



THE CURRENT STATE & FUTURE  
OF TORONTO'S RETAIL

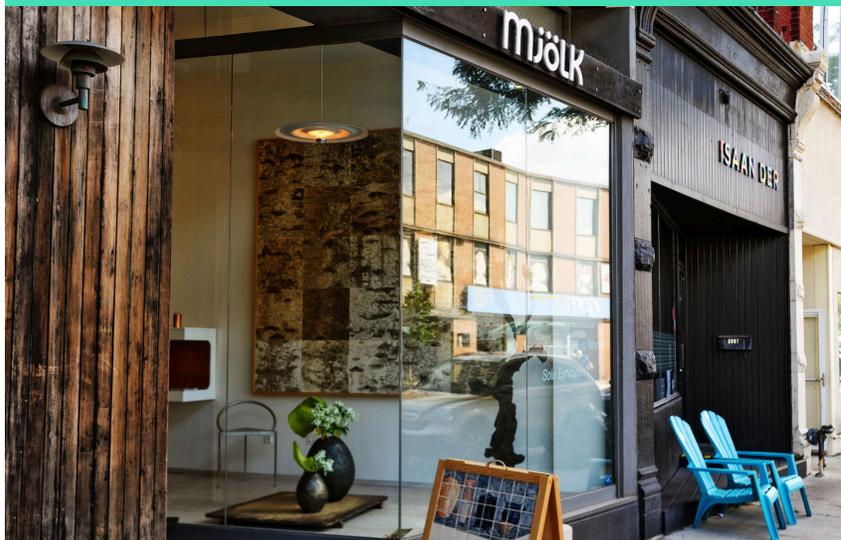
# MAIN STREETS



SUMMARY REPORT OCTOBER 2019

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# Report Summary

## INTRODUCTION

THREE SIXTY COLLECTIVE was retained by the City of Toronto to undertake a study of the current state and future of Toronto's main streets and potential policies and programs to support small retail businesses in these areas as was directed by Council (December 6, 2017).

The study goals are to:

- 1 Provide baseline information on the growth or decline, importance and relationships between small and independent businesses and Toronto's main streets.
- 2 Identify the critical factors contributing to small and independent business success and/or failure.
- 3 Address the City's social equity and inclusiveness objectives as they relate to main street businesses.
- 4 Incorporate the public interest in main street, small and independent business survival.
- 5 Identify prioritized interventions that:

**A:**

Address critical "pain points" impacting small and independent business success;

**B:**

Will have an impact with attainable resources;

**C:**

Address the City's social equity and inclusiveness objectives.

## STUDY PROCESS

The study began in December 2018. The Research Phase was completed in June 2019. Potential interventions that respond to the identified pain points have been explored. Draft recommendations are summarized in the following document for discussion purposes.

The feedback received from the discussion process will be incorporated in refining the suggested interventions and recommendations. The report will then be finalized and brought forward for Council's consideration in early 2020.

## LIST OF MAIN STREET CASE STUDY AREAS

- Albion/Islington
- Danforth east of Jones
- Danforth/Pape
- Eglinton/Danforth
- Kensington Market
- Kingston/Lawrence
- Lakeshore/Islington
- Yonge North of Carlton
- Yonge North of Lawrence
- Yonge North of Finch
- Queen east of Victoria

## SUMMARY OF KEY FINDINGS

- 1 Toronto is fortunate in having a strong foundation of independent businesses (those with fewer than 5 Toronto locations) in its retail and consumer service sector.**
  - Independent businesses accounts for 74% of establishments and 32% of total employment in Toronto retail stores (non-automotive goods sales).
- 2 Toronto residents prefer to shop in local independent businesses.**
  - Over 90% prefer independent businesses for specialty food, personal services, restaurants and bars.

- 45% are doing more shopping in local independent businesses than two years ago.
- 69% are doing less shopping at malls than two years ago.

