urbanMetrics

MARKET GAP & SURVEY ANALYSIS

Downtown Penetanguishene

Penetanguishene, Ontario

Prepared for **Town of Penetanguishene**

March 24, 2023

urban Metrics

Town of / Ville de Penetanguishene

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March 24, 2023

The Town of Penetanguishene
Finance Department
10 Robert Street
Penetanguishene, Ontario
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RE: Market Gap & Survey Analysis – Downtown Penetanguishene (Penetanguishene, Ontario)

urbanMetrics inc. ("uMi", "urbanMetrics") is pleased to provide the Town of Penetanguishene ("Penetanguishene", "the Town") with this *Market Gap Survey and Analysis*, which provides an external, independent review and assessment of the Town's retail and service commercial market—focusing specifically on the downtown area.

This study is intended to identify retail and service categories which are under-represented (i.e. the market gaps), and identify the ways and means the Town of Penetanguishene could provide leadership through policy and investment to help close the gap(s).

Ultimately, this study provides the foundational backdrop and the actions that the Town should champion to help support the existing business community and help facilitate private investment, and new business formation along Main Street and the Waterfront area.

It has been a pleasure to conduct this study on your behalf and we are excited to discuss the results of our findings with you.

Respectfully submitted,
urbanMetrics inc.

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1.0 Introduction

urbanMetrics inc. ("uMi", "urbanMetrics") has been retained by the Town of Penetanguishene ("Penetanguishene", "the Town") to conduct a *Market Gap Survey and Analysis*, which provides a review and analysis of the Town's commercial and retail market—particularly the downtown area.

This study builds upon the work of other recent Town-led initiatives, most notably; (i.) *Penetanguishene Business Retention and Expansion Study (BR&E),* and (ii.) *Penetanguishene Community Strategic Plan 2019-2023.*

The purpose of this *Market Gap Survey and Analysis* is to identify and determine the strength and weaknesses of the local retail market to support and bolster ongoing BR&E efforts. This report is intended to provide local insights and specific actionable items that the Town can lead or support to help improve commercial tenancy along Main Street, including the retention and attraction of diverse businesses, especially those which support the day-to-day needs of residents and help drive greater visitation from tourists, transient boaters and cottagers.

The findings - and details included herein – have been developed through a series of steps, including: (i.) outreach with the local business and resident community of Penetanguishene, (ii.) municipal benchmarking with other comparable Ontario communities, and (iii.) professional market research carried out in Penetanguishene by the urbanMetrics consulting team.

1.1 Background

Business retention, community satisfaction and a unique sense of place are key priorities for the Town of Penetanguishene based on the Town's new Official Plan, later adopted Community Improvement Plan, and the more recent establishment of the Economic Advisory Committee. The adoption of the Business Retention and Expansion (BR&E) Study—which centered on determining the strengths and challenges faced by local businesses—further validated this priority, emphasizing the Town's focus on support and retaining local business.

Furthermore, the Town of Penetanguishene has formally adopted a position that supporting local businesses was a top priority in their 2019-2023 Community Strategic Plan. under the **Economic Goal**. Specifically, this goal acknowledges **importance of retaining and expanding existing businesses in the Town, and a commitment to establish "full commercial occupancy" within the Town's commercial core.**

The impetus for this Market Gap and Survey Analysis study came directly out of these overarching policy initiatives and Town directions.

Specifically, this study resulted from a Town Request for assistance in determining the current strengths and weaknesses of the Town's retail and commercial market—mainly those Downtown—such that they could more effectively identify and prioritize specific action items to use to support, retain, and attract existing businesses and the longevity of the commercial core more broadly.

Strategic actions that will:

1. Support existing businesses;
2. Increase commercial occupancy; and,
3. Attract new commercial establishments to core areas of the Town.

The intent is that the action items included in this report will help inform and substantiate the intent of the BR&E, while also helping achieve a healthy sustainable community, business sector, and downtown core.

1.2 Approach

The approach used by urbanMetrics in undertaking this study has been summarized below. From the outset of this study, public input has been a fundamental component of our analysis.

Figure 1-1: Market Gap Survey and Analysis Approach

LAUNCH

- Start-up Meeting
- Establish Project Team Relations
- Communication Protocols
- Background Review

INVESTIGATE

- Background Research
- Demographic Profile & Business Trends
- Prepare Commercial Inventory & Structure
- Proposed Retail / Commercial Developments

ANALYZE

- Downtown Benchmarks
- Conduct Mobile Analytics Survey
- Conduct Research – (1) DT Business Survey, (1) DT Resident Survey
- Per Capita Space Analysis

REFINE

- Consolidate and Review Surveys Research
- Opportunity Identification

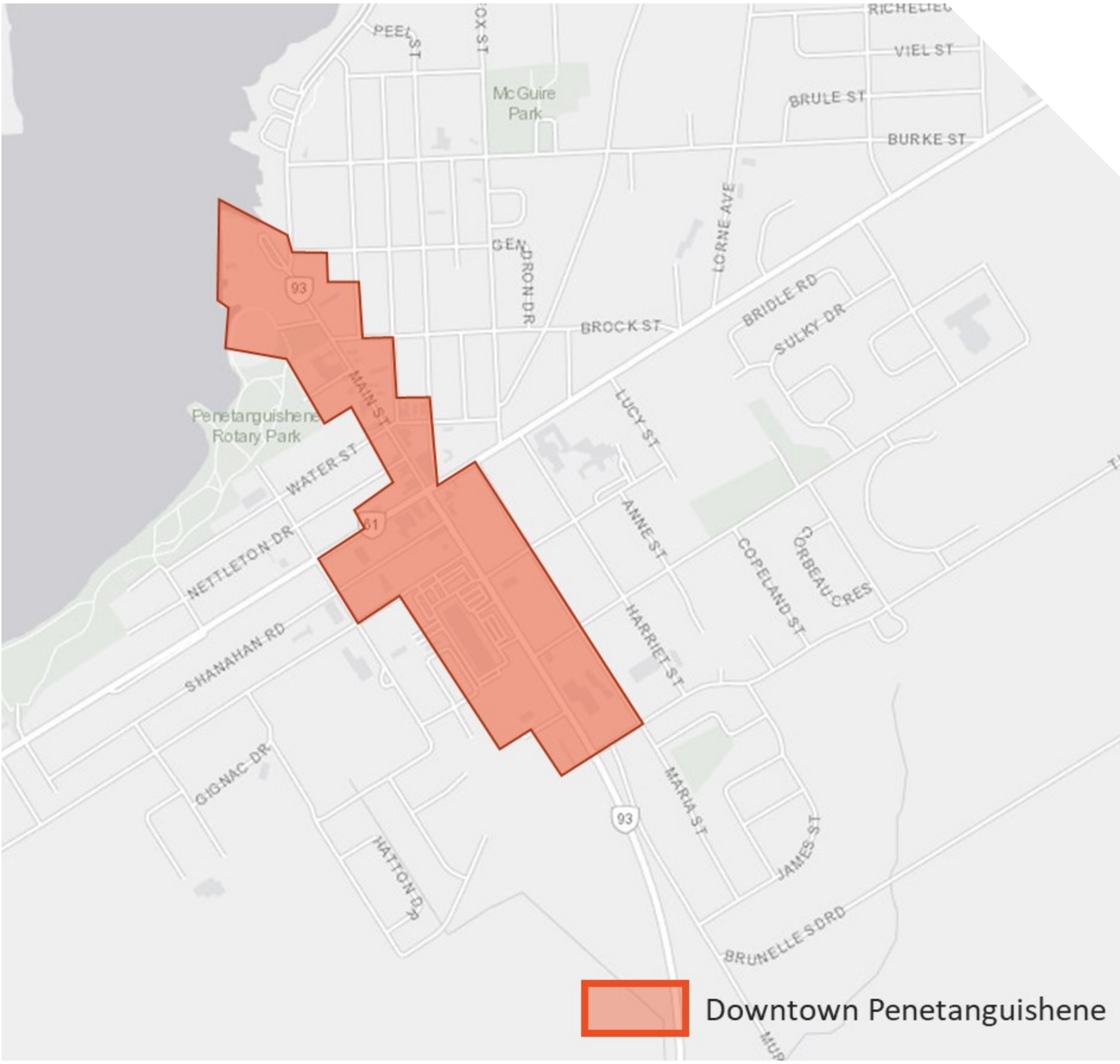
REPORT

- Opportunity Prioritization
- Circulate Draft Action Plan
- Prepare and Issue Final Deliverable
- Deliver Findings

This study identifies specific retail/service commercial categories that are either under-represented/absent or over-represented in the Downtown. The intent is to identify and anticipate potential future needs or changes.

This study has relied on outreach and engagement with various community stakeholder to ensure it accurately reflects the unique market needs and characteristics of the community.

Figure 1-2: Downtown Penetanguishene, Key Market Area



SOURCE: urbanMetrics inc., with Google Earth Imagery.

2.0 Trade Area Profile

To effectively identify opportunities for business attraction and economic development in Downtown Penetanguishene, it is important to fully understand the orientation, and key socio-economic characteristics of customers that provide – or *should provide* – routine customer support for downtown merchants.

urbanMetrics has identified five primary market segments for retail and service commercial establishments operating in the Town of Penetanguishene, those being:

- Town residents;
- Regional residents;
- Tourists/Seasonal residents;
- Business Owners; and,
- Local workforce.

2.1 Trade Area Delineation

A Trade Area represents the geographic extent from which the majority of shoppers and associated customer expenditure support are derived for a given retailer, commercial node or community. As such, the Trade Area identified herein is intended to capture the surrounding population which is most likely to shop for goods and services within the Town. In effect, it identifies the Town of Penetanguishene's core customer base.

Customer Origins (Mobile Analytics)

To determine customer origins to the Downtown, a mobile analytics survey was conducted by urbanMetrics to better understand and inform the size and shape of the Trade Area for Downtown Penetanguishene. This research has been used to inform the geographic reach and commercial drawing power of existing shops and services situated in Downtown Penetanguishene[1].

[1] For the purposes of this analysis Downtown Penetanguishene was defined as the area designated "*Downtown and Waterfront Area*" in the Town of Penetanguishene Official Plan – Schedule A.

It is important to note that mobile analytics data captures a representative segment or sample of total visitation to a given geography. This capture is based on a range of mobile applications installed on individual devices. Therein, the figures presented in this report are provided in percentage terms, as they represent a reasonable approximation as to the macro-level geographic origin of visitors, but do not present a comprehensive view of total visitation in absolute volume terms. For the purposes of this analysis, data collected is based on full year 2021 visitation patterns which was the last full year of data available at the time of collection.

Generally speaking, the total market influence attributable to Downtown Penetanguishene extends over a wide area, well beyond any precise geographic boundary that can be drawn. The results of our mobile-phone analytics survey provide some important insights about the geographic extend and drawing power of existing commercial facilities that are in Downtown Penetanguishene.

Below we have highlighted the share of visits that come from individuals residing in the Town of Penetanguishene.

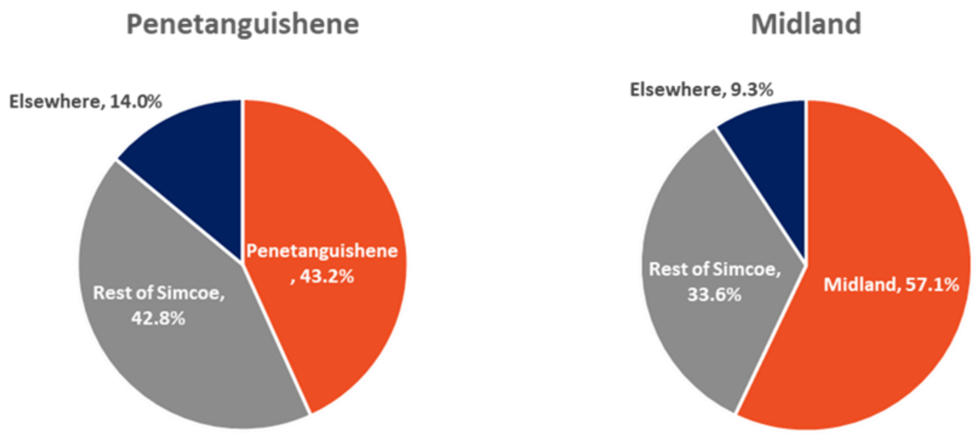
As illustrated, **some 43.2% of visits to Downtown Penetanguishene originate from local (Penetanguishene) residents.** Some 42.8% of visits occur from residents from other parts of Simcoe County (including, most notably, Tiny Township, Tay Township, and Midland). In essence, **about 85% of all total visits to downtown are traced to residents living in Simcoe County.** The remaining ~15% of visitors are from beyond Simcoe County including the Greater Toronto Area and beyond. These customers represent both casual visitors and seasonal residents with cottages or other recreational-type properties in the area.

