

# IN IT TOGETHER: BRINGING BACK CANADA'S MAIN STREETS

Action Report

October 2020



BRING  
BACK

MAIN  
STREET



Canadian  
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Canada

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## BBMS Partner Network

Beach Village BIA, BC LOCO, Black Business and Professionals Association, Bloor-Yorkville BIA, Canadian Aboriginal and Minority Supplier Council, Canadian Business Resilience Network, Canadian Chamber of Commerce, Canadian Federation of Independent Business, Canadian Institute of Planners, Canadian Society of Landscape Architects, CGLCC: Canada's LGBT+ Chamber of Commerce, City of Calgary, City of Edmonton, City of Toronto, City of Vancouver, Council for Canadian Urbanism, Develop Nova Scotia, Downtown Halifax Business Commission, Downtown Hamilton BIA, Downtown London BIA, Downtown Victoria Business Association, Downtown Winnipeg BIZ, Downtown Yonge BIA, Environics, Financial District BIA, Glebe BIA, ICOMOS Canada, Kamloops North Shore BIA, National Trust for Canada, Newtown BIA, OCAD University, Ontario Business Improvement Area Association, Ontario Chamber of Commerce, Regina Downtown BID, Retail Council of Canada, Royal Architecture Institute of Canada, Rues principales, Save Canadian Small Business, St. Lawrence BIA, STEPS Initiative, Strathcona BIA, Tamarack Institute, Trinity Centres Foundation, The Waterfront BIA, Toronto Entertainment District BIA, Vancouver Economic Commission, Wellington West BIA, West End BIZ, Wexford Heights BIA

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Downtown Winnipeg BIZ

Downtown Yonge BIA

Entertainment District BIA

Financial District BIA

Halifax Partnership

St. Lawrence Market Neighbourhood BIA

Waterfront BIA

WestEnd Biz

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# Glossary of Terms

## **Anchors**

Critical community facilities and institutions. They include community spaces like schools, parks, markets, faith buildings, cultural institutions such as theatres and museums, and civic institutions such as libraries, government buildings, and post-secondary campuses.

## **BIPOC**

Acronym for Black, Indigenous and People of Colour. The term is used to highlight that these groups are severely impacted by systemic racial discrimination.

## **Business associations**

A range of organizations whose mission is to support the business community, such as chambers of commerce, national retail associations, and associations for businesses owned and operated by particular cultural groups.

## **Local business improvement groups**

There are several names used to refer to local business improvement groups representing a specific geography, including:

Business Improvement Areas (BIAs)

Business Improvement Districts (BIDs)

Business Improvement Zones (BIZs)

Société de développement commerciaux (SDCs)

## **Independent business**

Businesses that are privately or cooperatively owned and often small-scale and local. Decision-making is vested in the owner and free from outside control. They typically have a limited number of locations, enabling the owner to oversee services that are tailored to the location.

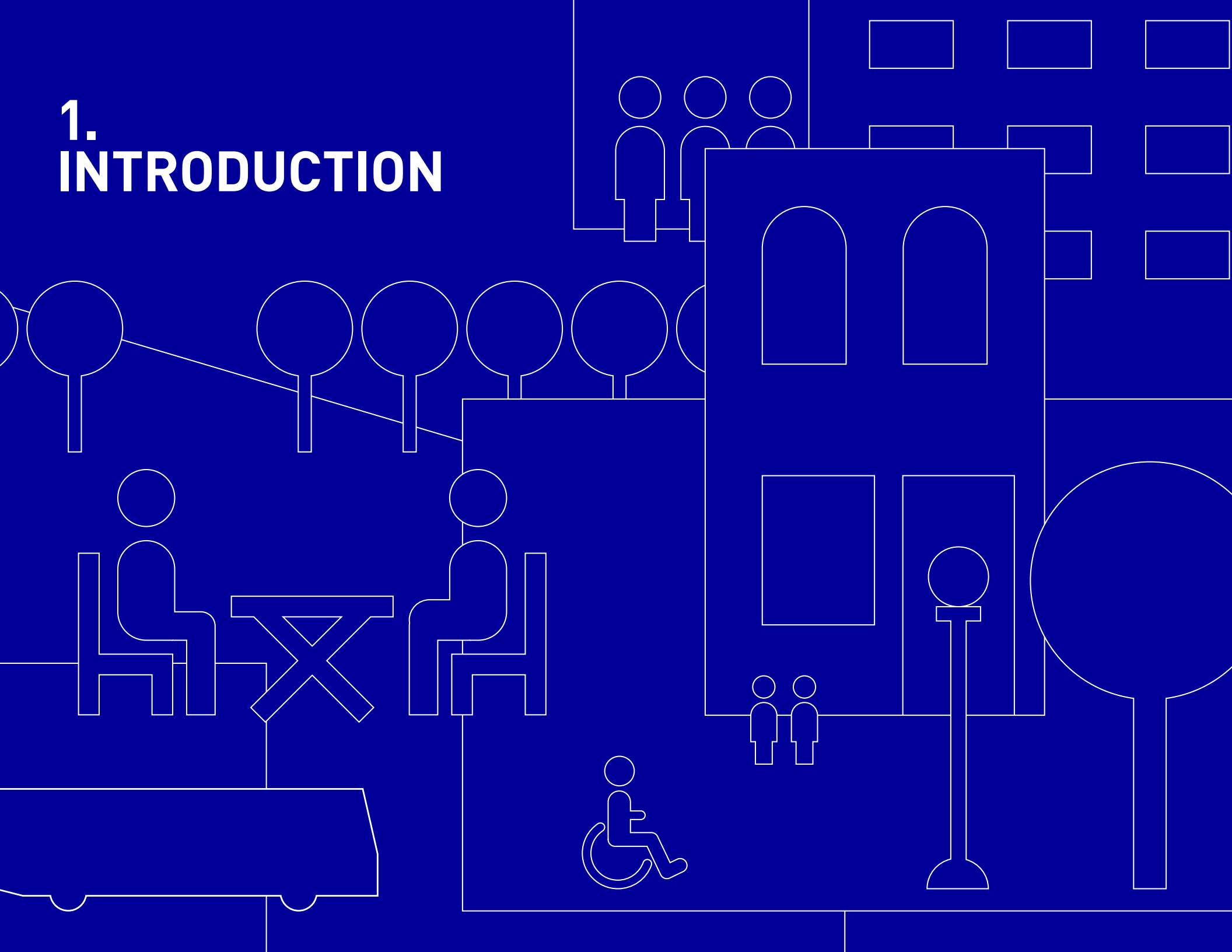
## **Main street**

The location of concentrations of commercial activity in a community, including a variety of independent businesses. They are social gathering places that are often host to community amenities and cultural institutions, including libraries, theatres, faith buildings, community centres, schools, post-secondary institutions, parks, squares and laneways.

## **Small business**

Privately owned corporations, partnerships, or sole proprietorships that have less than 100 paid employees.

# 1. INTRODUCTION



# Executive Summary

Canada's main streets are iconic symbols of urban life and belonging, and indicators of the health of our cities and towns. Main streets are where we go to work and shop, meet friends, and participate in civic life.

The COVID-19 pandemic has amplified the challenges that main streets have experienced in recent years and created new and heightened challenges that demand urgent action.

This Action Report reinforces the value of main streets to cities and communities, assesses how they have been impacted through the COVID-19 public health emergency, and offers a set of specific proposals to sustain and bolster them through the pandemic and beyond. It is the outcome of extensive research and consultations coordinated by the Canadian Urban Institute as part of its [Bring Back Main Street](#) (BBMS) campaign with partners and communities across Canada.

The purpose of this report is to inform decision-making by policy makers at all levels of government, and other main street partners in communities of all sizes. It provides actionable solutions, options, ideas, and examples that can be used to support and strengthen main street businesses, organizations, and communities, and enable them to survive and recover from the pandemic crisis.

## The Actions

The actions presented in this report are informed by research conducted by CUI's partners in a series of [Solution Briefs](#), [BBMS Block Studies](#), [Memos from Main Street](#), CUI's related COVID-19 platforms, and research, proposals, and ideas developed by BBMS partners and thinkers from across Canada.

While the actions are intended to be relevant to main street stakeholders from cities and communities across Canada, we recognize that not all of the actions will be a priority for every community. The type of main street (e.g. business district, neighbourhood or small town), local and regional issues, and the degree to which COVID-19 has impacted the community are all considerations for determining which actions are applicable in a particular community.

The actions are organized around five elements of a successful main street: *People, Places, Anchors, Businesses, and Leadership*. Together they present a range of options, from research to urban planning to tax reform.

A realistic timeframe for implementation of each action is also provided. *Immediate* actions address the urgent challenges that should be a priority, while *Next* and *Longer-term* actions should follow, as they require strategy that will involve further research, analysis, debate, and collaboration between multiple stakeholders.

## Priority Actions

Based on our research and input from the consultation process, we have identified a list of priority actions from the longer list that we believe would have enormous impact. The immediate priority actions are marked **red** and the medium to long-term ones are marked in **yellow**, throughout the report. A full list of actions is included in Section 3.

### Immediate Actions

Promote and support year-round sidewalk cafes and patios by reducing or eliminating fees, streamlining approvals, and allowing annual permits (Action 2.6)

Develop local plans, strategies, and design guidelines for winter-friendly placemaking and to encourage people to spend time on main street year-round (Action 2.7)

Develop creative solutions and financial incentives, micro-grants, and crowdfunding platforms to support businesses adapting to winter during the pandemic (e.g. tents, use of parking lots, snow removal) (Action 2.8)

Provide grants or property tax relief for live music and cultural venues (Action 3.1)

Offer financial assistance and waive fees for small businesses to mitigate the costs of COVID-19 (Action 4.3)

Redesign commercial rent assistance programs based on lessons to date, in consultation with the small business community (Action 4.4)

Work with insurance providers, industry associations and regulators to identify solutions to increasing insurance rates for main street small businesses (Action 4.5)

Extend and expand emergency small business financial assistance to address ongoing revenue and cashflow shortfalls well into 2021 (Action 4.6)

Collect neighbourhood level data to measure the economic recovery and inform local decision-making (Action 5.5)

### Next and Longer-term Actions

Develop a national strategy on mental health, addictions, and street involvement; and provide increased, targeted funding to support collaborative partnerships that address these issues (Action 2.11)

Develop a coordinated approach to occupying and animating vacant retail spaces (Action 2.12)

Review municipal permitting processes to ensure they support new business creation (Action 4.12)

Review and update municipal and provincial procurement policies to include strategies for local and diverse procurement (Action 4.17)

Explore options to reduce or mitigate the property tax burden on main street small businesses, such as by enabling municipalities to set differential tax rates or caps to establish new commercial property classes, or to implement split assessment that reflect current rather than unrealized future use (Action 4.21)

Mitigate the impacts of “highest and best use” by taxing buildings based on their current use (Action 4.22).

Establish Main Street Alliances to lead the revival of main street business districts (Action 5.3)

Create a Canadian Opportunity Zone initiative to catalyze investment in main streets (Action 5.4)

Create a modern version of the federal Main Streets Canada program to provide leadership that supports communities and local government in transforming and improving their main streets (Action 5.11)

Establish neighbourhood main street offices to engage communities and businesses in main street recovery and planning (Action 5.14)

### We Need Bold Action

The job of bringing back our main streets will require bold action, ingenuity, an entrepreneurial spirit, and new ways of working together. Everyone has a role to play. This report proposes policy makers and main street leaders join a **Call to Action** by committing to creating and implementing their own action plan for their cities and communities.



## Introduction

Main streets across Canada matter greatly to the livability and prosperity of our communities, towns and cities, and the country. Our main streets are where we go to shop, work, and do business; where we eat, play, and participate in civic life.

With a concentration of small businesses, historic buildings, public spaces and essential community services and civic institutions, main streets play an important role as the heart and pulse of our communities. By attracting a variety of people, main streets help to build social capital that is essential for the safety and health of our neighborhoods. Main streets are where everyone, regardless of race, ethnicity, age or class, goes.

The COVID-19 crisis is having an unprecedented impact on main streets across the country. In the early months, most main street businesses were forced to close their doors in response to emergency lockdown directives, resulting in a swift collapse of revenue. Vital civic facilities like libraries and schools, which are often located on main streets, shut down. As people followed stay-at-home orders, main streets saw a stunning decline in pedestrian and vehicle traffic<sup>1</sup>. The pandemic has amplified many of the underlying issues on main streets that were already threatening the social and economic vitality and viability of main streets.

Main street leaders responded with incredible resilience and ingenuity. Many businesses rapidly altered their business models by going online with new e-commerce websites, enhanced delivery services, curb-side pickup, and new products and

services. Governments moved quickly to launch emergency support programs, some geared towards main street businesses, like commercial rent relief, and municipalities quickly permitted new spaces for outdoor dining. Public and non-profit agencies pivoted to virtual models of service provision and delivered new programs for at-risk populations.

Over time, as the COVID-19 curve flattened and government restrictions lifted, businesses and anchor institutions were able to open their doors and people slowly began returning to main streets. Many main streets saw foot traffic rise over the summer months, but it was still significantly lower than what it was pre-COVID<sup>2</sup>.

Yet living with the uncertainty of the pandemic continues to have an impact on our main streets. Many businesses have permanently closed, and others are struggling with lower revenues and higher costs<sup>3</sup>. Critical anchors on main streets like libraries, museums and post-secondary institutions are still mostly operating online. Office workers and tourists have not returned, and the many festivals and events that typically animate our main streets throughout the year have been cancelled. As winter approaches, with a second wave building momentum in many parts of the country, main streets face a great deal of uncertainty.

## 1.1 About this Report

In Spring 2020, as it was quickly becoming apparent that a main street crisis was emerging as a result of the COVID-19 public health emergency, the Canadian Urban Institute (CUI) launched the Bring Back Main Street (BBMS) campaign. This nation-wide, coordinated research and action campaign is focused on ensuring that our main streets can recover and emerge from the crisis more resilient than ever.

The purpose of this report is to inform decision-making by policy makers at all levels of government, business associations, and other main street partners. The solutions, options, ideas, and examples presented here can be tailored to support and strengthen the businesses, organizations, and communities that rely on Canada's main streets in communities of all sizes. The report is designed to be practical and applicable by providing:

- **Immediately actionable solutions that can be launched to address time-sensitive and urgent needs;**
- **A menu of options that can be customized to meet specific local priorities;**
- **New and bold ideas that are important to further analyze and debate for medium- and long-term planning (e.g. in policy, finance, planning or operations); and**
- **Real-world examples to inspire, replicate, or scale from across the country.**

This report is the result of substantial research and dialogue with individuals, businesses, and organizations across Canada, including the BBMS Partner Network. It is complemented by a number of BBMS initiatives and research products developed by our research partners in response to COVID-19, which are listed on page 11.

