

**Report to/Rapport au :**

**Finance and Economic Development Committee  
Comité des finances et du développement économique**

**and Council / et au Conseil**

**June 20, 2012  
20 juin 2012**

**Submitted by/Soumis par : Kent Kirkpatrick, City Manager/Directeur municipal**

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**KANATA NORTH / KANATA NORD (4)**

**Ref N°: ACS2012-CMR-OCM-0010**

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**SUBJECT: INTENT TO DESIGNATE KANATA NORTH BUSINESS PARK  
BUSINESS IMPROVEMENT AREA (BIA)**

**OBJET : INTENTION DE DÉSIGNER LE PARC D’AFFAIRES DE KANATA-  
NORD COMME ZONE D’AMÉLIORATION COMMERCIALE (ZAC)**

**REPORT RECOMMENDATIONS**

**That the Finance and Economic Development Committee recommend Council:**

- 1. Approve the area described in Document 1 of this report to be designated as the “Kanata North Business Park Business Improvement Area (BIA)” under Section 204 of the Municipal Act, 2001;**
- 2. Authorize and direct the City Clerk and Solicitor to send out a notice of Council's intention to pass a by-law designating the area, as defined in Document 1, as a Business Improvement Area, in accordance with Section 210 of the Municipal Act, 2001;**
- 3. Enact the following two enabling by-laws, subject to the City Clerk and Solicitor reporting favourably on the results of the intention to pass a by-law designating the area as Business Improvement Area as contemplated by Section 210 of the Municipal Act, 2001, referred to in Recommendation 2.:**
  - a. a by-law to designate the area as a Business Improvement Area, as described in Document 1, to be named the “Kanata North Business Park Business Improvement Area (BIA)”; and**
  - b. a by-law to establish the Board of Management of the Business Improvement Area, to be named the "Kanata North Business Park Business Improvement Area (BIA) Board of Management.”**

## **RECOMMANDATIONS DU RAPPORT**

**Que le Comité des finances et du développement économique recommande au Conseil :**

- 1. d'approuver le secteur décrit dans le document 1 du présent rapport afin de le désigner comme zone d'amélioration commerciale (ZAC) du parc d'affaires de Kanata-Nord en vertu de l'article 204 de la *Loi de 2001 sur les municipalités*;**
- 2. d'autoriser et d'inviter le greffier municipal et chef du contentieux à envoyer un avis d'intention du Conseil d'adopter un règlement municipal pour désigner le secteur, tel qu'il est décrit dans le document 1, comme zone d'amélioration commerciale, conformément à l'article 210 de la *Loi de 2001 sur les municipalités*;**
- 3. d'adopter les deux règlements habilitants suivants, sous réserve d'un rapport favorable de la part du greffier municipal et chef du contentieux au sujet de l'intention d'adopter un règlement visant à désigner le secteur comme zone d'amélioration commerciale, comme le prévoit l'article 210 de la *Loi de 2001 sur les municipalités* et tel qu'il est recommandé ci-dessus :**
  - a. un règlement municipal pour désigner le secteur, tel qu'il est décrit dans le document 1, comme zone d'amélioration commerciale et le nommer « zone d'amélioration commerciale (ZAC) du parc d'affaires de Kanata-Nord »;**
  - b. un règlement municipal pour créer le conseil de gestion de la zone d'amélioration commerciale, qui sera nommé « conseil de gestion de la zone d'amélioration commerciale (ZAC) du parc d'affaires de Kanata-Nord ».**

## **BACKGROUND**

Section 204. (1) of the Municipal Act states, in part, that a municipality may designate an area as an improvement area. The section goes on to describe that the purposes of a BIA are to oversee the improvement, beautification and maintenance of municipally-owned land, buildings and structures in the area beyond that provided at the expense of the municipality generally; and to promote the area as a business or shopping area. It is clear that these purposes are meant to be applied to a unique and discrete trade area where businesses share both a common geography and character. A business improvement area provides an efficient vehicle and a reliable source of independent funding for just these purposes.

The mix of knowledge-based technology companies, professional services and retail businesses in the Kanata North Business Park share a variety of common issues, concerns and challenges stemming from a perceived loss of unique brand and unique presence since the heady days when the area was known as "Silicon Valley North."

Businesses in Kanata North Business Park are all part of a mutually inter-dependent economic eco-system centered on the technology core which is reliant on its global presence with the retail and service sectors flourishing as a result of the large number of

employees working in the park, with many choosing to live nearby. A shared community-focused approach was seen as the best way with which to deal with local issues while exploring future economic opportunities.