### **3 Main streets are key locations for independent businesses.**

- Eleven main street case studies representing a range of different conditions across the City were studied in detail. Nine of the eleven included higher shares of independent businesses than the City average. An independent business share around 75-80% of total establishments was typical.

## **MAIN STREET INDEPENDENT BUSINESSES ARE IMPORTANT TO THE COMMUNITY**

### **4 They contribute to creating walkable streets and neighbourhoods.**

- 85% of Toronto residents think it's important to be able to walk or bike to shopping districts.
- On average, 30% of all case study main street customers live within a 10 minute walk (800 metres).

“

***“Local business makes this a neighbourhood. I bought my house based on walkability to groceries, dry cleaning, the library, etc. Main Streets are Essential.”***

- (Online Residents' Survey Response)

### **5 They support economic development goals.**

- Independent businesses in the retail and consumer services sector employ 647,843 people – 42% of total jobs in Toronto (note that this total includes office based professional services located on upper floors as well as ground floor businesses on main streets).

- Independent businesses are more likely to have local supply chains than corporate chains and therefore generate a larger local economic impact. A study in San Francisco estimated that increasing independent merchant market share by 10% would yield \$200 million in local economic activity.
- Independent businesses incubate new concepts in products, services and business models.
- Independent businesses differentiate and diversify Toronto’s shopping and dining experiences. They provide “authentic” products and experiences valued both by local residents and tourists.

## 6 They support social inclusion and equity goals.

- Newcomers have often looked to entrepreneurship as the best route forward to making a living in Canada. Opening main street businesses has been an important part of this journey.

## 7 They support broader societal and civic engagement goals.

- 69% of the businesses surveyed are motivated by a desire to contribute to community. 55% said that they want to enrich others’ lives.
- Self-employment and family-run business is a lifestyle choice for many. 65% of businesses are motivated by “doing what I love”, 44% by “being my own boss”.
- Secondary research documented positive relationships between the rate of independent businesses in US communities and the number of community associations and voter turn-out rates.

“

***“Local businesses in my ‘hood are participants and supporters of community events, volunteers on committees, lead initiatives for those in need, create a feeling of safety, personal connection, history and permanence. They become friends with many of us and a point of contact during our daily lives.”***

- (Online Residents’ Survey Response)

# MAIN STREET BUSINESSES SERVE THE LOCAL NEIGHBOURHOOD TO A LARGE EXTENT

**8** On average, 30% of people visiting retailers in the case study main streets live within 800 metres.

- There is a strong correlation between the socio-economic characteristics and trends impacting the immediate residential neighbourhood, the business mix, rate of turnover and general level of prosperity experienced on main streets.

## RECENT TRENDS

**9** The number of retail stores selling goods (excluding automotive) in Toronto decreased between 2011 and 2018, especially in non-food categories.

- The trend was similar for both independent businesses and chains (5 or more Toronto locations).
- This probably reflects the growth in online shopping among other factors.
- It is noted that Canada currently has a lower rate of online shopping adoption than many other countries. It is possible that the rate will increase in the future, leading to further reductions in bricks and mortar retail locations.

**10** The number of service establishments increased - food services by 13% and non-food services by 5%. This is aligned with consumer behaviour research; more people are buying services that they used to perform themselves.

**11** The proportion of independent businesses relative to chains in the city as a whole was fairly stable between 2011 and 2018.

- The exception was food retail, where the proportion of chain stores increased by 4 percent (from 23% to 27% of total establishments).
- There were localized shifts towards more chain stores in three of the case study main streets - Albion/Islington, Lakeshore/Islington and Yonge north of Carlton.

**12** There was a decrease in micro-independent businesses' (0-5 employees) share of total establishments between 2011 and 2018, especially in the food retail and food service sectors.