**Section 1** introduces the challenges facing our main streets and provides an overview of the report.

**Section 2** provides an explanation of why main streets matter. It describes the trends and challenges experienced pre-COVID-19 and what's been happening on main streets during the pandemic.

**Section 3** includes a description of the Immediate, Next and Long-term actions, organized by the five key elements of successful main streets: people, places, anchors, business, and leadership.

**Section 4** proposes policy makers and main street leaders join a Call to Action by committing to taking on an action or a combination of actions presented in this report.

**The Action Summary Table** is included as a separate document and provides additional details about each action, including timelines, responsible stakeholders, types of actions, and examples.

# Bring Back Main Street Research Products

## Solution Briefs, written by our Research Partners:

- **Operational Trends and Potential Actions for Main Street Retail Recovery**, prepared by JC Williams Group
- **Supporting Main Street Recovery Through Small Business-Friendly Policy**, prepared by 360 Collective
- **Planning and Urban Design to Bring Back Main Street**, prepared by Fathom Studio

## Rapid Placemaking to Bring Back Main Street: A Pandemic Recovery Toolkit for Local Communities - Placemaking Toolkit, prepared by Happy City

## Block Studies, developed by CUI with Vancity Savings and Vancity Community Investment Bank

## A series of Memos written by members of our research team and other main street experts:

### **Memo #1:**

Why Main Streets Matter

### **Memo #2:**

Scan of Provincial Main Street Re-opening Plans

### **Memo #3:**

How to Make CECRA Work for Main Street

### **Memo #4:**

Types of Main Streets Across Canada

### **Memo #5:**

New Online Models Helping Main Street Businesses during COVID-19

### **Memo #6:**

An Explainer on Main Street Small Business, by 360 Collective

### **Memo #7:**

Reallocating Main Street Space to Support Community Wellbeing, by Happy City

### **Memo #8:**

What Main Street Retail Businesses Are Most Vulnerable?, by JC Williams Group

### **Memo #9:**

Safety, Social Inclusion, and the Success of Main Streets, by Pauline Larsen, Downtown Yonge BIA

### **Memo #10:**

Rediscovering Rural Main Streets, by David Paterson and Kieron Hunt, FBM Planning Studio

### **Memo #11:**

How COVID-19 Has Impacted our Attitudes, and What it Means for our Main Streets, by Salman Faruqi and Kate Graham

### **Memo #12:**

A Snapshot of Main Street Commercial Real Estate, by Glenn Miller

### **Memo #13:**

Main Street Faith Buildings: Evolving through COVID-19 and Beyond, by Barbara Myers and Graham Singh, CEO, Trinity Centres Foundation

### **Memo #14:**

Who has the right to reallocated space?, by Happy City

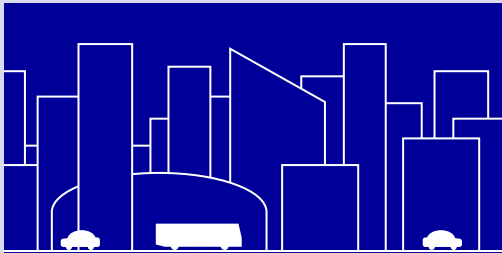
# What is a Main Street?

Main streets are concentrations of commercial activity along a street or in a district that include a variety of businesses, many of them small and independently owned.

They are social gathering places with community amenities, cultural institutions, and public spaces like libraries, theatres, faith buildings, community centres, schools, post-secondary institutions, parks, squares, and laneways. Main streets usually have residences that are located above small businesses and in surrounding

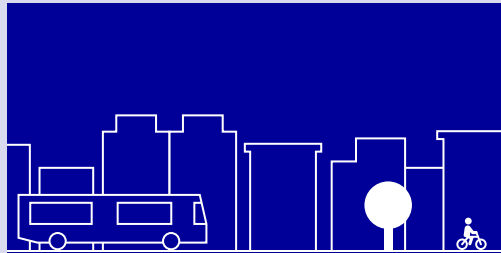
neighbourhoods. Supportive housing and social services are often found on main streets as well.

Every main street has a unique function, length, history, and combination of retail, services, entertainment, and other features. For the purpose of creating actionable initiatives, CUI has identified three types of main streets. The first two, Business Districts and Neighbourhood main streets, are found in cities, while the third type refers to Small Town main streets.



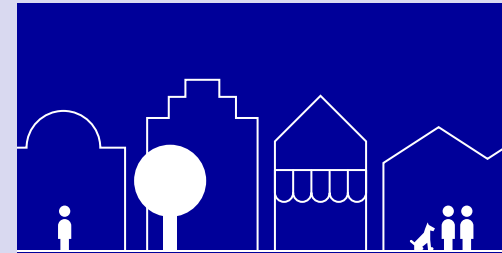
## Business District Main Street

A Business District Main Street is typically located in a high-density walkable downtown core or secondary business district, providing a wide variety of retail and services to workers, residents, and visitors. It usually has a high density of office or commercial activity, and more chain stores compared to other main streets, as well as the capacity to host larger events that draw visitors from outside the district.



## Neighbourhood Main Street

A Neighbourhood Main Street is typically located outside a downtown core, adjacent to a low- or medium-density residential community. These main streets usually have an abundance of small businesses providing a variety of retail and services tailored to the needs of nearby residents who prefer to travel by foot or bike. They often line arterial roads and include street parking and public transit stops. In other places they can take the form of a small plaza with a parking lot. They often have a unique character and are the site of small-scale local events, like farmers markets and cultural events.



## Small Town Main Street

A Small Town Main Street is typically located in a historic centre, surrounded by a low-density residential community, functioning as a central shopping district and a centre for civic life. They are often important to the local economy as a tourist destination.

## 2. A SNAPSHOT OF CANADA'S MAIN STREETS



## 2.1 The Value of Main Street

There is strong, compelling evidence that main streets are important to the prosperity, identity and quality of life of our communities.

### **Main street small businesses are essential to the economy.**

Main streets contain all types of businesses, but many have a high concentration of small and independent businesses, which play a critical role in the Canadian economy. Almost 98% of businesses in Canada are small businesses that generate almost half of the country's GDP and employ 70% of Canada's private labour force<sup>4</sup>. They are significant job-generators, and are responsible for more than half of net private sector employment growth<sup>5</sup>. Money spent at small, local, and independent businesses circulates locally far longer compared to spending at chains or larger corporations, generating more local activity and creating more employment<sup>6</sup>.

### **Main streets are hubs of social, cultural, and civic activity.**

People love their main streets in part because it's where they find unique shops and experiences that can't be found anywhere else. Home to concentrations of cultural venues and civic institutions, heritage buildings, public art, unique public spaces, restaurants, cafes and bars, main streets are hubs of cultural activity and social interaction. They are where people go to have fun and enjoy leisurely activities, relax and enjoy the energy of the community. It is this blend of activities, throughout the day and night, that make main streets such interesting and vibrant places.

### **Main streets support community inclusion, safety, and health.**

Main streets help build inclusive communities, by, for example, enabling new immigrants, and minority or vulnerable populations facing barriers to employment to open businesses<sup>7</sup>. The familiarity, convenience, accessibility, and social exchange on main streets can create strong community connections that are critical to healthy neighbourhoods. When main streets are successful, they have foot traffic both day and night. The constant eyes on the street helps to create a level of safety for pedestrians<sup>8</sup>. And there are health benefits as well, as main streets support a walkable/ bikeable lifestyle for residents and employees, and when they do drive, their trips are shorter. Main streets are also locations for a variety of public services such as employment programs and harm reduction services which attract a wide array of users. The informal interactions that take place between different types of people on main streets is crucial to fostering acceptance of diversity and building social cohesion.





**▀ ▀ The heart of a community beats on its main street. It is a sense of place that is built over time, as stores, restaurants, theatres, libraries, and all things giving life to a community open to welcome residents. One old brick, one familiar building, one popular gathering place at a time. What is a main street without those things? A roadway.”**

—Christophe Rivet,  
ICOMOS Canada



## 2.2 Main Street Trends and Challenges

Before COVID-19, main streets were experiencing a variety of trends and challenges, many of which were only heightened by the pandemic. While there is variation among main streets and this is not an exhaustive list, there are some common experiences.

### 2.2.1 Pre-COVID-19 Trends

#### **The rise of e-commerce and use of digital channels.**

Statistics Canada reported that Canadian e-commerce sales grew by 23% in the third and fourth quarters of 2019. More people are buying more online, and businesses are getting more savvy with digital commerce. This trend has led to less demand for some brick and mortar main street businesses, such as clothing stores<sup>9</sup>.

#### **Increasing commercial real estate prices, rents, and property taxes.**

The cost of commercial property ownership and rents on many main streets had been steadily rising – a major concern and challenge for small businesses as well as other community anchors<sup>10</sup>. Rising property tax rates are also putting financial pressure on main street businesses. In many provinces, the current tax assessment method is to value a property based on “highest and best use” even if it is not being developed<sup>11</sup>. This has further increased the tax burden on some main street businesses and anchors.

**Changing ownership models.** On many main streets, property ownership has shifted from longstanding local owners to institutional investors such as Real Estate Investment Trusts, which don't have the same knowledge or connection to the local community and have an increased focus on return on investment. This has been changing the character and nature of the businesses that can afford to locate in certain areas<sup>12</sup>.

**Changing, less diversified business mix.** Many main streets have seen an excessive growth in restaurants and personal services. This is driven partly by the increasing desire of consumers for experiences rather than goods, as well as the drive towards online shopping in other sectors. In addition, as rents rise, main street spaces become out of reach for independent businesses, reducing the variety of tenants to a limited number of “Class A” businesses such as banks and pharmacies. Lastly, new retail spaces at the base of a mixed-use project are often not well-designed for the needs of a small businesses and end up being leased by franchise operations or non-traditional tenants like dental clinics, exercise facilities or pharmacies, which typically do little to create a “buzz” on main streets.

**Challenges with new development.** While some main streets, especially those in central business districts, have seen massive increases in residential and commercial development, on many neighbourhood main streets, increased density has also been met with push-back and NIMBYism. In smaller cities or towns, the challenge can be attracting investment to bring new commercial and residential development to the main street<sup>13</sup>.

**Declining safety and issues with social inclusion.** In some communities, main streets have experienced an increase in theft, aggressive behaviour and other conflict in recent years. These challenges are of major concern to local neighbourhoods, and also threaten the viability of local businesses.

At the same time, there are critical social and economic issues with affordable housing, the rising cost of living, income inequality, and poverty which have an impact on people facing homelessness, mental health issues, and addictions. These are issues that have a major impact on vulnerable street-involved people, many who are supported by main street social and health service providers, but these organizations do not have the capacity to tackle the broader issues. This does not imply a correlation between street involved issues and crime, but rather that these issues impact perceptions of safety in the neighbourhood.

**Changing role of anchors.** Libraries have always played a significant role on main streets, providing gathering places and other literacy-based services for the community. In recent years, libraries have also played increasing community-building and place management roles, as they are one of the few places that people can go to and stay in without having to make a purchase to avoid charges of loitering<sup>14</sup>. Faith institutions have also been critical anchors for main streets, drawing people, creating visual interest, and adding diversity to the street. Before the pandemic, many faith institutions were experiencing shrinking congregations and rising maintenance costs<sup>15</sup>. In some communities, institutional buildings like churches were being converted to other community uses. Many anchors also provided important amenities like public washrooms, which are often lacking in Canadian cities.



## 2.2.2 Responses to COVID-19

Since COVID-19 emerged, main street businesses and institutions have weathered near-complete shutdowns, restrictive re-opening conditions, and deep uncertainty about the future. Many groups, from government to business associations to local communities and businesses themselves have responded with a great deal of ingenuity to help support main streets through the pandemic.

Federal and provincial/territorial governments introduced financial aid programs to support small businesses, like the Canada Emergency Commercial Rent Assistance (CECRA), Canada Emergency Business Account (CEBA) interest-free loan, and wage subsidies<sup>16</sup>. Commercial eviction moratoriums were also introduced to support businesses through the pandemic, and they have had some success.

Local government support has also bolstered main street businesses with programs that allow for patios, lane closures, and additional street furniture, as well as measures enacted to support businesses with adapting to COVID-19, such as delaying property tax payments or creating online resources, “shop local” campaigns, and offering webinars and grant programs<sup>17</sup>.

Business associations, such as BIAs, have also played a critical role in supporting main streets. Be it helping businesses to navigate government programs, creating new marketing campaigns, increasing cleaning and safety patrols or collecting local data, these organizations have shown exceptional leadership and value through the pandemic.

Community and volunteer organizations have played a critical role in ensuring that vulnerable populations have safe places to gather and that local communities continue to have access to critical services.

Businesses themselves have shown great adaptability and resourcefulness, pivoting to new models, creating new products and services, and finding new ways to serve their customers online<sup>18</sup>.

## 2.2.3 COVID-19 – Main Street Impacts

Despite the rapid and creative responses of main street stakeholders, the pandemic-related impacts have been significant. However, the impacts have not been the same across Canada; provinces with lower infection rates were able to ease restrictions on retail businesses and gatherings in mid-May, while reopening came later in other areas of the country. Still, there are some common pandemic-related impacts that main streets across the country are grappling with.

**Consumer behaviour and spending.** While the shift to online shopping was well underway prior to COVID-19, an accelerated shift during the pandemic saw e-commerce sales peak at over 11% of all retail sales in April. The shift to online shopping and e-commerce will likely be a legacy of the pandemic<sup>19</sup>. In terms of overall consumer spending, sales data suggests that certain retail sectors that are critical to main streets, like restaurants and personal services, are still well behind pre-pandemic levels<sup>20</sup>. In general, what we heard from those who work directly with main street businesses is that the lack of customer confidence in returning to main streets is a critical challenge, which will only be heightened as we endure a second wave.

**How people travel.** The pandemic has significantly altered the way people move, and how far they travel for work and to meet daily needs. For example, there were 2.5 million more people working from home in August, compared to the same time last year<sup>21</sup>. This had a positive impact on some main streets as more families were home, and visiting and shopping locally rather than travelling further. Transit ridership plummeted, with some commuters shifting to walking and cycling, but many more to their cars<sup>22</sup>. Tourism was severely impacted by the pandemic, as well. This has been devastating for tourism-focused businesses, as well as the many Canadian main streets and retail businesses that relied on visitors for foot traffic. The decline in office workers, combined with the absence of tourists, has had a detrimental impact on our downtowns.

Visits to main streets declined dramatically early-on in the pandemic. CUI’s analysis of nine Canadian main streets saw that compared to 2019, main street visits were down up to 80% in April and up to 65% in August<sup>23</sup>. As we approach winter and a second wave, we could see traffic patterns revert back to where they were in the spring, or even lower.