For comparative purposes, we have also examined the market draw for nearby Downtown Midland[2]. This data was similarly collected and based on full year 2021 visitation patterns. Our research shows that some 57.1% of visits to Downtown Midland are made by people living in Midland. An additional 33.6% of visits are made by residents living elsewhere in Simcoe County (including 7.0% of which

[2] For the purposes of this analysis Downtown Midland was defined as the area designated "*Downtown*" in the Town of Midland Official Plan – Schedule C.

come from residents of Penetanguishene), meaning a total 90.7% of visits to Downtown Midland are made by residents living in Simcoe County.

Figure 2-1: Customer Origins, Downtown Penetanguishene v. Midland



SOURCE: urbanMetrics inc., based on ESRI mapping software.

Consumer patterns highlighted above in Figure 2-1, show that Downtown Penetanguishene does not serve as an attraction for Town residents. Downtown Penetanguishene attains more visits from persons living outside the Town, including in Simcoe County and beyond, than from its local population. By comparison, Downtown Midland effectively draws some 57% of its visitation from local residents. It serves as a more local function and attraction to residents.

Trade Area

A Trade Area for our analysis has then been defined. In addition to the results from the mobile analytics survey, this Trade Area has also been informed by a number of other factors, including:

- The competitive environment and presence of retail establishments elsewhere in the Town of Penetanguishene and other nearby downtown areas (e.g., Midland);
- The customer origins information detailed above;
- Local and regional characteristics of the area;
- Geographic distance and travel times;

- Natural and man-made barriers that may inhibit or restrict the ease of movement for customers; and,
- The access characteristics of the site, including the accessibility and visibility of Downtown Penetanguishene provided by the local and regional road network.

For the purposes of this analysis, we have conservatively estimated that the Trade Area is comprised of the entire Town of Penetanguishene.

As a relatively small lower-tier municipality within Simcoe County, that is distinguished by its character, and range of housing and employment opportunities, this area represents the primary area from which retail stores and services in Downtown Penetanguishene should derive the majority of their customers.

Additional market support is also generated from occasional expenditures of customers living outside of the Trade Area (commonly recognized as 'inflow'). These customers typically include visitors, seasonal residents, motorists, boaters, and individuals who may work in the Trade Area but live elsewhere.

Figure 2-2: Trade Area (Town of Penetanguishene)

SOURCE: urbanMetrics inc., with ESRI mapping software.

2.2 Population

Figure 2-3 below details the population of the Town of Penetanguishene (the "Trade Area"). As shown, the current (2022) population of the Town is estimated at 10,410 persons. This represents an increase of some 1,220 persons since 2016 and an additional 70 persons since the 2021 Census.

The Town of Penetanguishene is forecast to achieve a population of 11,600 persons by 2031, representing modest growth of some 1,190 persons from today. Consistent, moderate growth is anticipated for the Town beyond 2031, with the population forecast to reach 14,390 persons by 2051.

Population growth in the Trade Area to 2051 highlights potential future market available to retail and commercial establishments in the Town—and particularly in the Downtown. However, the projected residential population of the Town in the shorter term planning horizon represents the more immediate market that can support, strengthen, and revitalize the Downtown. As such, we have focused our analysis included herein on shorter term population growth anticipated in the Town, or growth anticipated in the Town to 2031.

Understanding the size of the Trade Area population to 2031 will be a key aspect of guiding the continued success of commercial enterprises in Downtown Penetanguishene.

Figure 2-3: Historical, Current and Future Population

	Historical			Current[1]	Forecast			
	2011	**2016**	**2021**	**2022**	**2026**	**2031**	**2041**	**2051**
Town of Penetanguishene	**9,320**	**9,190**	**10,340**	**10,410**	**10,840**	**11,600**	**12,980**	**14,390**
Average Annual Growth		*-26*	*230*	*70*	*132*	*152*	*138*	*141*
Average Annual Growth Rate		*-0.3%*	*2.5%*	*0.7%*	*1.3%*	*1.4%*	*1.2%*	*1.1%*

SOURCE: urbanMetrics inc., based on Growth Forecasts and Land Needs Assessment (March 2022) prepared by Hemson Consulting Limited for the County of Simcoe, including Addendum to the Hemson Growth Forecast (May 2022). Population numbers referenced have been adjusted for net undercoverage.

[1] Population based on Statistics Canada Census data (adjusted for net undercoverage), Growth Forecasts and Land Needs Assessment, and Canada Mortgage and Housing Corporation Housing Completions data.

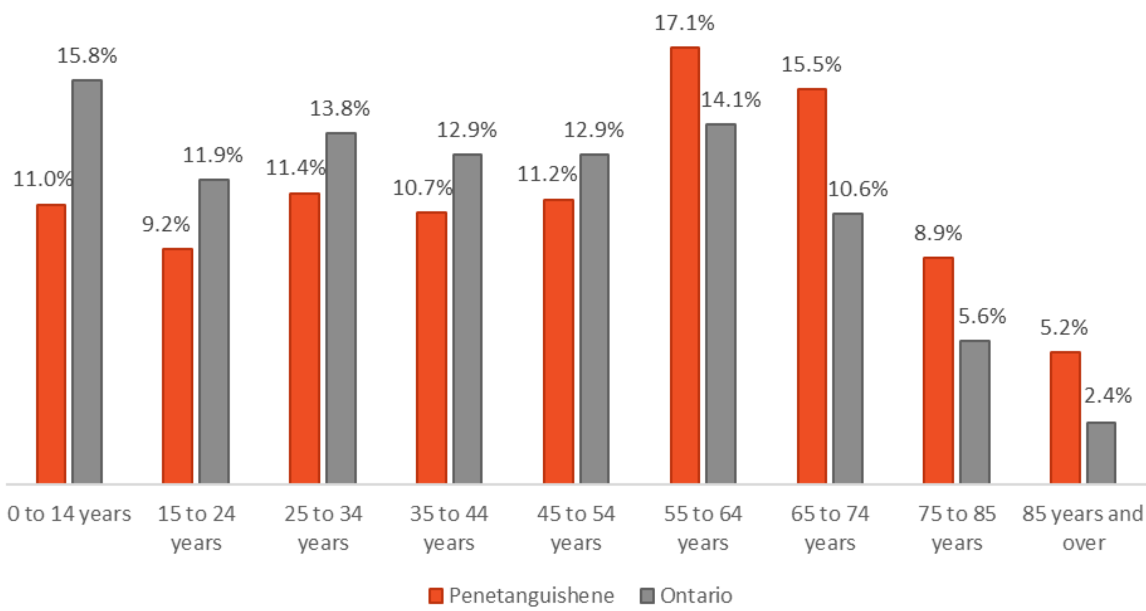
2.3 Demographics

The figures below demonstrate key characteristics of the Town of Penetanguishene, relative to the Province of Ontario.

With an average age of 49 years old, Penetanguishene residents are generally *older* than the province as a whole, with a significant share of persons aged 55 and older

The older demographic of residents which currently comprise the Town may influence the types of shops and services that are in greatest demand and ultimately have greatest potential for success overtime.

Figure 2-4: Population by Age

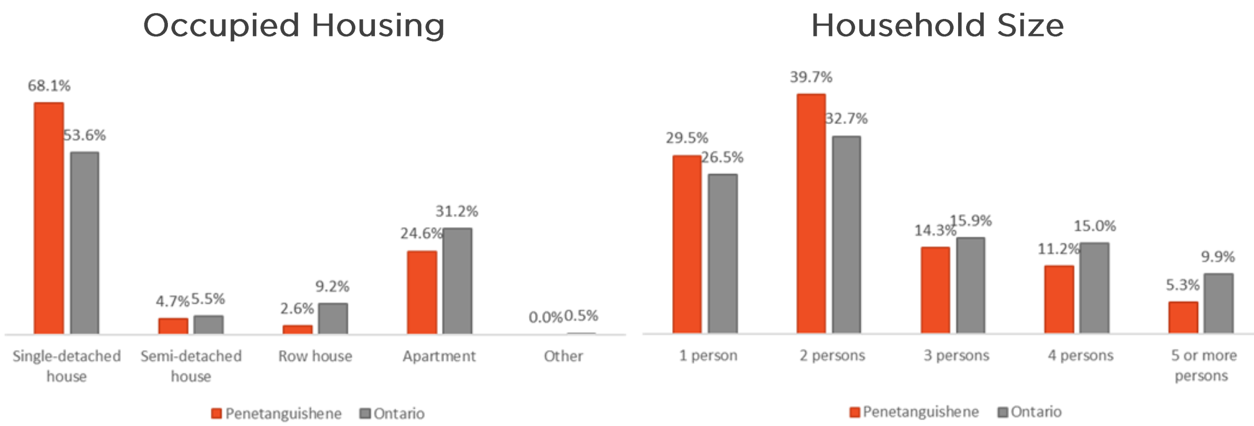


SOURCE: urbanMetrics inc., based on 2021 Statistics Canada Census Data.

The older age of the population base — with relatively low number of children and youth — generally yields smaller household sizes, which are summarized in the figure below.

Single-detached housing is the most significant form of occupied housing in the Town; however, we would note this is largely based on the type and format of housing present in the Town rather than an indication of housing preference.

Figure 2-5: Housing Characteristics



SOURCE: urbanMetrics inc., based on 2021 Statistics Canada Census Data.

Income Characteristics

As a basis for determining the current and future retail expenditure potential of Trade Area residents, we have reviewed per capita income levels based on Statistics Canada Census 2021 data. For comparison purposes, we have also indexed these per capita income levels to the Provincial average.

As indicated in Figure 2-6, there is substantial variation compared to the Provincial average with respect to the per capita income level in Penetanguishene. At $35,728 per capita, Penetanguishene's per capita income level falls approximately 25.3% below the provincial average.

Figure 2-6: Per Capita Income

Town of Penetanguishene	Province of Ontario
$35,728	$44,755

SOURCE: urbanMetrics inc., based on 2021 Statistics Canada Census Data.

Because of market size and relatively low per-capita income levels, increasing the volume of inflow from non- trade area customers will be a critical component of success for all commercial interests in the downtown. While this situation may change as more seasonal residents transition into more "permanent" residents, the importance of growing visitation, and increasing the dwell-time of those visitors within the downtown on each trip will be critical to any efforts to re-energize the downtown.

3.0 Market Sounding

Input from the local community has been critical in helping identify ways to strengthen the local retail/service commercial environment, support existing businesses, increase commercial occupancy, and attract new commercial establishments to the Town of Penetanguishene.

Local residents, business owners, and visitors, were asked to provide their insight with respect to improvements they would like to see in the Town's downtown, including the composition of businesses and the types of services and amenities that would improve overall visitation.

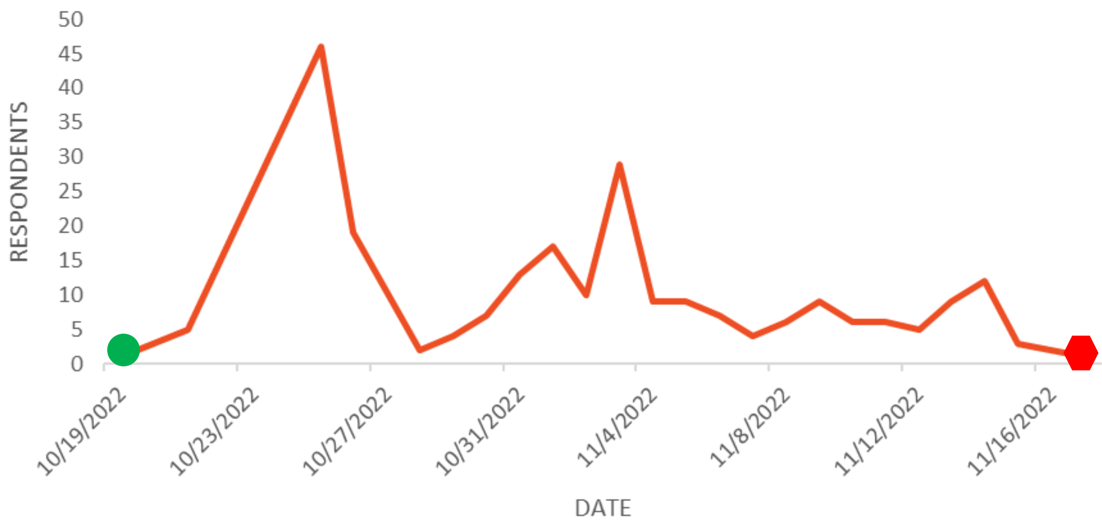
The following subsections provide an overview of the key findings and analysis from the surveys administered and have been used to contextualize local needs and provide guidance regarding the retailers and commercial services that should be targeted by the Town going forward.

