



## **MEDIA RELEASE**

*For immediate release*

**March 28, 2010**

### **Board adds to debate: Why Development Matters**

The St. John's Board of Trade today launched its '*Why Development Matters*' series to contribute to public debate and discussion on the topic of development within St. John's and the capital region as a whole. The Board's goals for this information campaign are to contribute positively to public debate on development issues and stimulate further critical thinking.

"There are a number of good reasons to support development, including creating sustainable employment that will last beyond the oil boom, building a stronger business base that enables greater community contribution, and making St. John's a regional and national 'city of choice' for residents and newcomers," said Derek Sullivan, Chair of the St. John's Board of Trade. "Concentrated development in the downtown, for instance, also can enhance use of public transit and discourage urban sprawl, which has positive environmental impacts. It can put diverse groups together in the city core to share experiences and knowledge in a collaborative way. And it can both attract and retain business that employs people who volunteer, participate in the community and generally make this a better place to live."

Over the long term, the Board is hoping that contribution to this discussion will encourage visioning for the city, ensure decision-making authority remains in St. John's and support sustained economic development. As well, the Board notes the importance of development and the need for a positive business environment as part of a continually enhanced community.

"Companies should be able to operate in a business environment which supports and values their ability to grow and prosper because with this follows growth and prosperity for the entire community," said Mr. Sullivan. "Critical to this is the ability to develop properties in an economically viable manner. St. John's is continually in competition with other cities for investment. We have the quality of life that employers and employees want; we need to be sure we can support progress."

The Board has released a series of background documents which are intended to contribute to a fact-based discussion that can ensure community goals are reached for a variety of stakeholders. These background documents on *Why Development Matters* examine subjects such as:

- Density & Sprawl – linking the idea that concentrated development can prevent economically and environmentally costly urban sprawl, and that development in the downtown requires height because of the limited space available
- Transit – noting that a concentration of people can support the enhancement of public transit such as Metrobus as transit would achieve economies of scale with higher passenger volumes

- Productivity & Knowledge – ensuring that the city is able to compete more fully in a global economy, in knowledge-based industries that are sustainable and create wealth for employees and the community.

“Heritage and progress can, and must, co-exist,” said Board Chair Derek Sullivan. “Balance is a key principle in development. There must be a vision for St. John’s and we must look at the full puzzle rather than individual pieces. Heritage and historical integrity are not reliant on one single building or view. We welcome investment and we must find ways to make this happen, not discourage it.”

The Board maintains that progress and development are key to combating any erosion in decision-making capacity in St. John’s. Having local decision-making authority in business and government in St. John’s is vital to the overall health of the community as local needs have the benefit of local understanding. The Board’s position is that community goals are helped by having decisions made by local business people and actions are needed to prevent them from being attracted to other cities.

“We need to ensure that St. John’s is a place of choice for living and working,” said Mr. Sullivan. “This requires development that attracts and retains business. Business and community goals do not have to be mutually exclusive. In fact, community goals are helped by having decisions made by local business people and we need to prevent them from being attracted to other cities. Business people are volunteers and neighbours who care about the city and province. The private sector contributes directly to arts, events, recreation and other meaningful things that support a high quality of life.”

The St. John’s Board of Trade is a non-partisan, business advocacy organization that is the principal voice of business for over 750 members in the St. John’s area. Its mission is to improve the local business climate, enhancing its members’ ability to do business through advocacy and member services.

Attached: Backgrounders.



## BACKGROUND

### Why development matters: Density & Sprawl

One of the goals of the St. John's Municipal Plan is to: reinforce existing commercial and industrial areas, supporting economic activity. Section 1.2.1 '*Development in Serviced Areas*' of the municipal plan states that "The City shall encourage new development and redevelopment in areas serviced with municipal water and sewer, extending existing networks in adjacent areas where capacity is sufficient but, especially, emphasizing opportunities within currently serviced areas where existing systems can accommodate increased density or infill."