**Restrictions on gatherings.** Main streets are important gathering places. They are often the location of important community events and festivals. They are also places for more informal gatherings, protests and just being out in the community. While the restrictions on public gatherings were lifted in most provinces over the summer, most communities cancelled their events. Post-secondary institutions and some public facilities like libraries that are popular meeting places have vastly scaled back their services or moved them online, further contributing to the decline in main street visits. Going into the fall, restrictions on gatherings are starting to tighten again as COVID-19 makes a resurgence.

**Challenges for small business.** Main street businesses continue to experience significant revenue losses as a result of COVID-19. Surveys suggest 69% of businesses are making less revenues this September compared to the same time last year<sup>24</sup>. With reduced revenues, commercial real estate costs have been crippling for many main street businesses, especially given the very low landlord take-up of the CECRA, and uncertainty about what the future of rent support programs will look like<sup>25</sup>.

Businesses have taken on high levels of debt during the pandemic, which could inhibit their future viability and growth. The small businesses that have incurred losses due to the pandemic report that on average they have taken on \$135,000 in new debt<sup>26</sup>. To finance COVID-19 revenue shortfalls and extra costs, business owners are relying on personal savings, credit cards, loans, and government programs. Another major concern is the “deferral cliff” that looms this fall as deferred mortgage payments, commercial loans and property taxes come due, which could lead a surge in defaults.

COVID has disproportionately impacted minority-run businesses, especially those owned by women and people with a disability<sup>27</sup>. Personal accounts from business owners suggest that minority-run business faced challenges with meeting the criteria for government programs, such as CEBA. Language and cultural barriers also created barriers to accessing these programs<sup>28</sup>. But ethnic businesses and culturally-specific businesses have also shown great resilience. Strong connections to their community meant that loyal customers continued to support them through the pandemic.


#### **Changes to social service delivery and housing.**

During the first few months of the pandemic, governments opened new shelter spaces for unhoused people, many of them on or near main streets. In some communities this created tensions as concerns about petty crime and safety were raised by residents and business owners. Many services tailored to those experiencing homelessness or addiction have been closed or limited due to restrictions on social gatherings. This has meant that some street-involved people have few places to go other than main streets. Many public amenities, like washrooms, have been closed during the pandemic, which has created challenges for those who rely on them.

**Increasing safety issues.** During the lockdown phase, closed storefronts, boarded-up buildings, and the significantly reduced flow of positive foot traffic contributed to a perception of main streets as being less safe. There is potential, if vacancies continue to increase, that the feeling of desolation, which creates real and perceived experiences of safety and space, will only worsen. Vulnerable, un-housed and street-involved residents - who may have addictions or mental illness - have been far more evident on the street<sup>29</sup>. This was exacerbated by the shutdown and/or changes in service delivery by many social agencies who provide support to these populations. In many places the opioid crisis, which often plays out on main streets, has gotten worse<sup>30</sup>.

**Uncertainty About the Future.** The full scope of the impact of COVID-19 on main streets cannot yet be fully understood as we are still in the midst of the pandemic. Government emergency financial support and measures like bans on commercial evictions have helped many small businesses and local institutions to weather the storm and fend off its full impact, but it is unclear whether some of these emergency measures will continue or what form they will take in future.

Seasonal weather will most certainly have an impact on main streets as the appeal of main street shopping and outdoor dining and socializing decreases. Much will also depend on the degree to which different regions experience a second wave, the severity of the weather, and how governments respond. Main street stakeholders will have to continue to monitor and respond as the pandemic's path changes over time.



**The pandemic  
is just the gasoline  
that's been poured on the  
fire of main street troubles.”**

—Charles Montgomery,  
Happy City,  
from CUI City Talk –  
How Do We Bring Back  
Our Main Streets

# How Movement Has Changed on Main Streets

In order to understand how personal travel patterns have changed in response to COVID-19, we gathered MobileScapes<sup>31</sup> data from Environics Analytics and conducted an analysis of nine main streets across Canada, representing different typologies (business district, neighbourhood, and small town main streets).

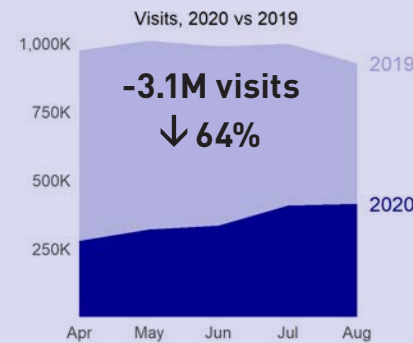
The graphs in this section show the estimated visits by month for 2019 and 2020. The superimposed figures represent the total decline in visits over the entire five-month period relative to 2019. Some of the key observations include:

- All main streets saw a significant decline in visits compared to 2019. Rue Sainte Catherine in Montreal saw 18.8 million fewer visits over the spring/summer compared to last year.
- The number of visits increased on all the main streets over the course of the summer. On average, visits to the nine sample main streets in April 2020 were down by 54% from 2019. In August 2020, visits had recovered slightly to a decline of 41% over 2019.
- Business district main streets have been the hardest hit, with the steepest declines in April and the slowest recoveries in April and August.
- The neighbourhood main streets saw their visits cut roughly in half during April 2020 with a recovery by August 2020 of approximately one-third below that of the previous year. The exception to this was Main Street in Dartmouth, Nova Scotia, which had nearly returned to 2019 levels by August. This may reflect the conditions of the “Atlantic bubble” and that Nova Scotia had only sporadic COVID-19 infections from June onwards.
- The two small town main streets had diverging experiences with very little change in April for Water Street in St. Andrews, New Brunswick, but a more pronounced reduction in activity over the summer months when the number of visits to this resort town’s main street typically quadruples.

## King St, Winnipeg, MB

### Business District Main Street

Winnipeg’s historic Exchange District is the third largest Business Improvement Zone in the City. This business and retail zone radiates out from Old Market Square and extends to the iconic intersection of Portage and Main.



## Rue Sainte-Catherine, Montreal, QC

### Business District Main Street

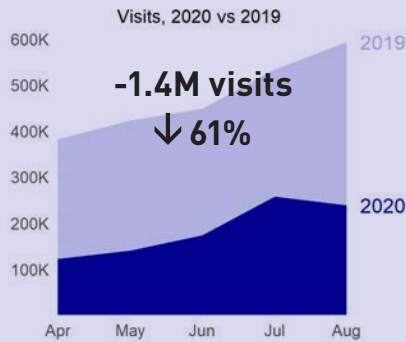
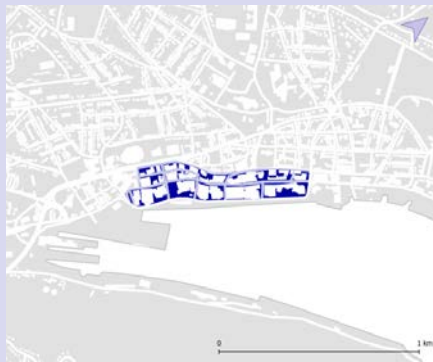
The primary commercial artery through Downtown Montreal, rue Sainte-Catherine is a place where tourists, workers, residents, and students mix among the many shopping malls, large stores, boutique shops, and restaurants.



## Water St, St. John's, NL

### Business District Main Street

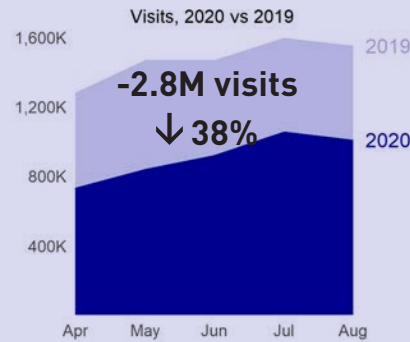
Central to St. John's Downtown Business Area, a portion of Water St. was converted this summer into a pedestrian mall to allow businesses to expand their space and permit people to stay physically distanced.



## West 4th Ave, Vancouver, BC

### Neighbourhood Main Street

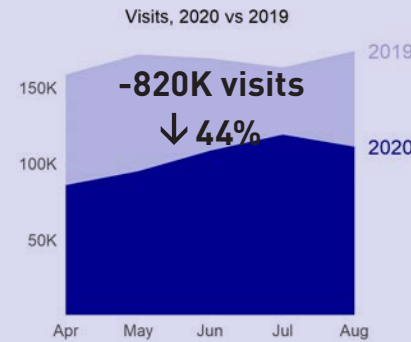
Located in Vancouver's Kitsilano neighbourhood just over the Burrard Bridge from the downtown, this retail corridor stretches over one kilometre, encompassing over 240 businesses including restaurants, lifestyle retailers, spas, and salons.



## Broadway Ave, Saskatoon, SK

### Neighbourhood Main Street

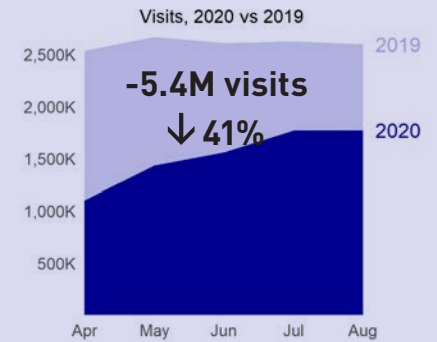
Attracting visitors and locals alike, Broadway Ave is the birthplace of arts and culture in Saskatoon. With a mix of old and new businesses, the main street boasts a village atmosphere with proximity both to the Downtown and University of Saskatchewan.



## Lawrence Ave E, Toronto, ON

### Neighbourhood Main Street

Rich in restaurants from around the world, this section of Lawrence Ave E is one of the most culturally diverse areas in Toronto and it demarcates the Wexford Heights Business Improvement Area.



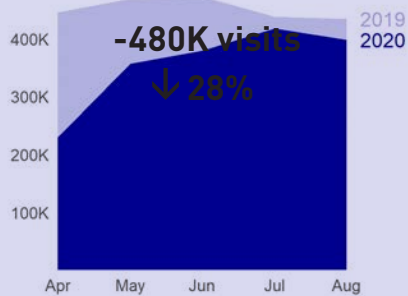
## Main St, Dartmouth, NS

### Neighbourhood Main Street

Running between the Commodore Park and Westphal neighbourhoods in Dartmouth's east end, Main St is a hub for shopping and services with a mix of roadside chains and independent businesses adjacent to residential neighbourhoods



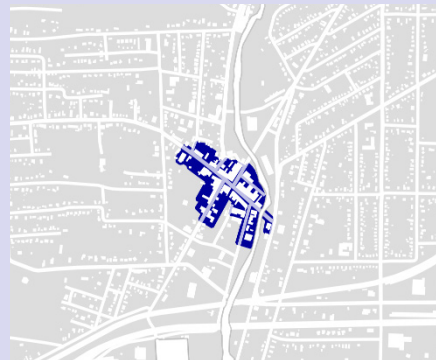
Visits, 2020 vs 2019



## Downtown Port Hope, ON

### Small Town Main Street

On the banks of Ganaraska River and a stone's throw from Lake Ontario, Port Hope's downtown is known as one of Ontario's best preserved main streets. Farmers, chefs, and artisans, and cultural attractions are highlights of this small town.



Visits, 2020 vs 2019



## Water St, St. Andrews, NB

### Small Town Main Street

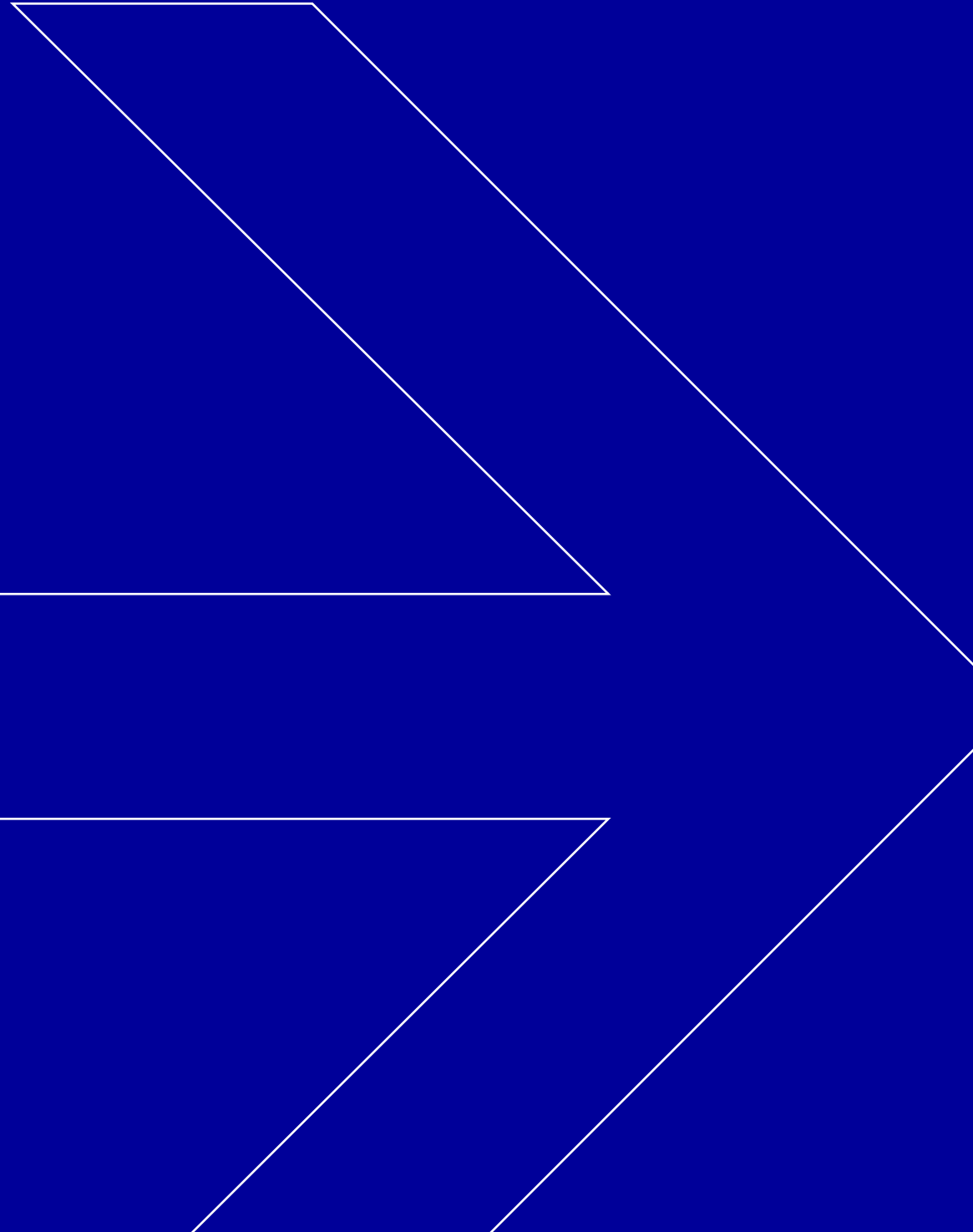
Water St is the focal point of this seaside resort town that was founded in 1783. The main street is characterized by owner-operated businesses and original architecture. Steeped in history, St Andrews is a destination for dining, whale watching, and outdoor recreation.