3.1 Public Survey

A community-wide survey was launched on October 25th, 2022. The survey ran until November 16th, 2022. **In total, some 242 responses were received during this period**, a relatively high level of participation considering the time frame for the survey, and size of the Penetanguishene community.

The survey was hosted on the Connect Penetanguishene website. It was also promoted online and via social media and was made available at Town facilities such as the townhall, the library, and the arena. Further, Town Staff helped promote the survey through in-person invitations to members of the local business community of the duration of the survey period.

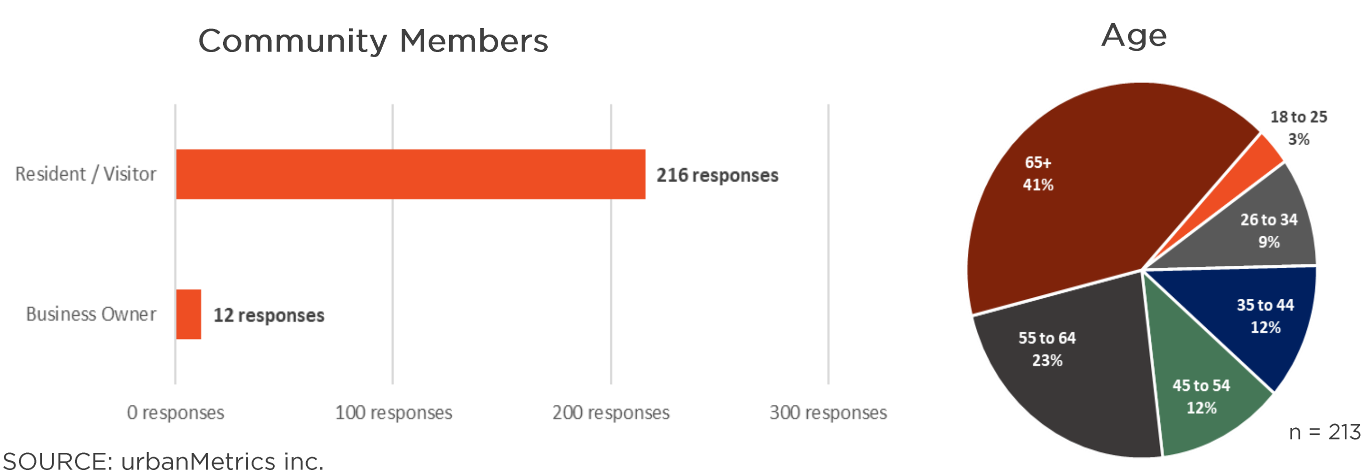
Figure 3-1: Total Survey Responses (n=242)



SOURCE: urbanMetrics inc.

The survey was created to encourage widespread communication from a variety of community members, including mainly those highlighted in Figure 3-2. It focused on identifying the existing strengths and weaknesses of Downtown Penetanguishene by garnering insights from the most prominent users of the space. Evidently, 89% of respondents indicated they were a resident, while only 11% noted they were a business owner. This may—in part—be due to the likely situation that many business owners are also residents of the Town, which we have attempted to reconcile in the survey through the repetition of key questions.

Figure 3-2: Survey Participation



SOURCE: urbanMetrics inc.

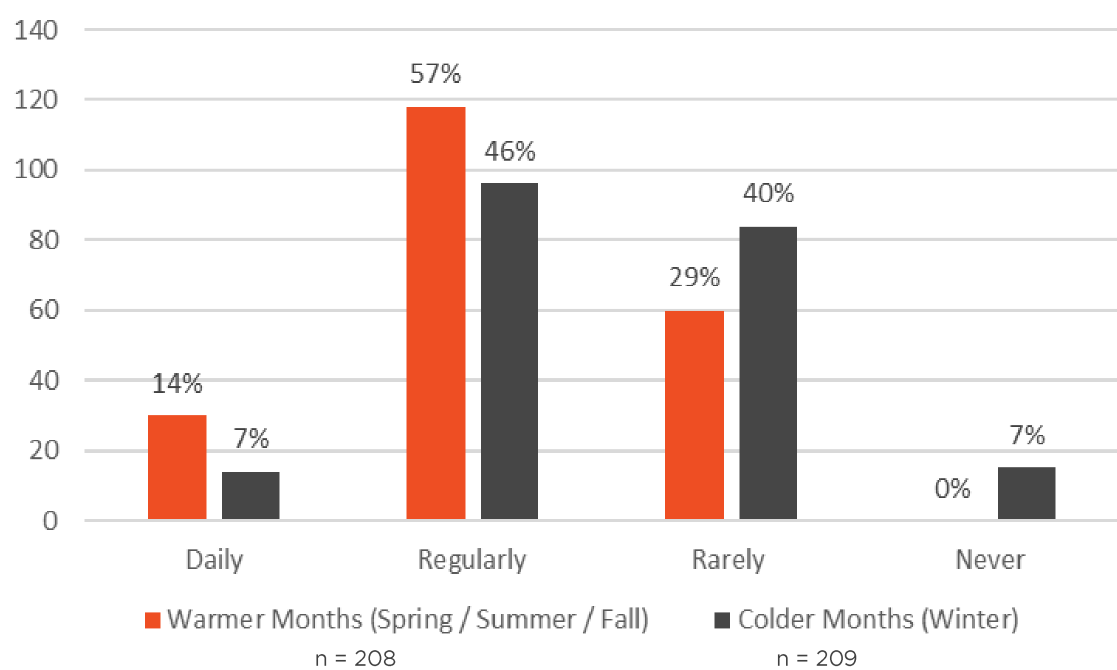
3.2 Summary of Key Findings from Residents / Visitors

Below we have highlighted the key findings and many of the 'recurring themes' from the survey exercise that has been conducted as part of the Downtown Penetanguishene Market Gap Survey and Analysis.

Seasonal Visitation Patterns

Visitation to Downtown is clearly impacted by seasonality, with heightened frequency (or visitation) associated with warmer months of the year. Some 47% of respondents indicated that they visit the Downtown rarely or never in the "colder months". This is particularly noteworthy considering some 79% of respondents indicated they live within—or within walking distance of—the Downtown.

Figure 3-3: Visitation Patterns



SOURCE: urbanMetrics inc.

Attraction to Downtown Penetanguishene

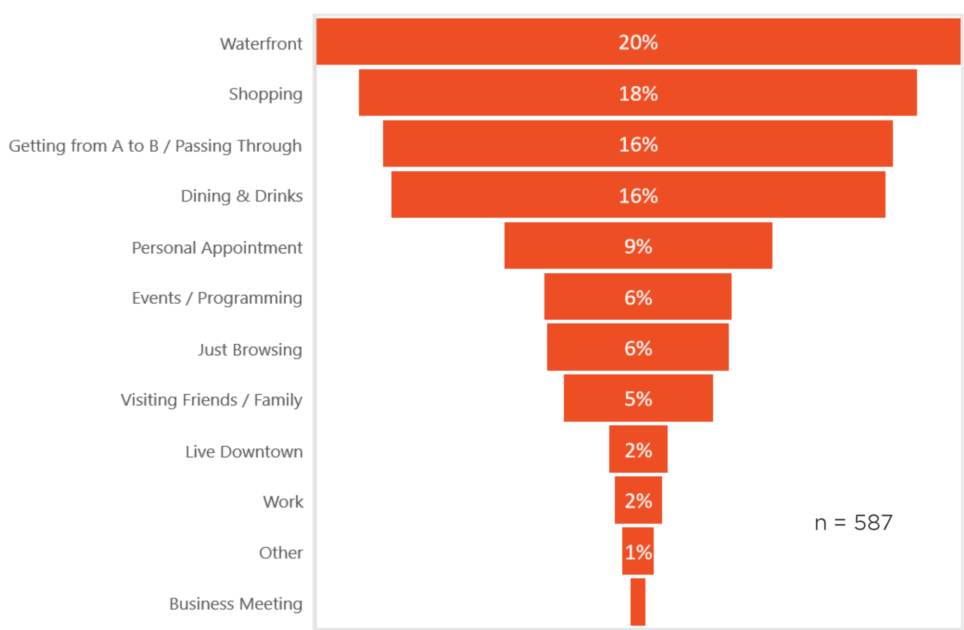
When survey respondents were asked to indicate what draws them to Downtown Penetanguishene, the **three** most common responses were:

1. Waterfront
2. Shopping
3. Getting from A to B

The role of the Waterfront as a primary reason people are drawn to the Downtown is consistent with trends in seasonality highlighted above, where daily and weekly visitation was more frequent in the summer months.

As detailed in Figure 3-4, the Waterfront also ranked above any retail/service commercial function, experiential or shopping component of Downtown Penetanguishene as shown below.

Figure 3-4: Residents & Visitors – Reasons they are Drawn to the Downtown



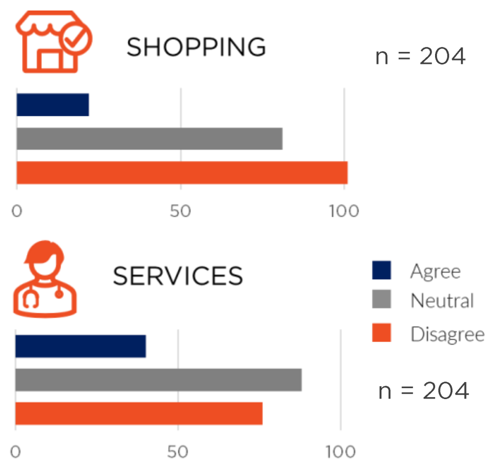
SOURCE: urbanMetrics inc.

The limited retail and service function of Downtown Penetanguishene was echoed in terms of what respondents felt Downtown Penetanguishene was a good place for. Although 18% of people identified that they were drawn to Downtown Penetanguishene for shopping (shown above), **a significant 50% of respondents indicated that they do not believe it is a good place to shop (as shown in Figure 3-5).** Similarly, some 37% of respondents felt that the Downtown is not a good place to access important services.

These findings clearly illustrate where potential improvements and gaps exist. There is an opportunity to introduce a new supply of shops and services, including a variety of new and diverse options.

Figure 3-4 and Figure 3-5 have also highlighted that residents and visitors of Penetanguishene are **not drawn to the Downtown for browsing, events, programming, or personal appointments** (less than 10%). Others elaborated to suggest the area lacked good options, does not have a unique draw, or noted that existing strengths were tied to the docks and boating opportunities, rather than potential commercial opportunities.

Figure 3-5: Penetanguishene, a Good Place for...?

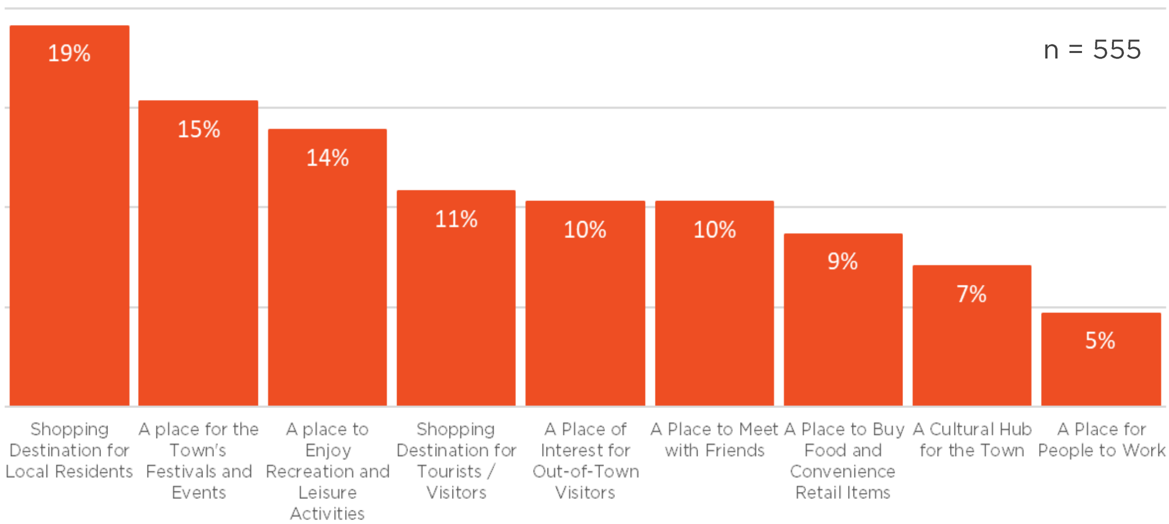


SOURCE: urbanMetrics inc.