The City of St. John's Integrated Community Sustainability Plan notes that "the goal of this policy is compact development, using existing water and sewage services. Projects to achieve the goal of compact development include: maintain the existing residential and commercial land-use districts of the Municipal Plan, and avoid major extensions of these districts unless there is a shortage of serviced land in the vicinity. Keeping development compact controls the outward spread of settlement, which can result in cleaner air as people have shorter distances to travel for work, school, shopping, and recreation."

The British Property Federation notes, in '*The economic impact of high density development and tall buildings in central business districts*', that "less urban sprawl means less need to use greenfield sites, more use of public transport and, with mixed use developments, a reduced need to travel."

Regarding height as a means of achieving density, the British Property Federation notes, "as it is not practical to add a few floors across many of the existing commercial buildings in a developed district, extra floor space will principally be delivered by the replacement of existing buildings with new buildings in a few selected locations." Making "redevelopment viable usually requires a significant increase in development density, which can sometimes be attained only by building up...in basic terms, efficiently adding height (and floorspace) to a building design adds to the density provided on the same footprint. So, for example, given a planned five storey building in a key commercial district, keeping the same footprint and doubling the floors to ten floors, while maybe not doubling the floorspace, still provides considerable added commercial density."

The Victoria (British Columbia) Transport Policy Institute's '*The Value of Downtown*' report notes a number of things that are 'special' about the downtown. It states that "downtown have a number of unique features that are important for the entire region", including: Business and Employment Center; Tourism; Transportation diversity; Cultural interchange; and Affordability. It also provides the following commentary on another feature:

- Environmental and Health Benefits (“By concentrating activities and increasing transportation diversity, downtown redevelopment helps reduce sprawl, reduces per capita automobile use and increases walking, which preserves greenspace, increases fitness and reduces traffic accident risks.”)

Amongst the suggestions the Institute offers on how to improve downtowns is locating activities downtown, noting: “as much as possible, major public facilities and services should be located in or near downtown”. Also, the City of Vancouver’s report ‘*How Density, Design, and Land Use will Contribute to Environmental Sustainability, Affordability, and Livability*’ notes that “traditionally controversial, density holds many keys to directly addressing climate change and our city’s environmental impact – reducing greenhouse gas emissions through dramatically reduced auto reliance, more efficient use of urban land and existing infrastructure, improved viability of energy efficient buildings and green energy systems, and more resilient and adaptable communities through a greater diversity of building types and land uses.”

EDGE, the research and innovation publication at the University of Toronto, notes in its Winter 2010 edition on Green Technology, that “low density, sprawled cities with poor public transit produce high GHG” (greenhouse gases). It also notes that something else that plays a part is “a city’s ability and desire to develop sophisticated public transit systems and energy-efficient buildings.” This is noted by author Paul Fraumeni in a conversation with civil engineer Professor Chris Kennedy on the topic of the cleanest cities in the western world.

The economics of building in St. John’s are different from 5 and 10 years ago. Costs such as construction and real estate have risen rapidly. Non-economical projects won’t get done. Developments require significant floor space to be economical. In the downtown, the means to acquire floor space other than via height are limited. It is footprint versus height. Density, sometimes achieved by increased heights, can be more environmentally friendly, foster greater productivity, and support public transit which would alleviate parking problems.

#### *Reference documents*

St. John’s Municipal Plan

<http://www.stjohns.ca/cityservices/planning/pdfs/Municipal%20Plan.pdf>

City of St. John’s Integrated Community Sustainability Plan

[http://www.stjohns.ca/pdfs/2%20-%20\(Draft\)%20Integrated%20Community%20Sustainability%20Plan%20\(ICSP\)%20dated%20Feb.%202,%202010.pdf](http://www.stjohns.ca/pdfs/2%20-%20(Draft)%20Integrated%20Community%20Sustainability%20Plan%20(ICSP)%20dated%20Feb.%202,%202010.pdf)

British Property Federation report <http://www.bpf.org.uk/topics/document/23467/the-economic-impact-of-high-density-development-and-tall-buildings-in-central-business-districts>