Visits, 2020 vs 2019



# **3. ACTIONS FOR POLICY MAKERS AND MAIN STREET STAKEHOLDERS**





# Actions for Policy Makers and Main Street Stakeholders

The purpose of the report is to identify opportunities and encourage policy makers and main street stakeholders to take action that supports the recovery and future resilience of Canada's main streets. The proposed actions aim to address the challenges that have been brought on by COVID-19, and to correct some of the long-standing issues on main streets that the pandemic has amplified.

Almost every action in this document requires collaboration between multiple stakeholders. The nature of main streets requires cooperation in planning, decision-making, implementation, and monitoring of progress.

Ultimately, the outcomes we want to see are vibrant, healthy, sustainable main streets that support social and cultural activity and inclusion, provide a platform for communities and small businesses to thrive, and that can support community prosperity and a strong national economy.

## Selecting the Actions

The actions in this report are informed by the research conducted by the Bring Back Main Street (BBMS) network in a series of [Solution Briefs](#), [BBMS Block Studies](#), [Memos from Main Street](#), CUI's related COVID-19 platforms, and research, proposals, and ideas developed by BBMS partners and thinkers from across Canada.

The actions are also informed by CUI's engagement with policy makers and main street stakeholders, including members of the Partner Network and the Steering Committee, economic development organizations/municipal departments, BIAs/BIDs/BIZs/SDCs from across the country, subject matter experts, and individual business owners.

In identifying the actions, the scope was limited to interventions that could be implemented by the main street stakeholders the report is geared to. It therefore doesn't cover everything that is needed for healthy main street neighbourhoods. And given the uncertainty about the future, it's possible that new priorities will arise that demand new program and policy responses.

In order to develop and refine the list of actions, we applied the following criteria:

- **The action offers potential for impact in addressing main street challenges;**
- **The action is nationally relevant, applicable to a wide range of main streets across Canada;**
- **The action is evidence-based, and there was sufficient available detail to make it useful; and**
- **The action is realistic given the current realities facing main street stakeholders, including governments.**

## Organizing the Actions

The actions in the report are organized under the five key elements of a successful main street:



### People

to draw people back to main street



### Places

to create safe and vibrant streets and public spaces



### Anchors

to support resilience of civic institutions and community anchors



### Business

to ensure the health and recovery of main street businesses



### Leadership

to strengthen governance, communication, and collaboration among main street stakeholders

## Examples and Resources

Wherever possible, we have highlighted high impact or promising case studies and initiatives from main streets across Canada and internationally. In some cases we provide a link to additional resources.

In the [Action Summary Table](#), we have also provided additional details about each action, including:

### Recommended Timeframe for Implementation:

- **Immediate** - actions that are urgently needed now in order to provide relief from the pandemic,
- **Next** - subsequent steps that will be support main street recovery, and
- **Longer-term** - actions that fix systematic problems experienced by main streets.

### Responsibility:

Our recommendations for which level of government or other stakeholder should be involved in the action. This includes:

- Local governments
- Provincial governments
- Federal government
- Business associations
- BIAs/BIDs/BIZs/SDCs
- Financial institutions
- Private sector and developers
- Researchers
- Non-profits and social service agencies
- Community groups
- Artists and arts organizations
- Other potential intermediaries

### A Menu of Options:

We recognize that not all of the actions will be relevant or a priority for every main street community. The type of main street (e.g. business district, neighbourhood or small town), the local and regional issues, and the degree to which COVID has impacted the community are all considerations for determining which actions are applicable and in what combination and sequence. While the actions aimed at upper levels of government are more definitive, our intention is for each community to be able to use this extensive list of actions to create their own implementation plan, based local priorities, resources, and aspirations.

### Priority Actions:

Based on our research and input from the consultation process, we have identified a list of priority actions from the longer list that we believe would have enormous impact. These include both immediate, medium and longer-term solutions related to policy, finance, planning and main street operations. The high priority immediate actions are marked in **red** and the next and long-term ones are marked in **yellow**, throughout the report.



**Our main streets are resilient, they have survived in Canada for hundreds of years, they will survive again, but in order for them to move beyond mere survival they will need priority investment, nurturing and dedicated stewardship in order to thrive.”**

—Kay Matthews,  
Executive Director,  
Ontario Business Improvement  
Area Association







## 1. People

It's the presence and diversity of people that creates the vibrancy of main streets and that will ensure the long-term viability of main street businesses and anchors. To support main street recovery, a critical task is drawing people back as visitors, consumers and workers.

### Re-establishing Consumer Confidence

A key barrier to drawing people to main streets is a lack of consumer confidence. Surveys reveal that health and safety remains a major concern for most Canadians in returning to public places like main streets, with many still very afraid of contracting COVID-19<sup>32</sup>. In the immediate term, initiatives to reassure consumers about a business's commitment to safety is a simple gesture to help reassure customers and restore consumer confidence.

**Action 1.1** Create a standard set of COVID-19 prevention strategies and encourage main street businesses and other establishments to advertise their commitment to the protocols through a standardized "seal of approval" or branding.

#### Examples & Resources

→ The **POST Promise** is a self-declaration that a business is working to help prevent the spread of COVID-19. Once completed, a business is provided with the necessary communication and implementation tools to educate employees on the five key steps to workplace safety, which were created to be consistent with what has been recommended by the Public Health Agency of Canada.

## Increasing Foot Traffic and Opportunities for Social Interaction

Community organizations and business associations have always played an important role in animating main streets, and more than ever, we need to support them in creating unique experiences that draw people to the street. There are many creative approaches to events, festivals and public space animation that are being piloted to support community-building and small businesses, while allowing people to adhere to public health rules for physical distancing and social gathering. It is important that local organizations and other stakeholders have access to funding to support their efforts to host events and animate main streets. During the winter months, markets, holiday festivals, outdoor events like Winterlude or Winter Carnival can help to draw people. These events require simplified processes for obtaining the local permits they need, both during COVID-19 and in the future.

**Action 1.2** Provide funding for community and business organizations to host events and animate public spaces in order to safely attract people to main streets.

**Action 1.3** Streamline the process for applying for event and festival permits that safely bring people to main streets, both during and after the pandemic.

Local tourism is an important opportunity for drawing people back to main streets. Canada's main streets provide a wealth of tourism, cultural and recreational opportunities, whether in small towns or large urban centres. While there are still some limitations placed on travellers, many communities are eager to welcome back visitors. Incentives like tax credits or local rewards programs can also help to encourage local tourism through the winter (assuming that government restrictions around the predicted second wave allow it) and into spring and summer 2021.

**Action 1.4** Provide tax credits and other incentives to encourage Canadians to spend money on local travel.

## Providing Safe, Inclusive Places for Social Activity and Gathering

To ensure that main streets continue to be communal gathering places during the pandemic and into the future, they must provide places for people to safely gather and socialize. This includes outdoor public spaces but could also include community hubs or storefronts that provide free space for communities to meet and interact. This provides an opportunity to engage BIPOC and other equity-seeking groups (e.g. newcomers, women or LGBTQ+) to ensure that the design and programming of these spaces is inclusive. Providing space for gathering also includes street-involved people who often congregate on main streets.

**Action 1.5** Use vacant or leftover space on main streets to establish parkettes, plazas or pop-ups that allow for social activity and gathering while maintaining social distancing.

**Action 1.6** Provide space and amenities (such as toilets, handwashing stations, and cooled or heated spaces) to allow street-involved people to safely gather on main streets.

### Examples & Resources

→ **The New Brunswick Travel Incentive** program encourages New Brunswick residents to participate in local travel during the summer and early fall of 2020. There is a 20% discount on a maximum of \$1,000 of eligible expenses for participants.

→ **The City of Vancouver Pop-up Plazas Program** was created to provide people with more space to resume everyday activities. The plazas are designed with temporary seating to give people the opportunity to eat, visit, rest, and enjoy the weather while maintaining a safe distance from others.

→ In Victoria, **My Great Neighbourhood Grants** support citizen-initiated projects and activities that animate community spaces and create gathering spots to bring people together.

→ **Winnipeg's Mobile Assist and Connection Team** focuses on providing presence and outreach services to the downtown community.

## Encouraging Communities to Support Local

“Shop local” campaigns are popping up all over the country as governments and business associations grapple with how to encourage people to support small businesses. These initiatives would be bolstered by research that looks specifically at the types of initiatives, communication tactics, and messaging that would be most effective at encouraging people to change their consumer behaviour, to inform these campaigns. Another creative approach to encouraging local shopping and dining is to create local currencies that allow people to purchase goods and services from businesses and other users. Local currencies can foster stronger community connections by facilitating and encouraging people to shop locally<sup>33</sup>.

**Action 1.7** Conduct research to better understand how behaviour change science can be used to encourage people to shop local, both during and after the pandemic.

**Action 1.8** Create local currencies to facilitate or incentivize local consumption and build stronger community connections.

## Restoring the Vibrancy of Our Downtowns

During the initial pandemic shutdown, many offices moved to work from home arrangements. While (for now) they have reopened and people are allowed to go back to the office, many employers and employees are still choosing to work from home. This has had a significant impact on our cities’ business districts, which rely on office workers for daily foot traffic. The restrictions on tourism and the cancellation of cultural events has added to the challenge.

Investing in public space amenities and open spaces, improving transit and active transportation connections, and creating an atmosphere of energy, collaboration, and creativity will help to encourage people to return to downtown. One of the reasons downtowns have been so successful in recent years is because people want to be there. Young professionals have demonstrated a desire to live in cities, walk or bike to the office, and work with other creative people<sup>34</sup>.

While municipalities may not have large budgets for investing in public spaces, small placemaking and public art initiatives can be beneficial. For some communities there will be opportunities to extract funds from the development process and/or use community benefits agreements.

In other places it may be possible to earmark parking fees to public and open space improvements. Municipalities can also encourage the private sector to create publicly-accessible open spaces (POPS) in existing or new developments on main streets.

**Action 1.9** Invest in public space amenities that make downtowns attractive to employers and employees (see the Planning & Urban Design Solution Brief).

Over the long-term, it may be that some office districts never fully recover, leaving an excess of office space. Office to residential conversions or other hybrid alternatives could make some downtowns more balanced communities, while at the same time creating more housing opportunities. Planners would want to be sure that there is evidence that vacancies are permanent to avoid conflicts with employment land policies.

**Action 1.10** Explore opportunities for conversion of office space to residential or other commercial uses in areas where there is an excess of office space (see the Planning & Urban Design Solution Brief).

### Examples & Resources

→ **Le Panier Bleu**, funded by the Government of Quebec, was launched to boost local purchasing and promote local products and businesses. Quebec merchants can use it as a showcase by registering their business. Consumers can use it to discover businesses by keyword, category or location.

→ **The Calgary dollar** is a **local currency** developed for and used only by city residents. Calgary dollars are part of an initiative to inspire local consumers to shop close to home, to personalize economic relations, to nurture a sense of community, and to increase both local self-sufficiency and bioregionalism.

→ **Dollar Solidaire** is a crowdfunding campaign to support Quebec’s local businesses. The program has created a local currency whereby contributors’ investments will be given directly to businesses participating in the program.

## Creating Residential Density and Affordable Housing Options

Over the longer-term, to create resilient main streets, there is a need to provide more opportunities for more people to live near main streets. Increasing residential density is often tricky, especially around neighbourhood main streets, because local residents often resist change (“NIMBYs”).

There are a range of planning tools, such as inclusionary zoning, up-zoning, form-based codes, and the development permit system that can be used to help create gentle or distributed density along our main streets to help tackle resistance.

Form-based codes are a tool that have been effective in some places, leading to more efficient processes and more streamlined developments<sup>35</sup>. They allow for local governments, developers, residents, and other stakeholders to be engaged in up-front discussions about form, design, and density and as a result reduce uncertainty for both developers and the community.

The lack of affordable housing is a significant, complex challenge that has an impact on main streets across Canada. Many of the street-involved people on main streets are those who don't have access to suitable and affordable housing. In some neighbourhoods,

middle-income families are also lacking affordable housing options, leading to a decline in social, cultural and economic diversity<sup>36</sup>. While the systemic solutions for addressing Canada's affordable housing crisis are beyond the scope of this report, we suggest one action that is proving to be a successful model, which is to prioritize the creation of modular housing for street involved people, on and near main streets.

**Action 1.11** Use planning tools such as the development permit system and inclusionary zoning to promote distributed residential density and provide more affordable housing near neighbourhood main streets (see the Planning & Urban Design Solution Brief).

**Action 1.12** Explore the use of form-based codes to reduce uncertainty for developers and communities in order to encourage more residential density on and near main streets (see the Planning & Urban Design Solution Brief).

**Action 1.13** Build modular housing units to create affordable housing options for street-involved people relatively quickly.

### Examples & Resources

→ **City of Toronto has plans to build 250 modular housing units** to assist people experiencing homelessness. The \$47.5-million project will create permanent, high-quality homes. This will help ensure all residents of Toronto have a home that they can afford and that meets their needs.





Let's not forget to think about the night, because it isn't just about consumptive revelry. Main streets and night spaces provide a place for people to be creative, explore their identities, and connect with their "chosen" families. After all, some of the best ideas and relationships were formed in bars."

—Sheena Jardine-Olade,  
Night Lab





## 2. Places

A healthy main street requires safe, vibrant, and inclusive places and public spaces. While this has been challenged by the pandemic, there are many ways that communities can restore the energy of their main streets.

### Examples & Resources

→ The **City of Moncton** narrowed its main street and made it one-way for vehicles, while increasing bike and pedestrian accessibility.

→ The City of Halifax is providing **Sidewalk Cafe Licenses** for businesses where they can submit a Seasonal Sidewalk Café Application (from April 15 to November 15 in the same calendar year), or a Renewal of Annual of Sidewalk Café (which is a one year permit).

→ The City of Victoria creates a series of **temporary physical distancing zones** in various city neighbourhoods near areas with grocery stores, pharmacies and other essential services.

→ The **City of Edmonton** temporarily relaxed **regulations** around temporary patios, sidewalk cafes and outdoor retail expansions to allow businesses more space for to service their customers. Businesses can keep their patios open until the end of 2020.

## Reallocating Space in an Equitable Way

During the pandemic, cities and towns across Canada have been reallocating space on main streets and sidewalks for pedestrians, cyclists, and local businesses. These interventions include narrowing the street right of way, lane removals, local-traffic-only streets (or slow streets), street and sidewalk patio programs, and street closures. Many main street communities have used placemaking and tactical urbanism to activate and beautify these projects<sup>38</sup>.

