



The Evolving Neighbourhood Commercial Landscape in Toronto



Report Prepared By:

Dr. Zhixi C. Zhuang, MCIP, RPP
Associate Professor
School of Urban & Regional Planning
Ryerson University

with the help of the following Master's Research Assistants:

Abraham Plunkett-Latimer
Candace Safonovs
Vickey Simovic
Lindsay Toth

Executive Summary
Foreword
Acknowledgments

Part 1 Introduction and Method

- 1.1 Introduction
- 1.2 Method

Part 2 Toronto's Past

- 2.1 Major Character and Historical Changes of Toronto's Commercial Landscape
- 2.2 Main Street Case Study: Queen St. West (University Ave - Roncesvalles Ave)
- 2.3 Market District Case Study: Kensington Market
- 2.4 Traditional Retailing Facing Unprecedented Challenges
- 2.5 Policies Protecting Independent Businesses
- 2.6 Community Mobilization

Part 3 Toronto's Present

- 3.1 Emerging Trends of Neighbourhood Commercial Development
- 3.2 Retaining Main Street Commerce
 - 3.3.1 Understanding Main Street Commerce and Its Social Benefits
 - 3.3.2 Threats to Main Street Commerce
 - 3.3.3 Business Improvement Areas as an Effective Main Street Business Program
 - 3.3.4 Special BIA Initiatives in Toronto
- 3.4 Growing new tower-based businesses
 - 3.4.1 New Neighbourhood Case Study: Regent Park
 - 3.4.2 Curating Critical Path Retail Space in a New Neighbourhood
 - 3.4.3 The Social Enterprise Approach
 - 3.4.4 Considerations for Developing New Commercial Spaces
 - 3.4.5 The Major Takeaways from Regent Park
 - 3.4.6 Apartment Tower Neighbourhood Case Study: Thorncliffe Park
 - 3.4.7. The Residential Apartment Commercial (RAC) Zone
 - 3.4.8 Community Development Initiatives

Part 4 Toronto's Future

- 4.1 Innovative Business Approaches
- 4.2 Exploring Innovative Retail Models
 - 4.3 Pop-ups As A Business Incubation Model
 - 4.3.1 Market 707 Case Study
 - 4.3.2 The Nooks Case Study
 - 4.3.3 Pop-ups as a development/revitalization tool
 - 4.3.4 The Danforth East Pop-Up Project Case Study
 - 4.3.5 Pop-ups as a marketing strategy
 - 4.3.6 Mixed-Use Light Industrial Zones
- 5.0 Recommendations
- 6.0 References
- 7.0 Appendices

Foreword

About the Project

Sidewalk Toronto is a project by Waterfront Toronto and Sidewalk Labs to create a plan for a new kind of neighbourhood on Toronto's waterfront.

About the Authors

Dr. Zhixi Zhuang is an Associate Professor at Ryerson University's School of Urban and Regional Planning and a Registered Professional Planner. Her passion for city- and community-building has led to her research on how ethnocultural diversity affects urban landscapes and municipal policies and planning. Her current research projects explore ethnic place-making practices in the Greater Toronto Area and how municipalities could enhance the advantages of ethnocultural diversity for neighbourhood retrofitting and inclusive community building.

Abraham Plunkett-Latimer, Candace Safonovs, Vickey Simovic, and Lindsay Toth are Masters candidates in the School of Urban and Regional Planning. Their current research projects focus on a large variety of city-building topics, including but not limited to smart cities, healthy communities, public engagement, (in) equality, and temporary urbanism.

Executive Summary

This study explores the evolution of the neighbourhood commercial landscape in Toronto. First, we review the major character and historical changes of Toronto's commercial landscape, most notably Queen Street and Kensington Market; how they emerged and how they continue to exist today. We then explore present day trends of neighbourhood commercial development. We discuss how to retain main street commerce (benefits, threats, and the role of Business Improvement Areas). We also investigate the challenge and success of growing new tower-based businesses in Toronto (looking to Regent Park and Thorncliffe Park as examples). Next, we look to the future of retail, exploring innovative business approaches from Toronto and elsewhere, including models such as shared spaces, pop-up retailing, mixed use light industrial, and small-space curation.

Based on the insight from the literature, best practices, business performance, site observations, and interviews with key informants, we identify actionable recommendations for developing vibrant, inclusive, and sustainable commercial spaces in Toronto's future neighbourhoods. These recommendations suggest how new neighbourhoods can "achieve new standards of sustainability, affordability, mobility, and economic opportunity" (Sidewalk Labs, 2018). We explore the past, present, and future of Toronto's commercial spaces in order to glean transferable lessons.

Acknowledgments

We acknowledge Waterfront Toronto and Sidewalk Labs in partnership with the Toronto Foundation for providing the funding to support this research.

We are grateful to all of the interview participants and to the Centre for the Study of Commercial Activity (CSCA) at Ryerson University, who provided Toronto retail data and supportive analysis. Without these efforts and insights, we would not have been able to produce this study.

Additional thanks to Dr. Pamela Robinson for providing constructive feedback at the early stage of the research.

Neighbourhood Retail and its Value

Toronto is a city of neighbourhoods. From Bloor West Village to Chinatown and the Saint Lawrence Market, each of Toronto's neighbourhoods is a unique community. At the heart of these communities are their commercial districts, which both serve and reflect the identities of their local communities.

Neighbourhood commercial spaces are distinct from shopping malls, service centres, or big box retailers. In Toronto it is characterized by small and independent stores, mixed land uses, pedestrian activities, neighbourhood-serving businesses, and an eclectic collection of specialty or ethnic stores reflecting the diverse needs of the city's multicultural population. In addition, neighbourhood commercial spaces have been observed to generate social and economic benefits for the community not offered by other large-scale retail formats. They act as a catalyst to promote entrepreneurship, economic vibrancy, and social interaction (Gomez, Isakov, & Semansky, 2015).

Although gentrification and changes in the retail sector have put significant pressure on neighbourhood businesses, many of Toronto's commercial streets continue to thrive, in contrast to the declining trends observed in many American cities (Kilgannon, 2018; Talen, & Jeong, 2017). Therefore, it is important to gain a better understanding of how vibrant neighbourhood businesses can be encouraged.

The purpose of this study is to examine Toronto's neighbourhood commercial landscape in order to uncover the principles responsible for its vitality. These principles will take the form of best practices and key actionable recommendations derived from Toronto neighbourhoods for Toronto neighbourhoods. These development strategies suggest how new neighbourhoods can "achieve new standards of sustainability, affordability, mobility, and economic opportunity" (Sidewalk, 2018) using Toronto's existing neighbourhoods as a model. Grounding our analysis in numerous case studies focusing on new and established neighbourhoods in Toronto, we explore the past, present, and future of Toronto retail in order to glean transferable lessons.

This study addresses three objectives:

- 1 Explore the story of Toronto's major neighbourhood commercial corridors: How have they evolved over time? What are the key characteristics of Toronto's existing commercial landscape?
- 2 Examine best practices: What are the best practices presented in the literature existing in Toronto and elsewhere? What are the major factors attributing to their success?
- 3 Identify new trends and new strategies: What are the emerging trends in today's neighbourhood commercial landscape, especially concerning tower bases? What are the successful commercial uses that include shared spaces and/or temporary/pop-up uses? What are the challenges that small independent businesses face and how can new developments address these challenges to promote innovative and inclusive neighbourhood commercial spaces?

Method

To address these research questions, mixed methods were adopted. We conducted an extensive literature review to ascertain how Toronto's neighbourhood commercial spaces have evolved over time and identify best practices and lessons learned. We also analyzed business survey data of 9 Business Improvement Areas (BIAs) in Toronto, collected in 2007 and 2017 by the Centre for the Study of Commercial Activity (CSCA) at Ryerson University. The CSCA data provides a snapshot of business changes based on business compositions (classified by Standard Industrial Classification code) and vacancy rates. The 9 BIAs include Kensington Market, St. Lawrence Market, and 7 BIAs on Queen St. from west to east: Parkdale, West Queen West, Queen St. West, Historic Queen East, Riverside District, Leslieville, and the Beach.

Field visits were conducted in the 7 BIAs along Queen Street and new commercial spaces in Regent Park, Thorncliffe Park, and Scadding Court. Photographs were taken to reflect the variety and intensity of social and economic activities as well as physical characteristics.

Eleven (11) semi-structured interviews with key informants were conducted in order to determine visions of Toronto's commercial spaces from various stakeholders' perspectives. These interviews were conducted either in person (6) or over the phone (5) and were one hour in length. Interviews were conducted with:

1. Two executives from the Daniels Corporation, a Toronto-based commercial and residential developer that was part of the Regent Park revitalization project;

2. Toronto City Councillor Mary-Margaret McMahon (Ward 32 Beaches - East York);

3. Alfred Jean Baptiste, Executive Director at TD Centre of Learning (located in Regent Park);

4. Sabina Ali, Chair of the Thorncliffe Park Women's Committee;

5. Colleen Imrie, owner of the Nooks, a small business retail incubator that combines shared retail spaces with

business development opportunities;

6. One retail expert who has done extensive research on commercial activity in the Greater Toronto Area (GTA);

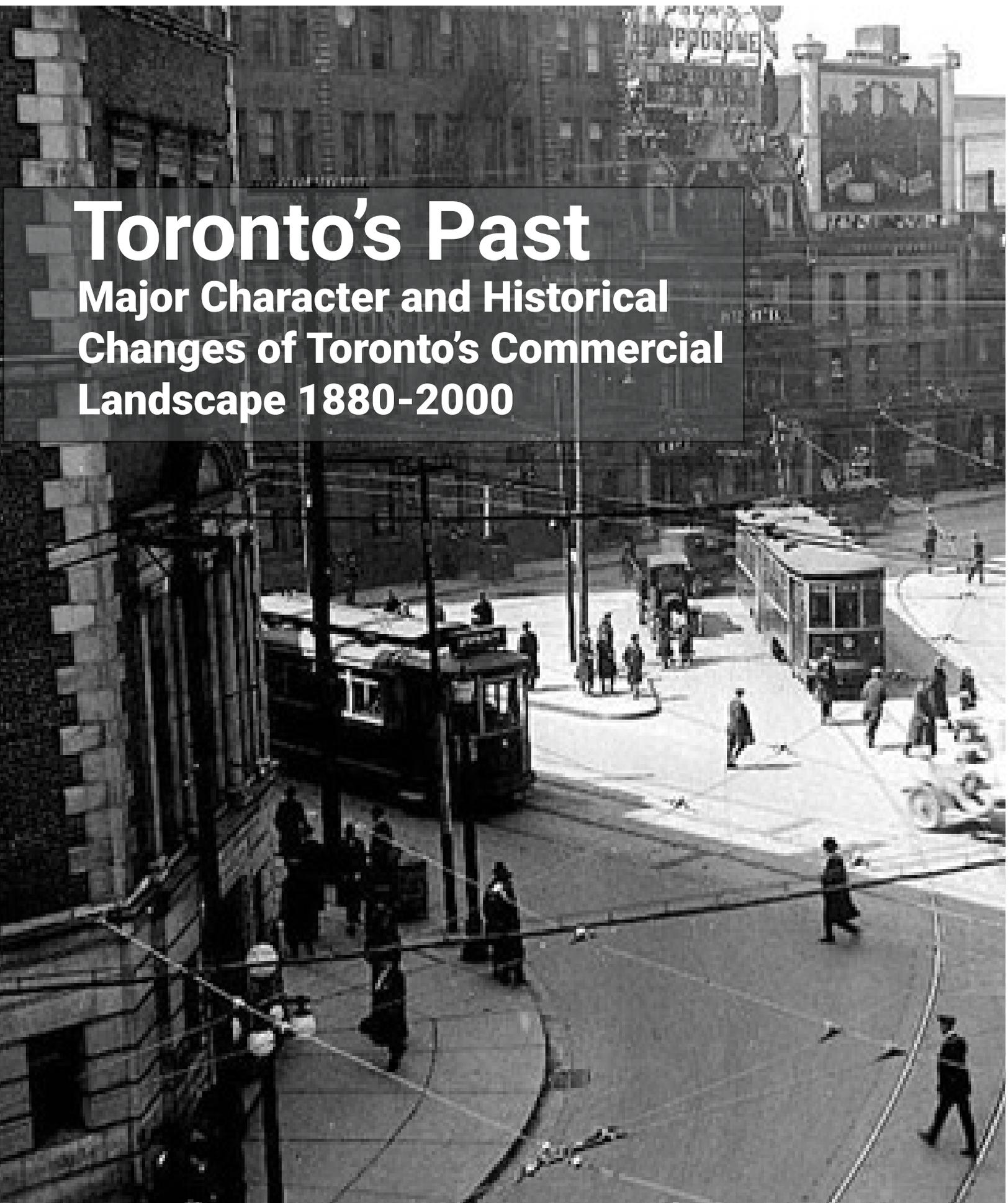
7. One community advocate working with the Scadding Court Market 707 project;

8. Rob Sysak, Executive Director of the West Queen West BIA;

9. Two city planners from Toronto Community Housing Corporation (TCHC), who are involved in the Regent Park revitalization project.

Toronto's Past

Major Character and Historical
Changes of Toronto's Commercial
Landscape 1880-2000



General Characteristics of Toronto's Historic Neighbourhood Retail

Over the past century, Toronto has transformed from a city of 210,000 to over 5 million people. Yet the period between 1880 and 1930 in which many of Toronto's key commercial districts were established, continues to determine the built form and function of much of Toronto's downtown core, offering us lessons for the future.

