the rest of the mall. In future leasing and redevelopment, large format specialty retailers should also be sought to fill this role.**

## SPARKS STREET TENANT MIX

### Independents vs Chains

% of Total Space



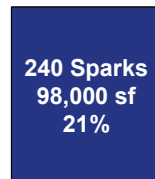
### Anchor Space

% of Total Space



### Retail vs. Services

% of Total Space



## **Locational Advantages**

Sparks Street is situated in close proximity to the downtown office core with 93,000 workers. It is the largest retail concentration west of the Canal and contains the vast majority of fashion retailers and service tenants in the office core. **Its fundamental market is the office workforce. Until this changes, the success of Sparks Street will hinge on the size of the downtown employment base and competing retail included in new office projects.**

It is in close proximity to a number of major tourist attractions, particularly Parliament Hill, and to most of the downtown hotels. It is also the location for tour operator kiosks, an entrance to the Capital Info Centre, the Library of Parliament Information Centre and a number of gift and souvenir shops. **Sparks Street, however, is very poorly represented in Ottawa's tourist marketing materials and functions more as place where visitors go when they need services than as an attraction.**

**Sparks Street is close to a number of transit corridors. This is less significant at present, because most transit riders are office workers, who are already attracted to Sparks Street. It is, however, an opportunity for a future repositioning strategy to attract regional residents who do not work downtown.**

## **Locational Disadvantages**

Sparks Street exists as an edge rather than an artery within the Downtown Core. **Its geographic market is largely one sided (to the south), limiting the amount of complementary development that can be placed in its immediate environs.**

Sparks Street is severed from eastern downtown by the War Memorial, the Canal and a relatively steep gradient. This limits its ability to attract cross shopping from the By Ward Market and Rideau Centre. Almost three times as many persons leave Sparks Street to shop elsewhere as leave other destinations to shop at Sparks Street. **This lack of connectivity hurts not only Sparks Street but the whole of the downtown core.**

A lack of short-term parking exists in the downtown core. This presently impedes the ability of Sparks Street and other downtown locations to accommodate non-downtown workers, particularly tourists. **Evening and weekend parking is less of an issue for Sparks Street than for the eastern downtown due to spaces available in office buildings.**

Because of its situation in the office core, the existing and potential residential population in its immediate vicinity is limited. The Central Area north of Laurier has a population of only 7,200 with growth expected to 11,100 households over the next decade. **The immediate population would support primarily convenience retailing.**

### Sparks Street - Physical Layout

In many ways, Sparks Street functions more as a route than a destination. **Almost two-thirds of Sparks Street visitors go out of their way to walk on Sparks Street, even though less than one in five are there to shop.**

Sparks Street lacks uniformity. The first three blocks, between Elgin and Bank, contain all of the street front retail, outdoor cafes, and are paved with interlocking bricks. The remaining two blocks are occupied by office buildings with internal retail space. **Pedestrian activity west of Bank Street declines significantly.**

**The pavilions and similar structures have been criticized for being visually unappealing and obstructing sightlines to the retail stores.**

### Sparks Street - Markets

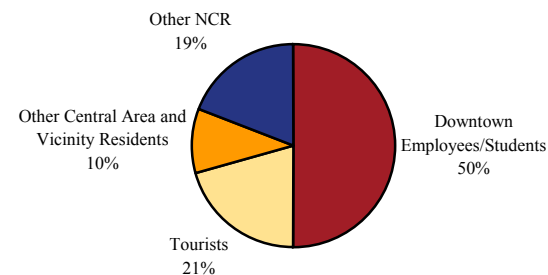
Office Workers/Students (50% of persons on Sparks Street)

- 93,000 workers downtown - represents over half of current customers
- Affluent and recession resistant (50% in office core are government employees)
- Growing downtown workforce with approved and proposed office development

Tourists (21% of persons on Sparks Street)