While these initiatives have played a critical role in supporting business recovery and creating vibrant spaces, they have not been met with universal approval. There are unintended impacts on local businesses (such as the loss of on-street parking). Reallocating public space raises important questions about who benefits from these initiatives, and what the impacts are on local residents, especially those who are disabled, low-income or marginalized.

There are many lessons from these initiatives that can inform the next phases of pandemic response and even beyond. One is the need to prioritize accessibility. Another is to engage BIPOC, women, people with disabilities, and other equity-seeking groups in the design and placemaking process<sup>39</sup>.

Careful monitoring of the results can help local communities evaluate the impact on businesses, safety, and community. The impacts of the loss of street parking and reduced volumes of vehicle traffic must also be looked at closely.

- Action 2.1** Continue to identify main streets that would benefit from more space for pedestrians and prioritize street conversions.
- Action 2.2** Use tactical urbanism design interventions and programming to activate and beautify road conversion projects (see the Placemaking Toolkit).
- Action 2.3** Ensure that street conversions are designed and implemented in an equitable way and provide opportunities for community input early in the design process, without compromising the need to move quickly (see the Placemaking Toolkit).
- Action 2.4** Closely monitor the results and adjust street conversion projects to address issues and make improvements (see the Planning & Urban Design Solution Brief).
- Action 2.5** Develop tools to help BIAs/BIDs/BIZs/SDCs and local governments with equity-based planning and placemaking for main street recovery.

## Preparing Main Streets for a Pandemic Winter and Beyond

COVID-19 restrictions and public safety concerns have limited indoor activities, dining, events, and social gatherings. Moving operations outdoors in the summer months was a lifeline for many restaurants, bars, and other small business establishments.

But the impending Canadian winter could wreak havoc on main streets for a second time as the pandemic continues to have an impact. Extended or annual patio programs that have been implemented in many cities will allow restaurants to continue operating outside longer. Where possible, creative solutions and financial support are urgently needed to allow businesses to continue operations outside during winter (e.g. shared tents, parking lots, snow removal, heaters) and keep people coming back to main streets through the darker, colder months.

Communications and marketing need to be part of efforts to encourage people to visit their main streets during winter. A key challenge will be convincing Canadians to embrace the long nights, wind, snow, and cold of the winter.

In some places, provincial governments have loosened liquor laws to allow service at the sidewalk (which was previously illegal in some places) and allow alcohol consumption in other public places. Provincial governments could also look at piloting these initiatives and then potentially, with adequate consultation, permanently adjusting liquor license laws to support small businesses and main street vibrancy.

**Action 2.6** Promote and support year-round sidewalk cafes and patios by reducing or eliminating fees, streamlining and fast-tracking approvals, and allowing annual permits (see the Planning & Urban Design Solution Brief).

**Action 2.7** Develop local plans, strategies, and design guidelines for winter-friendly placemaking and encouraging people to spend time on main street during winter.

**Action 2.8** Develop creative solutions and offer financial incentives, micro-grants and crowdfunding platforms to support businesses adapting to winter during COVID-19 (e.g. tents, use of parking lots, snow removal).

**Action 2.9** Pilot and then consider permanently adjusting liquor license laws to permit bars and restaurants to sell beer and wine “to go” and allow alcohol to cross sidewalks and be consumed in public spaces (see the Planning & Urban Design Solution Brief).

## Addressing Safety and Inclusion on Main Streets

Business associations are often the first to receive a call for assistance from a local small business. Given ongoing safety concerns and the heightening of some issues during COVID-19, there is a need to support these organizations in addressing the challenges, such as with education, connections to professionals, and more.

**Action 2.10** Build capacity and knowledge among business associations and local businesses to deal with complex safety and inclusion issues that have an impact on the neighbourhood as a whole, and advocate for the necessary supports.

Over the long-term, a concerted effort that involves collaboration between police, the legal system, the health and mental health sectors, social service agencies, and all levels of government is desperately needed.

Addressing the systemic issues that impact street-involved populations, like mental health and addictions, goes well beyond being a main street issue. However, main street leaders across Canada have become increasingly involved in these challenges and are eager for solutions that can help make neighbourhoods feel more safe. While many of the issues that impact safety are within provincial jurisdiction, a national strategy would allow for federal, provincial, and local governments to address the complexity of the issues with all main street partners. The strategy would need to be supported by targeted funding for collaborative partnerships to successfully address the issues.

**Action 2.11** Develop a national strategy on mental health, addictions, and street involvement, and provide increased, targeted funding to support collaborative partnerships to address these issues.

### Examples & Resources

→ **Edmonton's Winter City Design Guidelines** are a strategic tool for providing developers, architects, engineers, and planners with a framework for their projects, identifying the City's intentions in terms of what kinds of development and what levels of quality it deems acceptable.

→ **The Chicago Winter Design Challenge** is an engagement effort to surface solutions to stimulate and encourage safe outdoor dining, for both customers and restaurant/bar staff during cold weather months.

→ **Downtown Yonge BIA** has created a suite of **workshops and training sessions** for members to help deal with complex safety and inclusion issues that are affecting the neighbourhood as a whole.



## Taking a Coordinated Approach to Vacancies

It is becoming increasingly apparent that COVID-19 will result in increased commercial vacancies along many main streets. As the number of vacancies increase, it can have a dampening impact on the street, detracting from its appeal as a shopping district, creating safety issues, and impacting nearby businesses in multiple ways<sup>40</sup>. This also has an impact on the surrounding neighbourhood.

Local governments, business associations, other community organizations, and neighbourhood associations can play a key role in filling and animating vacant retail spaces. Taking a coordinated approach to filling vacancies will help to ensure that these spaces quickly become home to new businesses and are animated when they are not. Strategies could include:

- **Surveying area stakeholders to identify reasons for vacancies and for potential uses**
- **Creating an inventory of vacant spaces**
- **Working with landlords to fill vacant spaces**
- **Assessing retailer-location fit**
- **Hosting district “open houses”**
- **Organizing or facilitating on-line market profiles and real estate listings**
- **Incentivizing short-term and flexible lease deals with landlords and tenants**
- **Incentivizing leasehold improvements**
- **Working with the local community to decorate and animate vacant storefronts**
- **Promoting co-location agreements**
- **Allowing “meanwhile” uses (e.g. allowing temporary use of vacant spaces for rehearsals and studios)**
- **Recruiting organizations and entrepreneurs to create innovative retail concepts<sup>40</sup>.**

Provincial and municipal governments can also help to address vacancy issues by ensuring that policies do not inadvertently incentivize the holding of vacant space by landlords through tax policy<sup>42</sup>.

**Action 2.12** Develop a coordinated approach to occupying and animating vacant retail spaces (see the Small-Business-Friendly Policy Solution Brief and the Retail Operational Solution Brief).

**Action 2.13** Review how vacant space is treated in tax policy to ensure that it does not deter landlords from renting to new businesses (see the Small-Business-Friendly Policy Solution Brief).

## Build on Lessons from the Implementation of Public Realm Projects

Over the long-term, there is an opportunity to leverage lessons learned about how to quickly design and implement public realm projects that address the needs of a community, such as patio programs or street conversions. These solutions can become long-term or permanent programs.

Public realm projects require cross-pollination among transportation professionals, planners, landscape architects, architects and civil engineers, and engagement specialists. When these professionals are brought together, the collective wisdom of can more fully and efficiently address complicated cross-disciplinary projects. Municipalities could consider creating strategic implementation groups with diverse representation to take on public space projects.

Outdoor dining has been one of the major successes of the pandemic response. With careful consideration of the impacts, on some main streets, these projects could become permanent programs.

**Action 2.14** Explore the potential for turning the newly-introduced temporary road and sidewalk changes, patio programs, and other quick response projects into permanent or longer-term programs.

**Action 2.15** Create strategic implementation groups made up of multidisciplinary municipal staff to lead and engage the public in main street planning and urban design projects.

### Examples & Resources

→ **The 1M Feet** is a global platform that boosts connectivity and creativity in downtowns in order to fill up vacant spaces. Its main goals are to re-activate downtowns as mixed-used neighborhoods, aid in growing full-time tenants in underdeveloped spaces, and encourage investment across a network of spaces.

→ **No Longer Empty** in New York City curates site-responsive exhibitions, education and public programs in unconventional locations. It creates artistic programs for collaboration and dialogue around social, cultural, and political issues. The exhibitions and educational programs amplify existing community networks and cultural resources.

→ **Storefronts** is an innovative arts program run by a non-profit Shunpike that activates communities, neighborhoods, and streets by matching the work of local artists with vacant or under-utilized retail spaces.

## Encouraging Light Industrial Uses

Industrial businesses can include things like woodwork, metalwork, sewing, product design, 3D modelling, electronics, installations, and food processing. Industrial hubs are spaces shared by independent, complementary light industrial businesses, and social enterprises. Attracting more of these types of businesses and spaces to main street can bring additional diversity to the street by providing jobs for people with different income and skills levels than retail and provide other reasons for people to visit main streets<sup>44</sup>. Research could be conducted at the local level to identify the opportunities and barriers for these spaces. Relaxing zoning restrictions in some areas can also help to ensure light industrial uses are permitted on main streets.

**Action 2.16** Conduct research into the opportunities and barriers for allowing for industrial and manufacturing innovation spaces on or near main streets.

**Action 2.17** Relax zoning on some main streets to allow for light industrial and a greater diversity of uses.

### Examples & Resources

→ **440 Dufferin** will be a hybrid residential and manufacturing project in the west part of downtown Toronto. The project, which is the result of a partnership between George Brown College, MaRS Discovery District, a Toronto startup hub, and Refine Manufacturing Acceleration Process (ReMAP), aims to bring both rental housing and jobs to the city, and create a unique space to bring manufacturing back to the city.

→ The New York City based **Greenpoint Manufacturing and Design Center** is a not-for-profit real estate developer. GMDC creates and sustains viable manufacturing sectors in urban neighborhoods through planning, developing, and managing real estate and offering other related services. Their tenants industries are primarily fine art/graphic art, manufacturing, architecture, woodworking and artisan.

## Creating a Strong Mobility Network

Good cycling infrastructure is critical to healthy main street districts. It allows people to move from place to place safely, creates safer streets and calms traffic, which makes them more appealing to visit. Cycling infrastructure that connects surrounding neighborhoods to the downtown can also help to bolster the recovery of the downtown by providing safe routes for people to get there.

Most planning departments have cycling plans and are investing in bike lanes on an ongoing basis. The pandemic has led many municipalities to fast track cycling infrastructure that normally would have taken years. Building on this momentum, municipalities should continue to look for opportunities to expand their cycling networks.

The width of the sidewalk contributes to the degree of comfort and enjoyment of walking along a street, as well as the degree of safety for pedestrians. During the pandemic, many municipalities looked for creative ways to widen sidewalks and give more room for physical distancing. Over the longer-term, widening of sidewalks, such as by narrowing or removing travel lanes or establishing setbacks as part of redevelopments, can increase lively pedestrian activity and create safer neighbourhoods<sup>44</sup>. Wider sidewalks also help to create more accessible public spaces.

**Action 2.18** Look for opportunities to expand the cycling networks that link main streets to neighbourhoods and downtowns.

**Action 2.19** Look for opportunities to permanently widen sidewalks while improving accessibility for people with disabilities.



### 3. Anchors

Anchors can include a wide range of community spaces like schools, parks, markets, faith buildings, cultural institutions like theatres and museums, and civic institutions like libraries, government buildings and post-secondary campuses.

They play a critical role in the health of main streets by providing important social and cultural services to local neighbourhoods. They energize main streets by drawing diverse visitors from the community and beyond.

The pandemic has taken a major toll on many of our community, cultural and civic anchors as a result of the restrictions on social gatherings and physical distancing requirements. Now, and over the long term, we need to support the resilience of these anchors to protect the health of our main streets.

#### Examples & Resources

→ The City of Toronto recently expanded its **Creative Co-Location Facilities Property Tax Subclasses**, established by City Council and the Province of Ontario to support the affordability and sustainability of cultural and creative spaces in Toronto. This program will provide \$1.7 million in property tax relief for the eligible venues that are struggling as a result of COVID.

→ The **Parkdale Neighbourhood Land Trust (PNLT)** is a community land trust run by a group of Toronto residents and organizations. PNLT buys land to lease to non-profit partners that can provide affordable housing, furnish spaces for social enterprises and non-profit organizations, as well as offer urban agriculture and open space to meet the needs of local residents.

### Protect Cultural and Live-Music Venues

Cultural venues like theatres and live music venues contribute greatly to the cultural, social and economic fabric of our cities, neighbourhoods, and main streets where they are often located. They are also critical in supporting a nighttime economy. These venues require emergency assistance in the face of ongoing pressures that have been intensified by COVID-19. Support for these venues is needed immediately and will likely need to continue beyond 2020 to support their long-term viability.

**Action 3.1** Provide or increase grants or property tax relief for live music and cultural venues.

**Action 3.2** Create local events and campaigns to encourage people to support live music and theatre venues.

### Leverage Strategic Properties

Given the likelihood that commercial vacancies will increase during the pandemic, there will be vacant and distressed properties on main streets that will become available for redevelopment. Some of these properties may have significant heritage value, while others may have a strategic location or value. Redevelopment of these properties can provide opportunities to stimulate economic and cultural development, while increasing foot traffic and adding life to the street. In some cases, municipalities or economic development agencies could take on the leases or purchase these properties.

Creative ownership models can also provide opportunities for community-based organizations to buy key properties, and then operate or rent them, providing great civic value. For example, governments can facilitate and support community-controlled land banking, land trusts, real estate development, and property management. Non-profits can be created or supported to achieve a community-oriented social objective, such as providing affordable housing or space for artists, cultural organizations and start-up businesses<sup>45</sup>.

**Action 3.3** Lease or purchase strategic vacant spaces and sub-lease to businesses or community organizations and non-profits in a coordinated way (see the Small-Business-Friendly Policy Solution Brief and the Retail Operational Solution Brief).

**Action 3.4** Explore the establishment of land banks and other community ownership models to lease space to small and independent businesses, or for other community uses (see the Small-Business-Friendly Policy Solution Brief).

## Encourage More Community and Institutional Uses

Community and institutional uses, such as childcare facilities, schools, recreation centres, maker spaces, and community kitchens provide important diversity to main streets and ensure that local residents have access to the services and supports they need. They can also provide both direct and indirect economic benefits. A variety of possible tools can be used to encourage more community and institutional uses, including tax credits for property owners, new impact investment structures, and use of municipal financial tools like capital facilities agreements and development charges.

Libraries in particular have increasingly played a critical role on main streets and in their communities more broadly. During COVID-19, many have been lending their most creative minds to developing programs that meet the needs of residents and address challenges on main streets. There is an opportunity for libraries to work together to share best practices for how they have been adapting to the pandemic, and to the changing realities of main streets more broadly.