Respondents indicated that the existing draw of Downtown Penetanguishene is largely tied to the Waterfront – and waterfront related experiences. Existing retail and service options are limited and do not distinguish the Downtown as a unique location for shopping, gathering, events or activity.

Survey respondents were then asked what community functions they felt the Downtown should fulfill for residents and visitors. A shopping destination for residents, was the most popular response among survey responses, some 19%, followed by a place for the Town's festival/events, and a place for recreation and leisure activities.

Figure 3-6: Ideal Community Functions for Downtown Penetanguishene



SOURCE: urbanMetrics inc.

Consistent with previous findings, survey responses suggest that enhancing Downtown Penetanguishene as a shopping destination, with more events and activities, will help draw people to the area. It is an unfulfilled function of the Downtown that residents hope to see moving forward.

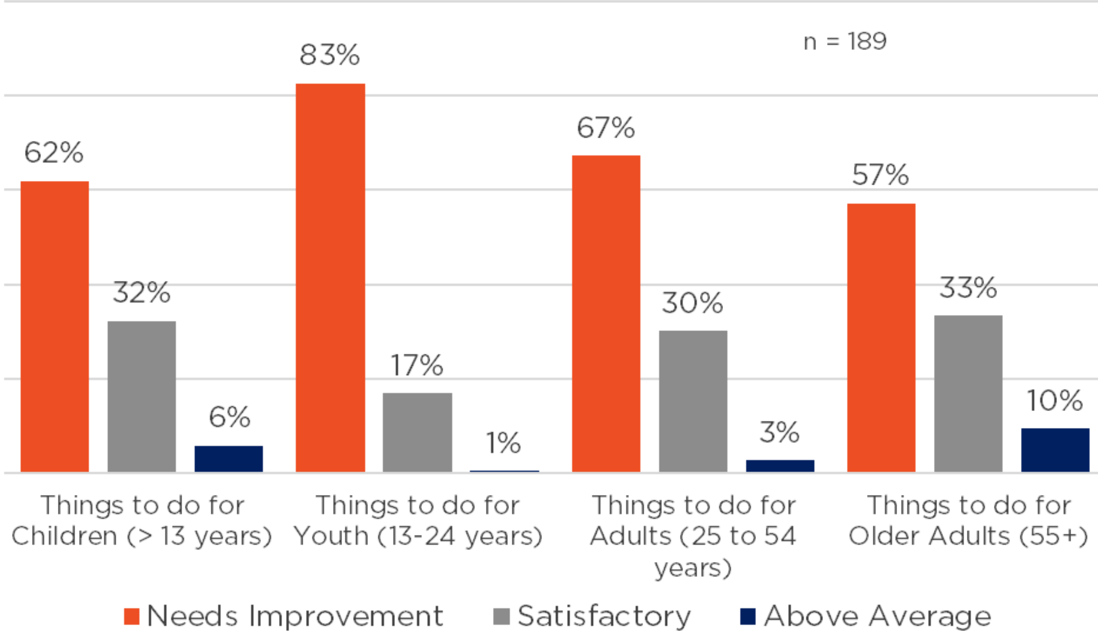
It is apparent residents and visitors are looking for opportunities and activities that will activate and animate the Downtown, creating a destination for the local community, visitors, friends and family.

Downtown Penetanguishene's Existing Function

Survey respondents were also asked to indicate if they felt the Downtown provided enough 'things to do' for various segments of the population.

Respondents indicated that there was a general need to improve that quantity of things to do for all age segments, with "Needs Improvement" as the most common response across each population segment. However, it was most apparent from the responses that people felt **youth and adults** were those with the least opportunities for things to do Downtown.

Figure 3-7: Things to Do in Downtown Penetanguishene



SOURCE: urbanMetrics inc.

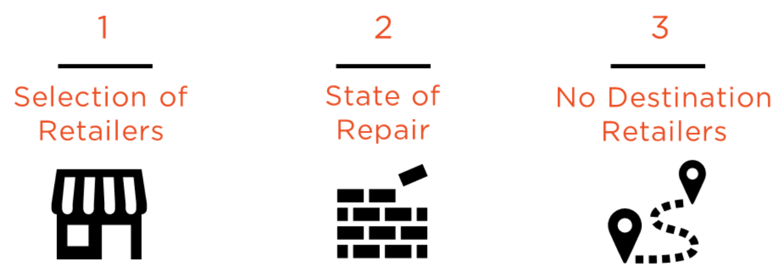
This is particularly noteworthy given the heightened level of responses from older adults in this survey overall (i.e., 64% of survey respondents). To this end, Figure 3-7 also shows that some 10% respondents indicated that there was an "Above Average" number of things to do for Older Adults. While this is arguably still a relatively low rating, it signifies a potential strength of the Downtown market relative to how to caters—or fails to cater to—other population segments.

These results mirror the feedback from respondents regarding the Downtown as a destination for leisure and recreation activities. They suggest that there is an interest and market opportunity to enliven the Downtown with new opportunities and activities that will differentiate it from other market areas.

Primary Drawbacks

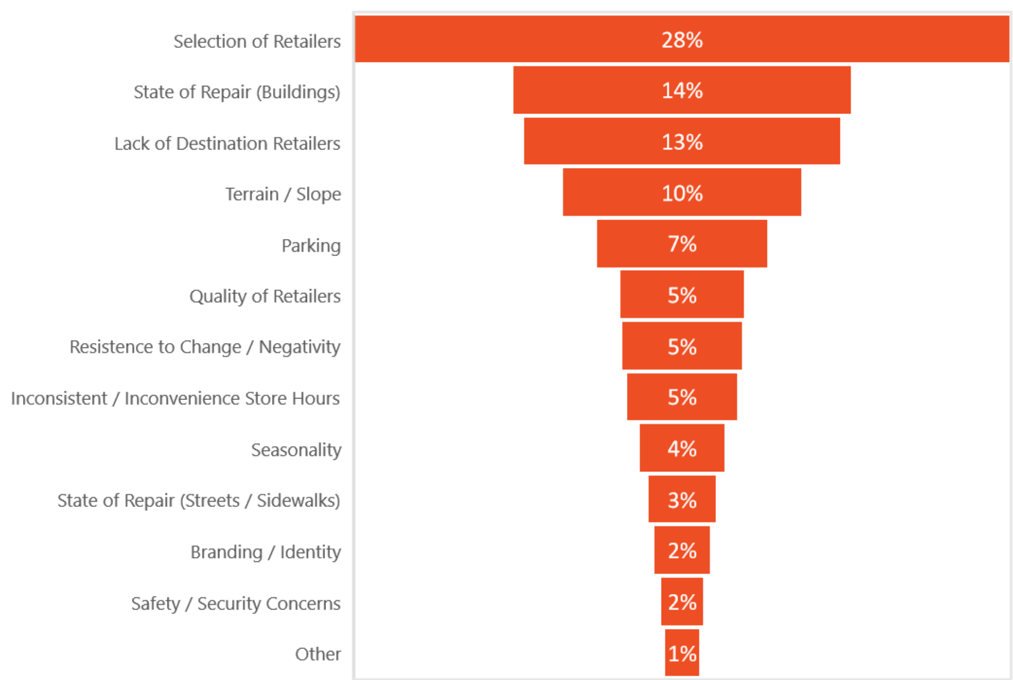
Survey respondents were asked to indicate what they felt the Downtown's existing drawbacks were, with the "selection of retailers" being identified as the primary disadvantage identified by respondents as illustrated below.

Another key and related drawback identified was the lack of "destination retailers" present in the Downtown. Furthermore, the "quality of buildings" (state of repair) was identified by 14% of respondents as a key drawback of the Downtown currently.



Other drawbacks identified by respondents included the terrain, and the quality of retailers as shown in Figure 3-8. Respondents were notably less concerned about branding, the existing state of safety and issues of seasonality.

Figure 3-8: Existing Drawbacks



SOURCE: urbanMetrics inc.

Based on feedback from local residents, and visitors, other major drawbacks to Downtown Penetanguishene and/or challenges inhibiting the Town from retaining and growing commercial base center on the lack of variety and selection in the Downtown's current commercial market.

Having investigated this further, respondents emphasized that currently there is an oversupply of personal care services (hair salons) and cannabis stores as shown in Figure 3-9. However, some 9% of respondents indicated "other" when asked about overrepresentation Downtown.

Many respondents indicated that replacing vacancy with variety was of greater importance than the potential oversupply of select retail/service commercial categories. They more generally noted that the area lacked variety, options, quality choices, and restaurants or dining as shown.

Figure 3-9: Which Categories are Overrepresented in Downtown Penetanguishene?

CANNABIS STORES
48%

OTHER
9%

PERSONAL CARE
21%

CONVENIENCE & SPECIALITY FOOD
5%

SOURCE: urbanMetrics inc.

Furthermore, results mirror the feedback from the public regarding the need for more shopping, and dining opportunities Downtown. While there have been some recent additions in the restaurant/food-services space (e.g., Burrito Brothers, upcoming Pizza Hut), these findings indicate that there are un-realized opportunities for new restaurants and other food and beverage operators to locate in the downtown area.

Like most other municipalities, "parking" was identified as a drawback of the Downtown, though we would emphasize that only 7% of respondents reported it as a concern.

Of those who did note parking issues, their primary concerns related to:

1) The availability of parking;
2) The location; and,
3) The convenience of parking relative to their intended destination.

While parking was identified as a "drawback" to downtown visitation, the Town has recently conducted a parking study throughout the summer months of 2020 to 2022. This study determined that parking spaces on and adjacent to Main Street are generally underutilized with high availability rates along the Main Street.

Intended Function

When residents were asked what function the Downtown should fulfill, the most common response was that it should be a place to shop. To this end, residents have indicated that it would be useful to have more store options to make it a more attractive shopping environment.

The most common response was – by far – a desire for more clothing and accessory stores. Secondary to this, residents, indicated interest in a new downtown supermarket, book (hobby/craft stores). A new fuel station/car wash was also identified as a good potential addition to the downtown.

Figure 3-10: Which store categories are underrepresented in Downtown Penetanguishene?

CLOTHING & ACCESSORIES
23%

BOOK, HOBBY, & SPORTS STORES
11%

SUPERMARKETS
11%

FUEL STATIONS / CAR WASH
10%

SOURCE: urbanMetrics inc.
NOTE: Among those who selected "Other", many listed clothing related store categories including menswear, ladieswear, children's wear and shoe stores. Affordable clothing or thrift stores were also emphasized by many respondents, highlighting the form and function of clothing store being sought by residents and visitors.

A number of respondents also indicated "other." When asked to elaborate, the most common response was for additional restaurant options, including fine dining, bars/pubs and cafes. Residents expressed an interest in seeing the following additions to downtown:

- More Ethnic Restaurant Options – examples include a vegan or vegetarian restaurant, Thai, Indian, Korean or Sushi restaurants. Quality as emphasized as a key part of new restaurants, with indication that upscale restaurants would be of added value to the Downtown.
- More Café Options – Ideas suggested also included associated outdoor eating, longer hours or a chocolatier.
- Sport, Gift or Craft Shop – Such as a Bait and Tackle shop, local craft store, boutique artisan shop
- A Youth Activity Hub – Other related activities could include an arcade, amusement hall or other creative play facilities
- Bakery or Cheese Shop/Deli – Complement existing offerings at Foodland with local products produced daily.
- A Home Goods Store – Examples could include home décor or kitchen supply stores.
- A Thrift or Consignment Store
- A Shoe Store

Finally, respondents were asked if there were specific businesses that they would hope to see in Downtown Penetanguishene. Evidently, many of the prominent responses were recognizable chain or franchise stores such as a McDonalds, a Swiss Chalet and a Dollarama. Many also noted that they hoped to see an improved, modernized LCBO outlet.

Figure 3-11: Specific Retailers Respondents Would Like to See…

SOURCE: urbanMetrics inc.

NOTE: There were no parameters provided for this question. Respondents were allowed to indicate any store they wanted.