- Primarily Canadian, large number visiting friends and relatives
- Varies with weather and economic conditions
- Poor communications by Sparks Street to this group compounded by weak linkages between downtown districts

### Distribution of Sparks Street Visitors

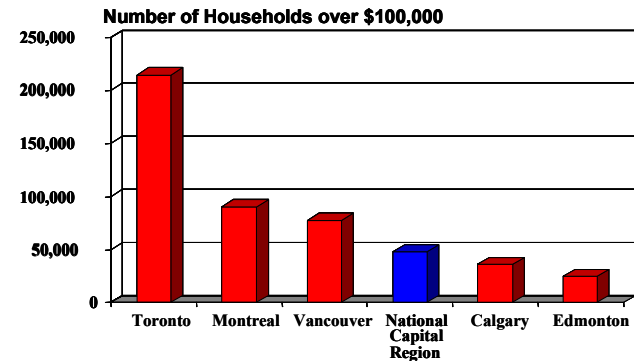


## Central Area and Vicinity Population (10% of Persons on Sparks Street)

- 118,000 residents – most south of Laurier
- Large share of young, single adults, renters and apartment dwellers
- Moderate growth potential

## Other Regional Residents (19% of Persons on Sparks Street)

- Affluent urban population supported by relatively stable regional economy
- 805,000 persons in Trade Area but relatively limited number of very high-income earners compared with other urban areas
- No new enclosed regional shopping centres built in Ottawa during the past 10 years or currently proposed.
- Approximately 60% travel downtown at least once per month. Lack of parking was reported by the survey respondents as the primary reason they do not travel downtown more often.



Source: Census of Canada, 1996

Downtown currently captures approximately 17.4% of trade area expenditures. The downtown market share is seen as stabilizing after a long period of decline. The downtown vacancy rate is at a healthy level of 3.6%. This stabilizing effect is the result of increased government employment, the lack of new enclosed regional shopping centres and continued development in the Central Area. **As a result, any revitalization project for Sparks Street can occur in a relatively strong downtown retail environment.**

In terms of market shares, downtown Ottawa's strengths include full-service restaurants (35%), personal services (21%), and fashion (18%). The only significantly low share is in home furnishings (4%), which is traditionally better suited to suburban, land extensive sites.

### Sparks Street Competitive Positioning

Sparks Street's strongest categories in terms of total space and market shares are personal services, restaurants, and fashion. However, with the exception of personal services, Sparks Street captures very small shares of the overall downtown market. **In terms of sales performance by its retail stores, Sparks Street is performing below average in relation to downtown and typical industry norms. Its restaurants and fast food outlets, however, are relatively strong performers.**

Despite its relatively low sales performance, Sparks Street enjoys a **vacancy rate of 6.1%, which is considered healthy** by industry standards, given that a portion of space has been vacated intentionally in anticipation of the 131 Queen Street project.

Based on the telephone survey of regional residents, **Sparks Street ranks well behind other parts of downtown as a shopping destination, an evening entertainment destination, a destination for a special outing, a place to take children and a place to take out-of-town visitors.**

Sparks Street is visited by regional residents significantly less often than other parts of downtown, such as Bank Street, Rideau Centre, the By Ward Market, and Elgin Street. **In summary, as a shopping destination, Sparks Street is only marginally competitive within the Downtown core.**

### **Sparks Street Use and Perceptions (based on Telephone Survey Results)**

Despite its lack of success as a retail destination, Sparks Street exerts a very strong emotional response from Regional residents (both positive and negative), based on the responses to the telephone survey. **Its greatest strength is its ability to function as a public open space.**

In general, the most positive open-ended responses by regional residents referred to the paving stones, the fountains, the cafes in summer and the relaxed and easy going feel to Sparks Street.

The most negative comments referred to the lack of activity after 6 pm, the over abundance of tourist shops, and lack of good shopping opportunities for Ottawa residents.

The characteristic most important to regional residents' use and enjoyment of Sparks Street is that it is for pedestrians only. Other important attributes include the historic buildings, and landscaping and greenery.