- Action 3.5** Explore opportunities for using tax credits and other incentives to encourage property owners to rent to community groups and non-profits on main streets, such as childcare facilities, community hubs, maker spaces, community kitchens and more.
- Action 3.6** Support the transformation and repurposing of surplus schools, faith buildings, and heritage buildings on main streets into community spaces by facilitating impact investment structures for non-profits.
- Action 3.7** Explore options to leverage municipal financial tools, including capital facilities agreements and development charges, to support the creation of new public and community spaces on main streets.
- Action 3.8** Collect and share best practices for how libraries across Canada are adapting to meet the needs of main streets.

## Protect and Enhance Main Street Heritage

Preservation of heritage buildings is a vital component of the main street recovery effort. Heritage buildings play an important role in creating strong community identities and colourful main streets. Investments in existing older and heritage properties are ideal for economic recovery and community infrastructure programs. Adaptive re-use and retrofits of buildings also have a range of other benefits like reduced GHG emissions.

Today, many main streets still struggle with how to protect and leverage their heritage buildings. Municipalities can develop tax policies and provide grants that encourage heritage rehabilitation on main streets. Tax incentive programs encourage private sector investment in the rehabilitation and re-use of historic buildings.

A Refundable Rehabilitation Tax Credit for commercial entities investing in older and heritage properties is a specific policy tool that could be introduced by the federal government that would allow municipalities to provide a tax credit for a percentage of expenditures on the rehabilitation of heritage buildings.

These actions can help to ensure that places of local and provincial significance are sustained. They contribute to Canada's history and identity, while at the same time supporting climate change objectives.

- Action 3.9** Introduce tax incentives or grants to encourage sustainability-focused heritage rehabilitation on main streets.
- Action 3.10** Introduce a Refundable Rehabilitation Tax Credit for commercial entities investing in older and heritage properties.

### Examples & Resources

→ **The City of Victoria's Tax Incentive Program** is available to private property owners of commercial, industrial, and institutional heritage-designated buildings. The Program offsets costs for residential conversion of existing upper storeys or rehabilitation for non-residential uses. Eligible property owners receive tax exemptions for a period of up to ten years to offset upgrading costs.



## Build and Maintain Strong Public Spaces Near Main Streets

Outdoor spaces are some of the safest spaces in our communities, helping to prevent the transmission of COVID-19. Parks and other green spaces also act as anchors that draw people to main streets and provide critical opportunities for social interaction, physical exercise, and access to nature.

Given the fiscal challenges municipalities are facing, there is an opportunity to explore alternative funding models to help build and maintain our park systems. For instance, parks conservancies - independent non-profits that complement or replace a municipality's role in parks planning and operations, most common in the United States, are one model that could be explored.

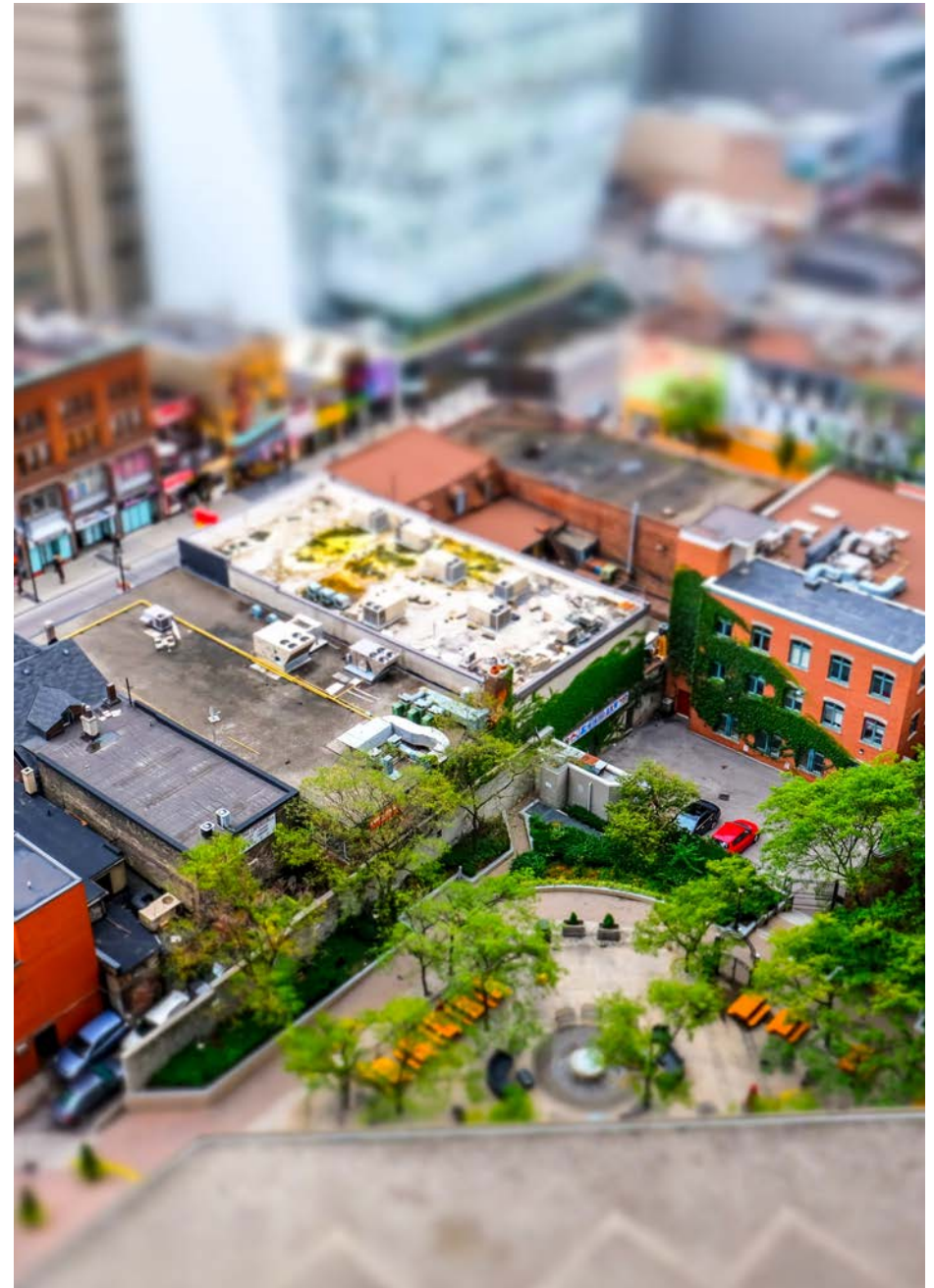
In addition, municipalities should be looking at creating new public spaces on and adjacent to main streets. At a time when some buildings have lost their tenants, and parking lots and streets remain have capacity, municipalities should be looking to acquire and develop parks and plazas near or on their main streets as public open spaces, in addition to working with property owners and developers to create POPS. Temporary tactical installations can also be installed while plans for more permanent spaces are developed.

**Action 3.11** Explore alternative funding models and philanthropy to rebuild, refurbish, and maintain parks and open spaces on and near main streets (see the Planning & Urban Design Solution Brief).

**Action 3.12** Identify strategic properties on or adjacent to main streets, such as parking lots and derelict properties, for purchase and conversion to green or outdoor amenity space (see the Planning & Urban Design Solution Brief).

### Examples & Resources

→ **Bryant Park Corporation in New York City** is a not-for-profit, private management company founded to renovate and operate the park. It is the largest effort in the U.S. to apply private management backed by private funding to a public park.





**Many of Canada's main streets feature at least one church or place of worship that reflects the early history and character of that community. And more than that, these places provide important places for us to gather, eat, celebrate and seek refuge and community."**

—Barbara Myers, SvN and  
Graham Singh, Trinity Centres  
Foundation





## 4. Business

Supporting the recovery and sustainability of main street businesses is key to the health of our main streets.

### Examples & Resources

→ Through the **Commercial Landlord Relief Package**, Australia's banks are offering six-month deferral of loans to commercial landlords, with total business loan facilities from \$3-10 million. During COVID-19 banks have also agreed to not enforce business loans for non-financial breaches of the loan contract (such as changes in valuations).

→ Alberta's **Small and Medium Enterprise Relaunch Grant** offers financial assistance to Alberta businesses, cooperatives, and non-profit organizations that were ordered to close or curtail operations, and that experienced a revenue reduction of at least 50%, as a result of the COVID-19 pandemic.

→ In Montreal, **businesses** are given extensions on property tax payment, moratoriums on loan repayments & accumulation of interest and assistance for businesses in targeted industries such as arts/creative industries.

## Support Businesses with Adapting to COVID-19

As a result of COVID-19, many small businesses have had to adapt their operations, change their business models, and wade through a variety of government programs, which often have complicated legal implications. As the public health situation continues to evolve, there is likely to be new regulations, and businesses will have to continue to respond.

Governments and business associations can help by providing direct assistance to business owners who are applying for emergency financing. They can also help businesses to source the materials, expertise, and labour needed to comply with new public health requirements. This can include providing local listings of goods and service suppliers (e.g. companies experienced in installing plexiglass screens), central purchasing and distribution of materials in short supply (e.g. like lumber), and templated design solutions for small businesses to use (e.g. to open an online shop). Another solution is to facilitate access to lawyers and brokers, who can provide information and reduced legal costs<sup>46</sup>.

Whenever supports are being provided directly to businesses, additional efforts should be given to minority-run businesses owners and New Canadians who may need services to be provided in languages other than English.

**Action 4.1** Provide support for small business in sourcing the materials, expertise, and labour needed to adapt to COVID-19 (see the Small-Business-Friendly Policy Solution Brief).

**Action 4.2** Support small businesses in accessing legal and realty advice, and negotiations support (see the Small-Business-Friendly Policy Solution Brief).



## Provide Financial Relief for Small Businesses

As COVID-19 continues to impact business costs and revenues, there are a number of options that governments, utilities, and public agencies can consider to mitigate financial pressures and avoid closures. Examples include new or extended grant and loan programs; waiving or reducing fees charged for inspections, utility hook-ups and permits; temporarily reducing utility rates; extending current deadlines; and reducing solid waste collection fees.

While the federal government's CECRA program has helped some small businesses, it has not reached most small businesses in need of rent relief<sup>47</sup>. There is a need for continued rent relief with simplified eligibility that is available directly to tenants. Temporary bans on commercial evictions were largely successful in protecting commercial tenants from being locked out or having their assets seized. Many were wound down at the end of the summer or in the fall, and it is unclear whether they will be extended<sup>48</sup>. While these restrictions have put pressure on landlords, who are also important main street stakeholders, a temporary extension of commercial eviction moratoriums would help to protect businesses over the difficult winter months ahead.

The cost of insurance has become another massive expense for small businesses, as rates have increased dramatically during the pandemic. There is a need to better understand these issues and identify solutions that can help alleviate the pressure on small businesses.

As many businesses are continuing to struggle with revenue shortfalls and increased costs, further financial loan programs will be needed. The federal government should look to extend and expand emergency small business financial assistance (i.e. through CEBA or a new vehicle), making available additional financing in excess of the initial \$40,000 as loans with substantial forgivable portions, over longer terms that will address ongoing revenue and cashflow shortfalls well into 2021. Governments should consult further with the small business and financial services communities to ensure loan programs address the specific barriers for businesses, especially those owned by BIPOC and other equity-seeking groups<sup>49</sup>.

**Action 4.3** Offer financial assistance and waive fees to mitigate the costs to small businesses of adapting to COVID-19 (see the Small-Business-Friendly Policy Solution Brief).

**Action 4.4** Redesign commercial rent assistance programs based on lessons to date, in consultation with the small business community (see the Small-Business-Friendly Policy Solution Brief).

**Action 4.5** Consider legislating a rate freeze or using regulatory levers to address massive insurance hikes for small business.

**Action 4.6** Extend and expand emergency small business financial assistance to address ongoing revenue and cashflow shortfalls well into 2021.

## Support Digital Transformation and Innovation in Retail

As a response to the pandemic, a variety of pro-bono consulting services were created to support retailers with setting up online stores and understanding how digital and e-commerce tools work. There is an opportunity to expand these digital services in order to continue getting businesses online and building their digital skills. Special attention and additional resources are needed for hard to reach businesses, such as those run by newcomers, older individuals and those who speak English as a second language.

Take-out and delivery services have become a significant source of revenue for restaurants during the pandemic. The commissions charged by meal delivery services such as UberEats, Skip the Dishes and others has become controversial, often charging an additional 20 to 30%. In some communities, new start-up services have been developed as alternative to the cost of the mainstream delivery apps. There is a need to support these platforms in communities across Canada through creative partnerships with local governments, business associations, private sector, non-profits, and academia to find affordable and workable solutions.

Business directories and marketplaces are other tools that have been popping up to help businesses meet their customers online, which could be extended into other business areas<sup>50</sup>.

**Action 4.7** Increase support for digital transformation for main street businesses and work to develop new digital skills among small business owners

**Action 4.8** Create affordable city or neighbourhood level delivery services (see Retail Operations Solution Brief).

**Action 4.9** Establish online marketplaces and business directories to help businesses serve their customers online (see the Retail Operations Solution Brief).

**Action 4.10** Encourage and support collaboration between main street businesses to facilitate co-marketing, resource and information sharing and collective problem solving



## Support Entrepreneurship and New Business Creation

It is critical that governments implement supports that not only ensure the survival and growth of existing small businesses, but also facilitate long-term resilience and encourage entrepreneurs after the crisis.

In many municipalities, the permitting process is tedious, costly, and can discourage small businesses from opening and thriving. Streamlining the permitting process can help to encourage new business creation. The changes governments have made to waive permitting for expanding businesses operations onto sidewalks could provide the impetus for these changes.

Business-in-a-box (BIAB) is a concept originally developed by Social Capital Partners. The idea is to create a non-profit that provides neighbourhood entrepreneurs with the support needed to develop repeatable and scalable businesses.

A key to business success is finding the right fit between the business and the market needs. Municipalities or local business associations could conduct market research to identify retail gaps on a particular main street district and then work on recruiting local entrepreneurs specifically to fill those gaps.

Grants are an excellent opportunity for supporting the creation of new businesses, especially ones run by equity-seeking groups who may not have the ability to take on the risk associated with investor capital. Grant programs can be created by government agencies, non-profits, and private organizations.

In supporting new business creation, there is an opportunity to uplift Black, Indigenous, and People of Colour (BIPOC) communities. Community-supported investment funds and grants can be created by investment firms, philanthropists or community organizations, with a particular focus on BIPOC or other equity-seeking groups.

**Action 4.11** Provide support for small businesses owners with managing the bankruptcy process and transitioning or restarting their businesses.

**Action 4.12** Review municipal permitting processes to ensure they support new business creation.

**Action 4.13** Create a 'Business-in-a-Box' program to provide neighbourhood entrepreneurs with the support they need to create successful, scalable businesses.