Toronto's commercial built form typically falls into the typology of the contemporary urban retail system which comprises "two distinct and competing retailing systems - the planned shopping center hierarchy and the remaining unplanned retail areas" (Jones, 2000, p. 404). Although Toronto's suburban communities are largely characterized by the former system, its downtown core is dominated by the latter. These clusters of retail in Toronto's downtown take one of two typical forms: the main street and the market. In order to explore these two typologies, we examine here two representative case studies: Queen Street West and Kensington Market. These two districts are notable within Toronto for the long-term vitality and resilience of their retail sectors. Here we assess the history, development, and built form characteristics of these neighbourhoods and propose two explanations for their resilience: protective municipal policy and strong community mobilization.

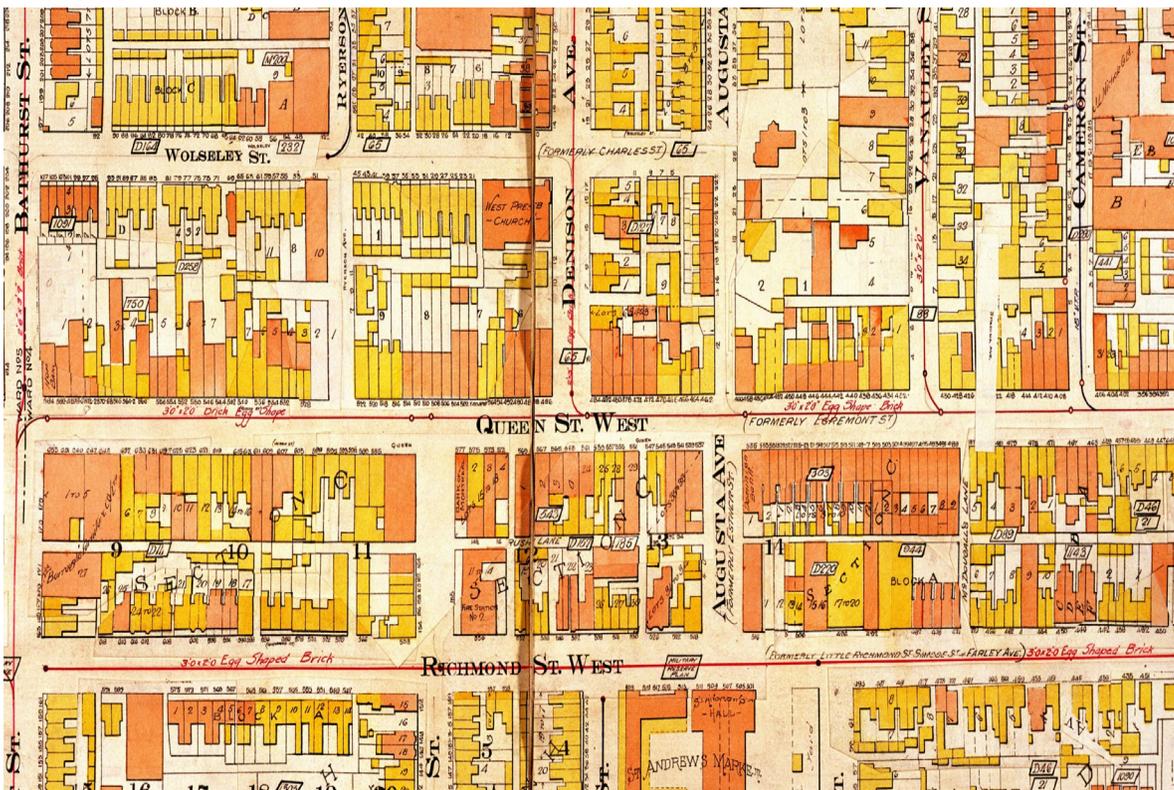
These traditional commercial districts are characterized by core features including:

- Largely organic, unplanned development
- Mixed land uses including commercial, office, residential, and light industrial
- Compact and low rise built form
- Dense residential population in close proximity
- Shops servicing daily needs, interspersed with employment, entertainment, and small luxury goods
- Walkability and accessibility

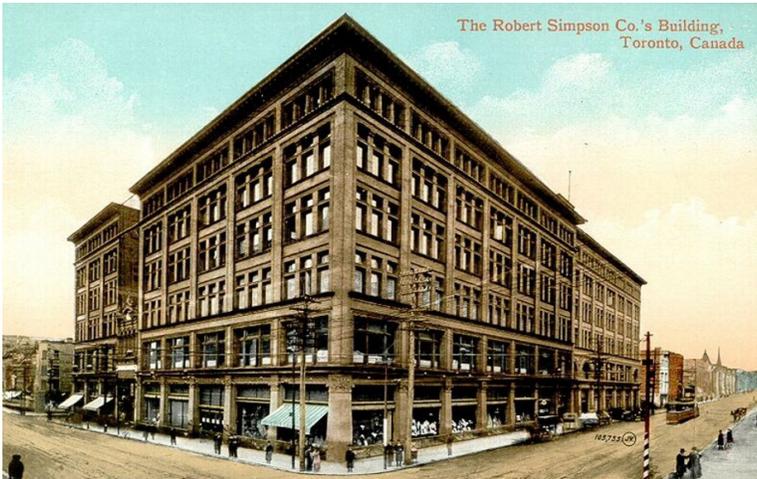
Traditional Main Street Retail: Queen St. West (University Avenue - Roncesvalles Avenue)

Foremost among retail main streets in Toronto is Queen Street, which has served as a key commercial avenue since the 1860s (Office for Urbanism, 2006). Stretching over 14 kilometers across the city, today parts of Queen Street are considered to be one of the most vibrant main streets in North America, with a mix of independent and chain stores, restaurants, hotels, services, and cultural institutions (Babad, 2014; Cushman and Wakefield, 2016).

Both the main street and the market built forms grew out of the City's original subdivision into 100 acre "Park Lots" designed with narrow frontages extending from Lake Ontario to Bloor Street (Filey, 1997). After this initial subdividing of downtown Toronto into 32 Park Lots, individual property owners were free to subdivide their properties without oversight (Chief Planner, 2017). Queen Street, originally known as Lot Street, was laid out as a baseline for the first survey of the town of York, resulting in its straight, unbroken line through the downtown core of Toronto. Originally bordering agricultural land, it became increasingly densely developed, as it became occupied by commercial storefronts in the period between 1880 and 1930 (Office for Urbanism, 2006).



Goad's 1924 Fire Insurance Map shows a dense collection of residential and commercial buildings mostly constructed of brick (pictured in orange) (Goad, 124).



A key structure serving as a retail anchor at the intersection of Yonge St. and Queen West is the Simpson's Building, built in 1896. The six storey romanescque revival structure served as one of the city's first department stores and visually maintains the rhythm of the street with its glass bays on the first and second storeys.

This period of intense growth gives Queen Street West its distinctive late-Victorian, commercial form, characterized by a mix of narrow (4-7 metre wide), 2-4 storey brick structures with large front windows, recessed entrances, and no setback from the street - creating an unbroken street wall, and larger anchor buildings. Later, larger commercial and manufacturing units were introduced as infill between the existing buildings, and molded to the established pattern of development (ibid.).

City directories from the early 20th century reveal a broad range of goods, services, and small manufacturers located on Queen Street. Between University Avenue and Bathurst Street could be found retail catering to daily needs, such as butchers and grocers, and non-daily needs such as clothing stores, hardware, luxury goods such as confections and cigars, and toys; services such as barbers, banks, dentists, music teachers, and laundry; hotels and entertainment, and educational institutions (Might, 1910). The 2-4 storey buildings tended to be mixed use, with residential or office units above. In some cases, these were live-work units. In others, the business person lived elsewhere and second storey space was rented to other tenants (ibid.). During this early period of development there was little municipal oversight, meaning that residential, office, commercial, and industrial uses existed in close proximity to one another, resulting in a dense, walkable, eclectic urban form. This type of early commercial development is typical of Toronto's 19th and early 20th-century main streets.

With a population shift to the suburbs in the middle of the twentieth century, Queen Street, like other downtown neighbourhoods declined in population and employment (Office for Urbanism, 2006). Given its proximity to the Ontario College of Art and Design, however, it became frequented by students and graduates and known in the 1980s for its bohemian character. Like SoHo in London or New York, the thriving arts and culture scene on Queen Street drew investment in the 1990s (ibid.). The resulting gentrification pushed artists and musicians beyond Bathurst Street to West Queen West, a neighbourhood which not long afterwards experienced rapid gentrification itself (Sysak, personal communication, November 6, 2018). From the 1990s through the 2010s, Queen Street West (University Ave. - Spadina Ave.) began to attract chain retailers, such as H&M and Zara which are now interspersed with independent local retailers.

Traditional Market Retail: Kensington Market

A second type of neighbourhood retail in Toronto are the market districts, including Kensington Market, located in downtown Toronto. The formation of 'districts' refers to "particular types of businesses that came to dominate certain strips and so magnified the external economy situation" (Yeates, Hernandez, & Murray, 2015, p. 3). The authors of the CSCA Commercial Strips in the GTA report further explained:

"By 1960 these are evidenced in the presence of different kinds of 'districts': financial; garment; automobile (involving new and used sales, and repair); medical; and furniture/appliance/home improvement. Also, the stores in some strips came to reflect the tastes, and served the needs, of local ethnic concentrations, such as Chinatown (Spadina Ave. and Dundas St. W), Kensington Market (Augusta Ave.), and Little Italy (College St. W and Grace St.)" (ibid., p. 3).

Unlike Queen Street, which was defined from the beginning as a commercial district with a distinct commercial built form, Kensington Market was originally a low-income residential district. Kensington's commercial identity has been shaped by successive waves of immigration, beginning in the first two decades of the twentieth century with a concentration of Jewish settlers making their home there (Myrvold, 1993). In the 1920s, the community gradually converted residences into mixed-use commercial structures specializing, for the most part, in food-related businesses (Kensington HCD Plan, 2017). This converted residential character, along with an irregular street pattern, and the integration of sidewalk sales into commercial space, defines Kensington Market's eclectic retail landscape.

This informality of design has created a neighbourhood in which "small scale, experimental, and independent retail" predominates, and its unique, piecemeal street pattern has created 70 corner lots, increasing business visibility, and multiple T-intersections, encouraging cycling and pedestrian activity and discouraging vehicle access (Kensington HCD Plan, 2017, p. 29). Its built form is largely vernacular residential, Victorian, with retail space on the main floor (ibid.).

Following the second world war, Kensington became home to waves of immigrants, initially largely from Portugal, but also Italy and eastern Europe. Since the 1980s, the ethnic mix of the neighbourhood has been increasingly defined by immigrants from China. From the 1960s onward, Kensington has become known as a Bohemian, counterculture district famous within Toronto for the eclecticism and diversity of its retail offerings (Cochrane, 2000).



Kensington Market residents participate in street vending, 1924. Toronto Public Library, TRL, X 65-64.

Unprecedented Challenges

Both Queen Street West and Kensington Market were shaped by an initial period of strict surveying followed by a period of largely unregulated development, resulting in a diverse mix of land uses including light manufacturing, residential, office, and commercial. Since the 1950s and the growth of suburban communities, Toronto's historic retail areas have experienced waves of pressures from stagnant urban populations to indoor malls and power centres. In the middle of the 20th century, retailing began to decline, as growth in the city veered toward suburban-style development and the creation of indoor malls. Toronto's first automobile-centred indoor mall was Yorkdale followed by the Eaton Centre, which opened in 1964 and 1977, respectively (Rusk, 2004; Bradburn, 2017). Further pressures for traditional retail came with the creation of power centres and so-called category killers, which dominated retail in the 1990s and 2000s. These "category killers," such as Bestbuy, Chapters, or Home Depot seek to control markets for particular products by pricing out smaller competitors (Hudson, 2018). Yeates, Hernandez, and Murray (2015, p.4) described this transition by analyzing the retail trends and prospects in the Greater Toronto Area (GTA) from 1941 to 2031:

"The transition from the 'delivery' of consumer goods and services in commercial strips, to the 'delivery' of a large share of this sector in shopping centres after 1950, was rapid – from a ratio roughly 90:10 with respect to estimated space in 1950 to 30:70 in 1990. After that time a new delivery innovation – big-boxes and power centres – broke on the commercial shore; with the 'bricks and mortar' basis of strip, shopping centre, power centre and big-box delivery channels being increasingly challenged after 2000 by e-commerce."

More recently, main street retail, particularly small, independent business owners, have faced the challenges of online retailing, skyrocketing rents, high property taxes, and competition for space from large retail chain stores (Sysak, personal communication, November 6, 2018). In the past decade, Toronto has seen the same decline in the proportion of retail versus service and restaurants on its main streets, as has been seen in other North American cities (Talen & Jeong, 2017).

According to data obtained from the CSCA, along the Queen Street Corridor and in the market neighbourhoods, the number of retail businesses decreased between 10% in West Queen West and St. Lawrence Market Neighbourhood (SLMN) and 25% in Kensington Market. Meanwhile, the change in the number of service-oriented businesses ranged from a decrease of 27% (Parkdale Village) to an increase of 36% (SLMN). Finally, the number of food-related businesses increased in all BIAs studied, except for in the Beach neighbourhood where it decreased by 6%. The largest increase in food-related businesses was in SLMN, which gained 32 new food-related businesses, an increase of 37% (see Figure 1).