Over the past 12 months, a Steering Committee made up of representatives of businesses, commercial property owners and other stakeholders determined that the practical way to address the current challenges facing Kanata North would be through the formation of a Business Improvement Area (BIA). A multi-pronged Community Consultation process established the level of support for the creation of a BIA in Kanata North. The approach also insured that all commercial property owners and business operators in the Park were informed of the initiative and aware of the collective potential benefits.

## DISCUSSION

During the “tech boom” of the 1990’s, the Kanata North Business Park was the heart of Ottawa’s flourishing High Technology sector. The demise of Nortel, coupled with foreign takeovers of a number of leading local technology champions significantly changed the dynamics of the Kanata North technology sector. These trends do not bode well for the future of Kanata North, or for any Ottawa region fighting hard to diversify the local economy in the face of federal government downsizing and global economic competition. Members of the BIA Steering Committee are therefore convinced that a new, revitalized and proactive approach is required to counter these trends, without which the long term economic vitality of the Kanata North Business Park and specifically the technology and service sectors are at risk.

The current initiative to form a BIA has its roots in the “Tech Town Hall” organized by Councillor Marianne Wilkinson in July of 2010 that explored ways to assist business development needs of the Kanata North Business Park. Several follow-up meetings, among businesses and other stakeholders lead to the formation of an inaugural BIA Steering Committee, which held its first meeting on November 1, 2010. In the following months, the Steering Committee began a process of engagement with the business community, and prepared a marketing brochure in February 2012. To this day, Steering Committee membership and endorsements from leading local businesses continues to grow.

Early supporters of the initiative included the Brookstreet Hotel, BSI Canada, Connolly Nichols Allan & Snelling LLP, Deloitte, KRP Development Group, March Road Sobey’s, Newmark Knight Frank Devencore, Nordion, Papa Sam’s Restaurant, Plasco Energy Group, Pleora Technologies, RBC, Sippy Cup Café, TD Canada Trust, The Children’s Place, The Marshes Golf Club, Trudel Home Hardware and Calian Technologies.

Representatives of these businesses have not only voiced their support, but have joined the Steering Committee and have agreed to serve as champions with their local industry counterparts. The group received a further boost in January 2012, when well-known local serial entrepreneur and educator, Adam Chowaniec, agreed to serve as Honorary Chair of the Kanata North BIA Steering Committee.

In addition to bi-weekly Steering Committee meetings, the group convened a number of local public meetings and stakeholder consultations to present the idea, answer questions, invite comments, and collect feedback.

These included:

- October 6, 2011: Meeting to discuss bus route cuts and reduced accessibility of transit for employees within the business park.
- November 28, 2011: Public consultation, attended by a number of businesses to discuss the concept and process to form a BIA and the proposed area.
- March 19, 2012: Second OCTranspo Meeting, with route updates
- March 26, 2012: Kanata Chamber of Commerce. The 50 chamber members located within the proposed BIA boundaries were invited.
- April 3, 2012: Second public meeting, hosted at Brookstreet Hotel. More than 50 people attended. Steering Committee members, business owners, property owners, Adam Chowaniec and Bill Teron, (recognized as the 'Founder of Kanata') spoke in favour of the BIA with only one dissenter.

In addition, the local media published periodic updates and Councillor Wilkinson kept community constituents current on the Steering Committee's progress and provided advance notice of public meetings through regular updates in her weekly newspaper column.

The mix of knowledge-based technology companies, professional services and retail businesses in the designated area are all part of a mutually inter-dependent economic eco-system. A BIA is an effective mechanism to deal with the various issues, concerns and challenges of the Kanata North Business Park for the mutual benefit of all.

To gauge the receptiveness and level of support among area property owners and business operators, the BIA Steering Committee undertook a multi-pronged research/consultation process. The Steering Committee identified early that given the type and character of many of the businesses in the Park and the high-security nature of many of the buildings, extraordinary means would need to be employed to ensure the broadest penetration possible.

A strategy was employed to engage the businesses in the following five groups:

1. Tenants of the Kanata Research Park Corporation
2. Other Knowledge-based tenants (primarily technology companies)
3. Retail businesses
4. Commercial Property Owners
5. Public Meetings

#### Kanata Research Park Corporation

Kanata Research Park (KRP) with 19 buildings, is the largest landlord in Kanata North, controlling 43% of the office space in Kanata. As most firms do not permit public access, and many KRP buildings employ secure entry systems, access to KRP tenants

would have been exceptionally difficult. However, KRP supports forming a BIA in Kanata North, and has therefore taken on the job of ascertaining the level of support among these firms.