**13** **Toronto main streets are known for their abundance of small retail units and properties that are suitable locations for owner-occupied businesses and smaller landlords and businesses.**

- The last few years (2013-2019) have seen some changes to the availability of affordable locations for small business.
- Retail rental rates fluctuate widely across the city. Amongst the eleven main street case study areas they ranged from about \$65 p.s.f. on Yonge Street north of Carlton to about \$12 p.s.f. in the Albion/Islington area (net rent).
- 23% of the business survey respondents who rent space indicated that securing affordable space was a significant challenge impacting their business success.
- Some main streets are experiencing extremely rapid rates of rent escalation. Average rents in six of the eleven case study main streets have increased faster than the city-wide average since 2013 - in Yonge north of Carlton, Kensington Market, Yonge north of Lawrence, Queen east of Victoria, the Danforth/Pape area and Yonge north of Finch.
- Rents in other main streets have remained fairly stable, increasing at rates at or below the rate of inflation.
- There has been a shift in ownership from owner occupied properties to REITS, institutional investors and private equity firms. The extent of this trend also varies by district.

**14** **Space affordability also is impacted by property tax, which is based on current value assessment (CVA).**

- There is wide geographic variation in changes in commercial (CT) assessment among the case study areas.
- The variation is directionally aligned with the trends in average rents. This means that businesses located in the main streets with high rent increases also are experiencing high property tax increases (which currently are capped at 10% per year by City of Toronto tax policy).

**15** **It is noted that the study's time frame coincided with a period of economic growth and prosperity in Toronto.**

## CONCLUSION

Overall at the city-wide level, Toronto has a strong main street independent business community. They account for a high proportion of Toronto's retail and consumer service activity and are well-loved and well-used by city residents.

That said, there is wide variability from area to area. Some of Toronto's main street business communities are under threat to the detriment of the quality of life in the local communities they serve.

- The case study main streets that serve lower income neighbourhoods tended to have higher vacancy rates and more unstable business communities. Both residents and businesses in these neighbourhoods proved difficult to engage in the research.
- Some main streets are experiencing extremely sharp increases in rents, property sale prices and assessments. Property ownership is becoming increasingly concentrated in REITS, institutional investors and private equity firms and redevelopment pressures are mounting. This has created instability and increased occupancy costs (often unanticipated) for local businesses.
- There were also localized decreases in the proportion of independent businesses in some main street case study areas, most notably on Yonge north of Carleton which has been undergoing extensive redevelopment and in the Albion/Islington and Lakeshore/Islington areas.
- The business interviews revealed significant public safety concerns in some main streets of the inner city.

Our research found that several other cities in the United Kingdom as well as New York City, Vancouver and Montreal also are concerned about the future of their independent main street businesses. Some have initiated similar studies.

## FRAMEWORK FOR ACTION

How can the City of Toronto better support independent main street business success?

The surveys, interviews and other research conducted for the main street study provide a factual basis for action by highlighting the foremost pain points independent main street businesses are experiencing and their key requirements for success.

The business survey asked whether sales had increased, decreased or stayed about the same over the last two years. There was an almost equal breakdown in responses:



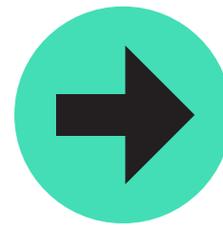
**37%**

sales had increased



**34%**

sales had decreased



**29%**

sales had stayed about the same

The most common reasons given for sales both increasing and decreasing related to demographic or physical changes in the neighbourhood. This reinforces the critical importance of **tackling business revitalization at the neighbourhood level** such as is done by Toronto's BIA program and the Economic Development and Culture's Division BIA Office. It also emphasizes how important it is for individual BIAs and businesses to understand the demographic profile of their immediate neighbourhoods so that they can better respond to local needs, challenges and opportunities.

Other responses demonstrated a high degree of commonality in independent business interests and concerns across the city. The critical factors for business success include:

1. Predictable and stable costs;
2. A transparent and efficient regulatory framework;
3. A cost-competitive business environment when compared to other business models (e.g. online) and other locations (e.g. big box, other municipalities); and
4. Efficient good quality public infrastructure and services.