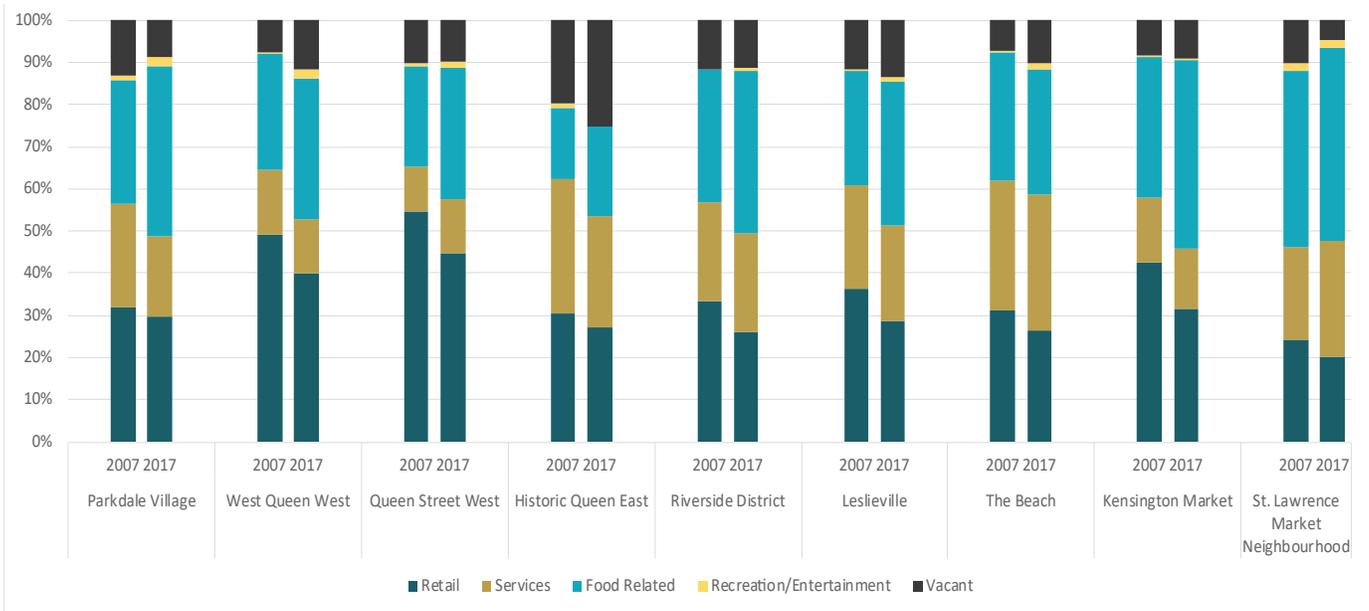


Figure 1: Commercial Mix by BIA, 2007 - 2017.

The overall pattern observed in Toronto’s downtown core is, therefore, that retail businesses have declined not only in absolute number but also as a share of total businesses being largely replaced by restaurants. Businesses offering services have remained roughly static over the past decade.

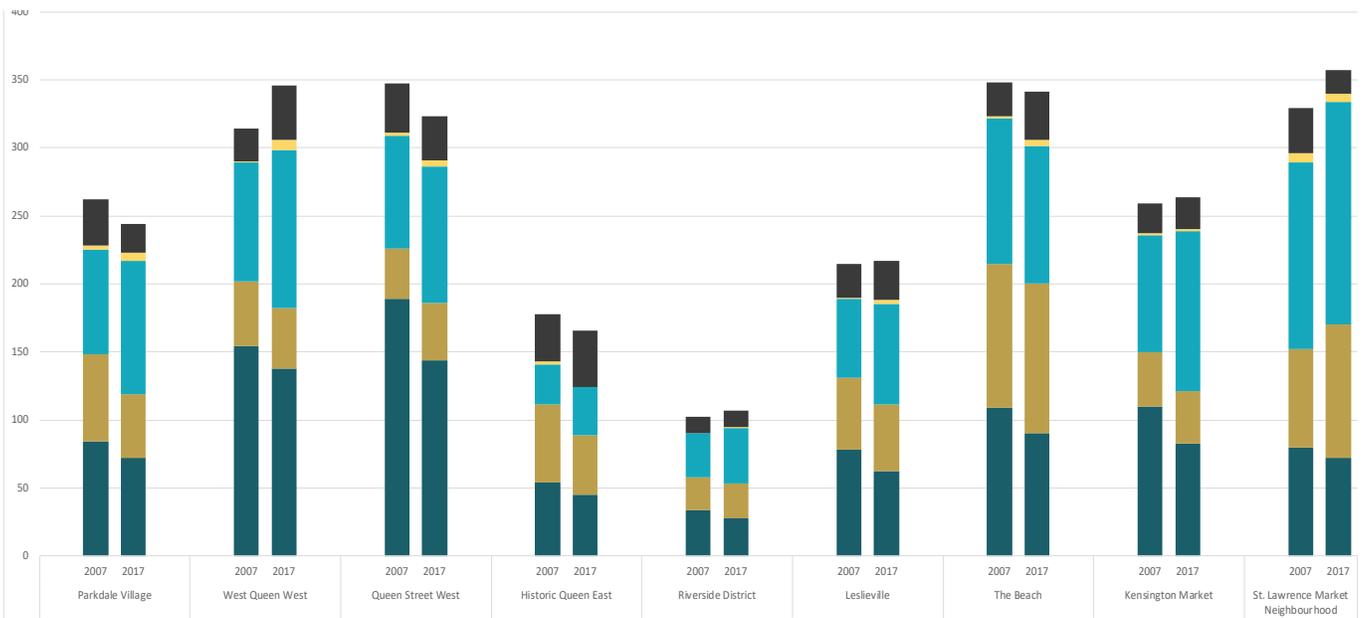
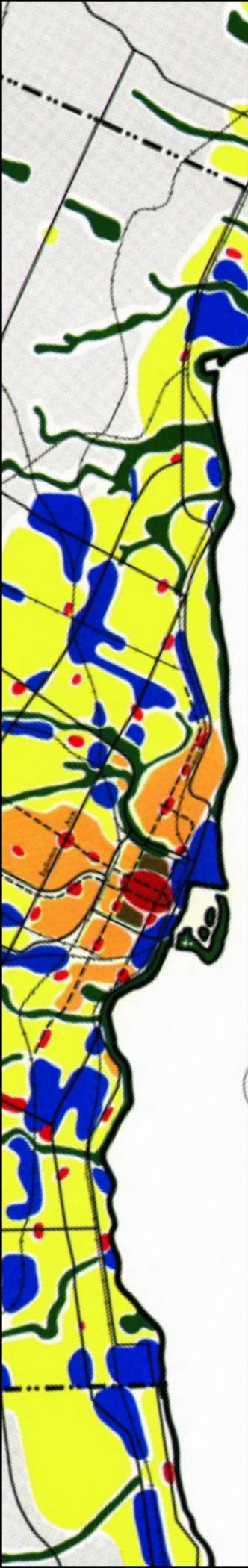


Figure 2: Number of Businesses by Type, 2007 - 2017.

Despite the aforementioned challenges, Queen Street West and Kensington Market are two neighbourhoods in Toronto that have not only retained and built upon their traditional retail functions, but also continue to be distinct, iconic neighbourhoods within the city. Specifically, the following sections explore two strategies that have been employed: protective municipal policies and community mobilization.



Policies Protecting Independent Businesses

The City of Toronto has a long history of creating policies to protect small scale, downtown businesses. When other jurisdictions were encouraging the growth of indoor malls and power centres, Toronto recognized the value of protecting and promoting its downtown core.

Leading up to the 1970s, Toronto's downtown was experiencing similar trends of other North American cities: an exodus of the residential population to the suburbs and de-industrialization (J.C. Williams Group, 2015). Planning for a livable downtown changed the thinking around retail - the 1976 Central Area Plan favoured a vision of Toronto's downtown, with residential as a key component (Barber, 2007). As a result, the City ditched the incentives for interior retail malls and created incentives for retail at-grade (J.C. Williams Group, 2015). Despite these changes, the value of retail main streets as places for community growth were not recognized in planning policy until the late 1980s and 1990s (ibid.).

Various policies, programs and projects were initiated during this time to establish downtown Toronto as a retail destination. Investment in arts, entertainment, and sporting facilities drew large audiences and reinforced downtown as "the place to be". The Kings Regeneration Initiative and other programs in the late 1990s encouraged further residential and office commercial growth (ibid.). Both employment and population growth in the downtown fueled retail sales.

After amalgamation in 1998, the new City of Toronto updated its Official Plan to combat encroachment of auto-oriented large format retailing on main streets. The city identified priority retail streets and created stronger guidelines for a mixed-use retail form to balance between economic and social goals. Today, the idea of maintaining adequate commercial activity in downtowns or more generally on retail main streets, so that they may function as community focal points and have an identity, is considered to be a fundamental planning principle as defined in the City's Official Plan (ibid.). Policies restricting building footprints to under 1800 sq meters, capping building height at 45 feet, and encouraging mixed-use residential-commercial development in existing retail areas ensured that Queen West, and other historic main streets were able to maintain small scale, independent businesses supported by a dense local residential population (ibid.). Many of these streets, such as Queen West, have remained relatively free from the "category killers."

Community Mobilization

The other strategy to combat development challenges for traditional retail neighbourhoods is to mobilize community members and build community synergies for resiliency. In Kensington Market area, active residents and business associations have had a lot of positive effects by embracing different cultures and developing infrastructure and improvements which have seemed to pay off, as the area is valued for its wide range of ethnic food offerings and is promoted as a multicultural destination (Li, 2015).

To enhance a sense of community and promote social integration and inclusivity, local residents and businesses initiated a popular event known as Pedestrian Sundays: during the summer months the streets are closed to vehicular traffic and pedestrians shop and socialize in the shared space. The other example is the Scadding Court Community Centre, located along the southern edge of the Kensington Market. It offers multi-faceted programming that changes seasonally. Its programming is designed to help the diverse population nearby - approximately 60% were born outside Canada - interact with each other and share common experiences. One of their projects is Market 707, where converted shipping containers are rented out to independent vendors selling diverse cultural foods, many of whom come from the adjacent housing development. In this way, the Market provides employment and affordable business opportunities, as well as revitalizes local economy and neighbourhood, as commented by an interviewee who was involved in the project (personal communication, October 23, 2018).



Residents oppose the building of Walmart in 2013. Photo by Dominique Russell.

Mobilizing the community for a strong sense of identity is not new in Kensington Market. Over the past 50 years, residents and businesses in Kensington Market have exerted a strong influence over local planning. Since the 1960s there have been proposals for a number of large scale plans, such as the expansion of Provincial Institute of Trades, the Toronto Western Hospital, or several apartment towers that would have changed Kensington's neighbourhood character significantly. Community organizations managed to block all of these major projects (Ross, 2013). Even in recent years, the Kensington Market community has opposed any kind of encroachment on the neighbourhood from chain retail. In the past decade alone, Starbucks, Loblaws, and Walmart have all been blocked from setting up shop in the neighbourhood.

In 2013, plans to erect a Walmart in Kensington Market were strongly opposed by the residents and business owners who actively engaged in a fight against the developer. By mobilizing wider community support through social media and public consultation meetings, a community group called Friends of Kensington Market successfully engaged over 90,000 supporters to sign an online petition. The development proposal was eventually rejected by the City Council (Alamenciak, 2014).

This strong local support for building community identity and resilience is the key to Kensington Market's legacy as one of the most diverse and distinctive neighbourhoods in North America where small-scale, multicultural, and independent businesses have thrived for over a century.

Toronto's past has, therefore, many lessons that continue to be relevant.



A careful balance of protectionist policies and a willingness to embrace creativity from policymakers resulted in neighbourhoods that were dense, walkable, and contained a mix of employment, residences, and commerce that created vibrant communities.



Strong community support for neighbourhood retail has, moreover, ensured that small, independent businesses have been able to contribute to a diverse and eclectic neighbourhood landscape.



Toronto's Present

Emerging Trends of Neighbourhood
Commercial Development



A
Acadia
ART & BARE BOOKS
Auction
Catalogues
Exhibition
Catalogues
Expressionism
Abstract
Renaissance
Books on
Antiques
Prints & Maps
Ancient Art
Avant Garde
Photography
Sculpture
Architecture

ACADIA BOOKS
ESTABL. 1981

ACADIA
ART
POSTCARDS
PRINTS
OLD BOOKS & MAPS



SEA
BUI

COTTAGE ROLLS
\$5.
(2 1/2 - 3 lbs.)
FROZEN
CHICKEN BREAST
\$10.
(8-10 pieces)

PASS
The City of Toronto
Public Library
Kingsway St. 2nd

SEATO

The “Present” of Toronto’s story focuses on how current initiatives support and promote retail. We examine below the social benefits of main street commerce and current threats, and then explore some of Toronto’s responses to these challenges including the Business Improvement Association (BIA) program, pioneered in Toronto’s Bloor West Village before expanding across North America. We also investigate the social enterprise model and community development initiatives employed in the revitalization of Regent Park and Thorncliffe Park respectively. It concludes by describing efforts to retrofit Toronto’s tower neighbourhoods. Lastly, we explore innovative business practices (e.g. the online-to-offline business model, pop-ups, shared spaces, and light industrial commercial uses) by presenting a variety of case studies.

Understanding Main Street Commerce and its Social Benefits

Generally, the building typology of main street commerce is characterized as at-grade retail and service spaces along a street, which provide space for pedestrian activity, and are located on main streets (Talen & Jeong, 2017). This is in contrast to strip plazas, malls, and power centres; all of which place greater emphasis on parking spaces for the automobile, and in the case of power centres, have much larger floor space footprints (Gomez et al., 2015; Hernandez & Jones, 2005; Weber & Hernandez, 2018). More specifically, neighbourhood commerce is a mix of retail and service that meets the needs of the neighbourhood, as illustrated by the two interviewees below.