The first step in this process was to invite the 200 plus companies to the first information meeting on November 28, 2012. KRP followed up on this initial step by writing to all of its tenants, and providing a link to the Kanata North BIA website, and included the following BIA background material: an information brochure, a Kanata North BIA specific FAQ, and a survey form. Tenants were encouraged to respond to the survey, indicate their level of support, and provide feedback on what issues and priorities were important to them. Businesses were asked to return the survey to KRP before an April 3rd public meeting.

KRP Leasing staff made follow up calls to tenants and among the 224 businesses in the portfolio, only one business or less than 1% indicated that they were not supportive of a BIA in Kanata North Business Park.

#### Other Knowledge-based and technology companies

Steering Committee members conducted a door-to-door canvassing campaign in two waves in order to ensure contact within the range of local property owners in the high tech sector, professional services and speciality service companies (including many multi-national corporations) located in the Kanata North Business Park.

Canvassers made a concerted effort to speak to every tenant in every building in the park. The relatively high number of corporate premises designed to be inaccessible to the public for security reasons was a challenge. The Steering Committee volunteer hand-delivered a personalized information package and provided each business owner/representative with a brief 'elevator pitch' on the cost-benefit value proposition of the BIA. Canvassers were equipped with information to predict probable annual levies for each business. These initial "doorstep Meetings" provided an opportunity to explore the issues and concerns of each business.

This approach proved to be quite productive in getting people to open up about their business challenges, and many suggested that a BIA could help save them time in addressing issues for a modest annual cost. Each doorstep presentation ended with a request that the corporate decision-maker complete and return the accompanying survey by dropping it off at a local drop-box location, or scanning and returning the form electronically.

Overall, 423 companies were canvassed and only 2 businesses or less than 1% indicated either in conversation with the canvasser or subsequent submission of a survey, that they were not supportive of a BIA in Kanata North Business Park. It is interesting to note as well that 14 of the businesses polled took the time to express their strong support, even though it was not a requirement.

## Retail businesses

The Steering Committee employed a slightly different ‘tag-team’ approach to the canvassing of the 88 inventoried retail and speciality service commercial businesses operating in the 15 retail services properties located along March Road (stretching from Maxwell Bridge past the intersection of Klondike and Terry Fox Road all the way south to Richardson Side Road). The owner of Papa Sam’s Restaurant initially contacted all of these retail businesses and delivered the full Steering Committee information package. This introductory contact was followed up by a second visit from one of several Steering Committee members to ensure that the owner or manager had received the package and was aware of the BIA value-proposition and potential benefits to their business. Each retail business received a personalized information package together with a BIA value-proposition and cost-benefit overview; the same approach that was taken for office tenants.

Perhaps because BIAs are often associated with retail main streets, the retail and services business operators seemed to be clearer in their understanding of BIAs and how a BIA in Kanata North could help improve access to their local customer base and encourage more BIA community members to buy more locally.

The Steering Committee survey findings reflect this general attitude. Of the 88 businesses canvassed, 13 indicated solid support by returning a survey form in favour, and several provided a corporate endorsement, and/or indicated a wish to serve on the Steering Committee. A sizeable majority (72 of the 88 businesses), accepted the information on behalf of their company in much the same considered way the majority of the office-commercial business representatives did, but indicated that their expression of support was conditional and a head office would make a final determination when the City’s formal notice was sent. Most telling, only 1 retail business was definitively opposed to forming a BIA in Kanata North.

## Commercial Property Owners

As was the case with tenant businesses, the Steering Committee initiated contact with all local property owners in the Kanata North Business Park.

Canvassers made a concerted effort to speak to senior a representative of every commercial property in the Park. Although this task was made easier by the fact that KRP is the largest landlord in Kanata North owning 19 buildings, or 43% of the office space, connecting with the others was often difficult as many have distant head offices and/or employ property management firms to represent their ownership interest.

Overall, 109 commercial property owners were canvassed and only three (2%) indicated that they were not supportive of a BIA in Kanata North Business Park. Again, it is interesting to note that 41 of the owners polled took the time to express strong support, even though it was not a requirement.

## Public Meetings

Public meetings held November 28, 2011, March 26, 2012, and April 3, 2012 were well attended and universally supportive. The discussion and questions indicated a healthy skepticism initially, but overall, among the approximately 100 aggregate participants, only a handful suggested that they might object to the creation of a BIA. Among the dissenters, the most significant issue was cost. Those that spoke in favour included both prominent businesses and representatives from smaller firms. All spoke passionately about the need to revive the vibrancy of the Park and expressed a belief in the BIA as a means to that end.