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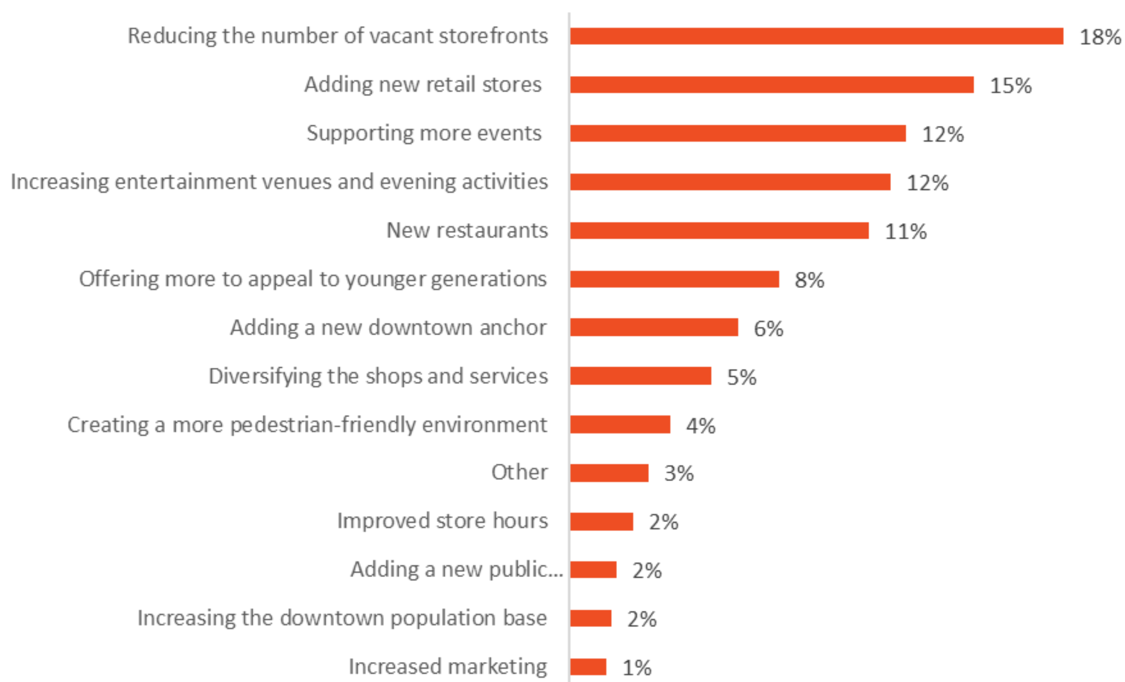
Suggested Improvements

As illustrated in Figure 3-12, reducing the number of vacant storefronts was identified as the number one response by survey respondents when asked to identify the most important improvements for Downtown Penetanguishene.

Adding new retail stores was the second most popular response, which speaks to why it is important to be undertaking this retail market gap survey and analysis.

Finally, the third most popular response was supporting more events. Although supporting more events is not directly related to the market gap and needs of Penetanguishene it will be important for the Town to consider how events are organized and delivered as part of future business and attraction initiatives.

Figure 3-12: Top Suggested Improvements for Downtown Penetanguishene



SOURCE: urbanMetrics inc.

Recognizing an overarching desire by residents and policymakers for a reduction in the number of empty storefronts, there may be opportunity for the Town of Penetanguishene to have greater influence over the health and future direction of the downtown.

The Town, in conjunction with community and regional partners should pursue municipally-funded projects that incentivizes brick and mortar business investment (targeting new enterprise within a defined area (commonly known as a Community Improvement Area (or CIP)). Alternatively the Town should explore building/facade grants or tax rebates (targeting landlords and existing businesses) which improve the appeal and safety of Main Street, while simultaneously restoring the architectural and historical legacy of many downtown buildings which have been obscured by decades of poorly executed renovations and material choices.

The Town, in our opinion, needs to play a more active stewardship role, enabling landlords and tenants in the downtown and waterfront area to make impactful business decisions that help support a more cohesive downtown visitor/shopper experience.

Respondents added further comments, considerations, and opinions about how to enhance the Downtown. With respect to enhancing the commercial market, the four most common considerations were:

1. Increased Events – farmers markets, winter and summer festivals, pro bass tournament, parades and civic celebrations
2. Connected Waterfront – that is integrated with stores and businesses.
3. Enhanced Visual Appeal (banners, planters, public art, etc.)
4. Façade Improvement (heritage preservation measures)

Indirectly, many respondents noted the potential value of adding a hotel in the Downtown as a way to encourage visitation, provide a regular supply of customer traffic and expose people to the shops, services, and waterfront.

3.3 Summary of Key Findings from Business Owners

As previously mentioned, most survey responses were from residents/visitors of the Town of Penetanguishene, with only 11% of responses received from business owners.

Recognizing that most opinions have been captured in the responses garnered from residents and visitors, we have summarized some of the key messages heard from business owners in the points below.

- When owners were asked to indicate why they located their business Downtown, the most common response was **proximity to home**. Secondary to this was access to a **core market** and **location**.
- One business owner indicated that they will be seeking to relocate their business outside of the Downtown, mainly because the Downtown lacks suitable spaces without rental units and with good parking and accessibility.
- The main challenges identified by business owners were: (1) walkability and (2) store quality and selection, which we note was a same concern expressed by residents of the Town.
- The conversion of many store fronts into residential units was flagged by several commercial respondents. There was concern expressed that the

replacement of retail storefront has eroded the commercial cohesion of Main Street.

- The growing number of Cannabis shops and personal care services (salons) was also identified as a concern. Categories which are underrepresented also aligned, with business owners indicating a lack of Clothing Stores, Speciality / Gift Stores and Furniture / Electronic Stores.
- Business owners were asked their opinion regarding the biggest threats to the economic stability of the Downtown. **The most common responses were:**
    - **Accessibility,**
    - **Competition from other downtowns (especially Midland), and**
    - **A lack of coherent messaging or consistent branding for the downtown area.**

4.0 Commercial Structure

Downtown Penetanguishene is distinguished as the service and cultural centre of the Town, together with the Waterfront it is intended to be an active area of the community that boosts a diversity of retail/commercial services and rich architectural variety.

To better understand the existing form and function of retail/service commercial uses in the Downtown, a comprehensive inventory was undertaken by urbanMetrics in October 2022. This commercial inventory includes:

- Food Store Retail ("FSR");
- Non-Food Store Retail ("NFSR");
- Beer, Wine and Liquor ("BWL");
- Services; and,
- Vacant space.

See **Appendix A** for the Various Store Types Included in Each Category

4.1 Downtown Inventory

Figure 4-1 summarizes the results of urbanMetrics' field research completed in October 2022. This field work is based on the market area outlined in Figure 1-2.

Downtown Penetanguishene currently supports an estimated 264,500 square feet of retail and service commercial space. In relative terms this amount of space would be equivalent to two large big-box store such like home improvement store (i.e., Home Depot) or a department store (Walmart).

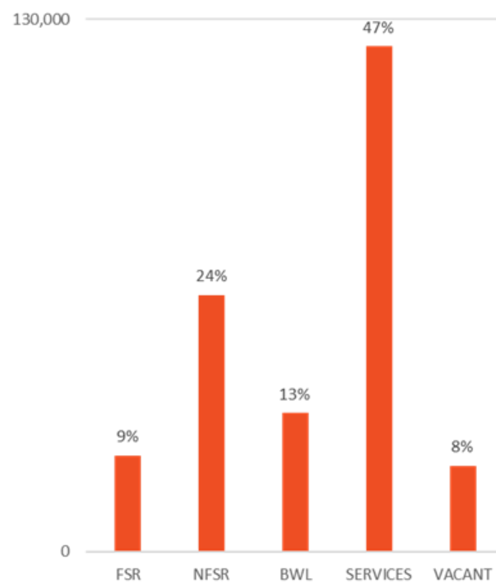
We would note that only 112,400 square feet of this space, or some 42% of this space, is located in the Town's designated *Downtown and Waterfront Area* (area north of Poyntz Street). The remaining 68% of space is concentrated throughout the Upper Main Street and in the Village Square Mall.

As detailed below, Downtown Penetanguishene, has a relatively small amount of space occupied by store-type merchants. In fact, businesses selling merchandise (consumer goods) account for less than half of the total occupied commercial space, with non-food store retail space accounting for a mere 24% of total commercial space. Services such as restaurants, bars, salons, and professional services account for about 47% of all commercial space occupied in the downtown.

The distribution of retail and service space throughout the Downtown is relatively disconnected. Some 85% of all FSR space is located south of Poyntz Street, owing largely to the location of the Town's Foodland, an important downtown anchor. In comparison, nearly 60% of services are located north of Poyntz Street, owing to a heightened concentration of health and personal care services.

Figure 4-1: Inventory of Downtown Penetanguishene

Total Retal/Service Commercial Space	Total SF (Rounded)
FSR	**23,500**
Supermarkets & Grocery	20,000
Convenience & Specialty Food	3,500
BWL	**33,900**
NFSR	**62,700**
Apparel and Accessories	5,300
Furniture, Home Furnishings & Electronics Store	6,000
General Merchandise	12,000
Miscellaneous Retailers	14,600
Pharmacies & Personal Care	17,200
Building and Outdoor Home Supply	7,600
SERVICES	**123,400**
Finance, Insurance & Real Estate	18,700
Food Services & Drinking Places	26,800
Health Care	17,300
Personal Care	12,500
Cultural, Entertainment & Recreation	27,500
Other Services	8,100
VACANT	**21,000**
Total Retail/Service Commercial Space	**264,500**



SOURCE: urbanMetrics inc., based on inventory completed in October 2022.
Other Services Includes: Consumer Goods Rental, Household Goods Repair & Maintenance, Selected Educational Services and Transportation.

As of October 2022, approximately 7.9% of all non-residential space in downtown Penetanguishene (~21,000 square feet) was vacant. This includes space that was either “for lease” or temporary inactive (shuttered or papered up).

Generally speaking, the vacancy rate in Downtown Penetanguishene is only slightly above what we would typically consider to be a “healthy” vacancy rate. Most commercial analysts would suggest that a vacancy rate somewhere in the order of 5.0% and 7.0% would be balanced.

We would also highlight that there is elevated vacancy in certain portions of the Downtown relative to others. This is most notable among retail stores and services located north of Poyntz Street (on lands designated Downtown and Waterfront Area). Based on our inventory, the vacancy rate in this area of the Downtown was a more significant 10%.

While it is true that COVID has yielded elevated commercial vacancies in retail nodes and strips across Canada, many successful commercial streets have been able to withstand the impacts of altered consumer patterns thanks to temporary programs and policies measures designed to support the needs of merchants, business associations (business improvement areas) and landlords through the pandemic.

In Downtown Penetanguishene, well before the onset of the COVID-19 Pandemic, many commercial property owners over the last few years were able to convert commercial storefronts into self-contained residential dwelling units (apartments).

The conversion of these properties may have helped alleviate local housing challenges. However, they have—in our professional opinion—contributed to a significant deterioration of the downtown’s attractiveness as a thriving commercial destination for local residents and visitors.

While it may be true that the Town’s decision to support commercial to residential conversions has unwittingly helped keep local vacancy rates more closely in-line with conventional guidelines (i.e., 5 to 7%), it is unlikely that commercial activity will ever return to these spaces, without a parallel (and sizeable) commitment to develop affordable, purpose-built housing designed to serve the needs of local residents elsewhere in the community.

The Town has recently committed to a more restrictive approach related to commercial-to-residential conversions in the downtown. This includes the Town’s new comprehensive Zoning By-law (2022-17), which only permits dwelling units above a ground floor commercial use in the Downtown.

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Based on our assessment of the current composition of land-uses in Downtown Penetanguishene, we would advocate for a strong policy orientation that ensures that commercial storefronts conversions—particularly those situated at-grade with direct frontage on Main Street—should be avoided, or at least temporarily (say for the next 5 years).

4.2 Market Analysis

As part of our analysis, we have undertaken an approach that looks at Penetanguishene's retail and service commercial landscape in the context of its overall market size. Per capita space analysis provides an effective tool to evaluate the extent to which residents are supported by appropriately scaled commercial offerings. The per capita approach has been used by urbanMetrics and its peers in the real estate industry to calibrate the amount of retail and service commercial space requirements of communities across Canada.

We do note that utilizing the per capita space methodology provides a general guide as to the retail and service commercial space required to serve the local population in a given market area. The actual space required locally may vary depending on income levels and the amount of spending inflow and outflow which occurs.