The main **city-wide pain points** that surfaced related to:

- 1 Costs of doing business:**
  - 1.1. High costs (especially staffing, rent, property tax, inventory, fees).
  - 1.2. Sharp increases/unpredictable cost (especially staffing, rent, property tax).
  - 1.3. Financing hard to access.
  
- 2 Regulatory framework (City, Province, Federal):**
  - 2.1. Unclear regulations (hard to find, difficult to understand, inconsistent interpretation).
  - 2.2. Time needed to comply (hours of effort, timeline).
  - 2.3. Changes/new regulations (lack of communication, advance notice, additional costs of compliance).
  
- 3 Lack of time or specialized knowledge:**
  - 3.1. HR, employment standards, labour law.
  - 3.2. Building and renovation requirements (contractors, engineers, architects, etc.)
  - 3.3. Finding space and negotiating leases.
  - 3.4. Current/new business practices (e.g. digital and omni-channel implementation, “last mile” delivery/pickup), inventory control and sourcing, industry trends and best practices, succession planning and selling businesses).
  
- 4 Municipal infrastructure and services:**
  - 4.1. Construction in area.
  - 4.2. Lack of parking or transit access.
  - 4.3. Area cleanliness, maintenance.
  - 4.4. Garbage and recycling.
  - 4.5. Safety and social issues.

The most frequently cited challenges to business success were:



**Rents**  
51%



**Cost of Staff**  
51%



**Property Tax**  
49%



**Parking**  
44%



**Cost of Doing Business**  
(i.e. recycling, maintenance)  
49%

## DETERMINING PRIORITY ACTION AREAS

The issues the City should focus on to better support independent main street business success were discussed with City staff. It was determined that the following parameters of action should shape priorities.

1. Support over-arching City objectives.
2. Focus on actions that are within the City's mandate.
3. Attack drivers versus symptoms and focus on actions with a strong likelihood of success.
4. Don't duplicate other ongoing studies or initiatives.
5. Build on, leverage and fill gaps in current service delivery.
6. Focus on actions that can be researched and developed within study timeframe and budget.
7. Focus on actions that promise to be cost effective to implement.

It was determined that the following action areas should have priority and be further developed:

### 1 **Small business support services, both within City Hall and indirect support delivered by external associations and agencies.**

- Supports over-arching City objectives.
- Many actions are within the City's mandate and others can be influenced or facilitated by the City.
- Builds on current service delivery.
- Feasible to further develop within study time and budget.
- Potential for financially sustainable implementation.

### 2 **Increasing independent businesses' access to space.**

- Aligned with main street intensification policies.
- Builds on current policy initiatives by addressing potential barriers/gaps in creating spaces suitable for independent businesses.
- Full and detailed analysis is beyond scope of current study, but some aspects are feasible.

### 3 **Property tax policy.**

- Supports over-arching City objectives.
- Some dimensions are within City control.
- Builds on current policy initiatives.

#### **4 Public safety.**

- Aligned with City policy.
- A multi-dimensional issue involving other levels of government, other City divisions and the Police Commission.
- Limit investigation to assistance and supports for front-line businesses. This builds on current service delivery and can reasonably be developed within scope of study.

#### **5 Community economic development.**

- Aligned with City objectives.
- Some actions are within City mandate; others are not.
- Builds on current service delivery.
- Several other studies and initiatives are underway; avoid duplication.

Although they represent significant issues for independent businesses, the following could not be addressed within the scope of the study:

- The cost of doing business – many factors determine pricing and cost factors, most of which are beyond the City’s mandate.
- Issues related to staffing – wage levels, employment and work place standards are regulated by the Province. The study scope did consider strategies for providing information, guidance as to interpretation and facilitating access to HR and legal professionals.
- Regulatory framework – the content and rationale for various regulations, permits and licenses or the associated processes were not analysed. The study scope did consider means through which they can be made more accessible to independent businesses.
- Construction mitigation – this is the subject of a separate study currently being undertaken by the Economic Development and Culture Division.
- Service levels in providing municipal infrastructure and services – these are determined by many factors beyond the scope of this study.