## The Steering Committee Conclusion

On the strength of this research and the overwhelming support expressed at the public meetings, the Steering Committee determined that the required plurality of property owners and business operators in the Kanata North Business Park would likely be met to support the formation of a BIA in the Kanata North Business Area and accordingly, made a formal request to the City of Ottawa to proceed with a BIA in that area. The letter of request is attached to this report as Document 2.

## RURAL IMPLICATIONS

There are no rural implications associated with this report.

## CONSULTATION

Consultation consisted of a combination of face-to-face contact and public meetings. Two of the meetings were broad in scope and invitations were extended to all Kanata North businesses and commercial property owners. Notice of these meetings was advertised in the Kanata weekly newspaper. The three other meetings were aimed at specific target groups and were advertised by email and telephone alerts. The direct contact included some 665 firms, 109 of which were property owners.

## COMMENTS BY THE WARD COUNCILLOR(S)

The Councillor has worked closely with the BIA Steering Committee over the last year and is strongly supportive of the BIA for the Kanata North Business Park Area. As a unified voice for the Business Park Area, the BIA will provide an opportunity to identify and carry out improvements and goals that will benefit the entire community. The BIA will also represent this area in City Operations and Development planning and will have a key role in contributing to the City's new Economic Development Strategy.

## LEGAL IMPLICATIONS

There are no legal impediments to approving the recommendations in this report.

### RISK MANAGEMENT IMPLICATIONS

There are no risk implications.

### FINANCIAL IMPLICATIONS

The proposed Business Improvement Area would be funded by a special levy to owners and tenants within the designated area (Document 1), based on the annual budget submitted by the BIA's Board of Management, and subsequently approved by Council.

The City provides support services at no cost to the BIAs. Any additional resources and budget requirements resulting from the Kanata North Business Park BIA will be identified through the budget process.

### ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with this report.

### TECHNOLOGY IMPLICATIONS

There are no technology implications associated with this report.

### TERM OF COUNCIL PRIORITIES

The report aligns with the following Term of Council Priorities:

EP3 - Support growth of local economy

SI # 3: Implementation of a comprehensive economic development program to increase Ottawa's prominence as an economically prosperous and sustainable city. This initiative will provide better oversight, accountability and results through improved coordination of economic development services and resources for enterprises already located or looking to locate in Ottawa, will showcase Ottawa as a compelling and vibrant destination to visitors, and will improve the quality of life for residents.

### SUPPORTING DOCUMENTATION

DOCUMENT 1: Proposed Boundary of Kanata North Business Park Business Improvement Area

DOCUMENT 2: Formal request to form a Kanata North Business Park BIA from the Steering Committee