Per Capita Space Analysis

The per capita space approach provides an assessment of the following:

- Typical Space Per Capita Benchmarks - Per capita service levels represent the typical amount of commercial space needed within a given store category, per resident. Absent external factors, this figure provides a macro-level perspective of the amount of space typically required to adequately serve a population. Recognizing structural changes in the nature of bricks and mortar retailing (i.e., the growth of e-commerce, consolidation/blending of store categories etc.), service levels have declined in select store categories over time. This trend has been included in our analysis. Our typical per capita space ratios are also informed by many commercial inventories carried out in other Southern Ontario markets and the local market conditions unique to Penetanguishene.
- Target Capture Rates – Residents of a given area will make a portion of their expenditures in other retail/service areas outside of the Downtown. This

could be due to a myriad of factors, including availability of specific retailers, travel and tourism, or location of workplace. Capture rates included in our per capita analysis have been adjusted for each store category based on their estimated drawing power (e.g., local versus community or region wide), and recognizing that the Trade Area encompasses the population of the entire municipality. We have also attempted to recognize the lack of retailers in Downtown Penetanguishene today, and the amounting impact on existing capture rates.

- Inflow Estimates – In addition to the sales generated from Trade Area residents, retail/service commercial businesses in the Trade Area will also generate a portion of their sales from individuals living outside of the Trade Area, also known as **inflow**. In the context of Downtown Penetanguishene, this inflow is anticipated to be drawn from tourists (including boaters, seasonal visitors, etc.), and to a lesser extent residents living outside of the Penetanguishene who may choose to visit the Downtown.

Detailed tables containing the assumptions incorporated into this analysis are contained in Appendix B, whereas summary tables containing the findings are shown in the following section.

Existing 2022 Market Conditions

Figure 4-2 details the required space per capita levels in the Downtown based on the 2022 estimated population of 10,400 persons and the inventory completed by urbanMetrics in October 2022.

As detailed below, there is an undersupply across a number of key retail/service commercial categories in the Downtown. Most notably, there is a discernable lack of Furniture, Home Furnishings & Electronics Store and Apparel and Accessories Stores. Consistent with the findings from the survey, these categories represent immediate opportunities to diversify local retail opportunities.

There is also a visible lack of Convenience and Speciality Food Stores, which contrasts what many survey respondents indicated was an oversupplied store category in the Downtown. That said, we would emphasize that this store category can represent a range of store types; including bakeries, convenient stores, meat shops and fruit and vegetable markets, and meaning there may be a subset of specific stores lacking in the local market. Based on findings from the survey, respondents indicated that a new bakery and other speciality foods stores would be valuable for example.

Current (2022) Under/Over Commercial Representation

Figure 4-2: Existing (2022) Per Capita Summary, Downtown Penetanguishene

Categories		Total Net New Space Required
Study Area Population (Current)	**10,400**	
FSR		
Convenience & Specialty Food		5,170
BWL		
Beverage Stores		-23,500
NFSR		
Apparel and Accessories		6,940
Furniture, Home Furnishings & Electronics Store		10,520
General Merchandise		4,250
Miscellaneous Retailers		-730
Pharmacies & Personal Care		-1,600
SERVICES		
Finance, Insurance & Real Estate		2,100
Food Services & Drinking Places		5,050
Health Care		-400
Personal Care		3,410
Cultural, Entertainment & Recreation		-12,940
Other Services		3,040

SOURCE: urbanMetrics inc., based on inventory completed in October 2022. Figures rounded to the nearest 10 square feet.
Other Services Includes: Consumer Goods Rental, Cultural, Entertainment & Recreation, Personal & Household Goods Repair & Maintenance, Selected Educational Services and Transportation.

Figure 4-3 details the required space per capita levels in the Downtown based on the 2031 population estimate of some 11,600 persons and the inventory completed by urbanMetrics in October 2022.

Except for Beer, Wine and Liquor (BWL) Stores and Cultural, Entertainment and Recreation Services, our analysis indicates that Downtown Penetanguishene—as it is structured today— most store categories have sufficient opportunity for expansion and the addition of new space.

The potential surplus among BWL stores and Cultural services is largely driven by a select number of larger retail/service stores in the municipality today (e.g., Delta Bingo, LCBO etc.). The need for additional retail and services of this variety may be less imminent; however, there may be benefit in distributing similar based uses within other areas of the Downtown in order to account for and reallocate the potential draw of each of these facilities.

Going forward—as evidenced below—market growth and the existing commercial space in the Downtown indicates that there will be sufficient market demand to accommodate a range of retail/commercial uses in the Downtown, above and beyond what is available today.

As emphasized by respondents, the issue is not a lack of need, or desire for downtown shops and services. Rather, the main issue is that the downtown lacks choice and high-quality shopping experiences to substantiate a trip by residents to the downtown.

Anticipated (2031) Under/Over Commercial Representation

Figure 4-3: 2031 Per Capita Summary, Downtown Penetanguishene

Categories		Total Net New Space Required
Study Area Population (2031)	**11,600**	
FSR		
Convenience & Specialty Food		6,170
BWL		
Beverage Stores		-22,300
NFSR		
Apparel and Accessories		8,350
Furniture, Home Furnishings & Electronics Store		12,420
General Merchandise		6,130
Miscellaneous Retailers		870
Pharmacies & Personal Care		200
SERVICES		
Finance, Insurance & Real Estate		4,500
Food Services & Drinking Places		8,730
Health Care		1,550
Personal Care		5,240
Cultural, Entertainment & Recreation		-11,260
Other Services		4,330

SOURCE: urbanMetrics inc., based on inventory completed in October 2022. Figures rounded to the nearest 100 square feet.
Other Services Includes: Consumer Goods Rental, Cultural, Entertainment & Recreation, Personal & Household Goods Repair & Maintenance, Selected Educational Services and Transportation.

4.3 Comparison to Other Downtowns

The inventory of Downtown Penetanguishene has been compared to downtown inventories that have already been completed by urbanMetrics in other municipalities. This comparison has served to identify potential strengths and weaknesses in the local markets, helping identify potential retention and attraction strategies for the Town of Penetanguishene.

Based on available in-house data and the relevance of various municipalities to the work being undertaken in Penetanguishene, we have compared the inventory of the Downtown to five other downtowns in Ontario[3]:

MUNICIPALITY	2021 Population[1]	Gross Floor Area DT (SF)	Per Capita Space (SF/person)
Penetanguishene	10,400	265,000	25.6
Cobourg	20,500	421,000	20.5
Lindsay	22,400	465,000	20.7
Collingwood	24,800	754,000	30.4
Smiths Falls	9,300	344,000	37.0
Weighted (five DTs)	*87,400*	*2,249,000*	***25.7***

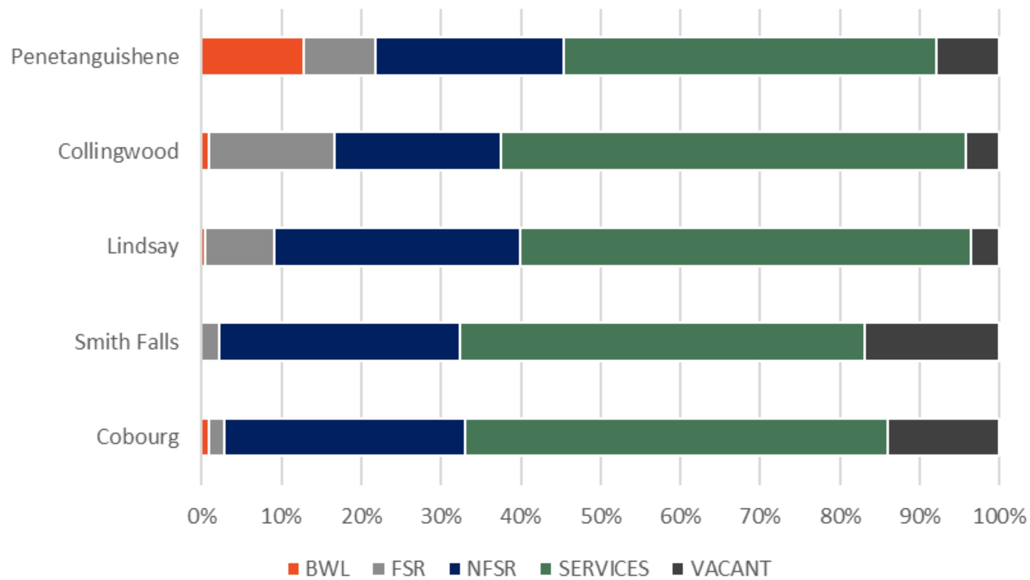
[1] Based on Statistics Canada Census Data. Rounded to the nearest 100 residents.

Figure 4-4 provides a summary of the inventory of Downtown Penetanguishene relative to the other municipalities.

As shown, Downtown Penetanguishene has a relatively high concentration of Services compared to other Downtown areas. By contrast, they have a relatively small share of Food Store Retail (FSR) space and Non-Food Store Retail (NFSR) space.

[3] It is important to recognize that there is considerable variation in terms of the size and composition of the downtown areas in these other municipalities, which impacts the amount of total space and vacancy rate calculations.

Figure 4-4: Distribution of Commercial Space in Downtown Penetanguishene Compared to Other Downtowns in Ontario



SOURCE: urbanMetrics inc. based on desktop and in-person inventories completed my urbanMetrics between 2019 and 2022.

Downtown Penetanguishene also has a relatively high proportion of vacant space compared to other Downtown's, as illustrated in Figure 4-5, with only the Towns of Smith Falls and Cobourg have a higher vacancy rate. As discussed previously, the current commercial vacancy rate for Downtown Penetanguishene is 7.9%, compared to a healthy (balanced) market which typically falls within the range of 5% to 7%.

Existing vacancy in Downtown Penetanguishene today, reflects feedback from the local community about key improvements, and the need to draw people to the Downtown through a greater provision of shops, restaurants, and services. This is particularly heightened in the northern end of the Downtown towards the waterfront area.

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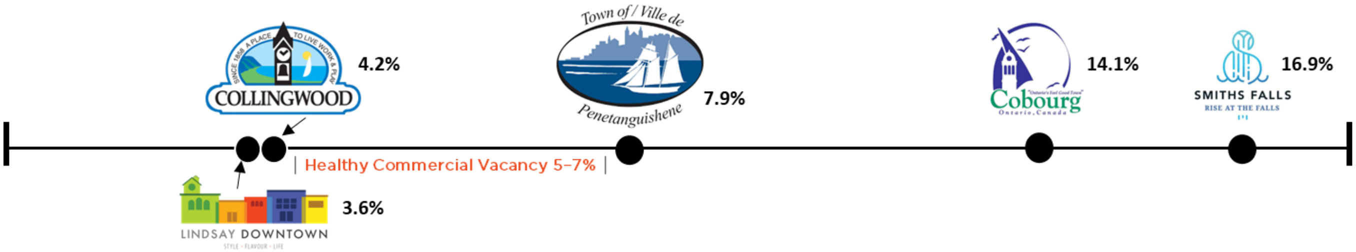
Figure 4-5: Downtown Penetanguishene Compared to Other Downtown Areas – Total Vacant Commercial Space



SOURCE: urbanMetrics inc., based on desktop and in-person inventories completed my urbanMetrics between 2019 and 2022.

Based on our review, there are a number of specific retail/service commercial categories where Downtown Penetanguishene is currently underserved compared to the composition of other Downtowns. In particular, we note:

- Downtown Penetanguishene has a lower concentration of FSR space, relative to other Downtown areas. Recognizing the location of the existing Foodland—the Town's main supermarket—**there is likely opportunity to diversify local food stores with speciality food offerings, dispersing reliance on the existing Foodland south of the Downtown and diversifying options for residents.**
- Downtown Penetanguishene has a comparatively low share of NFSR stores, mainly, Furniture, Home Furnishings & Electronics store, and General Merchandise stores. In-line with community requests which speak to the need to enhance the diversity of stores Downtown, these store categories—which are present across the other noted Downtown's—are scarcely present in Downtown Penetanguishene.
- Relative to other Downtown's, there is a lack of Finance, Insurance & Real Estate entities in Downtown Penetanguishene. In comparison, there is a heightened concentration of some services including health care, personal care, and food services. There may be opportunity to introduce more financial based institutions for residents.

See **Appendix C** for Downtown Inventory of Other Downtowns

The Downtown Situational Assessment

There are a number of retail/service commercial categories where Downtown Penetanguishene is currently underserved, particularly in comparison to other municipalities. Conversely, there are other categories where Downtown Penetanguishene is already well-represented relative to other Downtown areas.