The attributes regional residents most associated with Sparks Street are that it is: "Orderly and Easy to Navigate", "Clean", "Safe", "Bright and Airy", "Historically Significant" and "An Important Part of Canada's Capital". It is generally not considered "Institutional", "A Shopping Street", "Fun and Entertaining", or "A Meeting and Gathering Place".

**Over 90% of recent visitors to Sparks Street (in the past 3 months) wanted it to remain as a pedestrian street.**

## **Downtown Future Market Growth Potential**

Continued population growth in the Trade Area for Sparks Street, which comprises most of the urbanized Ottawa-Gatineau Region, will result in increased demand for new retailing, including in the downtown core.

Between 2002 and 2011, the Trade Area population is estimated to grow by some 13% adding some 108,000 persons to the area. Some 13,000 persons will be added to the communities around the downtown core, comprising Sparks Street's Primary Zone.

If the share of expenditures attracted downtown remains similar to what exists today, approximately 700,000 square feet of new retail and services space would be warranted to support growth in the market to 2011. This would increase to over 1,063,000 by 2021. **Therefore, sufficient growth potential could exist to support new retail development on Sparks Street.**

A number of major new commercial projects will assist in strengthening the role of Downtown as a retail destination, including the proposed expansion of Rideau Centre and the development of LeBreton Flats. **This would be reinforced by new transit developments and the development of new office and residential space downtown.**

**At the same time, Sparks Street is in a weak competitive position with respect to other downtown retail areas and is at risk of being eroded further if investment is put into other parts of downtown and not into Sparks Street.**

## **Success Factors From Other Pedestrian Malls**

Four of the five successful pedestrian malls included in the case studies (Granville Street, Vancouver; Stephen Avenue Walk, Calgary; Nicollet Mall, Minneapolis; and 16<sup>th</sup> Avenue, Denver) were connected to major shopping centres, which acted to anchor the pedestrian streets. Sparks Street unfortunately is separated from the Rideau Centre, although there may be an opportunity for 240 Sparks to act as a minor anchor.

Four of the five pedestrian malls benefited from a very large office workforce in close proximity. Sparks Street is currently successful in serving this market from 9 to 5 on weekdays, but needs to explore opportunities to extend this market into the evenings and weekends.

All of the case studies (including Pearl Street in Boulder, Co.) are managed by an association responsible for the entirety of the downtown. This provides for a larger budget and better co-ordination in terms of marketing and capital expenditures. Sparks Street is managed by

two boards – the BIA, which is responsible for marketing and promotion, of the three eastern blocks (Bank to Elgin) containing the street front retailers, and the Sparks Street Mall Authority, which maintains the mall and contracts with seasonal tenants, covers the entire five block pedestrian mall (Lyon to Elgin). **Compared to other malls, Sparks Street has a smaller overall budget, which is evident in some disrepair throughout the mall. It is likely the downtown as a whole is not marketed as effectively as it could be were there a downtown-wide organization.**

Several of the case studies were either transit malls, in close proximity to light rapid transit or contained transit terminals. This helped to increase pedestrian traffic during non-lunch hours. Sparks Street is currently situated in close proximity to most of the bus stops commuters use to enter the office core. A current proposal by the City could involve the introduction of an LRT line on either Sparks Street or Queen Street. **Because Sparks Street is already serving the office market relatively well, the introduction of an LRT on Sparks would have its greatest impact if it were to result in an increase in non-work related trips to the downtown area.**

Downtown Vancouver, and Granville Street in particular, has benefited from a City policy of encouraging new residential development downtown through re-zoning and discouraging new roadway construction connecting the suburbs to the core. Ottawa is currently enjoying a very strong downtown condominium market. Over time, this will likely strengthen all retail areas of the core. **Because Sparks Street is situated in the office core, however, the extent of new residential development that could occur in its immediate vicinity (through office conversions or new construction) may not be sufficient on its own to significantly add to the customer base.**

