

Executive Summary

The Simon Fraser Student Society (SFSS) has retained Commercial Marketing Inc. to assess the opportunity for commercial space in both the proposed Student Union Building (SUB) and in adjacent SFSS-controlled spaces at SFU Burnaby during the period 2008 to 2018.

The principal findings discussed in this report are summarized below:

Context and Key Assumptions

The following assumptions and limiting conditions were used to guide the demand analysis:

- The proposed SUB is to be located between the Academic Quadrangle (AQ) and Maggie Benson Centre (MBC), south of Convocation Mall at SFU Burnaby. The SUB is intended to rejuvenate the centre of campus, creating a nexus for campus life;
- Any relocation of commercial uses from the MBC to the SUB would require active engagement amongst the various stakeholders (existing uses, University, SFSS etc.) pertaining to the feasibility of remerchandising the SFSS space in the MBC;
- Students will be the primary customers for commercial businesses and services in the SUB;
- Student meal plan subscription and seasonal variation in student population will impact consumer demand;
- UniverCity residents will shop at the High Street and not make a special trip across campus for food service at the proposed SUB. The exception may be a destination trip to the Bookstore or the Pub.

Existing Commercial Inventory

Inventory data was compiled by Commercial Marketing Inc. for existing commercial units at SFU Burnaby. Overall, SFU's Burnaby Campus contains approximately 132,000 square feet of commercial space. Key summary figures include:

- 38,000 square feet of SFSS-controlled space in the MBC; 14,500 square feet is comprised of food services space;
- 33,000 square feet of retail food services, excluding dining halls and cafeterias located in the AQ, Dining Hall, and West Mall Centre. 14,244 square feet of food uses are located along the High Street and pedestrian mews at the Cornerstone building; 1,342 square feet are located along the corridors of the AQ; nearly 12,000 square feet are located in the MBC, split between the Highland Pub and the level 9 food court;
- Of the 23,000 square feet of convenience and personal services on campus (excluding grocery units), 17,000 square feet are located at Cornerstone, 2,700 square feet are located in the MBC and 758 square feet are located in the AQ;
- 80,000 square feet of commercial service space at the High Street upon completion.

Existing MBC business performance highlights:

- Both the Highland Pub and Higher Grounds Coffee are poor performers on a per-square-foot basis; the former has a dated design and floor plan and is too large, while the latter is too large and not taking full advantage of its location;
- Fast food operations in the MBC are average performers compared to industry standards. Their scattered and hidden location is confusing and not conducive to creating a vibrant interior commercial environment. Furthermore, some food categories are missing – including noodles, burgers, Japanese and fresh pastries – and there is little visible attempt to either promote or capture market share by way of concepts like sustainability, organics, nutraceuticals or healthy living;
- Of the service uses, Travel CUTS occupies too much space in a prominent location that could be better utilized by a food service unit;
- The Mini Mart is too small and does not offer a full range of convenience retail products or services;
- The SFU Bookstore acts as a destination anchor/major attractor for food services and convenience uses in the MBC. The key role of the Bookstore – a non-commercial and non-SFSS business – in bringing commerce to other MBC businesses shows the importance of dialogue amongst all stakeholders;
- The common area seating for the MBC food court is dated and unattractive.

Lessons from other Universities' Experiences

Examination of the student union buildings at the University of BC, University of Victoria, Western Washington University and University of Washington revealed that:

- Nearly three-quarters of food service units are fast food or take-out;
- Commercial success for campus pubs depends on a mixture of ambiance (partially a function of size), programming and good pricing;
- Food services should be clustered, visible, located adjacent to the main pedestrian routes, and near high-quality student lounge spaces;
- Internally-oriented commercial services can work if pedestrian flows are present and businesses are highly visible;
- A strong destination food unit (pub, coffeehouse) requires strong programming for other uses, such as live entertainment, socializing and studying;
- Kiosks or carts can animate an interior commercial area. They provide low start-up costs for retailers, give an opportunity for satellite retail locations, and allow incubation of small retailers for longer term tenancy;
- Convenience retail in a campus environment must provide a variety of services and products geared toward the student population; preparation stations, bulk items, beverages and grab 'n go snack items are key;

General Recommendations for Commercial Space

The successes and failures of other universities' SUB commercial components reveal a number of key lessons for the SFSS as it moves forward with SUB planning and programming.