Based on our review, below we have highlighted some of these factors:

S

Strengths

- Select longstanding businesses
- Charm and character
- Lakefront connection and views
- Passionate local population

W

Weaknesses (Drawbacks)

- Diversity of retailers
- Building quality
- Lack of destination retailers
- The Main Street Hill
- Accessibility (safety and mobility concerns)
- Size of local population

O

Opportunities (Key Improvements)

- Attract more people / visitors through "destination" enhancement
- Chance to add new stores and diversify existing tenants
- Provide year-round activity (festivals, farmers markets)
- Add more youth and adult options

T

Threats (Concerns)

- Competition from neighbouring Downtowns
- Abandoned / neglected buildings
- Residential development downtown
- Continued demand / expectation for additional parking
- Resistance to change (Nimby)

5.0 Action Plan

The intent of this *Market Gap Survey and Analysis*, was to identify the strengths and weaknesses of the local retail market in support of the BR&E. Based on our review and findings, below we have provided specific action items that the Town of Penetanguishene can use to support commercial occupancy and retention in the Downtown going forward.

These actions aim to:

01 **SUPPORT** Existing Businesses

02 **INCREASE** Commercial Occupancy

03 **ATTRACT** New Commercial Businesses to Core Areas of the Town

Actions Resulting from the Market Gap Survey & Analysis

The following five actions are intended to support and improve the retail landscape in Downtown Penetanguishene going forward.

1. Branding / Re-branding Downtown Penetanguishene as a Distinct Destination
2. Ongoing commitments to prioritize public investments that improve the look and feel of Downtown Penetanguishene.
3. Improve Downtown's Connectivity with the Waterfront and Discovery Harbour/King's Wharf
4. Create a More Cohesive Retail Streetscape
5. Develop a Targeted Business Recruitment Campaign

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1. Branding/Re-branding Downtown Penetanguishene as a *Distinct* Destination

Downtown Penetanguishene needs to establish itself as a central gathering space and community hub. The Town, at present, lacks a cohesive unifying brand identity that distinguishes itself as a *must-see* destination.

1. Create a year-round destination atmosphere with seasonal-themed activities including festivals (e.g., Winterama), music events, pop-up shops, and farmers markets. Each—where possible—should provide and promote opportunities for local businesses to become involved.
2. Develop a "Shop Local" campaign that features stores, and restaurants in the Downtown (example Prince Edward County). This could include reviving previous collaborations with the Southern Georgian Bay Chamber of Commerce / Town of Penetanguishene and the Economic Development Corporation of North Simcoe (EDCNS).
3. Create a "micro-grant" fund for community groups and businesses to development pilot projects or new businesses specifically within Downtown Penetanguishene, prioritizing business diversification, entrepreneurship and pedestrian/bike/e-bike friendly commercial activations or community events.
4. Continue to establish a new civic focal point (such as by the Dock Lunch or Trans Canada Trail) and differentiate it as a gathering place with tables, chairs, plants etc. Utilize the Town Dock Secondary Plan and Master Plan to create an enhanced sense of attachment that will also create a destination for other community activities.

2. Ongoing commitments to prioritize public investments that improve the look and feel of Downtown Penetanguishene.

As part of on-going incremental improvements to advance access and safety in downtown, the Town must commit to on-going investments in the Downtown particularly those which directly improve the look and feel of the downtown. This includes commitments to improve mobility (particularly for older adults), promote art and culture, recognize/celebrate first nations and placemaking signage. This will also assist in easing pedestrian movement throughout the Downtown.

1. Promote interesting window fronts for vacant and abandoned storefronts (ex. Main Street Window Activation Pilot Project in Brampton) to increase

the appeal and attractiveness of spaces (e.g., promote existing Community Improvement Plan (CIP)).

2. Establish storefront standards, signage and regulations. Focus on improving visibility and business promotion.
3. Investigate ways to celebrate and support longstanding businesses in Downtown (i.e., interpretive signage, public murals, awards/recognition etc.). Formalize these mechanisms through updated policies and provisions (e.g., update existing business recognition policy from 2014).
4. Increase wayfinding in the Downtown for pedestrians and vehicular traffic. Integrate pole maps, street signs, storefront decals to provide navigation and promotion.
5. Similar to the Main Street Art project in 2020-2022, develop a more regulated or ongoing Public Art Program that provides opportunity for publicly commissioned submission calls, in collaboration with local artists and businesses. This could include permanent or temporary installations including monuments, interpretive kiosks, murals, and other features which strengthen the visual and historic assets of the Town and viewsheds.

3. Improve Downtown's Connectivity with the Waterfront and Discovery Harbour/King's Wharf

Penetanguishene's Main Street commercial corridor needs stronger connections with the Waterfront and nearby Discovery Harbour. The existing linkages need to be improved through programs and policies that accelerate private and public investments in businesses and real estate projects, particularly those in the downtown between the water's edge and Simcoe/Water Street.

1. Introduce a pilot project designed to enable locals and visitors to discover the benefits of e-bikes and other electric assisted vehicles. The pilot program could be set up through a Town-initiated tender call or through a local town-supported fleet made available to the public for short trips or short-periods on a fee-for-use basis.

   A pilot program to permit snowmobile parking in proximity to main street could also be introduced. Penetanguishene is a popular snowmobile destination, with many snowmobilers already accessing the Trans-Canada trail/waterfront area. The pilot program may offer a way to draw these people to various offerings and attractions in the Downtown. Existing and underutilized municipal lots could also be used on a seasonal/temporary basis for to host special events and draw users into the Downtown.

2. Ensure that downtown branding/signage is consistently delivered throughout the downtown and waterfront area including key highway and marina/dock gateways.
3. Extend the Town's existing walking tour into the Downtown, or along Main Street. See if there is an opportunity to feature retail, restaurants, and the waterfront, with key aspects of Downtown Penetanguishene. This could also connect to the King Wharf theatre or tourism groups that frequent this site.

4. Create a More Cohesive Retail Streetscape

Celebrate and maintain the importance of retail businesses in Downtown Penetanguishene.

1. Discourage the conversion of retail/commercial store-front properties on Main Street, save and except in cases where a redevelopment is proposed.
2. Provide rebates (or a reduction on rebates) for all applicable fees related to the redevelopment or adaptive reuse of a residential property for commercial purposes.
3. Consider introducing various commercial occupancy incentives:
    a. Commercial Vacancy Assistance Program – This program would provide funding for 'pop-up' or new businesses in Downtown Penetanguishene which occupy a previously vacant commercial space (example Hamilton). The intent is to establish permanent improvements to storefronts and promote and attract business activity by minimizing risk.
4. In collaboration with North Simcoe Community Future Group and the EDCNS develop a program that connects commercial landlords in the Downtown and local entrepreneurs seeking start-up space in Penetanguishene.

5. Develop a Targeted Business Recruitment Campaign

Enhance the existing retail landscape by supporting and increasing representation across select underrepresented store categories.

1. Pursue business expansion and development opportunities by promoting Downtown investment opportunities and market advantages.
    a. Empty storefronts should be monitored to track market gaps and vacancy. This will also help identify market opportunities for future retailers and investors, highlight both available storefronts and expansion opportunities.
    b. Attend national/regional franchisee tradeshows to highlight and position the Downtown as an underserved and "open-for-business" market. Use these shows to develop leads for prospective franchise operators seeking underserved markets.
2. Develop an online advertising plan to promote opportunities to potential investors in the Trade Area and across broader markets including Simcoe County and the Greater Toronto Area.
3. Showcase and highlight existing community businesses, build upon their knowledge and identify there may be opportunity for business expansion or collaboration.

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Appendix A North American Industry Classification System (NAICS)

Figure A-1: uMi Retail Store Classifications Based on North American Industry Classification System (NAICS)

Group	NAICS	Description
FOOD		
90	**Supermarkets**	
	44511	Supermarkets and Other Grocery (except Convenience) Stores
100	**Convenience and Specialty Food Stores**	
	44512	Convenience Stores
	44521	Meat Markets
	44522	Fish and Seafood Markets
	44523	Fruit and Vegetable Markets
	44529	Other Specialty Food Stores, including Baked Goods Stores, & Confectionary & Nut
BEVERAGE STORES		
110	**Beer, Wine and Liquor Stores**	
	44531	Beer, Wine and Liquor Stores
NON-FOOD STORE RETAIL (NFSR)		
Automot		
20	**Used and Recreational Motor Vehicle and Parks Dealers (Tires, Batteries, Automotive Accessories component)**	
	44131	Automotive Parts and Accessories Stores
	44132	Tire Dealers
Furniture, Home Furnishings and Electronics Stores		
30	**Furniture Stores**	
	44211	Furniture Stores
40	**Home Furnishings Stores**	
	44221	Floor Covering Stores (excludes retailers or only ceramic or only hardwood flooring which are in Building Supply)
	44229	Other Home Furnishings Stores (e.g. window treatments, fireplace/accessories, kitchen and tableware, bedding and linens, brooms and brushes, lamps and shades, and prints and picture frames).
50	**Computer and Software Stores**	
	44312	Computer and Software Stores (includes retailing new computers, computer peripherals, pre-packaged software, game software and related products)
60	**Home Electronics and Appliance Stores**	
	44311	Appliance, Television and other Electronics Stores
	44313	Camera and Photographic Supplies Stores
Building and Outdoor Home Supplies Stores		
70	**Home Centres and Hardware Stores**	
	44411	Home Centres
	44413	Hardware Stores (includes tool stores)
80	**Specialized Building Materials and Garden Stores**	
	44412	Paint and Wallpaper Stores
	44419	Other Building Material Dealers (excluding manufacturing and construction firms) (includes doors, windows, itchen cabinets, electircal, glass, plumbing,
	44421	Outdoor Power Equipment Stores (lawn mowers, tractors, hedge trimmers, snow blowers)
	44422	Nursery Stores and Garden Centres
Pharmacies and Personal Care Stores		
120	**Pharmacies and Personal Care Stores**	
	44611	Pharmacies and Drug Stores
	44612	Cosmetics, Beauty Supplies and Perfume Stores
	44613	Optical Goods Stores
	44619	Other Health and Personal Care Stores (includes stores retailing health and personal care items, such as vitamin supplements, hearing aids, and medical

...Continued

Group	NAICS	Description
Clothing and Accessories Stores		
140	**Clothing Stores**	
	44811	Men's Clothing Stores
	44812	Women's Clothing Stores
	44813	Children's and Infant's Clothing Stores
	44814	Family Clothing Stores
	44819	Other Clothing Stores
150	**Shoe, Clothing Accessories and Jewellery Stores**	
	44815	Clothing Accessories Stores
	44821	Shoe Stores (includes athletic shoe retailers)
	44831	Jewellery Stores
	44832	Luggage and Leather Goods Stores
General Merchandise Stores		
170	**Department Stores**	
	45211	Department Stores
175	45211	Department Stores with a Large food component (i.e. Walmart Supercentres)
180	**Other General Merchandise Stores**	
	45291	Warehouse Clubs and Superstores
	45299	All Other General Merchandise Stores:
		Home & Auto (i.e. Canadian Tire)
		Other General Merchandise Stores (e.g. general stores, variety stores, "dollar" stores)
Miscellaneous Retailers		
160	**Sporting Goods, Hobby, Music and Book Stores**	
	45111	Sporting Goods Stores (excludes athletic shoe retailers)
	45112	Hobby, Toy and Game Stores (excludes computer games and software)
	45113	Sewing, Needlework and Piece Goods Stores
	45114	Musical Instrument and Supplies Stores
	45121	Book Stores and News Dealers
	45122	Pre-Recorded Tape, Compact Disc and Record Stores
190	**Miscellaneous Store**	
	45311	Florists
	45321	Office Supplies and Stationery Stores
	45322	Gift, Novelty and Souvenir Stores
	45331	Used Merchandise Stores
	45391	Pet and Pet Supplies Stores
	45392	Art Dealers (excludes art galleries)
	45399	All Other Miscellaneous Store Retailers (e.g. tobacco supplies, artist supplies, collectors items, beer & wine making, swimming pool/spas/accessories, religious goods and accessories)