The more recent success of Stephen Avenue Walk in Calgary has been attributed, in part, to the opening of the street in the evenings after 6pm. This has helped to attract a number of popular restaurants, which have generated more evening activity on the street. **Opening the mall to evening traffic is an option that could be considered for Sparks Street, which struggles after office hours.**

The City of Minneapolis was able to attract new office development and major retailers to Nicolette Mall, through public private partnership ventures. A similar strategy was undertaken by the City of Toronto in their development of Dundas Square. **A public private partnership arrangement could be considered to attract anchor tenants to Sparks Street. The key will be to articulate the desired characteristics of a redevelopment and what can be offered by the public sector.**

In Denver, the 16th Avenue pedestrian area was extended to Coors Field and the LoDo entertainment district to attract pedestrians to an under performing part of the mall. Ideally, a similar strategy for Sparks Street would be to extend the Mall to the Rideau Centre or the By Ward Market. This option may be logistically impractical. **The alternative may be to connect the mall with the new War Museum and LeBreton Flats development.**



Pearl Street in Boulder, Colorado benefits from its close proximity to the University of Colorado. Simon Fraser University also operates its Harbour Campus in downtown Vancouver on Water Street near Granville Street. The Wask Centre for Dialogue, which is connected to the Harbour Campus, recently opened. These developments benefit downtown Vancouver by attracting students and others associated with the University, whose main campus is in the suburban community of Burnaby. **An institution, such as the University of Ottawa which is running out of developable lands, Carleton University, or one of the community colleges would be a strong addition to Sparks Street, particularly if they operated evening classes and programmes.**

Pearl Street in Boulder Colorado benefits from being situated in close proximity to very high income neighbourhoods, which helps to support a specialty retail district. Ottawa has a limited high income population, which is found in a number of pockets outside of the downtown area. **As a result, it may be more difficult for Sparks Street to attract high-end exclusive shops to the same extent.**

Pearl Street in Boulder Colorado has been designated as a City Park, in recognition of its role as downtown open space and an amenity for residents to enjoy. As a result, the City maintains it in the same manner as it would its other parks and recreation facilities. Sparks Street also functions as an “urban park”, as well as a retail mall, and a corridor for Federal office buildings. **As a partner in the on-going development and maintenance of Sparks Street, a goal for the City should be to protect and enhance Sparks Street’s role in providing passive open space opportunities for Ottawa residents and downtown workers.**

### **Obstacles To Overcome**

A problem common to many downtown areas, is the reluctance of store operators to maintain a standard set of store hours. Although most stores close by 6:00pm on weekdays, there is no consistency in terms of opening and closing hours. Most stores are closed on Sundays, including 240 Sparks Street (with the exception of Holt Renfrew. Invoking a common set of hours for retailers would take one of two forms: (a) by mutual agreement a by-law could be passed by the BIA; or (b) the landlords would have to include it as a clause in future leases. In general, however, retailers respond to their markets. **Until a strategy is in place to increase customer traffic in the evenings and on weekends, there would be little value in fine-tuning the overall operating hours.**

Officially, authority to manage the physical Mall has been delegated to the Sparks Street Mall Authority by the City through a municipal by-law. In practice, however, Mall management and strategic planning, is the result of a complex set of formal and informal agreements, overlain by two levels of government and two Federal agencies. Mall management is done internally, so that the Mall Board must make decisions affecting day-to-day operation of the mall. **Although overall management appears to be competent, there are**

inefficiencies due to multi-jurisdictional involvement (e.g. timeliness in responding to issues; reduced economies of scale, and difficulties in reaching strategic decisions).