## ACTION PLAN SUMMARY

The Consultants assessed current service delivery in light of the research findings and reviewed best practices in other municipalities to identify service gaps and possible actions for the City of Toronto to consider. The following summarizes the key action areas identified and draft recommendations for the purposes of discussion. More detail is provided in the full report.

### 1 Official recognition of the significance of main street independent businesses.

- 1.1. It is recommended that the City adopt a formal statement recognizing the significance of its main street independent business community and the role it plays in the economy and in contributing to the quality of life of City residents and quality of place of its neighbourhoods and avenues. Support is currently implied in the Official Plan and in the support for BIAs in the Economic Development & Culture Division, but a more explicit policy statement would have both symbolic importance to the independent business community and help focus attention on the needs of the sector in determining City programs and resource allocations.

### 2 Small business assistance

- 2.1. To clarify the regulatory framework, provide clear, consistent and accessible information and direction about processes and timelines to meet requirements:
  - 2.1.1. Continue to keep up to date with policies and procedures impacting their business clients.
  - 2.1.2. Continue to organize workshops, Q&A sessions, webinars, etc. in collaboration with staff in the appropriate regulatory office to explain and interpret the regulations for a small business audience.
  - 2.1.3. Develop a broader audience and greater reach for such information sessions by facilitating their repetition at sessions hosted by BIAs and other business associations and chambers of commerce.
  - 2.1.4. Encourage information sharing among individual BIAs, chambers of commerce and other business associations as to effective tools and contacts they've used to better inform their members.

2.2. To help individual businesses navigate the regulatory framework, provide one-on-one assistance in interpreting general requirements to the specific situation and case management services to help them work with other divisions to meet the requirements or seek exceptions. Large companies with significant job creation potential currently receive this level of service through the “Gold Star Program”. It is recommended that a similar approach targeting independent main street businesses be piloted.

2.2.1. Pilot an explicit Small Business Advocate role within Economic Development & Culture to provide one-on-one support to small businesses in navigating City of Toronto processes and permits.

- Independent main street businesses would be the focus of the service. Small business start-ups, newcomer owned businesses and micro-businesses moving into bricks-and-mortar locations could also be served.
- The Small Business Advocate would act as the economic development point person in liaising with other City divisions about the needs of independent main street businesses.

2.2.2. Assist businesses in navigating provincial and federal regulations and processes by organizing workshops and Q&A sessions with the responsible officials as described in Action 2.1, and by enhancing independent businesses’ access to professionals and experts as described in Action 2.3.

2.3. To facilitate independent businesses’ access to professionals and experts:

2.3.1. Continue to organize “Ask the Expert” workshops through Enterprise Toronto and promote the workshops to main street independent businesses through BIAs and other business associations.

2.3.2. Digital Main Streets offers an online listing of digital service vendors. Explore the feasibility and associated resource requirements with TABIA and Digital Main Streets of offering similar listings for other categories of vendors interested in working with small business clients (e.g. specialists in commercial leasing, legal services, HR consultants and recruitment services, brokers, accountants, architects, interior designers, engineers, building contractors, etc.).