**Action 4.14** Develop a market research program and tools to identify retail and other business gaps on main streets, and then work on recruiting local entrepreneurs to fill those gaps.

**Action 4.15** Develop new micro-grant programs to support new business development.

**Action 4.16** Create grants and community-supported investment funds to fund businesses run or owned by people who self-identify as Black, Indigenous, People of Colour, another racialized group, or New Canadians, women, LGBTQ+ or people with disabilities.

## Support Growth of Local and Diverse Businesses through Procurement

Procurement by private and public sector institutions, like schools, hospitals and local governments is a major force in the economy. When these institutions decide to spend their procurement dollars on local and diverse businesses, it can have important economic, employment and social impacts. Procurement that specifically includes considerations for entrepreneurs and small- and medium-sized business owners from BIPOC and other equity-seeking groups can help to address systemic barriers faced by minority businesses. Local purchasing circulates more money into the local economy<sup>51</sup>.

**Action 4.17** Review and update municipal and provincial procurement policies to include strategies for local and diverse procurement.

**Action 4.18** Require policies for local and diverse procurement in funding agreements with provincial and municipal governments.

**Action 4.19** Use community benefit agreements and approaches to include purchasing from local and diverse businesses, and job-creation for equity-seeking groups as part of infrastructure projects.

### Examples & Resources

→ **WhatsForDinner** is a food delivery service for online ordering and delivery for restaurants in Innisfil. This service was created to provide restaurants who do not provide an online service in Innisfil the opportunity to expand.

→ **The downtown Belleville Marketplace** connects users to local participating

businesses in the Downtown District as a one-stop-shop for online shopping. All purchases are made online and picked-up in the respective stores. The website also informs users of opening hours and pick-up instructions from the respective retailers to make the shopping seamless and support local businesses in the Downtown District.

## Strengthen Local Supply Chains

The pandemic has revealed the need to strengthen local supply chains. During the initial stages of the pandemic, inventory and materials that small businesses relied on were suddenly unavailable. Shipping times and costs for certain products suddenly increased exponentially. During the pandemic and over the long-term, businesses should move to increase the use of local stores to fulfill neighbourhood orders, rather than relying on international or cross-country warehousing and shipping. This would provide local employment opportunities and support local economies.

**Action 4.20** Explore opportunities to support businesses with transitioning from dispersed product warehousing (e.g. international warehouses) to locally-focused models in order to take advantage of local supply chains, reduce carbon impacts, and reduce costs.

## Mitigate the Property Tax Burden on Main Street Businesses

While commercial property tax regimes vary in some respects by province, COVID-19 threatens to exacerbate a number of long-standing property tax-related issues for main street businesses.

In cities and neighbourhoods that are experiencing significant redevelopment and increased value, the “highest and best use” method of assessment continues to harm many small businesses. As the prevailing method for assessing property across the country, assessment rates reflect the speculative, unrealized development potential of properties<sup>52</sup>. The result is surging tax bills on top of high rents and other property fixed costs, compounding pressures for small businesses. In other communities, pre-pandemic economic trends are being amplified by the pandemic to increase commercial rental vacancies and reduce market prices. The result has been an increase in volatility of commercial property tax, and in some cases a shift of commercial assessment and tax burden from downtown office tower tenants to main streets businesses.

To reduce the impacts of volatility and tax shift, local governments should work with provincial assessors to understand how 2021 assessed values are likely to change and the impact that will have on the distribution of taxes before setting 2021 tax rates. If significant increases in main street property assessments are anticipated, local governments can explore options to mitigate the impact on businesses, such as capping assessment-related tax increases and decreases at a maximum percentage; by reducing commercial rates; or by shifting tax share from the commercial to the residential base<sup>53</sup>.

To address the more structural issue of property tax burden on main street small business, a number of solutions are under consideration. An option that is being explored or implemented in some areas of the country is to allow municipalities to create a differential tax rate, or a cap on the tax burden, specifically for small businesses on main streets (i.e. within specific geographic areas). Another is to create a new commercial tax class for main street small businesses. A third is to allow for “split assessment” to disaggregate the value of a property’s existing use from the value associated with its development potential. Both would require provincial legislative reforms, and municipal buy-in and implementation.

**Action 4.21** Explore options to reduce or mitigate the property tax burden on main street small businesses, such as by enabling municipalities to set differential tax rates or caps to establish new commercial property classes, or to implement split assessment that reflect current rather than unrealized future use (see the Small-Business-Friendly Policy Solution Brief).

**Action 4.22** Mitigate the impacts of highest and best use by taxing buildings based on their current use

**Action 4.23** Assess need and options for mitigating pandemic-related assessment changes and tax shifts across commercial properties (see the Small-Business-Friendly Policy Solution Brief).

### Examples & Resources

→ [The Nova Scotia Bill No. 52 was amended to provide different commercial tax rates for commercial property based on certain factors such as length of a property on a street and number of square meters of a property.](#)

## Require Better Retail Space for Main Street Small Businesses through Redevelopment

A common form of redevelopment on main streets is a mixed-use project with residential apartments or condominiums on upper floors and retail at street level. The design of these retail spaces are often secondary to the residential use, which results in spaces that are difficult to lease or unattractive to most small businesses. Low ceiling heights, narrow column spacing, and insufficient unit depth are among the common issues. Planning tools can be used to help ensure better ground floor spaces. Key strategies could include:

- **Using zoning to require the inclusion of sidewalk-oriented retail space at grade;**
- **Providing municipal guidance in local plans and retail design manuals;**
- **Regulating minimum ground floor ceiling heights in zoning by-laws; and**
- **Requiring that site-specific development approvals for major projects reserve floor space for small retailers or require that space be turned over to not-for-profit organizations<sup>54</sup>.**

**Action 4.24** Utilize municipal planning tools to encourage better and more appropriate retail ground floor units on main streets (see the Small-Business-Friendly Policy Solution Brief).

## Create More Secure Tenancy for Small Businesses

The challenges small businesses have faced with rent and relationships with landlords suggest the need for alternative models that give businesses more secure tenancy. One possibility is for local residents and community-based organizations to play a role in buying commercial properties in order to keep rents affordable and to help preserve businesses important to the community<sup>55</sup>. Community-controlled land trusts held by non-profits have been used in this way.

Crowdfunding platforms for real estate investment have been proving to be another promising model. Residents buy ownership shares in commercial buildings in their neighbourhood.

Shared equity ownership is another model that is worth exploring to support more secure tenancy. This model, where lenders and borrowers share equity ownership in a property, has been used in Canada since the 1980s to support home ownership as well as commercial property ownership.

**Action 4.25** Explore ways to create more secure tenancy for small business owners, either through community-based financing tools to enable them to buy their building, shared equity ownership, or the creation of land trusts.

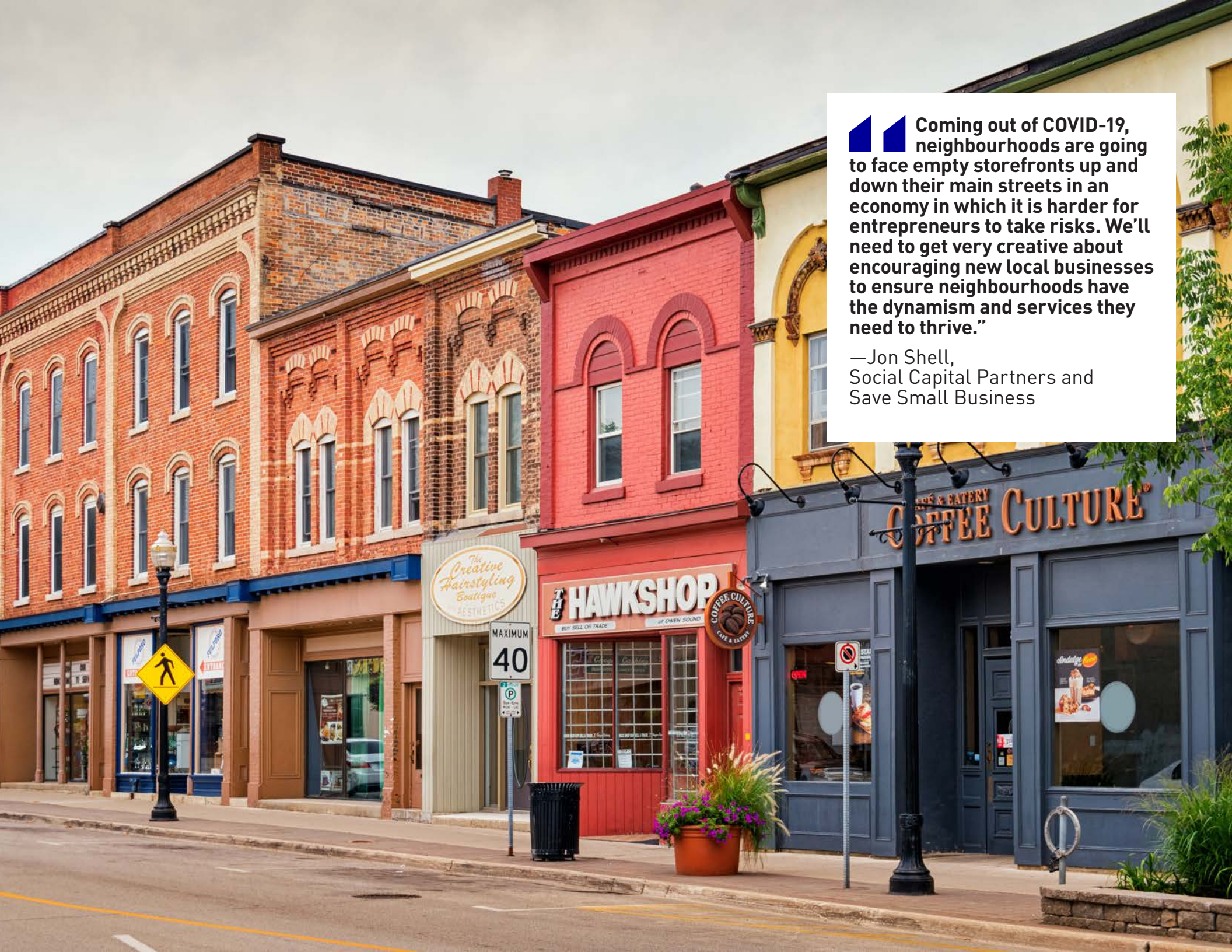
### Examples & Resources

→ **More Than a Pub** (MTAP) is a UK based program that provides businesses with the necessary support to have community control of pubs located in rural and urban communities across the country. The MTAP is currently providing small grants to about half of the community pubs in England due to the impact of COVID-19.

→ **The Oakland Community Land Trust** in the US, helped the commercial and residential tenants of a mixed-use building on 23rd Avenue buy the building, preventing their displacement and giving them the opportunity to buy their individual units.

→ **The Neighborhood Investment Company** (Nico) is a US based program which provides people within neighbourhood that opportunity to build a long-term financial stake in their communities by investing in local real estate. Nico achieves this by lowering the interest threshold in local real estate, increasing wealth creation for residents and expanding access to neighborhood equity.





Coming out of COVID-19, neighbourhoods are going to face empty storefronts up and down their main streets in an economy in which it is harder for entrepreneurs to take risks. We'll need to get very creative about encouraging new local businesses to ensure neighbourhoods have the dynamism and services they need to thrive."

—Jon Shell,  
Social Capital Partners and  
Save Small Business





## 5. Leadership

In order to support a sustainable main street recovery, we need to strengthen governance structures, data collection, and collaboration between main street stakeholders.

### Establish New Collaborations to Support Recovery

The revival of main streets will require intense collaborative action between local stakeholders from public, private, and civic organizations. Local Main Street Alliances could be created in hard-hit neighbourhoods to bring stakeholders together and accelerate the recovery of the main street districts. The Alliance would leverage existing networks and organizations that are already working in the community, including chambers of commerce, business associations, community associations, social services, banks and other financial institutions, credit unions, post-secondary institutions, corporations, charities, and local government.

Potential roles for the Alliance could include any combination of actions outlined in this report, like undertaking placemaking initiatives, helping to animate and fill vacant spaces, supporting minority businesses and attracting businesses that meet community needs, coordinating reconfigurations of the streetscape, data collection, and facilitating access to capital.

In some cities and communities, existing intermediaries like innovation centres could be engaged to help coordinate these main street renewal activities. Post-secondary institutions can help by undertaking research or helping with data collection. Artists also have an important

role to play developing solutions for main streets. All of these stakeholder groups have unique skills, talent and expertise that can help governments and business associations drive the recovery.

**Action 5.1** Engage innovation centres and post-secondary institutions in identifying and implementing creative solutions for main street recovery.

**Action 5.2** Engage artists and designers in driving the recovery of main streets.

**Action 5.3** Establish local Main Street Alliances to lead a coordinated revival of main street districts.

Opportunity Zones are a model for economic development established in the United States<sup>56</sup>. Their purpose is to revitalize economically distressed communities by using tax preferences to encourage long-term private investment. While the U.S. approach has been criticized for how it has profited investors and real estate developers, it has also harvested billions of dollars in unrealized capital gains for economic development purposes<sup>57</sup>.

A made-in-Canada Opportunity Zone initiative could be created to encourage long-term private investment in undercapitalized communities, using measures like preferential tax rates to help meet equity and community development goals.

**Action 5.4** Create a Canadian Opportunity Zone initiative to catalyze investment in main streets

### Examples & Resources

→ Digital Main Street's **Community Collaboration Projects** are planned to connect regional innovation centres and other community-based organizations in a series of conversations that will reveal common issues facing small and medium main street businesses and focus on developing workable solutions.

→ The federal government's **Atlantic Investment Tax Credit** currently offers a 10 percent tax credit for qualifying acquisitions of new buildings, machinery and equipment, and prescribed energy and conservation property used primarily in qualified activities in the Atlantic provinces, the Gaspé Peninsula, and their associated offshore regions.

→ To support the culture that brings communities together, the **I HeART Main Street Art Challenge** is providing BIAs with free coaching to develop activations, supporting artist introductions, and offering fee subsidies and promotional support.

## Support Data Collection and Sharing

High quality, localized information is essential to the revival of our main streets. It supports planning and decision-making and informs evidence-based policy decisions. Neighbourhood-level data is a critical piece of the puzzle. Local “report cards” could track the impact of COVID-19 on the community and specific retail sectors, as well as identify local priorities to focus recovery efforts. Data templates and other “Do It Yourself” (DIY) kits could be created to support business associations in collecting this data. A central data repository could be created to facilitate information sharing and benchmarking among main streets across Canada.

Statistics Canada plays an important role in the collection of business data. There are a number of ways in which it could modernize its data collection methods to support the pandemic recovery. This could include providing business data at the census tract level and reinstating small area retail trade sales data. It could also update its business and retail data definitions and identify new data collection methods. For example, there is a need for better data and clarity on businesses with zero employees, and to update the NAICS codes to separate food from accommodation classifications.