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Group	NAICS	Description
SERVICES		
200	**Consumer Goods Rental**	
	53221	Consumer Electronics and Appliance (Appliance rental and leasing, rental of consumer audio-visual equipment (including rent-to-own), Television
	53222	Formal Wear and Costume Rental
	53223	Video Tape and Disc Rental
	53229	Other Rental (sporting goods, garden equipment, home health, fitness etc.)
	53231	General Rental Centres (including contractors' and builders' tools and equipment, home repair tools, lawn and garden equipment, moving equipment
210	**Finance**	
	52211	Banks
	52213	Credit Unions
215	52239	Other Financial (including cheque cashing, mortgage brokers, other financial services (e.g. Edward Jones))
220	**Insurance and Real Estate**	
	52421	Insurance Agencies and Brokerages
	53121	Offices of Real Estate Agents and Brokers
	53132	Office of Real Estate Appraisers
230	**Professional, Scientific & Technical Services**	
	54111	Offices of Lawyers
	54119	Other Legal Services (eg. Paralegal, Title search, immigration consultation, notaries)
	54121	Offices of Accountants, Tax Preparation Services, Bookings, Payroll
	54131	Architectural Services
	54132	Landscape Architecture (includes urban planners, industrial development planning, landscape architects)
	54134	Drafting Services
	54137	Survey and Mapping Services
	54138	Testing Labs (exlcuding medical, auto, veterinary)
	54141	Interior Design Services
	54143	Graphic Design Services (includes art studios)
	54149	Other Specialized Design Services (e.g. clothing, jewellery, fashion)
	54151	Computer Systems Design and Related Services (e.g. computer consulting and programming)
	54161	Management Consulting Services
	54162	Environmental Consulting Services
	54169	Other Scientific and Technical Consulting (e.g. economic, hydrology, safety)
	54171	Research & Development in the Physical, Engineering and Life Sciences (includes medical research labs)
	54172	Research & Development in the Social Sciences and Humanities (eg. deomographic, education, phsychology research)
	54181	Advertising Agencies
	54182	Public Relations Services (e.g. lobbyists, political consultants)
	54191	Marketing Research & Public opinion polling
	54192	Photographic Services (e.g. passport photography, photo studios portrait photography studies)
	54193	Translation and Interpretation Services
	54194	Veterinary Services (excludes pet care (81291))
	54199	All Other Professional, Scientific and Technical Services (includes consumer credit counselling)
240	**Selected Office Administrative Services**	
	56131	Employment Services (includes placements, executive search, casting agencies etc.)
	56141	Document Preparation Services (proofreading, word processing, desktop publishing etc.)
	56142	Telephone Call Centres
	56143	Business Service Centres (eg. printing, copying, mail centres) (excludes commercial printing)
	56144	Collection Agencies
	56145	Credit Bureaus
241	56151	Travel Agencies
	56159	Other Travel Arrangement & Reservation Services (eg. ticket sales agency, tourist info, bus ticket offices, etc.)
	56162	Security Systems (includes security system sales, installation and monitoring; locksmiths (excluding key duplication - 81149))
245	**Selected Educational Services**	
	61161	Fine Arts Schools (e.g. dance, drame, music, art, handicrafts)
	61162	Athletic Instruction (e.g. aerobic dance, gymnastics, juo, karate, martial arts, scuba, swimming) (excludes athletic instruction in sport and recreation
	61163	Language Schools
	61169	All Other Schools and Instruction (e.g. driving instruction, public speaking, Kumon, Oxford)

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Group	NAICS	Description
250	**Health Care**	
	63111	Offices of Physicians
	62121	Offices of Dentists
	62131	Offices of Chiropractors
	62132	Offices of Optometrists (excludes eyeglass stores - 44613)
	62133	Offices of Mental Healh Practioners (psychologists, psychiatric social workers)
	62134	Offices of Physical, Occupational, Speech Therapists and Audiologists
	62135	Offices of Other Health Practitioners (eg. acupunturists, dental hygienists, dieticians, naturopath, podiatrists)
	62141	Family Planning Centres
	62142	Outpatient Mental Health and Substance Abuse Centres
	62149	Other Outpatient Care Centres (e.g. public health clinics, hearing testing, dialysis)
	62151	Medical and Diagnostic Laboratories (e.g. medical, x-ray, dental lab (excluding making of dentures, ortho appliances, teeth))
255	**Social Services**	
	62411	Child and Youth Social Services (e.g. Children's aid, youth centres, adoption)
	62149	Other Individual and Family Services (eg. AA, marriage counselling, outreach)
	62441	Child Day Care
260	**Cultural, Entertainment and Recreation**	
261	71312	Amusement Arcades (e.g. indoor play areas, pinball arcades, video game arcades)
		Fitness & Recreational Sports Centres (includes athletic clubs, spas (w/o accommodation), aerobic dance centres, health clubs)
262	71394	
263	71395	Bowling Centres
264	71399	All other Amusement and Recreation Industries (includes billards parlours)
265	51213	Motion Picture and Video Exhibition (includes cinemas)
270	**Food Services and Drinking Places**	
271	72211	Full-Service Restaurants
272	72221	Limited-Service Eating Places
273	72232	Caterers (includes banquet halls)
274	72241	Drinking Places (Alcoholic Beverages) -(includes night clubs, bars (including those with gaming), pubs, taverns
280	**Personal and Household Goods Repair and Maintenance**	
	81111	Automotive Mechanical & Electrical Repair & Maintenance (includes engine repair, exhausts, transmission, electrical system repair)
281		
281	81112	Automotive Body, Paint, Interior and Glass Repair (includes collision repair, auto upholstery, paint & body shops)
	81119	Other Automotive Repair & Maintenance (includes auto detail, washing, diagnostic centres, lub, rustproofing, undercoating, emissions testing)
281		
282	81121	Electronic and Precision Equipment Repair and Maintenance (includes ink jet cartridges (cleaning and refilling), tv repair)
	81141	Home and Garden Equipment and Appliance Repair & Maintenance (e.g. small engine repair)
	81142	Reupholstery and Furniture Repair
	81143	Footwear and Leather Goods Repair (e.g. shoe repair)
282	81149	Other Personal and Household Goods Repair and Maintenance (includes key cutting, china firing/decorating, jewellery repair, sharpening of knives, skate sharpening, watch repair etc.)
290	**Personal Care Services**	
	81211	Hair care and Esthetic Services (includes barber, beatuy, hair salons)
	81219	Other Personal Care services (includes day spa, diet centres, hair removal, massage parlours, tanning alons, tattoo parlours, weight reduction centres)
	81231	Coin-operated Laundries and dry cleaners (self service)
	81232	Dry Cleaning and Laundry services (except coin operated)
	81233	Linen and Uniform Supply (includes work clothing supply services - industrial)
	81291	Pet Care (except veterinary)
	81292	Photofinishing Services
	81299	All other Personal Services (e.g. fortune tellers, dating services, psychic services, shoeshine)
295	**Civic and Social Organizations**	
	81341	Civic and Social Organizations (includes clubs)
	81391	Business Associations (includes board of trade, real estate boards etc.)
	Transportation	
296	49111	Postal Service (post office)
300	**VACANT**	
	9999	VACANT RETAIL/SERVICE SPACE

Appendix B Per Capita Analysis

Figure B-1: Existing (2022) Per Capita Analysis, Downtown Penetanguishene

Categories		Typical Space Per Capita (Sq Ft)		Total Space Required by Residents (Sq Ft)		Target Captur e		Space Required (Sq Ft)		Inflow		Total Warranted Space (Sq Ft)		Less: Existing Space		Total Net New Space Required
Study Area Population (Current)	10,400	A	=	B	x	C	=	D	x	E	=	F	-	G	=	
FSR																
Convenience & Specialty Food		1.5		15,600		50%		7,800		10%		8,670		3,500		5,170
BWL																
Beverage Stores		1.0		10,400		80%		8,320		20%		10,400		33,900		-23,500
NFSR																
Apparel and Accessories		2.0		20,800		50%		10,400		15%		12,240		5,300		6,940
Furniture, Home Furnishings & Electronics Store		3.0		31,200		45%		14,040		15%		16,520		6,000		10,520
General Merchandise		2.5		26,000		50%		13,000		20%		16,250		12,000		4,250
Miscellaneous Retailers		2.0		20,800		50%		10,400		25%		13,870		14,600		-730
Pharmacies & Personal Care		1.5		15,600		70%		10,920		30%		15,600		17,200		-1,600
SERVICES																
Finance, Insurance & Real Estate		2.0		20,800		70%		14,560		30%		20,800		18,700		2,100
Food Services & Drinking Places		3.5		36,400		70%		25,480		20%		31,850		26,800		5,050
Health Care		2.0		20,800		65%		13,520		20%		16,900		17,300		-400
Personal Care		2.0		20,800		65%		13,520		15%		15,910		12,500		3,410
Cultural, Entertainment & Recreation		1.0		10,400		70%		7,280		50%		14,560		27,500		-12,940
Other Services		2.5		26,000		30%		7,800		30%		11,140		8,100		3,040

SOURCE: urbanMetrics inc., based on inventory completed in October 2022. Figures rounded to the nearest 10 square feet.
Other Services Includes: Consumer Goods Rental, Cultural, Entertainment & Recreation, Personal & Household Goods Repair & Maintenance, Selected Educational Services and Transportation.

Figure B-2: 2031 Per Capita Analysis, Downtown Penetanguishene

Categories		Typical Space Per Capita (Sq Ft)	Total Space Required by Residents (Sq Ft)	Target Capture	Space Required (Sq Ft)	Inflow	Total Warranted Space (Sq Ft)	Less: Existing Space	Total Net New Space Required
Study Area Population (2031)	**11,600**								
FSR									
Convenience & Specialty Food		1.5	17,400	50%	8,700	10%	9,670	3,500	6,170
BWL									
Beverage Stores		1.0	11,600	80%	9,280	20%	11,600	33,900	-22,300
NFSR									
Apparel and Accessories		2.0	23,200	50%	11,600	15%	13,650	5,300	8,350
Furniture, Home Furnishings & Electronics Store		3.0	34,800	45%	15,660	15%	18,420	6,000	12,420
General Merchandise		2.5	29,000	50%	14,500	20%	18,130	12,000	6,130
Miscellaneous Retailers		2.0	23,200	50%	11,600	25%	15,470	14,600	870
Pharmacies & Personal Care		1.5	17,400	70%	12,180	30%	17,400	17,200	200
SERVICES									
Finance, Insurance & Real Estate		2.0	23,200	70%	16,240	30%	23,200	18,700	4,500
Food Services & Drinking Places		3.5	40,600	70%	28,420	20%	35,530	26,800	8,730
Health Care		2.0	23,200	65%	15,080	20%	18,850	17,300	1,550
Personal Care		2.0	23,200	65%	15,080	15%	17,740	12,500	5,240
Cultural, Entertainment & Recreation		1.0	11,600	70%	8,120	50%	16,240	27,500	-11,260
Other Services		2.5	29,000	30%	8,700	30%	12,430	8,100	4,330

SOURCE: urbanMetrics inc., based on inventory completed in October 2022. Figures rounded to the nearest 10 square feet.
Other Services Includes: Consumer Goods Rental, Cultural, Entertainment & Recreation, Personal & Household Goods Repair & Maintenance, Selected Educational Services and Transportation.

Appendix C Inventory of Other Downtowns

Figure C-1: Inventory of Other Downtown Locations

Category	Cobourg	Smith Falls	Lindsay	Collingwood
BWL	3,800	0	2,100	6,400
				6,400
FSR	7,800	7,500	40,200	119,100
Convenience & Specialty Food	5,000	7,500	8,300	23,300
Supermarkets & Grocery	2,800	0	31,900	95,800
NFSR	127,000	103,700	143,100	157,900
Apparel and Accessories	23,400	6,600	14,400	43,500
Building and Outdoor Home Supply	5,100	2,500	16,200	7,900
Furniture, Home Furnishings & Electronics Store	16,400	6,200	24,700	21,600
Miscellaneous Retailers	58,900	30,100	35,700	40,700
Pharmacies & Personal Care	23,200	29,900	28,800	21,700
Automotive		3,700	1,000	4,400
General Merchandise Stores		24,700	22,300	18,100
SERVICES	223,000	174,900	262,400	439,500
Finance, Insurance & Real Estate	54,700	29,600	40,700	92,300
Food Services & Drinking Places	62,800	42,900	50,900	77,700
Health Care & Social Services	35,800	20,000	40,000	104,600
Personal Care	24,600	21,800	26,300	52,400
Cultural, Entertainment & Recreation Services	7,600	7,800	53,100	22,100
Other	37,500	52,800	51,400	90,400
VACANT	59,200	58,300	16,900	31,400
Grand Total	**420,800**	**344,400**	**464,700**	**754,300**

SOURCE: urbanMetrics inc., based on inventory work completed between 2019 and 2022. Figures rounded to the nearest 100 square feet.