VTPI Value of Downtown report <http://www.vtpi.org/downtown.pdf>

City of Vancouver report

[http://www.civicinfo.bc.ca/practices\\_innovations/eco\\_density\\_initiative--vancouver--2009.pdf](http://www.civicinfo.bc.ca/practices_innovations/eco_density_initiative--vancouver--2009.pdf)

University of Toronto article <http://www.research.utoronto.ca/edge/winter2010/4.html>

-30-

For more information: Craig Ennis, 726-2961, ext 3, cennis@bot.nf.ca



## BACKGROUND

### Why development matters: Productivity & Knowledge

The British Property Federation notes, in *'The economic impact of high density development and tall buildings in central business districts'*, that “adding employment density can only be commercially viable by adding a few relatively tall buildings, rather than adding a few storeys across many buildings.” The report states that increased density leads to increased productivity in five key ways:

- Increased specialization [sic].
- Knowledge spillovers, leading to increased innovation.
- Competition, as the presence of many firms offering similar products spurs competition, innovation and efficiency, as well as many buyers to compete for.
- Larger labour markets offer choices for employers and the opportunity to recruit staff with specialist skills.
- Economies of scale are created by serving larger markets.

The report continues: “These impacts are commonly referred to as agglomeration impacts. Importantly this link between density (or agglomeration) and increased output has been extensively researched and quantified. In essence the research shows that a doubling of employment density within a given area can lead to a 12.5% additional increase in output per worker in that area. For the service sector the figure is far higher at 22%.”

Management writer Michael Porter states that “wealth is actually created at the microeconomic level...in the ability of firms to create valuable goods and services using productive methods.” He notes four factors that make up a ‘diamond’ of a quality business environment, one of which is the extent to which local suppliers form clusters.

The Victoria (British Columbia) Transport Policy Institute’s *'The Value of Downtown'* report notes a number of things that are ‘special’ about the downtown. Among those things are Agglomeration Efficiencies. Its commentary notes “land use density and clustering provide *agglomeration efficiencies*, which increase productivity due to improved accessibility and network effects. This attracts industries that require frequent face-to-face interactions, such as finance and retailing, and increases the efficiencies of businesses located in such areas, making them more competitive.”

The Martin Prosperity Institute report *'The Geography of Immigration in Canada: Settlement, Education, Labour Activity and Occupation Profiles'* notes that “Canada has a growing demand for high-skilled and well-educated labour force as regions shift from more traditional industries

into knowledge intensive industries.” St. John’s and the province are seeing a shift to knowledge industries and ensuring that the infrastructure is in place to meet the needs of knowledge workers, a significant sub-group of which are immigrants, is vital to innovation and sustainable sectors in business.

A strong commercial district is important because it builds business relationships, creates knowledge transfer, and allows for economies of scale. This is both achieved and desirable in the downtown.

*Reference documents*

British Property Federation report <http://www.bpf.org.uk/topics/document/23467/the-economic-impact-of-high-density-development-and-tall-buildings-in-central-business-districts>

Michael Porter paper [http://www.isc.hbs.edu/Micro\\_9201.pdf](http://www.isc.hbs.edu/Micro_9201.pdf)

VTPI Value of Downtown report <http://www.vtpi.org/downtown.pdf>

Martin Prosperity Institute report <http://www.martinprosperity.org/media/pdfs/Geography-of-Immigration-in-Canada-KKing.pdf>



## BACKGROUND

### Why development matters: Transit & Parking

*Transit Oriented Development* (TOD) is designed to maximize access by transit and non-motorized transportation, according to the Victoria Transport Policy Institute (VTPI). A typical TOD has a rail or bus station at its center, surrounded by relatively high-density development, with progressively lower-density spreading out for pedestrian distances. Design features include:

- A neighborhood designed for Cycling and Walking
- Streets with good Connectivity and Traffic Calming features to control vehicle traffic speeds
- Mixed-use development
- Parking Management to reduce the amount of land devoted to parking
- Transit Stops and Stations that are convenient, comfortable and secure

A 1995 study (quoted by the VTPI) found that commercial mixed-use development around transit centers reduced vehicle travel by 20%. The draft Downtown St. John's Parking Study from May 2009 noted that "a little over half of all the vehicles parked in the Downtown during the survey originated from a location served by Metrobus, meaning they had the choice of using transit and chose not to for reasons of their own."