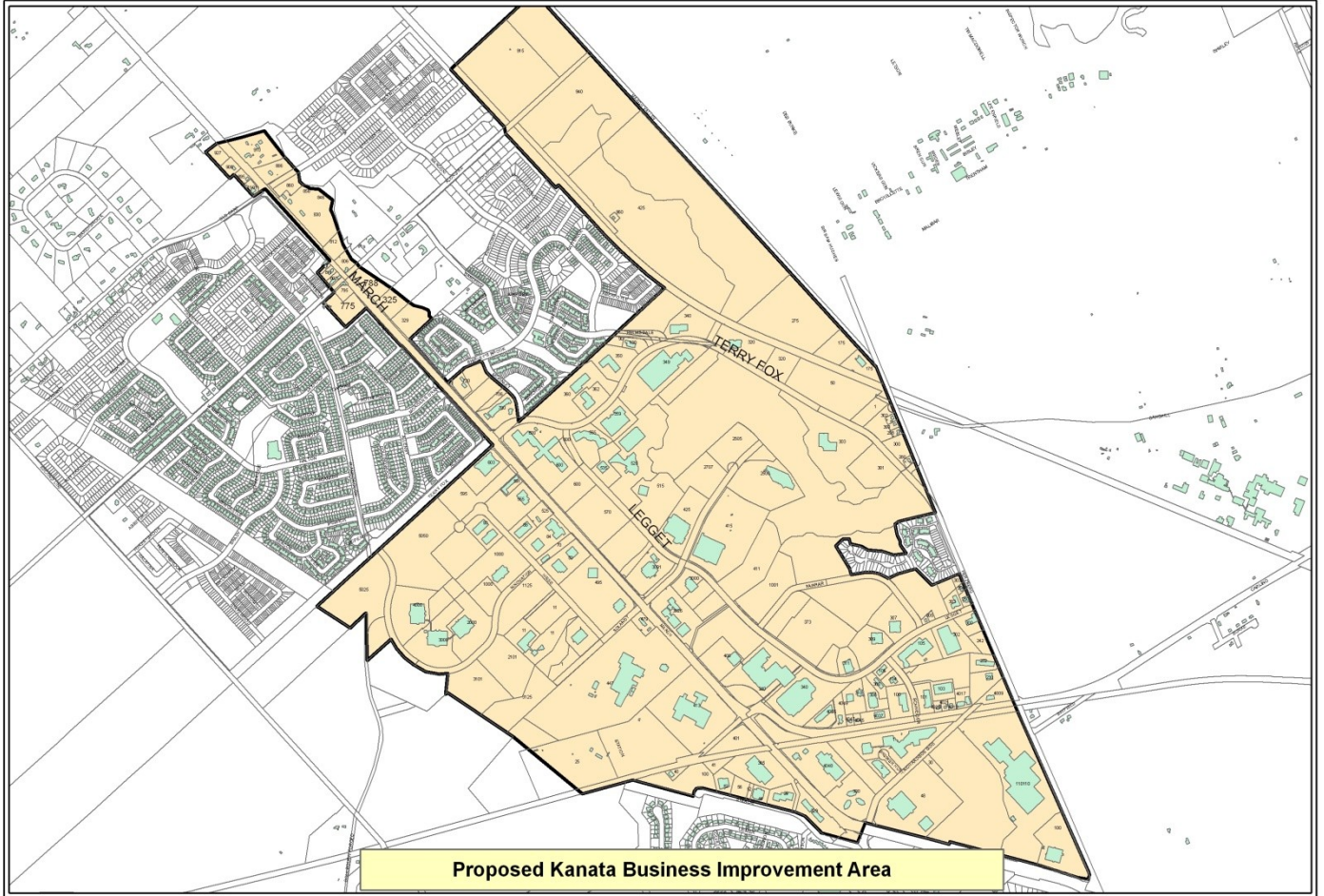
### DISPOSITION

City Clerk will forward notices to affected property owners as provided for in the *Municipal Act*, 2001.



Legal Services Branch will prepare a by-law to designate the area as a Business Improvement Area, as described in Document 1, as well as a by-law to establish the Board of Management in accordance with Sections 204 and 209 of the *Municipal Act*, 2001, and place the aforementioned by-laws on the Orders of the Day, subject to the City receiving favourable responses to the aforementioned notices. Economic Development staff will report back on the results of the circulation, and whether the proposed BIA was successful.

**Proposed Boundary of Kanata North Business Park Business Improvement Area**





April 27, 2012  
City of Ottawa,  
Community Sustainability Department  
110 Laurier Avenue West  
Ottawa ON K1P 1J1

Attention: Mr. Chris Cope

Dear Mr. Cope

Re: Formal Request from the Kanata North Business Park Business Improvement Area (BIA) Steering Committee to the City of Ottawa to Proceed with Mailing Formal 'Notice of Intent to Designate the Kanata North Business Park Business Improvement Area (BIA) to All Affected Local Property Owners

Please accept this letter as our group's formal request to the City to proceed with mailing to those local property owners affected the above-noted 'Notice of Intent'. The proposed geographic boundary for the Kanata North Business Park Business Improvement Area (BIA) is as shown below:



Since November 2010, a group of local business people have been exploring the feasibility of establishing a BIA in Kanata North. After much group deliberation,

community dialogue, and formal due diligence and stakeholder group consultation, little opposition to the concept has been raised while evidence of strong favorable corporate support is consistently coming back from the leading community property owners, business operators, and local thought-leaders.

Providing that the total number of objections received within sixty (60) days does not exceed one third (1/3) of those entitled to be notified, or that those who account for at least one third (1/3) of the designated area's property tax, calculated on the basis of assessment, we would then further request that the City Clerk and Solicitor Department prepare and place on a Council Agenda for enactment the two enabling by-laws to:

- (i) Designate the area as a Business Improvement Area (BIA), as described in Document 1, to be named the 'Kanata North Business Park Business Improvement Area (BIA)'; and
- (ii) Establish the Board of Management of the Business Improvement Area (BIA), to be named the Kanata North Business Park Business Improvement Area (BIA) Board of Management.

It is currently the Steering Committee's stated objective to have the Business Improvement Area (BIA) approved and ready to begin operations as of January 1, 2013.

Thank you, with best regards.

On behalf of the Kanata North Business Park Business Improvement Area (BIA) Steering Committee:

Executed by J. Patrick Ferris on the date shown

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J. Patrick Ferris,  
Steering Committee Co-Chair

Executed by Steven Nichols on the date shown

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Steven Nichols,  
Steering Committee Co-Chair