

**CITY OF VAUGHAN**

**EXTRACT FROM COUNCIL MEETING MINUTES OF OCTOBER 20, 2015**

Item 21, Report No. 35, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on October 20, 2015.

**21 KLEINBURG BUSINESS DEVELOPMENT UPDATE**

**The Committee of the Whole recommends:**

- 1) That the recommendation contained in the following report of the Director of Economic Development, dated October 7, 2015, be approved; and**
- 2) That the following Communications be received:**

- C1 Ms. Anna Stanisz, McMichael Canadian Art Collection, Islington Avenue, Kleinburg, dated September 24, 2015; and**  
**C2 Ms. Louise Zembal, Village of Kleinburg BIA, Kleinburg, dated October 5, 2015.**

**Recommendation**

The Director of Economic Development recommends that this report be received.

**Contribution to Sustainability**

Green Directions Vaughan embraces a Sustainability First principle and states that sustainability means that we make decisions and take actions that ensure a healthy environment, vibrant communities and economic vitality for current and future generations. The sound economic health of Kleinburg's commercial mainstreet is critical to maintaining its social, cultural, economic heritage for residents, visitors and businesses. Historic village cores are often the heart of the community, but they must also continue to evolve and be relevant to the markets they serve.

**Economic Impact**

There is no economic impact resulting from the receipt of this report. The update assessment that will be undertaken by J. C. Williams Group is covered by the previous work contract.

**Communications Plan**

Not applicable

**Purpose**

The purpose of this report is to update Council on the economic activities taking place on Kleinburg's commercial mainstreet.

**Background – Analysis and Options**

The Village of Kleinburg is a vital part of the fabric of Vaughan. Set on a ridge between the two branches of the Humber River, Kleinburg has a rich natural and built heritage. During the major expansions in the 1990s and early 2000s, the adjacent areas north and south of the village experienced significant residential developments. Despite having a vibrant past as an early trading centre, Kleinburg's main street found itself at a crossroad. The inherent constraints of its physical setting combined with the large housing developments have created social and economic challenges for the village core and mainstreet.

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In 2011 the City completed an economic development strategy to deal with the revitalization of Kleinburg's mainstreet. The goal of Kleinburg Economic Development Strategy (KEDS) is to assist the business association, area merchants, stakeholders and residents to look at the bigger picture of how communities grow and develop beyond the traditional mainstreet revitalization approach of rehabilitation and reuse of individual buildings, and to include economic viability, as well as social and cultural vibrancy for residents and visitors.

On June 28, 2011, Council adopted Item No. 1, Report No. 35 of the Committee of the Whole (Working Session): *Kleinburg Economic Development Strategy – A Mainstreet Revitalization Project (KEDS) – Final Report* and the following recommendation:

“3. That the City recognize and protect the economic vitality of the Kleinburg Mainstreet and Core areas, and through the Economic Development Department offer support to the Kleinburg Business Improvement Area (KBIA) as a means to enhance retail opportunities and attract visitors.”

#### ***Kleinburg Economic Development Strategy – Five Goals***

The Kleinburg Economic Development Strategy encompassed goals, objectives and actions that addressed building a stronger KBIA organization; improving investment readiness; developing a point of differentiation, placemaking initiatives; and removal of barriers to development. The specific goals include:

- Goal 1 - Position the KBIA as a catalyst for change
- Goal 2 - Be investment ready
- Goal 3 - Establish Kleinburg as an outdoor recreation paradise and a meeting place that people seek out to visit
- Goal 4 - Use placemaking to create the “Kleinburg Experience” based on a rich, natural and built heritage
- Goal 5 - Eliminate barriers to development

To promote investment in Kleinburg, KEDS positioned the Economic Development Department as the conduit for external stakeholders into the City. KEDS recommended a single point of contact to help eliminate perceived or real stumbling blocks and to remove any deterrents to growth and investment. An Economic Development staff member has worked with the KBIA and its constituent members to provide advice and support on economic development, marketing and communications support since 2012. The following report is an accounting of the economic activities that staff has been able to observe.

#### ***A stronger KBIA***

The KBIA which serves as the marketing entity of Kleinburg to visitors and residents is the pivotal organization in its revitalization. To better position itself as the lead entity for its members and as a catalyst for change the KBIA needed to gain strength from governance, membership and funding perspectives. Since the adoption of the Strategy, the KBIA has grown as an organization, having a recognized governance structure with management guidelines, a larger budget and partnership development. Looking back in 2011, the KBIA had an annual budget of \$26,000. Following Council's adoption of the 2015 budget, the KBIA will have a budget of \$40,000.

With a good foundation in place, the KBIA has managed to put in place more marketing and advertising initiatives, community engagement events and influenced better service levels of area merchants and businesses. The KBIA has also strengthened its resources through restructuring its committees to address: marketing, events, and streetscaping/beautification.