There is also a need for more data on businesses run by equity-seeking groups, particularly visible minorities, and while Statistics Canada has made some progress in this area in recent years, there is a need for improvement to inform policy and design programs that can be tailored to local needs.

Another critical piece of data needed to support the recovery of main streets is quantitative evidence to make the case for support for main streets. This includes the numerous economic, social, cultural, and environmental benefits of investing in main streets.

Lastly, it’s important to share current best practices information from across Canada on what is working to help main streets. Bring Back Main Street and CUI’s other COVID-19 initiatives have been doing this and will continue to support information sharing among main street stakeholders.

**Action 5.5** Collect neighbourhood-level data in order to measure the economic recovery and support decision-making at the local level.

**Action 5.6** Invest in data collection to provide policy makers better access to information about the health of the business sector and support decision-making about the recovery.

**Action 5.7** Encourage Statistics Canada to update business and retail data definitions and identify new data collection methods for measuring the challenges faced by minority-run business owners.

**Action 5.8** Conduct research to quantify the economic, social, cultural, and environmental value of main streets.

**Action 5.9** Collect and share best practice responses to main street recovery.

## Explore Tri-Party Agreements to Address Main Street Challenges

During the period between 1980 and 2010, urban development agreements (UDAs) were an innovative governance approach that involved all three orders of government and civil society organizations. Through these agreements, governments deliberated and developed joint responses to enduring, cross-jurisdictional issues like homelessness and economic development.

Joint governance structures are well-suited for the complex neighbourhood revitalization and social inclusion challenges faced by Canadian main streets, and the collaboration among levels of government through the pandemic has created the groundwork needed to get these projects off the ground.

**Action 5.10** Bring together the federal, provincial/territorial and municipal governments in joint governance structures, and engage the community and business sectors to address complex main street challenges

### Examples & Resources

→ The Downtown Vancouver BIA created an **Economic Impact and Recovery Snapshot** to track the impacts of the pandemic and downtown’s gradual economic recovery. The primary focus is the downtown office market, hotel occupancies, pedestrian traffic, and retail mix. Metro Vancouver data is used to analyze employment.

→ CUI’s **Value of Investing in Canadian Downtowns** compiled evidence-based research to illustrate the importance of investing in downtowns.

→ The Ontario BIA Association’s **Return on Investment of BIAs Report** sets out

common indicators for BIAs that reflect the BIAs role in local economies and community development. These indicators will act as a benchmark for BIAs across the province and help to demonstrate the impact BIAs are having in communities of all sizes across Ontario.

→ The **Winnipeg Core Area Initiative (CAI)**, launched in 1981, was one of Canada’s largest urban regeneration efforts. The CAI was an 11-year, tri-level arrangement for the social, economic, and physical renewal of Winnipeg’s inner city, which was administered by a locally-based secretariat and responsible to all three levels of government.

## Create Sustained Support for Main Streets and Local Business Associations

Main Street Canada was a national program in operation from 1980 to 1990 that aimed to improve the attractiveness, quality of life, commercial viability, and sense of identity on main streets across Canada. Funded by the federal government and administered by the Heritage Canada Foundation, the program contributed about \$6 million over a ten-year period to implement main street projects.

Over the medium term, there is an opportunity to revive a modern version of this program to support the recovery of main streets and their long-term viability.

**Action 5.11** Create a modern version of the federal Main Streets Canada program to provide leadership that supports communities and local government in transforming and improving their main streets.

There are an estimated 500 business associations (BIAs, BIDs, BIZs, SDCs) that work to support main streets across Canada. They play a critical role in the health of main streets and small businesses. While the original mandate of BIAs was to improve, beautify and attract people to the neighbourhood, many of them have expanded their mandates to address broader societal challenges like those related to safety.

Business associations are funded by a levy on local businesses, and while some find other sources of revenue to supplement the levy, many smaller associations still struggle with sufficient revenue to sustain staff and resources to undertake their work.

The federal Healthy Communities Initiative, a response to COVID-19, will provide some business associations with funding to undertake placemaking activities. Over the longer-term, a fund that would provide grants to business associations would support them in carrying out the important work they do in economic and community development, and placemaking.

In order to address the changing role of BIAs/BIDs/BIZs/SDCs, another priority over the long-term is to create a renewed vision that reflects their expanded role in city building, while at the same time, allowing them more flexibility to take on expanded responsibilities, where appropriate. This may require updates to provincial or in some cases municipal legislation, and also needs the buy-in of the organizations.

**Action 5.12** Develop a national main street fund that provides micro-grants to support business associations and community organizations with undertaking economic and community development projects.

**Action 5.13** Establish a renewed vision and mandate for BIAs/BIDs/BiZs/SDCs that reflect their expanded role in city-building and allow more flexibility to take on expanded responsibilities, where appropriate.

## Engage Communities in Recovery and Long-term Planning

Communities need to be engaged in the recovery of main streets, as well as the long-term planning. After all, people living these neighbourhoods are the experts in their neighbourhoods..

Neighbourhood offices could be established in storefronts along main streets. These could be operated by local planning staff, and/or by a local business association community group or non-profits. These offices would provide a way for citizens and businesses to become active collaborators, informants, and supporters of the planning process. The existing network of Community Futures Offices which are located across the country could be related to main streets and expanded to play this role.

**Action 5.14** Establish neighbourhood main street offices to engage communities and businesses in main street recovery and planning.

### Examples & Resources

→ **Main Street America** is a nation-wide movement that has historically renewed older downtowns as well as neighborhood districts. It brings together local leaders who develop ideas to build vibrant and sustainable main streets where people can raise families, start new businesses, and build community.

→ **The High Streets Task Force** is an alliance of place making experts working to redefine the high street (main street) in the U.K.. It provides guidance, tools, and skills to help communities, partnerships, and local government transform their high streets.



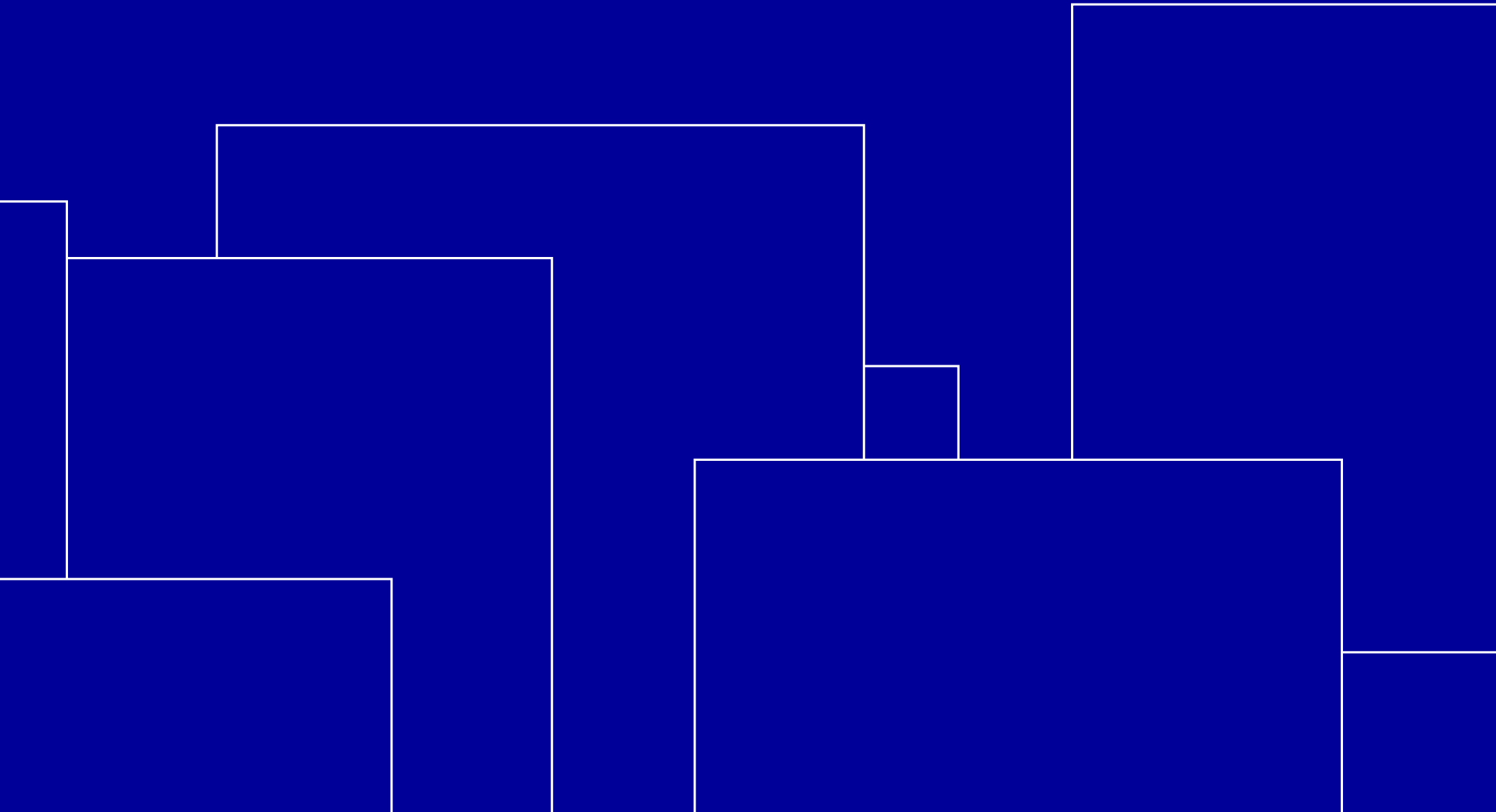


**The pandemic has shone a light on how important rural main streets are to local communities' social, cultural and economic well-being. Rural businesses have struggled during the pandemic, and yet have continued to give back to their communities during this difficult time. Now is the time to reciprocate and invest in rural main streets to create safer streets, social centrepieces and new entrepreneurial opportunities."**

—David Paterson and Kieron Hunt, FBM Planning Studio, (BBMS Memo #10)



# 4. CALL TO ACTION



## **A Call to Action for Main Street Policy Makers and BBMS Partners**

**The job of bringing back our main streets will require bold action and an entrepreneurial spirit. Everyone has a role to play and collaboration must be a driving force.**


This report calls on the federal and provincial/territorial governments to prioritize main streets and small businesses during the pandemic and beyond, recommending a number of actions that can be taken by these orders of government.

The report also proposes a longer list of actions that can be taken on by local governments, business associations, and other main street advocates, be they researchers, non-profits, financial institutions or other stakeholder. We propose that these main street leaders commit to taking on an action or combination of actions in their own communities.

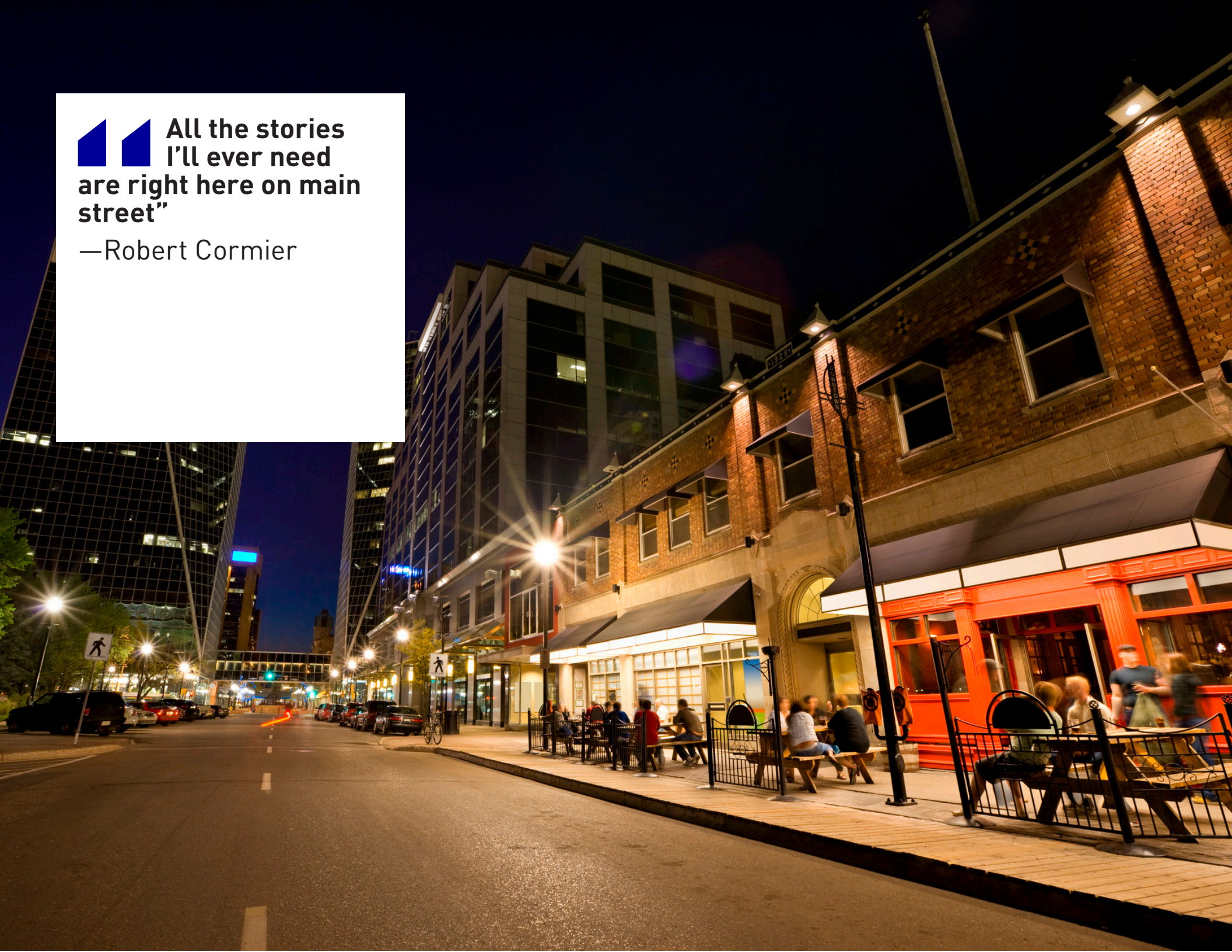
We envision and encourage conversations about the actions to continue even after the report is released, through informal conversations, information sharing, new working groups or communities of practice. As Canada's urban institute, CUI is committed to supporting these conversations and continuing to share best practice responses from cities and communities across the country.

Lastly, while the actions in this document are aimed at policy makers, we recognize that individuals have an extremely important role to play in the recovery of main streets, and we encourage their engagement to support implementation of the actions.



 All the stories  
I'll ever need  
are right here on main  
street”

—Robert Cormier





# Endnotes

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