

# Winnipeg Free Press

LOCAL

## Building a retail destination

NEW OUTLET MALL WILL HELP PUT CITY ON MAP, DEVELOPER CLAIMS

By: Randy Turner

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Workers put the final touches to the facade of the mall that will be the centrepiece of a development that will include a four-star hotel, two car dealerships and apartment complexes at Kenaston Boulevard and Sterling Lyon Parkway.

For longtime Winnipeggers, here are two words not historically familiar in the local lexicon: destination city.

Rather, Winnipeggers were the travellers for decades; to other cities to shop, see major sporting events or visit world-class tourist attractions.

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But that long-held frame of mind is being challenged, tourism and business leaders contend. And the latest example might be a giant outlet mall that offers bargain clothing.

At 10 a.m. today, the doors to Outlet Collection Winnipeg will swing open, providing the first glimpse at the 400,000-square-foot, \$200-million facility that will feature 100 retailers.

The mall will be the centrepiece of a development that will also include a four-star, 127-room hotel, two car dealerships, a 400-unit apartment complex and an assisted-living seniors complex at Kenaston Boulevard and Sterling Lyon Parkway.

The outlet mall will be located directly across from Ikea, the much-heralded furniture mega store that opened in November 2012 and has since drawn 7.3 million visitors and counting.

The two properties, located at the south end of the city, are expected to be a "super regional draw" that will lure in tourist and shoppers from a seven-hour drive radius, project developers say. That includes northwestern Ontario, eastern Saskatchewan and even the northern U.S.

"There will be people who come from six to seven hours away to shop in these kind of areas because it's the closest of this type of thing," said Veronica Eno, development manager for Seasons, which is overseeing the 117-acre development.

For example, it was not uncommon for Winnipeggers to drive to the Calgary Ikea, which opened in 1979 and expanded in 2004.

Manitobans for years have been flocking to the Albertville Premium Outlets, located north of Minneapolis, in search of clothing bargains.

The Manitoba capital is about to discover just how far shoppers will travel for similar outlets in Winnipeg.

Kelley Main, head of marketing department at the University of Manitoba's Asper School of Business, said those numbers are hard to predict.

"It's the retail equivalent of a new car smell," Main said.



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The media toured the construction  
of the new factory outlet mall at

"There's excitement about the fact something new is available. So people are going to want to experience that. It's similar to when the Ikea opened, right? There were lineups not in just people trying to get into the store, but in the parking lot.

Sterling Lyon Parkway and Kenaston Blvd. in late April.

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"Whether it will draw people away from (other areas of the city) will depend on what part of that new mall resonates for consumers," she added. "We only travel far to get something we think is desirable. If there's something there you really like you'll keep making the trip, whether it's one hour or seven hours."

John Scott, senior vice-president of development for Ivanhoe Cambridge, which is responsible for the outlet project, wouldn't venture to estimate the number of potential visitors on the eve of the opening, either. But he said 20 per cent of the outlet mall customer base is classified as "tourists."



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John Scott is senior vice-president of development for Ivanhoe Cambridge, which developed the new outlet mall on Kenaston Boulevard.

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"As for projections, we'll wait and see," Scott said. "(But) we just feel very confident that in the Winnipeg market there is the missing piece in the retail heirarchy of the outlet component."

There are some half-dozen outlet malls in Canada, including one at Niagara-on-the-Lake and another set to open next May at the Edmonton International Airport. Both are Ivanhoe Cambridge projects.

Scott said outlet malls, which traditionally offer more bargain merchandise, can be more of a destination site because they are not located in most traditional malls.

That means customers who travel longer distances usually end up spending more on average than local shoppers.

"It's just sort of logical," he said. "The farther they come from, typically the longer they stay... and greater the expenditure."



Hence the need for the adjacent hotel, Scott added.

Even Ikea is rolling out the welcome mat for their new outlet neighbour.

"They're going to complement us very well," said Ikea spokesman Daevid Ramey. "We're excited they're opening."

Main said the addition of a giant outlet mall is a piece of a much larger puzzle that has taken the last decade to come into focus. Those pieces include everything from polar bears to hockey players to museums, notably the Canadian Museum for Human Rights.

"We're becoming a destination for lots of different reasons," she said. "Now that the Jets are back at the MTS Centre, that's a new destination. The Canadian Museum for Human Rights is a new destination. And so the mall is also a new destination. It gives more people options. So now we're not drawing just the sports fan or the museum crowd."



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The \$200-million, 400,000 square-foot location will feature over 100 outlets.



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Workers put the final touches on the outside of the new outlet mall on Tuesday.

"So if the sports fan is married to a shopper, they both have a good reason to come here. Maybe we're just not used to seeing the city as a destination, but these are examples of things that are changing that are making it a destination."

Colin Ferguson, president and CEO of Travel Manitoba, agreed the combination of a mega-outlet store, along with Ikea, only strengthens Winnipeg's draw.

"I think we're going to see some neighbouring licence plates," he said. "This is a new opportunity for us. It's going to be a busy corner (Sterling Lyon Parkway and Kenaston) in southern Manitoba.

"I think the city ready for this. They will be busy from Day 1. They (shoppers) are coming."