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#### ***A refreshed brand for Kleinburg***

The KBIA's Marketing Committee is working to generate awareness and excitement of social activities and business events that are taking place in Kleinburg. The KBIA engaged in a redesign of its website, created social media presence, and produced collateral marketing materials and messaging. A new website was created in 2013, and it is currently being updated to match the branding work being done.

With the assistance of City staff, the KBIA submitted a funding proposal to the Central Counties Tourism Partnership Funding Program, for its 2013-2014 Kleinburg Village Tourism Project. The KBIA received a matching \$25,000 grant to develop targeted innovative programs, packages and marketing tactics to generate awareness; extending the reach, breadth and depth of marketing efforts and utilizing partner synergies to drive visitor stays and spending in the region.

The Kleinburg 'Visitor's Guide,' a booklet highlighting local businesses, was cross-promoted throughout the village and through various tourism channels (e.g. kiosks at hotels, airport, etc.). The Kleinburg Visitor's Guide had a production run of 60,000 copies. For a time, the KBIA worked with a local realtor to jointly issue email blasts called "In and Around Kleinburg". The KBIA also created several newsletters called 'The Kleinburg Bulletin Board' which were printed in hard copy and distributed throughout the businesses in Kleinburg.

Prior to 2013, the KBIA did not have a social media presence. Today its Twitter account has 2,294 followers and its Facebook page is followed by 400 people. Its re-designed website has shown a steady increase in page views and unique users since 2013:

- 2013: 59,851 page views; 12,187 unique users
- 2014: 160,545 page views; 37,556 unique users
- 2015: 116,481 page views; 30,790 unique users (January to July 2015)

Looking at the year ahead, the KBIA plans to continue to market to their main demographic but they will also add options that appeal to the avid outdoor recreation day visitor. Additional upgrades to its marketing and communications efforts are being planned addressing:

- Development of a common brand voice to pull together the various community stakeholder groups.
- A refreshed website design which incorporates a broader focus on recreation opportunities as well as packaging of visits. E.g. "Day Experiences in Kleinburg" and will lay out suggested day plans for different types of tourists. Recreation activities will be paired with local businesses with the intention to help people to 'make a day of' their trip into the village. Another example would be The Luxury Day targeted to women or couples that may include a spa visit, shopping and a special meal.
- Opportunities to partner and showcase community groups or initiatives: KARA, Trees for Kleinburg, Fusion Gardening, Humber Valley Heritage Trails Association, The Kleinburg Leos Club, Binder Twine Festival, the Kleinburg Nobleton Soccer Club and various running and cycling groups.

#### ***Building an events program that enhances placemaking in Kleinburg***

Events in Kleinburg have been a driver of traffic for many years. The Christmas Tree Lighting and Canada Day celebrations have become staples in the Kleinburg community, both organized by the KBIA Events Committee. This year, Kleinburg's Canada Day event was the busiest to date, with an estimated 3,000 visitors during the day. The KBIA has also developed new events to draw traffic into the village. In the summer of 2013, the concept for a "Car-tunes" event was created. In 2014, this original concept was re-envisioned as "ArtBeat" showcasing student artwork, displayed in front of the shops and restaurants on Islington Avenue, from Stegman's Mill Road to Nashville Road.

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The Binder Twine Festival, an annual highlight in Kleinburg celebrated its 49<sup>th</sup> anniversary this year, with juried craft exhibitions, great food and entertainment. Organized by the Kleinburg and Area Binder Twine Festival Committee, the Festival had 110 registered vendors and drew an estimated 5,000 residents and visitors. As an outdoor event, weather plays an important factor in attendance. In the past, attendance has reached 15,000 people, but poor weather has hindered turnout this year.

#### ***Improving customer experiences to drive sales***

In 2011, Economic Development worked with the owners of the former McNeil House to facilitate the attraction of Starbucks to the village core. The location of this iconic coffee house in the historic McNeil property on Islington has been a catalyst for Kleinburg. Starbucks has become a popular community hub and meeting point. The mix of eateries has grown to include fast food chain Subway and upscale Avlyn Gardens Ristorante. Businesses such as Terracotta Home and Garden have added to the mix of lifestyle stores serving the community.

City staff has also engaged with other Kleinburg businesses on such varied matters as: advice on business expansion, product mix offerings, property beautification, by-law compliance and signage issues.

The KBIA has also worked with its members to adopt business practices that drive repeat traffic and sales and to support property owners to attract exciting shops, diverse eateries and fun experiences. The Vaughan Business Enterprise Centre (VBEC) supported these efforts with workshops series offered at no charge to Kleinburg businesses. The workshops addressed: customer service improvements, product mix, marketing and sales strategies.

The KBIA has also been encouraging the cross-promotion of business amongst KBIA members, through common booklets, flyers and walking tour posters shared throughout town. Businesses have also been cross-promoting through partnered marketing initiatives and collaborative open houses.