- 2.3.3. Explore increasing the range of grants available to independent main street businesses to include the use of professional services. Eligibility could be targeted at specific priorities – for example professional services associated with renovations eligible for façade improvement grants, legal services for negotiating commercial leases, professional services needed to comply with changes in regulations, etc.
- 2.4. To facilitate independent businesses’ access to specialized knowledge, consider expanding training offerings by leveraging lessons learned from current programs. Extending the reach of current programs and modelling their successes in launching new initiatives may be the most effective strategy.
  - 2.4.1. The Digital Main Streets program has a three-year track record in providing digital training and the resources to implement digital service plans. Assess its effectiveness and outcomes to determine the extent to which the model is transferable to other types of training and its potential to service main streets other than BIAs and an increased volume of clients.
  - 2.4.2. A “Retail Accelerator” program is being developed by Enterprise Toronto in partnership with the Retail Council of Canada. The plan is to deliver a 6-module course to retailers who have been operating bricks and mortar locations for 1 to 5 years. Graduates will be eligible for a \$5000 grant to finance their business requirements. It recently launched in October 2019.
- 2.5. To facilitate access to financing:
  - 2.5.1. Consider extending façade improvement grants to main street property owners outside of BIAs.
  - 2.5.2. Consider enabling grants to tenants and property owners for interior renovations and leasehold improvements.
  - 2.5.3. Consider collaborating with the Business Development Bank of Canada (BDBC) to review the Small Business Loan application process and strategies for making the program more accessible to main street independent businesses (for example, through outreach, hosting information sessions and/or providing resources to support businesses interested in applying).

- 2.6. To support small businesses in adjusting to changes in regulations:
  - 2.6.1. Further to the proposals for providing information about regulations (2.1 above), give priority to proposed and recently announced changes to regulations.
  - 2.6.2. Further to the proposals for expanding grant programs for building renovations (2.5 above), give priority to changes needed to comply with new regulations when determining eligibility criteria.
- 2.7. To increase main street independent businesses' awareness about the services, supports and programs available to them:
  - 2.7.1. Develop and implement a communications plan focused on how Economic Development & Culture supports independent main street business success.
  - 2.7.2. Demonstrate how the various applicable services can help independent main street businesses in specific and concrete terms.
  - 2.7.3. Outreach strategy should include frequent points of contact for independent main street businesses – for example service desks in MLS business licensing, building permit application intake, external professional services and associations (accountants, brokers, lawyers, etc.), financial institutions, BIAs and other business associations.

### **3 Small business access to main street floor space:**

- 3.1. Undertake measures to inform small businesses about commercial leasing terms and considerations and the importance of working with legal and real estate professionals at an early stage of their consideration of opening bricks and mortar locations. It is recommended that this topic be given priority in working with start-up businesses and in organizing workshops.
- 3.2. Consider strategies for making legal services more accessible and affordable for small businesses, especially those in the start-up phase and first few years of operation. In expanding services for facilitating access to professionals (2.3 above), it is recommended that legal advice on commercial leases be given priority.

- 3.3. Undertake an analysis of the extent to which space in new retail developments on main streets has been leased to independent businesses versus chain stores and franchises. Identify and assess any barriers being encountered in making newly constructed retail space accessible to independent businesses and consider the need for additional policy or program responses in that context.
- 3.4. Continue to utilize planning tools to reserve some space in large scale retail developments for smaller businesses and to support business incubation.
- 3.5. Continue to develop, encourage and support programs providing low-cost space on short term leases to entrepreneurs and small businesses (such as “Pop-Up” programs) and programs supporting their “incubation” to become permanent tenants. Consider the need for additional city-wide initiatives to facilitate local programs in the context of experience with the “Pop-Up” program being developed by the BIA Office.
- 3.6. Include the monitoring of main street vacancy rates, business turn over and rental rates in the recommended Independent Main Street Business Dashboard program (see 7 below). The need for additional action to better ensure space affordability should be evaluated in that context, noting that the City of Toronto has a limited ability to take direct action since commercial tenancy is regulated by the Province of Ontario.

## 4

### **Property Tax Reform**

- 4.1. Ameliorate the impact of assessment volatility on business survival by continuing to cap annual property tax increases.
- 4.2. Further assess the incidence and impact of commercial assessment increases based on unrealized redevelopment potential versus current use. Request City Finance staff to monitor Vancouver’s exploration of “split assessment rolls” and planned introduction of measures to reduce the impact of increases due to unrealized development potential on businesses.