Main streets are a place for people of all income levels, age groups, ethnicities, and social and political backgrounds.

A retail expert studying the change of commercial strips for the last 25 years explained that neighbourhood needs vary based on the type and density within the neighbourhood. For example, a suburb, Queen Street, and the downtown each serve many different functions - such as niche, ethnic, convenience, service, or entertainment-based. The business composition, built form, and customer base will differ according to these functions. The commercial mix in each of these areas is important and involves understanding what type of person is living and working within the neighbourhood, or willing to travel to the neighbourhood, as well as their associated lifestyle (personal communication, October 26, 2018).

Toronto City Councillor Mary-Margaret McMahon, who has been involved in many east end neighbourhood projects for a number of years, mirrored this sentiment when she was asked to define neighbourhood commerce. She defined it as retail and services that are needed locally, including doctors and dentists offices, libraries, and convenience stores. Councillor McMahon also stressed the importance of main streets as being a place for everyone, by offering a diversity of service, retail, and restaurant options - for all income levels, age groups and ethnicities and social and political backgrounds (personal communication, November 8, 2018).

The focus on neighbourhood needs along commercial main streets is emphasized in the vision statement for the Toronto Association of Business Improvement Areas (TABIA), which is the umbrella organization for all 83 of Toronto BIAs: "a thriving main street is the heart of a neighbourhood, supported by the effort of the people who live and work there." A Toronto based developer stated that the 2.5 km radius surrounding a business was the most important determinant of its success (personal communication, October 30, 2018). This echoes the research which places great importance on the residents who are within walking or cycling distance from a business and main commercial street (Gomez et al., 2015; J.C. Williams Group, 2014).



Neighbours congregate outside an independent grocer, tempted by produce spilling out onto the sidewalk in Toronto's Greektown neighbourhood.

There are important social benefits associated with main street commerce. First, the businesses that locate along commercial main streets are more likely to act as third places, such as a barber shop, café, or small diner, than those located in other types of commercial areas, particularly big box retailers (Gomez et al., 2015). Third places are spaces for informal social gathering and where community building can take place (Zhuang, 2017), and are what Councillor McMahon posits - to help maintain a city's high quality of life (personal communication, November 8, 2018).

Second, commercial main streets have also been shown to have a greater number of independent and local owners in comparison with retail shops located inside of malls or power centres (Gomez et al., 2015). This, in many cases, increases the comradery with members of the community and thus allows many businesses located on a commercial main street to act as community builders and to be more responsive to changes in consumers' preferences, though this may not always be the case (retail expert, personal communication, October 26, 2018).

Third, locally owned, independent businesses form better relationships with neighbourhood residents and act as "eyes on the street"; a term coined by famed urbanist Jane Jacobs to explain the correlation between at-grade building uses and increased safety (or perception thereof). Councillor McMahon recalled how everyone frequenting the Queen Street East area know of the mother and daughter who run Vincenzo's, a small grocery store located in the Danforth Mosaic BIA. Places like Vincenzo's, she said, encourage social interaction and help combat loneliness and isolation that residents of a large city can sometimes experience.

Threats to Main Street Commerce

The main threats to the viability and vitality of commercial main streets, both historically and presently, are: 1) malls and power centres, 2) changes in mobility patterns, 3) the increasing popularity of online shopping, and 4) certain regulations, including tax increases (City Building Institute, 2018; City of Toronto, 2017a, Gomez et al., 2015; J.C. Williams Group, 2014; McMahon, personal communication, November 8, 2018; retail expert, personal communication, October 26, 2018).

Studies have shown that the opening of large retail can snowball and weaken an entire business district, which can turn into a full-scale collapse of main street shopping and a decline in neighbourhood fortunes (Gomez et al., 2015). When a big box retailer, such as Walmart, moves in, wiped out are the local designers, advertisers, wholesalers, accountants, and logistics specialists that support local store owners as well as the opportunities for innovative entrepreneurs in the community to get shelf space for their products. This is likely why the abundance of small, independent firms is one of the best predictors of urban growth (ibid.).

While studies have shown the benefits of a large number of independent firms, however, government entities do not want to dictate the specific types of commercial businesses that locate in certain areas. The Ontario Municipal Board (OMB) has indicated that regulating competition in the free market system is outside the scope of its mandate, except for in extraordinary circumstances (Millward, 1994). Such circumstances include when a proposed use might negatively impact the overall commercial functions of a neighbourhood, through blight or service reduction (ibid.). In the past to address these concerns, Toronto's Zoning by-law (City of Toronto, 1993) restricted the size of new retail developments and required that all applications for large format retail obtain a rezoning and be reviewed for their effect on the economic activity of nearby retail strips.

These two opposing opinions are common in city planning, particularly around commerce, and relate to questions about the correct level of policy intervention versus leaving results up to market forces (retail expert, personal communication, October 26, 2018). The OMB believes that "policies designed to protect cannot be so rigid as to thwart commercial competition or inhibit retail innovation that is beneficial ultimately to the consuming public" (OMB Decision on Brampton Costco, p. 8).

Mobility infrastructure also impacts the vitality of commercial strips. Streets that maintained their streetcar, as opposed to transferring it underground into the subway system, fared better in the 1960s and 1970s when other commercial streets experienced a decline in customers (Gomez et al., 2015; Hernandez & Jones, 2005). Further, Councillor McMahon cited studies (e.g. Carmona, 2018) that have shown that cyclists shop more often and spend more money than car drivers, and expected that the future bike lanes on Danforth Avenue would have a positive impact on the businesses in the area (personal communication, November 8, 2018).

More recently in cities around the world commercial main streets have been threatened by online shopping (J.C. Williams Group, 2014). Opportunities are emerging, however, such as Online-to-Offline (O2O) retailers, which cater to the desires of consumers for a particular social retail experience (see Section 4.1 for more details). Furthermore, the commercial mix is moving away from a focus on retail purposes, to one that is more oriented towards services, in particular food services, and increasingly includes entertainment and business services as the nature of employment changes (see Figures 3 and 4) (CSCA, 2018). As indicated in a study of 48 commercial strips across the GTA, “By 2014 strips [were] no longer predominantly retail. The 60:40 retail/non-retail split in stores in the early 1960s, had become 38:62 retail/non-retail split in 2014.” (Yeates et al., 2015, p. 5).

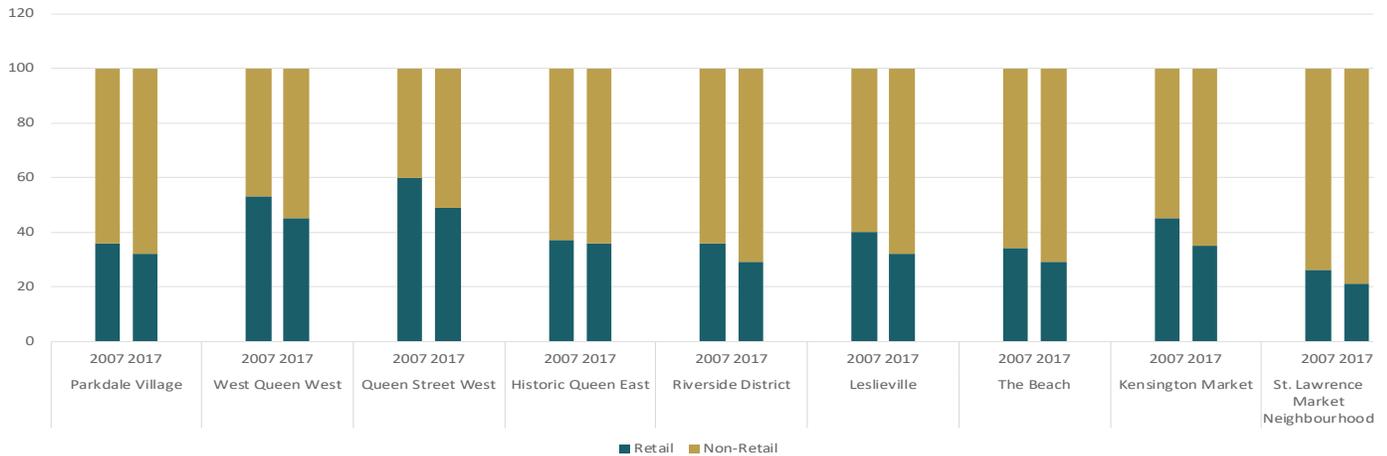


Figure 3: Commercial Mix by BIA, 2007 - 2017.

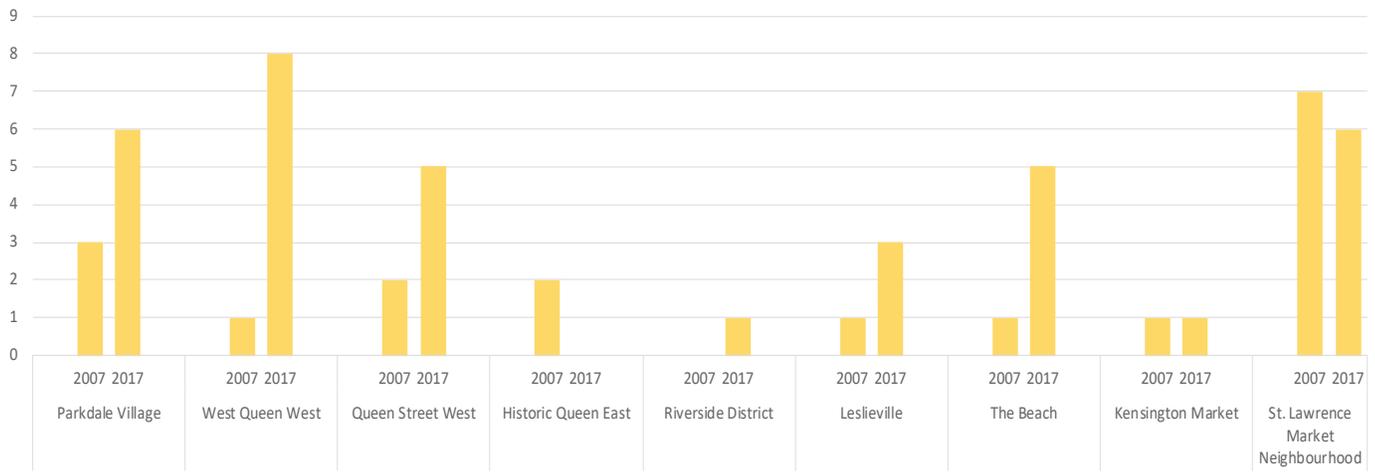


Figure 4: Commercial Mix by BIA, 2007 - 2017.

Regulations can also negatively impact the potential success of commercial main streets (City Building Institute, 2018; City of Toronto, 2017a; retail expert, personal communication, October 26, 2018). The introduction of federal Goods and Services Tax (GST) in 1992, financial policies such as minimum wage increases, and building code requirements for certain business types, all impact and can erode sales for small businesses, which threaten the entire main street business environment (Gomez et al., 2015; retail expert, personal communication, October 26, 2018). To illustrate this, Councillor McMahon provided an example of the former size restriction of restaurants within the Beach neighbourhood (located within the Queen Street East retail strip). The restriction

was established in 1985, and prohibited new businesses from opening in the area for over 30 years. This was added to the neighbourhood’s high retail vacancy rates, which increased 40% between 2007 and 2017 (CSCA, 2018) and which has been a long standing problem in the area.

Increasing vacancy rates have not only been an issue in the Beach neighbourhood, however. The vacancy rate has increased in five of the nine BIA neighbourhoods examined (see Figure 5) (CSCA, 2018). According to Rob Sysak, the Executive Director of the West Queen West BIA, credits much of this can be attributed to recent property tax hikes and the unpredictability of Municipal Property Assessment Corporation (MPAC)’s property assessments (personal communication, 2018). For example, the 2017 MPAC assessment has triggered over 100% tax hikes and an outcry of affected businesses across the city, resulting in a 10% tax cap decision approved by the City Council (ibid.; Janus, 2018).

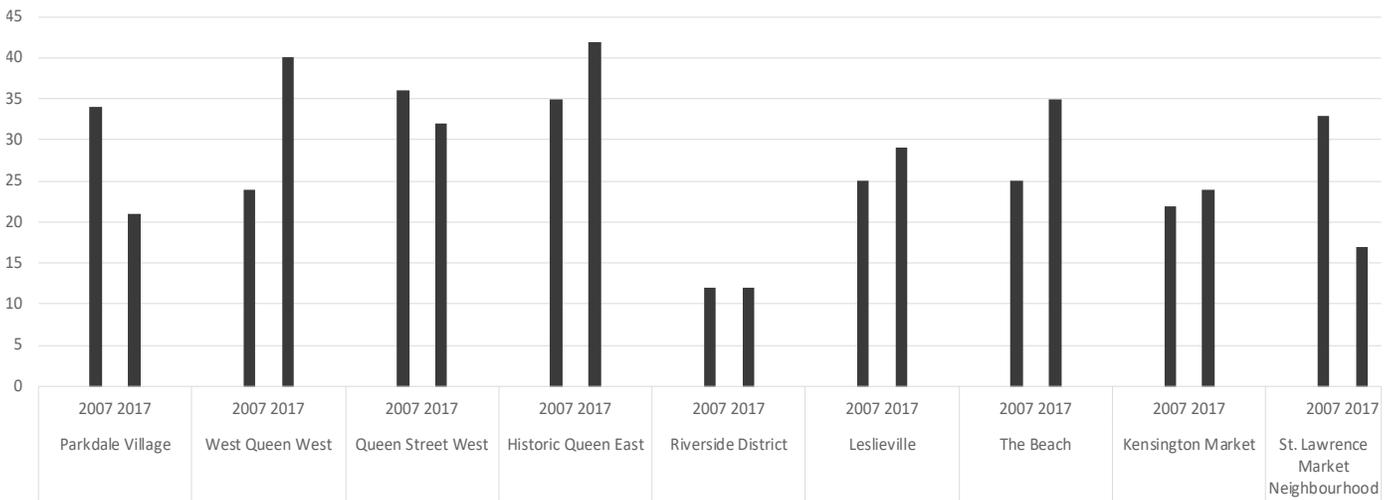


Figure 5: The Number of Vacant Businesses by BIA, 2007 - 2017.