The VTPI indicates that TOD generally requires at least 25 employees per acre in commercial centres. These densities create adequate transit ridership to justify frequent service, and help create active street life and commercial activities. Transit ridership is also affected by other factors, including employment density and clustering.

A particular density may be inadequate to support transit service by itself, but becomes adequate if implemented with transit encouragement and smart growth strategies. The assumption that transit cannot be effective except in large cities with high population densities can be a self-fulfilling prophecy, because it results in transport and land use decisions that favour automobile travel over transit. Sections 1.2.2, 1.2.3, and 1.2.7 of the St. John's Municipal Plan talk about development density, compact renewal of residential development and reduced automobile trips.

Transit Oriented Development increases accessibility and transportation options through land use clustering and mixing, and non-motorized transportation improvements. This reduces distances for car trips, allows a greater portion of trips to be made by walking and cycling, and allows some households to reduce their car ownership. Together, this can largely reduce vehicle travel, reduce total transportation costs and create a more livable community.

High-quality transit supports the development of high-density urban centers, which can provide accessibility and efficiencies that result when many activities are physically close together, while automobile-oriented transportation conflicts with urban density because it is space intensive, requiring large amounts of land for roads and parking facilities. True Transit-Oriented Development allows residents to own fewer cars, drive less, rely more on alternative modes (walking, cycling, public transit, carsharing and taxi), and have a high level of local accessibility.

Transit Oriented Development reduces transportation costs and externalities, increased travel choice, and reduced land paved per capita. TOD can increase transit service the efficiency, resulting in improved performance and cost effectiveness. It can help create more Livable Communities, meaning that neighborhoods are physically and socially more desirable places to live. TOD typically reduces parking requirements by 20%, and more if implemented with other Parking Management strategies. Estimates indicate that households in Transit-Oriented Developments drive 45% less than residents of automobile-dependent neighborhoods, saving an average of 512 gallons of fuel and \$1,400 in fuel expenses annually. Other studies indicate even larger total transportation cost savings.

Transit Oriented Development usually requires the coordinated support of local governments, private developers and transit agencies. Some measures, such as increased development density, may be opposed by some residents. Transit Oriented Development may require changes in zoning codes and development practices to allow and encourage higher density development and lower parking requirements around transit stations. It may also require additional funding for pedestrian and bicycle facility improvements. It is notable that the City of St. John's has completed a Cycling Master Plan, and according to its Integrated Community Sustainability Plan, the estimated cost for full development will be \$5.4 million with implementation to "start in 2010 with \$1,583,000 from the Province for Phase I."

Parking and transit are two key issues for St. John's at the moment and downtown development can contribute to transit issues by having a concentrated destination rather than urban sprawl, and development done with parking in mind can also help alleviate some of the existing pressures on the system. Having development concentrated in the downtown can actually encourage less car driving through more cycling and walking, and combat urban sprawl and environmentally costly use of green space.

#### *Reference documents*

VTPI Transit Oriented Development report <http://www.vtpi.org/tdm/tdm45.htm>

Draft Downtown Parking Study

[http://www.stjohns.ca/csj/parking/Draft\\_DowntownParkingStudy.pdf](http://www.stjohns.ca/csj/parking/Draft_DowntownParkingStudy.pdf)

St. John's Municipal Plan

<http://www.stjohns.ca/cityservices/planning/pdfs/Municipal%20Plan.pdf>

City of St. John's Integrated Community Sustainability Plan

[http://www.stjohns.ca/pdfs/2%20-%20\(Draft\)%20Integrated%20Community%20Sustainability%20Plan%20\(ICSP\)%20dated%20Feb.%202010.pdf](http://www.stjohns.ca/pdfs/2%20-%20(Draft)%20Integrated%20Community%20Sustainability%20Plan%20(ICSP)%20dated%20Feb.%202010.pdf)

-30-

For more information: Craig Ennis, 726-2961, ext 3, cennis@bot.nf.ca