**5****Public safety**

- 5.1. The project has developed a Community Safety Toolkit based on experience in the Downtown Yonge BIA and best practices in other communities. The toolkit is applicable to individual businesses, informal groups of businesses and business associations as well as BIAs. It is recommended that the Toolkit be rolled-out across the city through an online resource and media strategy and an outreach plan involving the Councillors' Office, staff working with the businesses and community development in Economic Development, Social Development, Finance and Housing and TABIA.
- 5.2. The City may wish to consider offering financial support to organizations for implementing community safety plans once the local needs have been identified.

**6****Community Economic Development**

- 6.1. The City should continue to facilitate community economic development, focusing on Neighbourhood Improvement Areas and the commercial districts that serve them. Community revitalization teams in Economic Development, Social Development, Finance and Housing, Toronto Employment and Social Services and Parks, Forestry and Recreation should continue to work collaboratively and look for opportunities to build synergies among their various perspectives, areas of expertise and connections with stakeholders.
- 6.2. Best practices should be shared and built on. Best practices in commercial revitalization include:
  - Locating community resources such as day care and community centres, libraries, etc. in main streets to strengthen their role as neighbourhood hubs and local shopping districts.
  - Nurturing local cultural and artistic expression and integrating main street properties and businesses in local cultural and artistic development initiatives.

- Building relationships and partnerships between local businesses and commercial property owners and community agencies and stakeholders, including local schools, places of worship, community centres, etc.
- Undertaking market and commercial needs assessments of neighbourhoods to identify service gaps and short falls in the buying power needed to support private businesses. Use this information to look for opportunities to intensify housing and develop revitalization strategies.
- Involving local commercial property owners in initiatives to use vacant or under-utilized space for community or cultural purposes, social enterprises, entrepreneurship and cultural development initiatives and business incubation for local residents. Examples of initiatives include shared space models, Pop-Up vendors, temporary markets, galleries and stores displaying items made by residents and selling them on consignment.
- Facilitating local business formation and incubation by supporting financing plans accessible to lower income populations – for example, permitting applicants to provide “sweat equity” and/or the completion of training instead of financial collateral to qualify for start-up loans or grants.

## **7** Metrics and Monitoring

The study has provided a snap shot of the current state of Toronto main streets and independent businesses in the retail and consumer service sector. It is the first time the City has undertaken such a study, and significant steps have been made towards creating clear data definitions and developing a framework for analysing trends across multiple data sources. It is recommended that the City begin to systematically monitor trends so that issues are identified at an early stage and actions can be undertaken to sustain this very important aspect of Toronto’s quality of place and life and its economy.

It is also important that the impact of the new initiatives introduced in recent years and recommended by this study are monitored so that they can be fine-tuned to be more effective or supplemented to address any critical gaps. The study provides a framework for determining the key measures that could be collected to answer specific questions. It is noted that the data points by themselves are not as meaningful as their change over time and comparisons between different areas.

At the city-wide level, it is recommended that an “Independent Main Street Business Dashboard” be developed and published annually in a consistent manner so that year-to-year changes can be monitored. The Toronto Employment Survey is the best tool to collect and analyse much of the required information. A few changes have been identified that would better support retail analysis undertaken by the City. The feasibility of implementing them is being considered by City Planning:

- 1.** Annually update the list of chain stores (5 or more locations in Toronto) to reflect ongoing changes.
- 2.** Consider a mechanism to distinguish between street-related ground floor establishments and those that are accessed by internal concourses or are above/below grade. This will allow future research to focus on street-related uses.
- 3.** Consider advancing a pilot that tests estimating sizes of establishments through visual estimates, estimates based on frontage widths and block lengths, or through the provision of information by survey respondents. Pilot study areas should focus initially on street-related retail uses in specific geographies of interest.
- 4.** In combination with size estimates, consider including the ability to track vacant space by identifying commercial units where no employees are recorded.

It is also recommended that a follow-up comprehensive study of the Current State and Future of Toronto’s Main Street Businesses be undertaken in five years time (2024) to monitor changes and inform the need to amend policies and programs.