Lastly, threats exist for individual, independent shops located along main streets. New growth and thus new residents moving into an established area threaten older independent shops that have traditionally relied on their connection with residents to succeed (McMahon, personal communication, November 8, 2018). Unless the old residents are telling the new residents about the local independent shops, the existence of places that do not use social media and have limited means to advertise are endangered (ibid.).

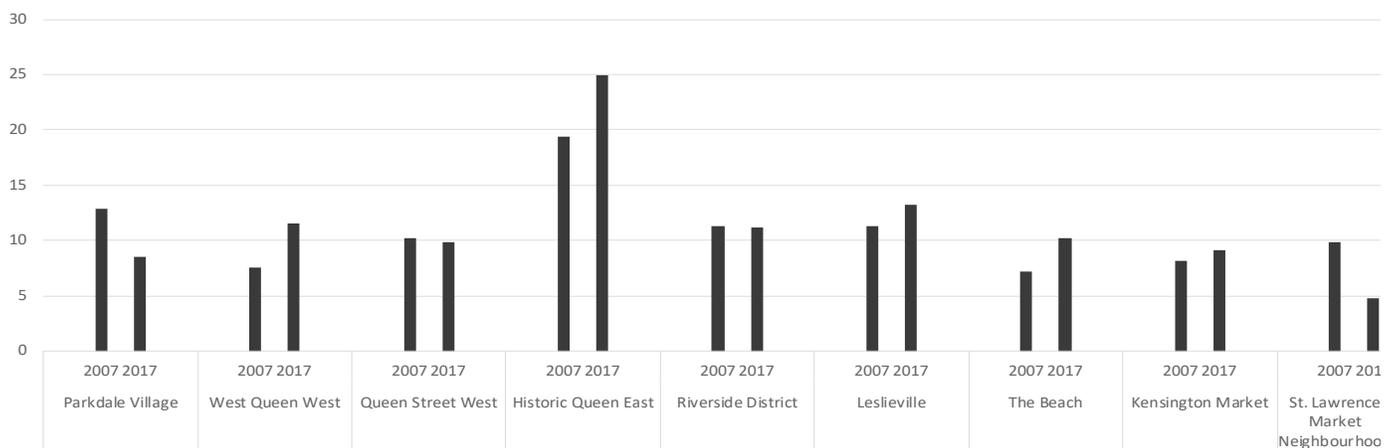


Figure 6: Vacancy Rate by BIA, 2007 - 2017.

Walk it.
Shop it.
Live it.
thebeachvillage.com

THE
BEACH VILLAGE
EST. 1963
Walk it.
Shop it.
Live it.
thebeachvillage.com

THE
BEACH VILLAGE
Walk it.
Shop it.
Live it.
thebeachvillage.com

MAXIMUM
40

Scarboro Beach Bl

Advertisement for 'The Beach Village' featuring a chef and food items.

DINE-IN, TAKE-OUT, DELIVERY
Mon-Sat: 11am-10pm, Sun: 11am-10pm
2148 Queens St. E., (416) 493-2881
www.thebeachvillage.com

ListenU
HEARING AID
CENTRE
FREE
HEARING TESTS
Toll-Free
ListenUPc

Promotional banners created for the Beach Village BIA district.

Business Improvement Areas (BIAs) as an Effective Main Street Business Program

The primary aim of a BIA is to attract more consumers to the business area. Toronto was the birthplace of BIAs, and is home to the world's largest concentration of BIAs, with 83 in operation today (Gomez et al., 2015). In the 1970s, the first BIA was established as a response to initial threats to main street retail as mentioned previously, and the need to prevent retail loss to the suburbs (Hernandez & Jones, 2005). Specifically, main street retail shops located in Bloor West Village (BWV) suffered in the 1960s due to the opening of Yorkdale, Canada's first climate-controlled shopping mall, and the loss of the streetcar route along Bloor due to the Keele subway extension (Gomez et al., 2015). Business owners in BWV recognized that by competing among themselves they would collectively fail. In response, the neighbourhood business owners advocated for a mandatory levy to be applied to all commercial businesses within its boundaries. The collective revenue was then used for needed local investments, streetscape beautification, marketing and branding, and business support programs (ibid.). Based on the success of the BWV BIA, the Ontario Government passed legislation to recognize and foster BIAs in 1970.

A successful BIA program requires strong partnership with city staff, government, developers, community organizations, and residents (Hernandez & Jones, 2005), and can be quite holistic. Current BIAs in Toronto are under the supervision of the City's Economic Development Office (EDO). A BIA is run by a Board of Management which is comprised of elected volunteers, who are property owners and business operators, and at least one city council member. The EDO also assigns Commercial Area Advisors for outreach and work with BIA members. The Board prepares an annual budget for capital improvement projects which require the approval of members and City council. After its approval, the City collects a special tax levy based on the proportionate value of each property's assessment within the boundaries of the BIA. The funds are returned to the BIA to manage during each year's budget. Generally, the funds are used for streetscape improvements, event planning, marketing and promotional campaigns. In addition, the City provides 50% matched capital funding for streetscape improvements, such as decorative pedestrian lighting, façade upgrades, banners and murals, BIA themed signage, landscaping, and street furniture. The City of Toronto and the TABIA have hosted annual national and international BIA conferences and launched city-wide advertising campaigns trumpeting local living and entrepreneurs (Gomez et al., 2015).

Today, BIAs act as curators of the retail, service, and experiential makeup of a commercial district; serve as marketers and animators of an area; contribute to community building; help establish and maintain neighbourhood identity; and improve the sense of place by acting as "place-makers" (Gomez et al., 2015). BIAs also function as agents who help establish a neighbourhood as a destination for

visitors by catering to both residents and people from outside the neighbourhood. Neighbourhoods with a modest to high BIA presence were rated higher in Toronto Life's 2013 ranking of the city's best neighbourhoods (ibid.). Research also found a discernible statistical correlation between the positive attributes of city neighbourhoods and the presence of an active and engaged small business community, as measured by the existence of a BIA presence. The variables most strongly correlated were housing valuations, the availability of shopping, and crime level reduction, and was decently correlated with citizen engagement and the presence of entertainment uses (ibid.).

The "place-making" efforts of BIAs can be of particular importance. People often define Toronto as a city of neighbourhoods (Hume, 2009). BIAs contribute to this reputation by creating and marketing neighbourhoods with distinct identities. BIAs with strong links to community groups and other local organizations are more likely to instil a sense of pride and contribute to intercultural relationship building, which can occur through BIA-sponsored events, such as street festivals (Gomez et al., 2015). The role BIAs play in defining and delineating neighbourhoods gives areas their unique flavour and comparative advantage, which in turn benefits cities by establishing neighbourhoods that provide a diversity of good and services (ibid.).

Key lessons for success:

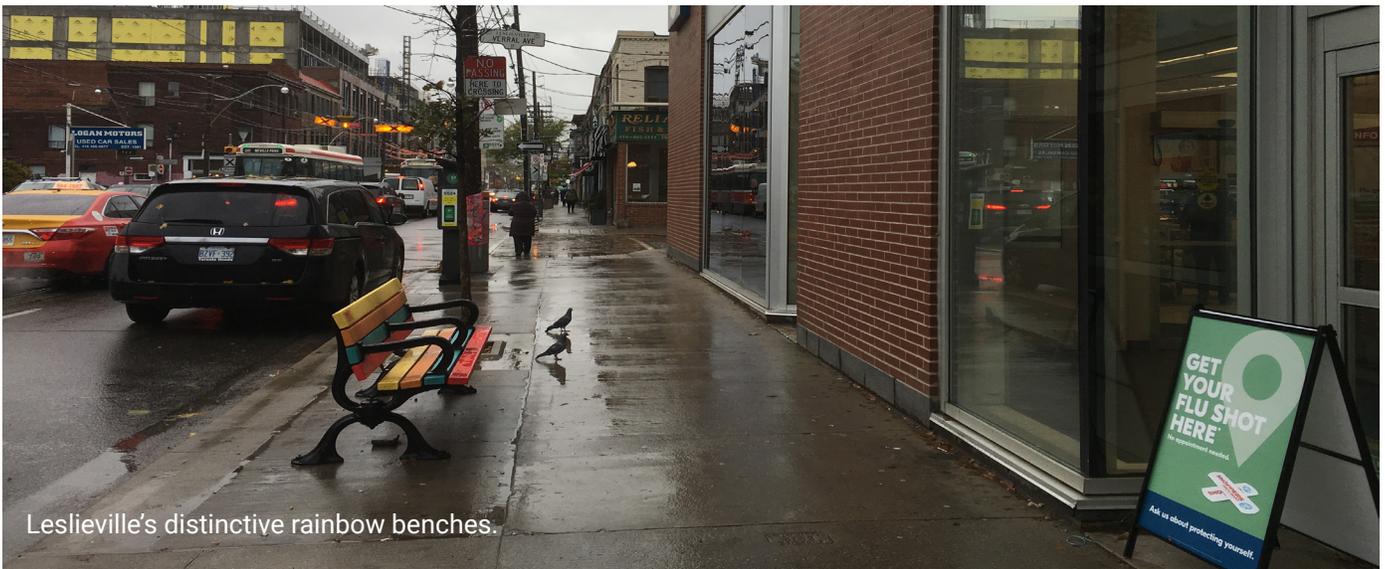
- **Partner with municipal government, developers, community organizations and residents.**
 - **Curate experiential nature of commercial areas**
 - **Establish community identity**
 - **Advocate on behalf of business owners and landlords**
-

Special BIA Initiatives in Toronto

Several interviewees in this study provided us with rich information on special BIA initiatives currently being operated in Toronto to retain main street commerce. The Danforth Mosaic BIA offers its members a digital media package grant worth \$2,500 and tries to support its business members by promoting them through social media, highlighting them in newsletters, and other forms of recognition in an effort to help attract customers and revenues to the business (Danforth Mosaic BIA, 2018; Imrie, personal communication, October 23, 2018). The BIA has also piloted the planting of native species in attempt to avoid having to re-plant each season and to create pollinator gardens, and has started a music in the park program (McMahon, personal communication, November 8, 2018).

Leslieville BIA supplied colourful benches for its strip along Queen Street East, which have now become almost emblematic of the neighbourhood (ibid.). This is an example of how BIA-initiated streetscape improvement can contribute to a neighbourhood's identity. Gerrard India BIA hosts the very large and popular two-day South Asia festival each year. However, this has sparked some controversy over the use of BIA funds on a limited-time event rather than investing in ways to bring sustained business to the area throughout the year (ibid.) In the Beach neighbourhood, the BIA is currently developing a Master Plan in partnership with Plant Architect which included community consultation. The results to date have been positive and include a beautified streetscape. To address seasonal use of waterfront space, winter warming stations have been organized along the Woodbine Beach (ibid; Muldoon, 2014).

The West Queen West BIA has 73 planters decorated with the work of local artists and planted with pollinator-friendly species resulting in a two-kilometre long pollinator paradise. West Queen West is considered the first bee business community in Canada (Sysak, personal communication, November 6, 2018). The BIA is currently exploring innovative ways to maintain the area's vibrancy. This includes WiFi throughout the area, a digital gift card for shops along the main street, and a delivery service for neighbourhood residents where they can have goods from their local businesses delivered to their home. BIAs offer the power of combined resources and influence, something that individual business owners in the community could not otherwise access.



Leslieville's distinctive rainbow benches.



Public realm improvements spearheaded by the BIA in Councillor McMahon's Beaches neighbourhood.

Successful main streets are those that understand the importance of maintaining third places, encourage social interaction, serve the daily needs of residents within the community, and offer pleasant and unique experiences to shoppers. There are more creative ways for local BIAs to achieve this, according to Councillor McMahon who sits on the Boards of 5 BIAs:

- organize cultural and artistic activities that animate a space and add vibrancy to a neighbourhood;
- educate people on the importance of shopping locally;
- think creatively about the use of space, for instance taking advantage of shared commercial spaces that can offer both cost savings and access to a new customer base;
- good maintenance of storefronts (e.g., shoveling in the winter months);
- encourage pop-up stores to decrease the number of vacant at-grade commercial spaces; and
- increase the number of bike lanes, as cyclists have been shown to shop more often and spend more money than drivers (personal communication, November 8, 2018).

BIAs in Toronto function, therefore, as a means for collective action amongst business owners, giving them the ability to achieve large scale, cohesive marketing and beautification strategies, and they act as an advocate for landlords and business owners. This ability to act collectively has been a highly effective strategy to mitigate pressures felt by small, scale retailers.