With regards to the format and location of commercial businesses, we make the following recommendations:

- Food services should be clustered and co-located with complementary uses like lounges and convenience retail. They should be highly visible or easily found through prominent wayfinding, should be located near areas of high pedestrian traffic and should be placed adjacent to traffic corridors wherever possible;
- The SFU SUB's commercial component must complement rather than compete with the offerings at the High Street;
- Creating strong destinations or 'major attractors' – including both commercial and non-commercial uses – is a necessary prerequisite for non-destination commercial units. Non-commercial attractors could include multi-functional student lounge spaces located near food units. Commercial attractors could include an up-to-date pub with an attractive ambiance and well-priced food and drink, a coffeehouse that offers comfortable seating, reasonable prices and frequent entertainment activities, or a large grouping of fast food units;
- Kiosks and mobile carts should be incorporated into the commercial space programming as an effective way to animate public space, guide pedestrians to other retail units, lower start-up costs for new small businesses and incubate businesses for long-term tenancies. Carts provide flexibility of moving around as needs evolve. Varied tenancy agreements can be offered – daily, weekly or quarterly – to attract different types of businesses and bring vibrancy through ever-changing variety;
- Decisions around locating new businesses and relocating existing businesses must be taken with agreement amongst the various stakeholder groups on a repositioning strategy. The objective for all parties is to generate the most activity and vibrancy for the SUB with interesting and successful businesses.

Recommended Amount and Type of Commercial

The market analysis and comparables study presented in sections 6.0 and 4.0 respectively of this report inform the recommendations for both size and type of commercial development. By 2017/18, demand generated by students and support staff will warrant the following:

- An additional 2,000 square feet of food services in the form of three to four new fast food and take-out units. These should include:
 - Noodles, rice bowls, wonton soups and stir fries;
 - Japanese cuisine (grab 'n' go);
 - Breakfast and hamburgers;
 - Coffee, fresh pastries and blended drinks
- An additional 2,600 square feet of convenience uses in the form of either a new or expanded and reprogrammed convenience store. The convenience store should offer:
 - Basic snack items along with hot and cold beverages;
 - Bulk bagels and pastries;

- Preparation areas with microwaves, toasters and sinks.
- An additional 2,200 square feet of entertainment uses. The SFSS should engage in further study and consultation to determine how best to capitalize on entertainment spending potential. A theatre along the lines of Cinecenta at the University of Victoria could function well as part of the SUB programming and would also act as an 'after hours' attractor bringing business to nearby convenience retail;

Location Considerations

- If new commercial units are located alongside existing units in the MBC – with some repositioning of the latter – relocation costs would be negated and the MBC could become a stronger destination retail 'hub'. However, the vibrancy and activity of the SUB and its lounges would be compromised, the advantages of lounge-food service co-location would be lost, and MBC commercial units would lose the ability to capture passerby traffic destined for the SUB.
- Alternately, some or all commercial uses could be placed in the SUB alongside lounge space, with the latter acting as an attractor for the former. Relocation costs would be incurred and further study would be needed to determine the future of surplus SFSS-controlled space in the MBC. However, provided that commercial businesses are in a high-traffic and visible location, this option would likely lead to a more vibrant and attractive SUB;
- Consideration should be given to relocating or revising the Highland Pub, Higher Grounds Coffee, the MBC Mini Mart and Travel CUTS. A relocated pub could act as a major attractor for other uses in the new SUB; Higher Grounds could be repositioned as a coffeehouse; the Mini Mart could be expanded, relocated and reprogrammed to capture latent convenience demand; and Travel CUTS is occupying a location that is too large and better suited to a food service use;
- The design that is chosen for the SUB should maximize the pedestrian connectivity between the AQ, SUB, MBC and Convocation Mall.