## KEY RECOMMENDED ACTIONS

1. Request Council to adopt an explicit policy statement recognizing the key role that independent main street businesses play in the City of Toronto by contributing to its economy, quality of life, quality of place, and social inclusion and equity objectives.
2. Pilot a “Small Business Advocate” role as part of the City’s economic development services to provide one-on-one assistance in navigating City regulations, policies and procedures and act as a point-person for liaising with other City Hall front line service providers to develop tools and strategies for better meeting the needs of small business.  
  
Implement a communications plan and outreach strategy focused
3. on how Economic Development & Culture supports independent main street business success. The plan may include a rebranding of services to clarify their applicability to independent main street businesses throughout the City.
4. Continue to disseminate information and organize workshops, webinars, etc. to help businesses understand the regulatory framework and key business requirements (e.g. understanding commercial leases).
  - a) Develop a broader audience and greater reach for sessions by facilitating their repetition by BIAs and other business associations and chambers of commerce.
  - b) Encourage information sharing among individual BIAs, chambers of commerce and other business associations as to effective tools and contacts they’ve used to better inform their members.
5. Explore options for facilitating independent businesses’ access to professionals and experts.
  - a) Promote “Ask the Expert” workshops to main street independent businesses through BIAs and other business associations. Consider topics of specific interest to this audience (e.g. commercial leasing).
  - b) Explore the feasibility and associated resource requirements of expanding the vendor listings maintained by Digital Main Streets to include other categories of services needed by main street independent businesses.

6. Explore whether the Digital Main Street training model is transferable to other types of training relevant to main street independent businesses and whether it is feasible to also serve main streets that are not BIAs.
7. Consider increasing financial support for independent main street businesses, such as:
  - a) Financial support for hiring professional services. Eligibility could be targeted at specific priorities and categories of businesses – for example legal services for negotiating commercial leases, professional services needed to comply with regulatory changes, businesses in their first five years of operation.
  - b) Façade improvement grants for main street property owners located outside of BIAs.
  - c) Grants to property owners and tenants for interior renovations and leasehold improvements. Eligibility could be targeted at specific priorities and categories of business – for example renovations needed to comply with regulatory changes, properties that have been vacant for extended periods of time, new businesses moving into their first bricks and mortar location.
8. Consider collaborating with the Business Development Bank of Canada to review the Small Business Loan application process and strategies for making the program more accessible to main street independent businesses.
9. Continue to:
  - a) Use planning tools to reserve space in large scale retail developments for smaller businesses and to support business incubation.
  - b) Develop, encourage and support programs providing low-cost space on short term leases to entrepreneurs and start-up small businesses and which support their “incubation” to become longer term tenants.
10. Ameliorate the impact of assessment volatility on business survival by continuing to cap annual property tax increases.
11. Create an online resource to make the Community Safety Toolkit developed as part of this study accessible to businesses throughout the city. Implement a media and outreach strategy to promote its use.
  - a) Consider the need for financial support to organizations for implementing community safety plans once the local needs have been identified.

- 12.** Continue to facilitate community economic development focused on Neighbourhood Improvement Areas and the commercial districts that serve them.
- 13.** Undertake further analyses of:
  - a) The extent to which space in new retail developments on main streets has been leased to independent businesses versus chain stores and franchises. Identify and assess any barriers being encountered in making newly constructed retail space accessible to independent businesses and consider the need for additional policy or program responses.
  - b) The incidence and impact of commercial assessment increases based on unrealized redevelopment potential (properties coded “lands in transition”) versus current use. Monitor Vancouver’s exploration of “split assessment rolls” and planned introduction of measures to reduce the impact of increases due to unrealized development potential on businesses.
- 14.** Develop an “Independent Main Street Business Dashboard” and publish it annually in a consistent manner so that year-to-year changes can be monitored.
- 15.** Undertake a follow-up comprehensive study of the Current State and Future of Toronto’s Main Street Businesses in five years time (2024) to monitor changes and inform the need to amend policies and programs.



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