International Example of Creative Retail: 16th Mall in Denver

Downtown Denver's 16th Street Mall is one of America's most distinctive, well-known, and well-loved urban streets and one of the longest pedestrian/transit malls in the world (Urban Land Institute, 2008). It serves two roles as the city's busiest transit artery and a premier public space (ibid.). 16th Street Mall hosts a mixture of vibrant restaurants, chic cafés, a lively mix of pedestrians and transit vehicles, specialty shops, and authenticity that appeals to visitors and residents who enjoy city life. It is a premier pedestrian environment in the Rocky Mountain Region, which is the economic engine of Downtown Denver and a linchpin for Regional Transportation District (RTD)'s regional transit network, which runs a free shuttle service to the mall (Downtown Denver, 2018).

The 16th Street Mall is part of the Downtown Denver Business Improvement District (BID), which represents more than 400 Downtown commercial property owners who invest in the vitality of the Downtown and create a vibrant, inviting and thriving commercial core (Downtown Denver Partnership, 2018). Creating an inviting pedestrian environment to stimulate economic activity is a primary goal of the BID, which invests in trees, flower planters, streetscape enhancements, banners and wayfinding signs throughout the District, as well as in activities and events for the 16th Street Mall (ibid.).



"Marketplace on the Mall" is an ever-changing mix of eclectic street food, retail vendors and special events at the Mall (ibid.). The program, managed by the BID, supports an assortment of local and national businesses. With the number of vendors operating on the 16th Street Mall, ranging between 20 and 40 depending on season, the goal is to continue to add more quality, unique and diverse local businesses to the mix (ibid.). While numerous opportunities exist, strong efforts are taken not to duplicate uses and product (ibid.). Marketplace on the Mall opportunities include Food Vending, Merchandise/Retail Sales, Experiential/Floral/Art Sales, BID-owned Kiosks and Sampling and Special Event Permits. The BID website contains information about the vendor application process and selection criteria, which considers aspects such as product uniqueness, diversity and quality as well as the commitment to the program and hours of operation (ibid.). Vendor rates can range from \$350 - \$1600 during the summer months, and \$200- \$600 during the winter months, and tenure opportunities range from 6 months to 1 year (ibid.).



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN,

Figure 7: Map of Selected Study Area Boundaries

Growing New Tower Based Businesses



Developing vibrant retail where the commercial landscape is currently barren presents a unique challenge to planners and developers. In Toronto, we encounter this challenge in new neighbourhoods and in areas where zoning has historically restricted commercial uses, such as in residential and industrial zones. In areas of the city where retail is being introduced for the first time, the common typology is residential or mixed-use towers with retail at-grade. Some of these towers are existing post-war apartment buildings and others are new construction in neighbourhoods undergoing re-urbanization or massive redevelopment. Compatibility is a key factor for commercial uses within towers, due to the proximity of various uses and diverse needs of the existing or new community (executive #1, personal communication, October 30, 2018).

New Neighbourhood Case Study: Regent Park

Curating Critical Path Retail Space in a New Neighbourhood

The Regent Park neighbourhood is the location of one of Canada's oldest and largest public housing projects, built in the 1940s to absorb the city's urban poor and those returning from war. In the 1970s and 1980s, the availability of affordable subsidized housing units attracted immigrants to the area and altered the neighbourhood's demographics, lifestyles, and consumer habits. The housing project was labeled a planning failure with architecture, lack of maintenance, poverty, physical and social isolation, and racism all playing a part. In 2005, Regent Park embarked on a dramatic transformation. Residents were relocated and the existing building stock demolished. The street grid was reconfigured to connect with adjacent areas and new high-density mixed-income housing, parks, community facilities, and retail space were constructed (Agostino, 2013).

The Regent Park revitalization is an initiative based on a public and private partnership developed through the three levels of governments, the Daniels Corporation, the Toronto Community Housing Corporation (TCHC, the City of Toronto's public housing agency) and a number of community partners. Building this public and private partnership is critical in supporting and facilitating the resettlement process of TCHC's tenants and the integration of new residents into the new community. Restoring commercial vitality was intentionally planned for the new Regent Park, because the area had no commercial offerings for a long time, and "the RBC actually ended up being the first bank in Regent Park in sixty years," according to an interviewed planner from TCHC (planner #1, personal communication, November 9, 2018).

As explained by the interviewed planners and developers, having a grocery store as the neighbourhood anchor along with other community amenities is the key to a livable and economically viable neighbourhood. One interviewed planner further elaborated: "There is real benefit from having a mix of large retailers and finer grained and sometimes family based businesses in that it creates a neighbourhood that's much more appealing to people, viable, and ending up being stronger" (planner #2, personal communication, November 9, 2018).

According to one of the interviewed real-estate executives from the Daniels Corporation, the advertising and leasing of the commercial space in Regent Park is operated in-house (executive #1, personal communication, October 30, 2018). The developer carefully curates the retail uses and their location in their developments based on the community's needs, compatible uses for the individual building, and the area's overall retail mix. When developing a retail program for an area that does not currently have any retail, the developer begins with what they call critical path retail (executive #2, personal communication, October 30, 2018). Critical path retail represents the everyday essential commercial services for local residents and businesses. For Regent Park, it was a bank (Royal Bank of Canada), a coffee shop (Tim Horton's), and a grocery store (FreshCo). After critical path retail has been established, businesses meeting secondary and tertiary needs can be introduced; things like restaurants, a pharmacy, or a dry cleaner (ibid.).

Stitching Regent Park back into the fabric of the city was a prime goal of the redevelopment (executive #1, personal communication, October 30, 2018). Both the built form and the commercial landscape were designed to "look just like the rest of Toronto" (ibid.). The selection of early commercial businesses in Regent Park reflected this goal and set the tone for the community. For example, Tim Horton's was selected rather than a higher-end or lower-end chain "because you see Tim Horton's in every single community across Canada" (executive #2, personal communication, October 30, 2018).

The unique needs of the mixed-income population were also considered. The goods and services on offer needed to be both affordable to TCHC residents and perceived as being high quality in order to enhance property values of the market-rate units (ibid.). The developer is (literally) invested in the success of the commercial businesses locating in its developments, and so they help potential tenants understand the demographics of the building and the neighbourhood to make sure it is a good fit. For a business located in the base of a tower to be successful, the building's residents have to get to a place where they cannot imagine the building without them (executive #1, personal communication, October 30, 2018). That will only happen if the business serves the needs of residents and carefully limits nuisances produced (noise, odour, crowding, etc.).



The Social Enterprise Approach

Toronto is, in relation to its size, the most diverse city in the world (Gomez et al., 2015). Regent Park represents the city's diversity with 65% of its pre-revitalization population having been in Canada for less than 10 years (Agostino, 2013). The interviewed executives recognized the vital role small businesses, including those run by immigrants, play in community development. The developer has implemented an innovative social enterprise approach to supporting local employment and small, community-based businesses in Regent Park. Under the Community Commercial Program, they provide supports to certain tenants beyond what a landlord would typically offer.

Often, this support looks like rent escalation and mentorship. Rent escalation means the base rent (which excludes the landlord's non-fixed expenses, like property taxes and supporting costs) is free or greatly reduced to start, with the base rent escalating to market value over a five year term (executive #1, personal communication, October 30, 2018). Mentorship commonly involves sharing business expertise (such as how to negotiate a lease, what set up costs can be expected, or how to determine a business' space requirements) with entrepreneurs or non-profit organizations (ibid.). Social enterprise requires adjusted expectations about the landlord's bottom line and the level of management required. After a period of support, businesses must sink or swim on their own. There is no value to anyone in keeping an unsustainable business afloat in perpetuity. It prevents the landlord's commercial asset from maturing and can negatively impact the overall perception of the area's retail vibrancy (ibid.).

One of the revitalization goals is to build social cohesion, as one interviewed planner commented:

"Community members have been more vocal about the kinds of spaces they want to see and also shift toward the community commercial space, so we're more cognizant of the fact that support has to be provided to those small enterprises that would not be able to operate within the east downtown without some help... We have made a very conscious effort in helping subsidize [the retail] spaces... and bringing entrepreneurs along in the leasing process" (planner #1, November 9, 2018).

The implementation of the social enterprise approach in Regent Park is strongly supported and facilitated by one of the local community agencies, the Centre of Learning & Development Toronto. The Centre is a charitable agency with the mission to "equip individuals with tools for individual growth and empower them to promote positive change in their community" (Centre of Learning & Development, 2018). The Centre has been offering free workshops teaching business skills (creating a business plan, food handling certificate, etc.) to residents for several years. These workshops were especially popular with new immigrants, who face many barriers to employment (Jean-Baptiste, personal communication, October 26, 2018).

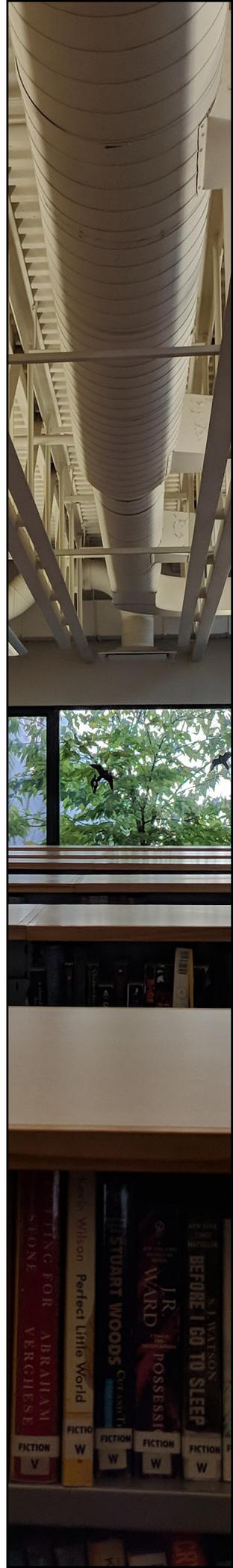
“This goes beyond the traditional notion of social enterprise and contributes to community building. It is very important that people have a sense that the initiative is owned by the community.”
- Alfred Jean Baptiste

The Centre recognized that although many of the existing commercial businesses in the area (Royal Bank of Canada, Wendy’s, Paintbox Bistro, FreshCo, etc.) were focused on hiring from within the community, there was a deficit in the number of businesses owned by community members (ibid.).

At the same time, there was a small group of passionate newcomer women who had completed the food handling certificate program through the Centre who were interested in working together to start a catering business. This gave rise to the Centre’s Social Enterprise Incubation program and the Regent Park Catering Collective.

The Centre had a more lofty goal than just creating a successful catering company. As Alfred Jean-Baptiste, Executive Director of the Centre commented, “This goes beyond the traditional notion of social enterprise and contributes to community building ... it is very important that people have a sense that the initiative is owned by the community” (ibid.). There is an infrastructure that includes legal, accounting, transportation, warehousing and logistics, financial, publishing and advertising firms that work closely with these small scale retailers. We should not underestimate the role small business entrepreneurship plays in supporting social cohesion and helping integrate newcomers and minorities into the fabric of a local economy and society (Gomez et al., 2015). Members of the Collective do not need to contribute any capital and they have autonomy in determining which orders they fulfill (Jean-Baptiste, personal communication, October 26, 2018).

The Centre provides some overhead (bookkeeping software, invoicing and collecting payment, etc.) but all of the revenue generated goes to the individual caterers. In the first year, the Catering Collective made approximately \$80,000. By the second and third years, that figure had increased to \$120,000 but they realized they were plateauing because the caterer’s capacity was limited by the fact that they were cooking in home kitchens (ibid.). The developer for the Regent Park revitalization had issued a call for proposals for commercial retail space at subsidized rental rates. The Catering Collective was able to secure a space of approximately 2,000 square feet, which they will share with a Sewing Collective (another of the Centre’s social enterprises), for a commercial kitchen



and sewing studio. The space will be ready in 2020. Partnerships with organizations and/or individuals who are committed to supporting social enterprises are vitally important to the success of the Catering Collective. The Collective depends on partnerships with developers, Toronto Public Health, Paintbox Bistro, George Brown College, and OCAD University (ibid.).

As a social enterprise, the Catering Collective will receive training and mentorship from the Centre in a hands-on way. It is expected that some individuals will participate in the Collective for a long time, as a means to earn flexible income. Others will be inspired to pursue business or food service training in a more formal way. Another group - those with entrepreneurial spirits - will take the skills they have learned and start other businesses about which they are passionate. Since the Centre is a charity, they are eligible to apply for grants from government agencies and philanthropic organizations. The Centre also intends to fundraise and collect in-kind donations of commercial kitchen equipment. These funds can help cover major expenses such as reconfiguring a commercial space for a new use. Both Jean-Baptiste (personal communication, October 26, 2018) and the two executives from Daniels (personal communication, October 30, 2018) recognized that the initial set-up of the space is a large expense for a small business owner. Jean-Baptiste (personal communication, October 26, 2018) urged developers and landlords to think about the possibility of offering incentives to reduce this burden and encourage small businesses to locate in their space.

Once the commercial kitchen is operational, the Centre will explore the possibility of space sharing. With food delivery apps increasing in popularity, a trend is emerging of “virtual kitchens,” restaurants with no storefronts who produce and deliver food via apps (ibid.). The value in partnering with a virtual kitchen would be the ability to offset the high cost of a commercial kitchen by renting it out when it is not in use. Financial sustainability is important because the Centre does not plan to be involved in its social enterprises, such as the Catering Collective, indefinitely. The Centre will transition out of the business “when the enterprise is sufficiently strong and they have a management team in place” (ibid.). The Centre’s focus remains on training and development, so once the enterprise is independent, resources will be freed up for other Centre initiatives or to support a new social enterprise.