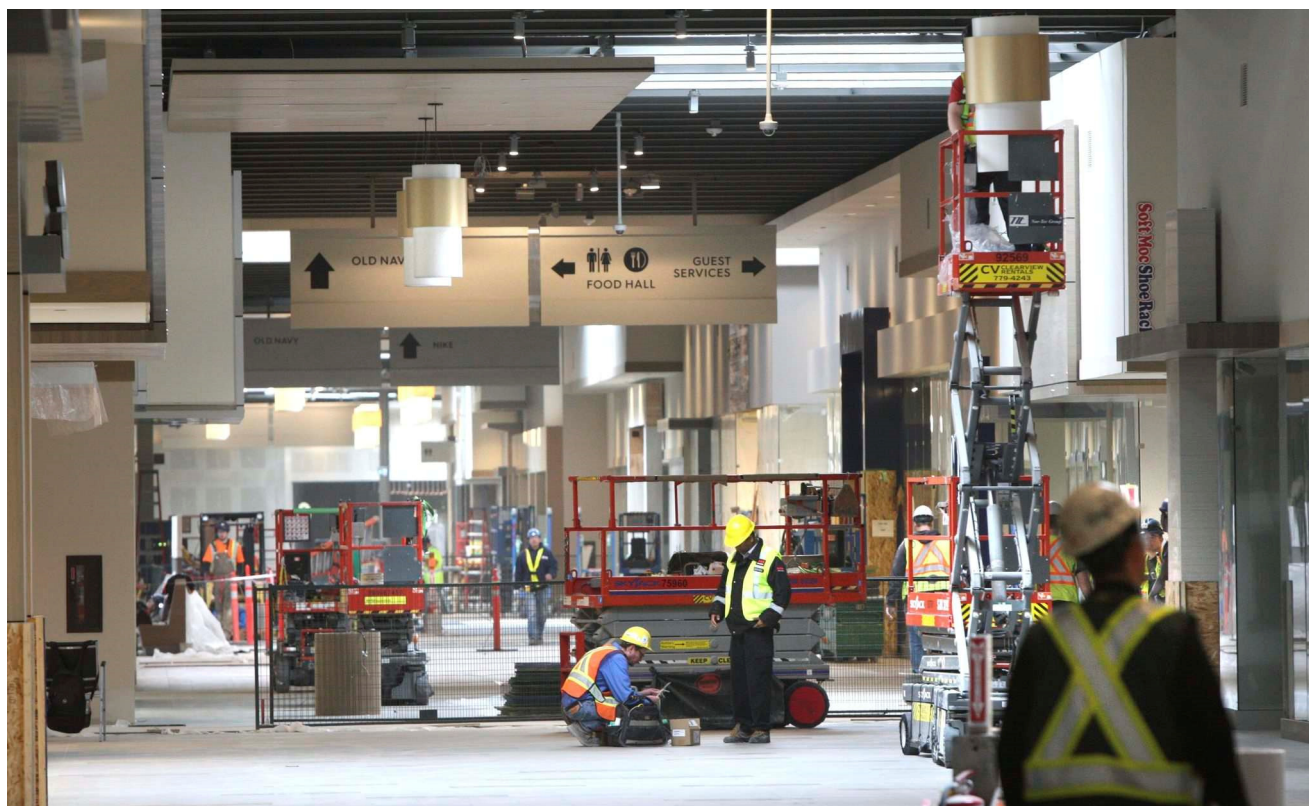
But what about the flip-side of the retail coin? Will a commercial region designed to attract customers from a 700-kilometre radius endanger existing retail malls and outlets within the city limits?

Main isn't convinced, noting if shoppers can find what they want in their own area they will not alter their routine. Eno agreed.

"It's quite different from other offerings throughout the city," Eno said. "It's not a direct competitor with other malls that have first-run clothing lines....as well as other services and department stores. I think there's still a huge role for local commercial to play."

For example, Eno said the Winnipeg Forks and Exchange district should not be impacted. "It's got a very unique flavour and character all its own that you can't find at the mall," she noted.

"The intent with having the regional draw is dollars coming in, rather than dollars flowing out of the community," Eno added. "That's only a benefit to the province and the city.



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Workers scramble to finish Outlet Collection Winnipeg before the doors open at 10:00 a.m., Wednesday

"It wasn't unheard of at one time for people to take a trip to Calgary to go to Ikea. Now those dollars are staying here."

Ferguson said it will be important to gauge through future study if regional centres "cannibalize" existing malls or the downtown. But he added: "I remember when there was concerns when the Winnipeg Jets returned to the city that, 'Who was going to pay for these tickets and where would all this money come from?' I don't see that being an issue. The culture and the arts is still being well-supported."

Main, meanwhile, said the bigger picture is better realized with another puzzle piece — whether it's an NHL team, world-class museums or a simply a place to get cheaper clothes.

"It's nice to have things to be proud about," she said. "When you're talking to other people (outside Winnipeg) and they're asking you, 'If I'm coming to Winnipeg, what should I do?' Now we've got more things to give people more options. It's just adding to things we can tell people that are on the menu."

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*Read more by Randy Turner.*

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— *Ivanhoe Cambridge*