### **Other Opportunities**

The CBC Headquarters between O'Connor and Bank Streets will add a new activity to Sparks Street. Unfortunately although the façade of the building will have store-front “studios” and will complement adjacent shops, there will be no street-front retailing on Sparks Street. Despite this, the presence of a major media corporation on the street could enhance the Mall’s regional exposure. **The CBC should be encouraged to become involved in mall management and events, and to use Sparks Street in their own programming, as appropriate.**

The 131 Queen Street redevelopment on the south side of Sparks Street between Metcalfe and O'Connor Streets will provide a mix of office, street front retail and residential uses that will fill in a site that has been vacant for many years. The retention of some of the facades should enable the project to integrate with the adjoining retail shops.

### **Sparks Street Themes and Functions**

Sparks Street currently fulfills or has the potential to fulfill a number of overlapping functions. These have been summarized below as themes that will form the basis for the Phase 2 visioning portion of this assignment.

- Theme 1: Sparks Street as a Shopping Centre
- Theme 2: Sparks Street as a Public Open Space
- Theme 3: Sparks Street as an Entertainment and Arts District
- Theme 4: Sparks Street as a Transit Corridor

Two other themes are recognized as critical to the public’s use and enjoyment of Sparks Street – as a heritage district and as a conduit for the movement of people. These are considered inherent in all of the above themes.

## **Plaza Proposal**

In order to better accommodate tourists and other visitors to downtown Ottawa and to contribute to the economic vitality of the mall, a proposal is being considered by the National Capital Commission that would involve the creation of an underground parking garage and tour bus terminal, together with an open air plaza between Wellington and Queen street, or between Wellington and Sparks streets, immediately west of Metcalfe.

Our assignment has involved a careful assessment of how Sparks Street is used and perceived by downtown office workers, other residents of the National Capital Region and visitors to Ottawa. We have examined local market factors, downtown movement patterns, and successful pedestrian malls in North America. Based on this analysis, we would conclude that, while the plaza-garage proposal would address certain issues, such as the shortage of short-term downtown parking and the need for improved tour bus logistics following September 11, it would be contrary to the most appropriate functions of Sparks Street and its opportunities for success. The relocation and /or demolition of recognized heritage properties required by the large plaza option, would cause damage to one of the most important characteristics contributing to the use and enjoyment of the street cited by National Capital Region residents. While the plaza would create opportunities for new outdoor public programming, there appears to be a clearer need for more permanent indoor programming / entertainment venues that could anchor the mall and draw visitors after hours and on weekends. The Mall already hosts a number of successful outdoor events. There does not appear to be a significant need for more outdoor event space. Furthermore, while the plaza would open up the street to more sunlight, visitors to Sparks Street currently view it as “bright and airy”, indicating that there would not appear to be a need to “open up” the plaza in this manner. Many of the objectives of the project – i.e. improved parking and better connectivity to Parliament Hill can be accomplished by other means. Furthermore, in terms of generating activity, mixed use Projects such as 131 Queen Street would appear to be a better means of enhancing the level of activity on the street than a plaza or garage.

It is also important to recognize that the focus on our study was to identify opportunities to revitalize Sparks Street. The pedestrian mall may benefit from additional parking and an on-site tour bus terminal. It is our opinion, however, that the negative impacts on the form and function of the street would outweigh these advantages.

This being said, it is important to note that certain of the problems that the plaza and parking garage proposal would address will continue to be issues for the City of Ottawa, the tourism industry and the NCC, in this central core location.

- Tour buses have curbside spaces dedicated for drop-off and pickup of tourists in the vicinity, not all of which are convenient to the primary destination, Parliament Hill. No parking exists for tour buses in the central core. These tourists must assemble on city

sidewalks to meet their buses, as there is no large marshalling space associated with the pickup points. Visitor services such as are offered at the Capital Info Centre are not directly accessible to these drop-off/pickup locations.

- Research continues to indicate a shortage of short term parking during the daytime in the area, a problem that will worsen as more surface lots are removed from the inventory in favour of building development. This is an issue for tourists and for people desiring to do business or shop in the Sparks Street area during the day for whom transit is not a viable alternative.