Considerations for Developing New Commercial Spaces

The interviewed executive warned any other developer looking to build retail from scratch in a new neighbourhood,

“Based on our experience in Regent Park, where we have been now 12-13 years, achieving commercial success is a long, long process. Thirteen years in with less than 50% of the retail built, we are still not at a place where we are thrilled. It may work, but we are not seeing it yet” (executive #2, personal communication, October 30, 2018).

Finally, after over a decade Regent Park is beginning to develop its own character (executive #1, personal communication, October 30, 2018). A planner at TCHC said the businesses that were willing to come into Regent Park when it was still very stigmatized at the beginning were catalysts for future commercial development (planner #1, personal communication, November 8, 2018). Daniels is now starting to have retailers approach them, wanting to open up in Regent Park. However, Daniels cautioned that if developers put retailers in the development too early without incentives, the businesses will fail. Until most of the residents move in, businesses will not be able to cover their operating expenses (executive #1, personal communication, October 30, 2018).

There are alternatives to waiting for character to build organically. In the Canary District, another new neighbourhood nearby, developers essentially purchased character by offering select commercial businesses significant incentives to open early and animate the neighbourhood. This prevented storefronts from sitting empty while the critical mass of customers built up (ibid.). Quite different from the perspectives of other interviewees, such as Councillor McMahon and Colleen Imrie, the owner of the Nooks, the interviewed executive questioned the long-term sustainability of pop-ups, although they could be helpful in animating the empty storefronts during early phases of development. In the long run, landlords want the security of a 10-20 year lease



and customers want consistency and to develop relationships with long-term businesses (ibid.). If pop-ups or other temporary uses become disproportionate to longer term commercial uses, it will not work unless a landlord wholly owns the asset and does not wish to finance it or leverage it - which is rare (ibid.).

Although we cannot yet evaluate the success or failure of the commercial strategy for Regent Park, there is reason for optimism. The St. Lawrence Market Neighbourhood (SLMN), which was a model for the Regent Park revitalization, is another redeveloped mixed-income neighbourhood with slightly earlier timeline. Commerce in this area has grown to become a successful commercial district, heavily weighted towards services and specialty food-related businesses. Moreover, since 2007, vacancy in SLMN has almost halved and the number of active businesses has grown by 37, or 12% over the past decade (CSCA, 2018). While many manufacturing and more industrial uses have closed shop in the area since 2007, the neighbourhood has gained many food and beverage businesses, social services, and personal goods and service shops (see Figure 8); all signs that the neighbourhood is increasingly serving its surrounding residential community (CSCA, 2018).

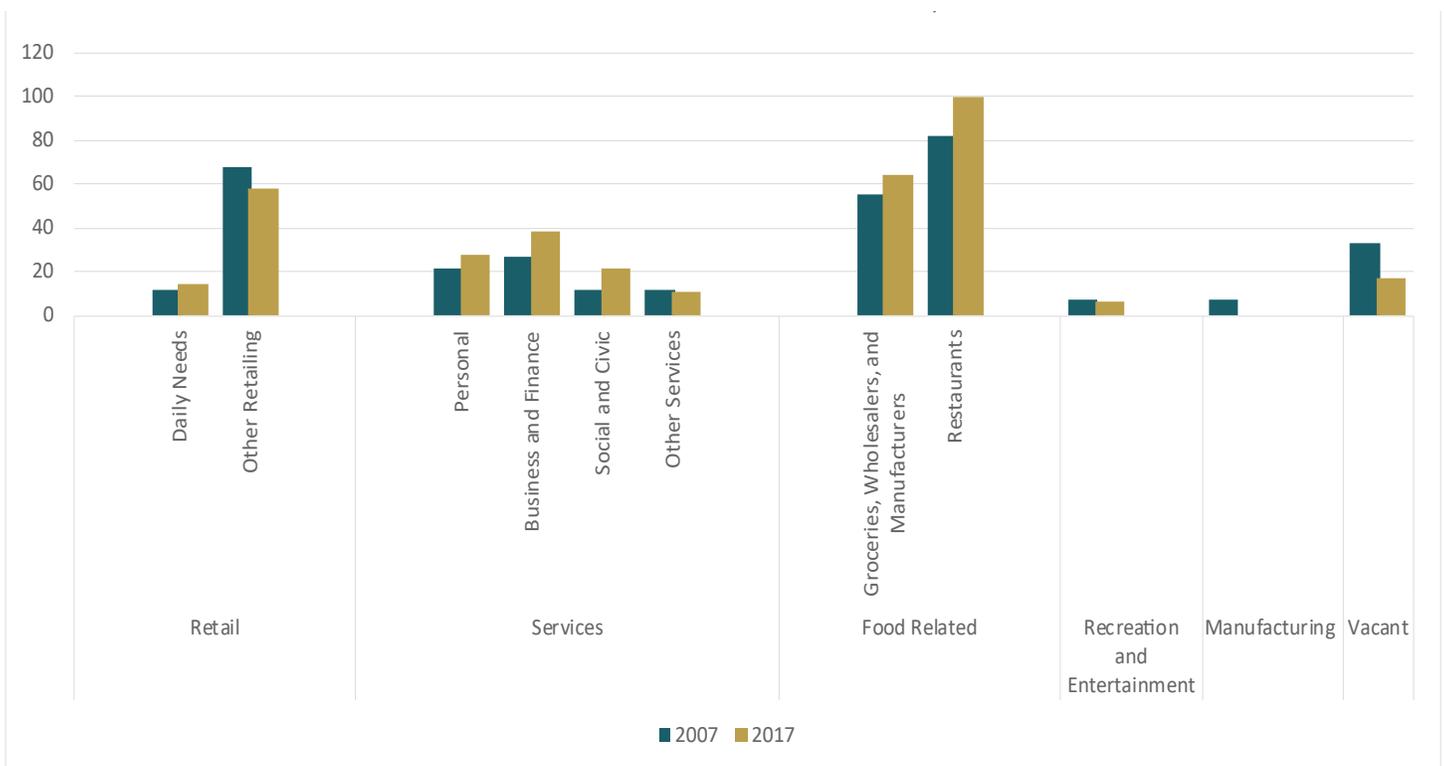


Figure 8: Breakdown of Commercial Mix in the St. Lawrence Market Neighbourhood, 2007 - 2017.

Major Takeaways from Regent Park

The Regent Park revitalization is being rooted in strong community engagement. Planners have been working closely with community members to receive feedback through many ways. One successful strategy is a Retail Engagement Advisory Committee. The Committee's purpose is to research and understand what local residents want and need (planner #1, personal communication, November 8, 2018). The Committee surveyed 450 residents about things like the retail vs. service mix, specific types of retailers, quality of products, uniqueness of products, affordability, customer service, and connection to the community (ibid.). They were able to create what was essentially a community-based market study, as one interviewed planner suggested:

"From the very beginning the key is that there needs to be real community engagement done and if the developer is serious about [building a community], they need to put in all the legwork to do this community engagement and help build like bottom up structures or grassroots efforts to make this continuously sustainable and really pushed by the residents that live in the neighbourhood" (planner #2, November 9, 2018).

Understanding the community for Quayside does not yet exist, this planner also acknowledged that "Regent Park was different because it wasn't a blank space; there was already a well established neighbourhood here" (ibid.). When asked for any suggestions for developing new neighbourhoods like Quayside, the planner offered two pieces of advice:

"Whoever is going ahead with developing a community should be intentional and should think ahead about what the future community will need and what will make the neighbourhood viable and vibrant. And the second piece of advice is just not to go in and build boxes, especially for smaller retailers will need a lot of engagement especially at the beginning and so it should not be thought of as you know we'll build it and then we'll tenant it and just leave it be. A lot of engagement and working with those commercial tenants will be required and so only that way can you ensure a viable retail landscape when it comes to those smaller commercial landscape." (ibid.).

Similarly, multiple interviewees stressed that the City and the developer need to understand who the likely future residents of Quayside are in order to create a successful community vision (planner #1, personal communication, November 8 2018; executive #2, personal communication, October 30, 2018; Jean-Baptiste, personal communication, October 26, 2018; retail expert, personal communication, October 26, 2018). Given that Quayside will be a downtown neighbourhood, we can predict that the community will display urban shopping behaviours.

Urban living includes less emphasis on vehicular transportation, smaller residential units, smaller household sizes, and greater mobility. Shopping behaviour is affected by consumers buying smaller amounts of groceries more often, shopping in coordination with walking or public transit usage (often with work commute), and a switch from making meals at home to home meal replacement goods and eating out more (J.C. Williams Group, 2015).

“Whoever is developing a community should be intentional and should think ahead about what the future community will need and what will make the neighbourhood viable and vibrant. Don’t just go in and build boxes, especially for smaller retailers will need a lot of engagement especially at the beginning. Only that way can you ensure a viable retail landscape when it comes to those smaller commercial landscape.” - Planner #2

Consumers do not necessarily want more selection or one-stop shopping; they want a curated and solution-oriented choice of retailers to suit their needs (ibid.). In addition, due to smaller housing units, they are more reliant on retail areas including main streets to meet up with friends and family. Main streets are the local residents’ social and gathering spaces. Ongoing engagement with the public and small businesses interested in locating in Quayside will confirm or refute these assumptions (planner #1 and #2, personal communication, November 8, 2018). The City of Toronto cannot achieve its retail vision through regulations by themselves, and that there should also be proactive tools including ways to incentivize that may be used to achieve the vision (J.C. Williams Group, 2015).

During interviews and literature review, several built form considerations for commercial space were discussed. These are important to consider in the context of building a new neighbourhood because there is the ability to ensure the built form is supportive of strong commerce from the start. Most importantly, commercial space should be flexible. It should be capable of supporting many different uses and provide opportunities for customization by different retailers (J.C. Williams Group, 2015.; executive #1, personal communication, October 30, 2018). While innovation in design can and should be encouraged, the adaptable small and medium sized rectangular box is often the best suited design for a wide variety of retailing needs (J.C. Williams Group, 2015). Where open space could facilitate kiosks or pop-ups, appropriate utilities (power, water, etc.) should be easy to tap into, to reduce the costs on the short term tenants who would likely inhabit those spaces (Jean-Baptiste, personal communication, October 26, 2018). Second floor or interior units could be suitable for certain types of commercial businesses, such as virtual kitchens, co-working space, or small scale production/distribution/repair businesses which do not require storefronts and do not contribute to activating the street (ibid.).

Issues related to equitable and inclusive access to commercial space should be paid special attention to in any new developments. Although new commercial units can be designed to physically meet the needs of retail tenants, by virtue of being new construction and in the base of towers, some businesses tend to be excluded. Historically in Toronto, small businesses and ethnic businesses have found a home in strip malls, where affordability is assured due to the combination of a lack of prestige and their location in older buildings (Linovsi, 2012; planner #2, personal communication, November 8, 2018). As strip malls have been redeveloped in favour of towers with retail at-grade in many areas of the city, many independent businesses and ethnic businesses have disappeared, unable to find new locations to set up shop (Linovsi, 2012). The barriers businesses in tower bases are related to affordability and access (ibid.). New commercial units in new towers have higher prestige because they are located in rapidly growing parts of the city, often well-connected by transit and co-developed with other community amenities. The units are also in demand because they are in higher density areas (i.e., more customers). Increased demand often causes higher rents, which will further disadvantage vulnerable small businesses and ethnic businesses.

Retail units in new construction are dealt with mainly in two ways: either as individual condominium units or as leased units, managed by the residential condominium board associated with the upper residential units (ibid.). Individual condominium units block any business owner without access to significant upfront capital. Leased units administered by the residential condominium corporation gives veto power to the board for encouraging an appropriate retail mix. Experience in Toronto has shown these boards to be very picky about perceived conflicts (noise, odour, traffic, etc.). Ethnic businesses are disproportionately affected due to systemic racism and a lack of cultural understanding (ibid.). For these reasons, office uses (dentist, walk-in clinic, realtor) and large corporations/chains are more likely to locate here. City guidelines still contain no provisions for ensuring access or affordability of new commercial units in tower bases (ibid.). This has become one of the most critical issues that Quayside should carefully consider, if the vision of the neighbourhood is to “achieve new standards of sustainability, affordability, mobility, and economic opportunity” (Sidewalk Labs, 2018).

Apartment Tower Neighbourhood Case Study: Thorncliffe Park

The Residential Apartment Commercial (RAC) Zone

In Toronto, more than 1 million people live in a unique stock of 2000+ high-rise apartment buildings built during the post-war boom (Stewart, 2018). When these Apartment Tower Neighbourhoods were constructed, they offered middle-class residents views, green space, and convenient driving access to local amenities (ERA Architects, planningAlliance, & University of Toronto Cities Centre, 2010). As these buildings have aged, new communities have moved in to the affordable, family-sized units. Apartment Tower Neighbourhoods are landing places for newcomers, with half the Apartment Towers in the region having more than 50% of their residents born outside Canada (ibid.). Residents are not typically car-owners; they depend on walking and public transit for mobility (Stewart, 2018). Restrictive zoning that prohibits many non-residential uses no longer works for Apartment Tower Neighbourhoods. Residents need complete communities, where there are opportunities for shopping, services, education, and employment within walking distance.