One very positive note is the growing spirit of collaboration between the McMichael Canadian Art Collection and the KBIA. In addition to displaying KBIA materials at the gallery, staff is also spreading the word on shopping and dining opportunities in Kleinburg, helping to extend visitor stays and spending. McMichael has designated a permanent staff person to attend the monthly KBIA meetings and are also discussing collaboration opportunities for ArtBeat in 2016.

A quick review of retail business trends showed that both general store traffic and sales have been reported as having increased (as reported by 64 percent and 67 percent of merchants, respectively). Business turnover continues to occur in Kleinburg. However at this time, only four storefronts are vacant.

In addition to the current building inventory, there is new commercial space coming on-stream. Under construction in 2015, Heritage Hill Developments will add another 6,744 square feet of ground-floor retail space in Kleinburg. Leasing activity has already begun on the commercial units ranging from 690 square feet to 1,650 square feet. This new space adds to the retail capacity of the core, giving residents and visitors more and better retail activity to keep their interest and drive repeat visitations.

#### ***The Kleinburg Experience as an outdoor recreation paradise***

The Strategy recommended that Kleinburg needed to re-invest in its brand, articulating its unique place as an “outdoor recreation paradise”. In the branding research that has been completed, there were indeed many recreation activities that happen in and around Kleinburg, and Sundays during the warmer months are particularly noteworthy. Cycling teams and running groups transform the village, and the Kleinburg-Humber River Trail that extends from Binder Twine Park to the McMichael is busy with families walking, biking and jogging.

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KEDS encouraged the development of new amenities to enrich the “Kleinburg experience” for visitors and local residents, such as: trail developments, and way finding signage. The KBIA added a nature section to the first edition of the KleinburgVillage.ca website, and they are currently re-designing their website to highlight the “Kleinburg Experience.” A larger section of the website will be dedicated to showcasing the local trails of the Humber Valley Trails system as well as the road cycling routes in the area.

Working with the Kleinburg chapter of the Humber Valley Trails Association, two trails will be highlighted on the website. The first is the family-friendly trail that connects the village to the McMichael Canadian Art Collection and their highly ranked walking trails and outdoor sculptural art program. The second trail is the Kirby Trail which is meant for more advanced hikers. Maps will be available on the website, as well as trail highlights, suggestions from local hikers, and photos meant to draw new day tourists into that area. The tourists will likely stop in the village before or after their hikes, and the KBIA has set a goal of increasing foot traffic in the village with this tactic. A similar page is being executed for cycling. Copper Creek Golf Club and the Kortright Centre will remain on the new website, rounding out the types of outdoor recreation available in the area.

One of the KBIA’s placemaking goals has been improving the streetscape. A recent example of this activity is a partnership fostered with York Region through its “Fusion Gardening” program which will be piloted in the Village of Kleinburg from 2015 to 2018. Currently three members of the KBIA sit on a Fusion Sub-Committee. Unveiled at the Binder Twine Festival in September, the first demonstration garden was constructed on the Starbucks property.

Going forward the opportunity before property owners is to attract a small roster of sports retail stores and services catering to the outdoor and recreation enthusiasts to locate in the Kleinburg. Creating that niche market will serve to drive spending in the village, where before those enthusiasts would have sought those resources elsewhere in the City. Over time, it is anticipated that the mainstream BIA members will start to experience increased traffic to their establishments from the elevated awareness about Kleinburg.

Recently, a new personal training facility and boutique gym (InKlein) opened which does suggest that sports and recreation retail would find a client base in Kleinburg.

#### ***Eliminate Barriers to Development***

The City is committed to working with existing and interested property owners to eliminate barriers to development – seeking opportunities to streamline its development approvals process and examining its policies to ensure that business operations in the heritage areas can be successful. In December 2011, the City approved a policy to encourage the establishment of outdoor patio uses by granting approval authority to the Commissioner of Planning or their designate to review and approve the proposed outdoor patio.

Future updates of the City’s Zoning By-law will take into consideration the unique challenges of heritage districts such as Kleinburg.

#### ***Next Steps***

The Economic Development Department and VBEC will continue to support the business development and marketing efforts of the KBIA and its members. As per the workplan set out in the KEDS, the J.C. Williams Group has agreed to undertake an update assessment on the progress that has been made in Kleinburg to date. This assessment will be completed in the fall and outcomes will be reported as part of the Economic Development Strategy Update in early 2016.

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**Relationship to Vaughan Vision 20|20**

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

**Regional Implications**

There are no regional implications associated with this report.

**Conclusions**

KEDS marks the first comprehensive document to address the economic revitalization, social and cultural needs of the historic Kleinburg commercial mainstreet and core. Since working with the KBIA and area stakeholders, staff has been able to observe some encouraging progress in marketing, placemaking and most importantly, the spirit of collaboration that exists amongst the stakeholders towards achieving a robust commercial district that serves the needs of local residents and visitors.

**Attachments**

None

**Report prepared by:**

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