Amendments to Zoning By-law 569-2013 to implement Residential Apartment Commercial (RAC) zoning were adopted by City Council in 2013 and approved by the Ontario Municipal Board in 2016 (City of Toronto, 2017b). Over 400 Apartment Tower sites with more than 100 units and located in areas with lower incomes were rezoned (City of Toronto, 2017b). RAC zoning permits small scale businesses and community services to open up on the ground floor of Apartment Towers or outside on the property. This allows for uses such as retail stores, restaurants, markets, community centres, veterinary clinics, financial institutions, and places of worship to occupy up to 50% of the gross floor area (GFA) of the first storey (Thorpe, Shura, & Rabyniuk, n.d.). A single business can use a maximum of 200m² and non-commercial uses like a community centre or library can use a maximum of 600m² (ibid.). Residents, community groups, and property owners can receive support implementing RAC zone initiatives through



A member of the Thorncliffe Community educates visitors on the success of their initiatives. Photo by Jessica Brodeur.

the Tower Renewal Program at the City of Toronto (City of Toronto, 2017b). It is still early to assess the impact of the regulatory changes, but the removal of barriers to healthy, economically vibrant communities in Apartment Tower Neighbourhoods is an important first step.

Thorncliffe Park is one of these apartment tower neighbourhoods, home to approximately 30,000 residents and composed of 36 apartment buildings, 2 condominium buildings, one co-op, and senior housing run by TCHC. Sabina Ali, a community leader who has been heavily involved in local economic and community development initiatives, thinks the RAC zoning policy holds promise for many reasons:

- It creates space for local entrepreneurship;
- Commercial space that is sensitive to the needs of the community will create safe space for women and seniors to socialize, and reduce isolation;
- It will provide part-time employment opportunities for youth;
- Increased access to nutritious food will improve health outcomes;
- It will create opportunities for local entrepreneurs to share knowledge, and
- More activity in and around the apartment towers will improve the perception of safety (personal communication, October 24, 2018).

Community Development Initiatives

Thorncliffe Park is a Neighbourhood Improvement Area (NIA) in Toronto. In NIAs, the City will partner with residents, businesses and agencies to invest in people, services, programs and facilities for the local community (City of Toronto, 2018b). This will strengthen the social, economic and physical conditions and deliver local impact for city-wide change.

Thorncliffe Park is a landing pad for immigrants, especially women who are starting a new life but for the most part do not have access to capital and would require financial start-up support (Ali, personal communication, October 24, 2018). Recognizing the needs of immigrant women, Sabina Ali founded the Thorncliffe Park Women's Committee and led a series of initiatives to create local economic development and community building opportunities.

Over the last decade, the Committee revitalized the central park in the neighbourhood, organized a community cleanup, successfully lobbied local politicians for new park

amenities (including the first outdoor tandoori oven in Canada), and hosted seasonal events like Arts in the Parks and a winter carnival (ibid.). All actions were locally-driven and firmly rooted in community consultation. Through continued conversations with the community, the Committee identified needs for economic opportunities, women’s social interaction, and community building.

Sabina Ali explained, “We have a large immigrant population in Thorncliffe Park. Their clothing, jewelry and other items from home countries are generally not available from retailers” (ibid.). They formulated an idea for a community market for local residents to sell these items. “At first, the economic development piece was secondary to community building and creating opportunities for people to learn things by doing,” said Ali (ibid.). The market, held Friday evenings, was immediately popular and the number of volunteers quickly expanded. The Committee was thrilled with the response from the community: “It was the community who came up with its development vision and changed local economic development” (ibid.). The market helps women connect to their community and also gain supplemental income for their families. Now the Committee has borrowed the idea of Market 707 and created a year-round cafe in a shipping container with funding support from the Scadding Court Community Centre (ibid.). This new initiative will address the challenges of seasonality with the other events, prolong animation of the space, and provide employment and training opportunities for local women and youth members.

The success of the Women’s Committee initiatives is due to their comprehensive understanding of community needs. Existing agencies tend to provide only traditional settlement services for immigrants, and not entrepreneurship opportunities. As immigrant women, Ali and the Committee understand the different interests existing in this population. They want income, but are fearful to lose social benefits such as child care. Women are not looking for full-time jobs; they want to balance family life, so providing them with flexible entrepreneurial and employment opportunities is important (ibid.). In a low-income neighbourhood, immigrants have limited resources to finance their businesses. The Women’s Committee has helped meet the needs of newcomers “which



are not normally covered by the traditional business model” (ibid.). Ali further suggested that this model can be replicated in different immigrant communities (ibid.).

The Women’s Committee encountered and overcame challenges working within the city planning framework. They experienced bureaucratic inertia and had to push the City to respond to their proposals. They had to provide cultural education to City staff who struggled to understand the value of a community market or tandoori oven to the community (ibid.). During the past 10 years, the Committee has brought many innovative ideas. For example, as Ali explained, “we hosted cooking events in the park and after that, we had conversations about why not have something unique for the South Asian community, something that represents our culture and heritage, such as a tandoori oven for cooking events? People from other groups can come to learn from us and it’s knowledge exchange.” (ibid.). Meanwhile, Ali relayed the importance of complying with the City’s rules to gain respect and legitimacy, as she explained:

“I always try to understand the concerns of the City, and get the City’s permission very respectfully. I want to understand how to fulfill the requirements. There’s no shortcut. Here’s the rule of thumb: Don’t argue. Don’t confront. Don’t dictate how the staff should serve us. Don’t violate the rules.” (ibid.)

Strong community relationships with City staff, built over many years, helped push through later projects more quickly (ibid.). The experience in Thorncliffe Park demonstrates important lessons for Quayside. Meaningful community engagement, built on earned trust, led to a deep understanding of community needs. Retail was developed to fit the community, rather than the other way around. When commerce is encouraged in this way, there is a sense of ownership by the community and a strong desire to support the initiative and see it succeed. Thorncliffe Park rallies around its newly established neighbourhood business activities in a way that is characteristic of deep-rooted commercial areas in Toronto. In addition, the Women’s Committee shows that cultivating strong working relationships with City staff and developing a reputation for playing by the rules can be beneficial in the long run, especially when trying to push through an innovative initiative. The City has demonstrated that they will accept a higher level of risk from applicants who are proven to be trustworthy.

International Case Study: Markthal in Rotterdam, Netherlands



Source: Van Duivenbode, O. (2016, October 24). [Looking into Markthal at dusk].

Markthal in Rotterdam, Netherlands is an innovative mixed-use development with iconic built form which opened in 2014. 228 housing units form a 40-metre-high arch, under which a market operates daily (Archello, 2014). The market occupies the ground and second floors of the building with 100 fresh market produce stalls, restaurants, and food-related retail units (Archello, 2014). The site is located in the city centre in Laurenskwartier, which was the focus of re-urbanization after decades of civic neglect. The impetus for the redevelopment was a combination of anticipated regulatory changes (around food sales) and the need to reinvigorate the tourism industry.

Markthal was designed to be permeable to pedestrians and to provide indoor and outdoor public realm. The incorporation of glass in the building's design allows the action and energy of the market to be visible from outdoors, providing legibility and a draw to pedestrians. It is a "building without a backside", as there are entrances on all sides of the building (ArchDaily, 2014). The shops, restaurants, and bars that occupy the ground and second floors are accessible from the street as well as from within the market, allowing them to stay open after the daily market winds down (Hoyne, 2016). Markthal can remain a lively place well into the evening.

Markthal's bold architecture made it a landmark, while the unique experience on offer and the high-quality public realm solidified it as a tourist attraction. In its first year of opening, Markthal attracted nine million visitors and is credited with producing a 30% increase in tourists to the city (Hoyne, 2016). On the other hand, Markthal has been criticised for a lack of affordability for vendors. Originally, one third of the market stalls were to be occupied by vendors from the existing outdoor market, but few took up the offer to move indoors full time because of the increase in rent (Wainwright, 2014). The inclusion of residential uses made this mixed-use project financially feasible for the developer, but it did not solve the affordability issue for small businesses. An integrated model of planning, development and retail management may be required to affordability goals are achieved throughout the lifetime of the development.

Toronto's Future

Innovative Business Approaches



Exploring Innovative Retail Models

The “future” of Toronto neighbourhood retail explores the ways in which internationally innovative practices are being implemented in Toronto. Innovation is the driver of the dynamic economy (Gomez et al., 2015). Innovative business practices offer solutions to the rising burdens of small business retailers, such as high rents and difficulty in finding a location. Small, locally owned enterprises are remarkably resilient, in terms of both recovering from economic downturns and of responding to changing market conditions (ibid.). Immigration also produces innovative business ideas. Those with cross-cultural experience apply creative recombination (a unique element from abroad inspires an idea that goes beyond original element) and knowledge arbitrage (importing a business idea from another place) (Vandor & Franke, 2016). We focus here on four innovative retail practices currently taking shape worldwide: Online-to-offline retailing, shared space, pop-ups, and light industrial land uses.

Online-to-Offline (O2O) is an innovative retail model that entices consumers within a digital environment to make purchases of goods or services from physical businesses using online marketing. It allows consumers to browse and pay online and then pick up their product in a physical location. O2O commerce allows companies to treat “online and offline channels as complementary rather than competitive, by allowing for in-store pickup of products purchased online; online purchase of products while at a physical store; and online purchases can be returned to physical locations” (Orendorff, 2018, para. 10).

Showrooming is another form of O2O commerce (Depetro, 2016). Surprisingly, despite spending long hours (7.5) daily online, “70% of millennials prefer shopping in stores,” as revealed in a global survey by CBRE Group Inc. (Orendorff, 2018, para. 18). Smart e-commerce retailers noticed this gap in the online shopping experience. Showrooming responds to this demonstrated need with a bricks-and-mortar store that does not have their stock onsite. By not carrying any inventory, retailers save on space which maximizes sales potential due to less expenses (paying less rent for a smaller store footprint). The consumer can visit the store and try on or examine the merchandise - but the actual purchase is done online, and the merchandise is shipped to the shopper. Showrooming has led to an overall efficiency in store design, including shrinking store sizes. Starting in 2011, eyeglass designer Warby Parker, opened retail storefronts to cater to this market (ibid.). They allow customers to view and try on products in person, while distributing inventory directly from their warehouses. The founders recognized the importance of creating relationships and how that could influence word-of-mouth advertising (Depetro, 2016).

'Shared', 'temporary' and 'flexible' spaces are forms of retail which offer many benefits for main street businesses, including: increased traffic (especially for seasonal businesses), reduced rent, and a maximized synergy for stores that have the same customer base (Imrie, personal communication, October 23, 2018; Rizzo, 2008). Occupation of these sites can take diverse forms, from community gardens, to youth centres, These forms of retail have come to occupy an increasingly prominent place in Toronto's urban landscape in the past decade. Pop-up urbanism is a practice by which under-utilized urban space may be temporarily occupied for retail, cultural, or community uses (Schaller & Guinand, 2018). Examples include: under-utilized municipal properties, vacant storefronts, or lots awaiting approvals/financing before development occurs. to retail in shipping containers (Casey, 2013).

There are a number of factors to consider when designing spaces for innovative commercial uses. Design, form and attention to public realm issues must all be considered (CSCA, 2014). However, regulating by type of retail is very difficult as retail trends change over time (CSCA, 2014). Several of Toronto's main streets are similar to one another in terms of their built form (including building age and height) and road widths - all of which create an intimate retailing atmosphere. As such, many of Toronto's main streets have pursued a strategy based on the unique character of their retail mix to attract visitors to their area (CSCA & R.E. Millward + Associates, 2014). This character can change overtime, as the retail mix changes to respond to the neighbourhood's needs (CSCA & R.E. Millward + Associates, 2014). The concept of character and curating a space for a mix of retail uses is an important consideration that was echoed by the two executive interviewees (personal communication, October 30, 2018). Paying close attention to the retail uses, which sets the stage for building up the character of the neighbourhood, is something that should remain forefront in decisions.

Research has shown that shared retail spaces produce a number of challenges that must be considered and thoughtfully managed, including: franchise concerns of the effects of a co-brand on their product's reputation; varied opening hours (which can have a negative impact on customers frequenting the retail area); whether or not the uses are complementary; property owner/landlord preferences to deal with one tenant; and legal restrictions which may not allow for subletting (Rizzo, 2008). During interviews with various retail experts, many of these concerns were echoed. The interviewees stated that careful consideration needs to be made when implementing shared retail spaces into a neighbourhood design (executives #1 and #2, personal communication, October 30, 2018; McMahan, personal communication, November 8, 2018).

The pop-up and shared retail models serve various functions, such as a business incubator, a development/revitalization tool, and a marketing strategy. Case studies of retail innovation from Toronto will be explored in the following sections.

Pop-ups as a Business Incubation Model

The pop-up model is highly effective for the purpose of business incubation, and increases opportunities for marginalized communities. A list of key recommendations for administering this business model have been developed through various surveys, including the Ryerson Diversity Institute and Delta: (Ryerson Diversity Institute, 2013; Delta Family Resource Centre, 2017).

- **A combination of shops and services must be carefully selected rather than being left up to the free market (Ryerson Diversity Institute, 2013);**
- **Business supports, such as training and assistance in creating a business plan must be provided (ibid.);**
- **There must be oversight and mediation to ensure that all businesses are equally supported**
- **It is necessary to identify stakeholders in the process and cultivate relationships with them (Delta Family Resource Centre, 2017);**
- **A coordinator is necessary to ensure smooth operations between units, and specifically to maintain infrastructure, oversee funding, support market specific promotion, consult evaluations, and consolidate learnings (ibid.), and**
- **For projects to be effective in their social mandate, they must be community-led (ibid.).**

In reviewing these recommendations, the key lesson is that temporary or pop-up retail can be highly effective as a social incubation tool, but requires active oversight. The pop-up market cannot regulate itself.

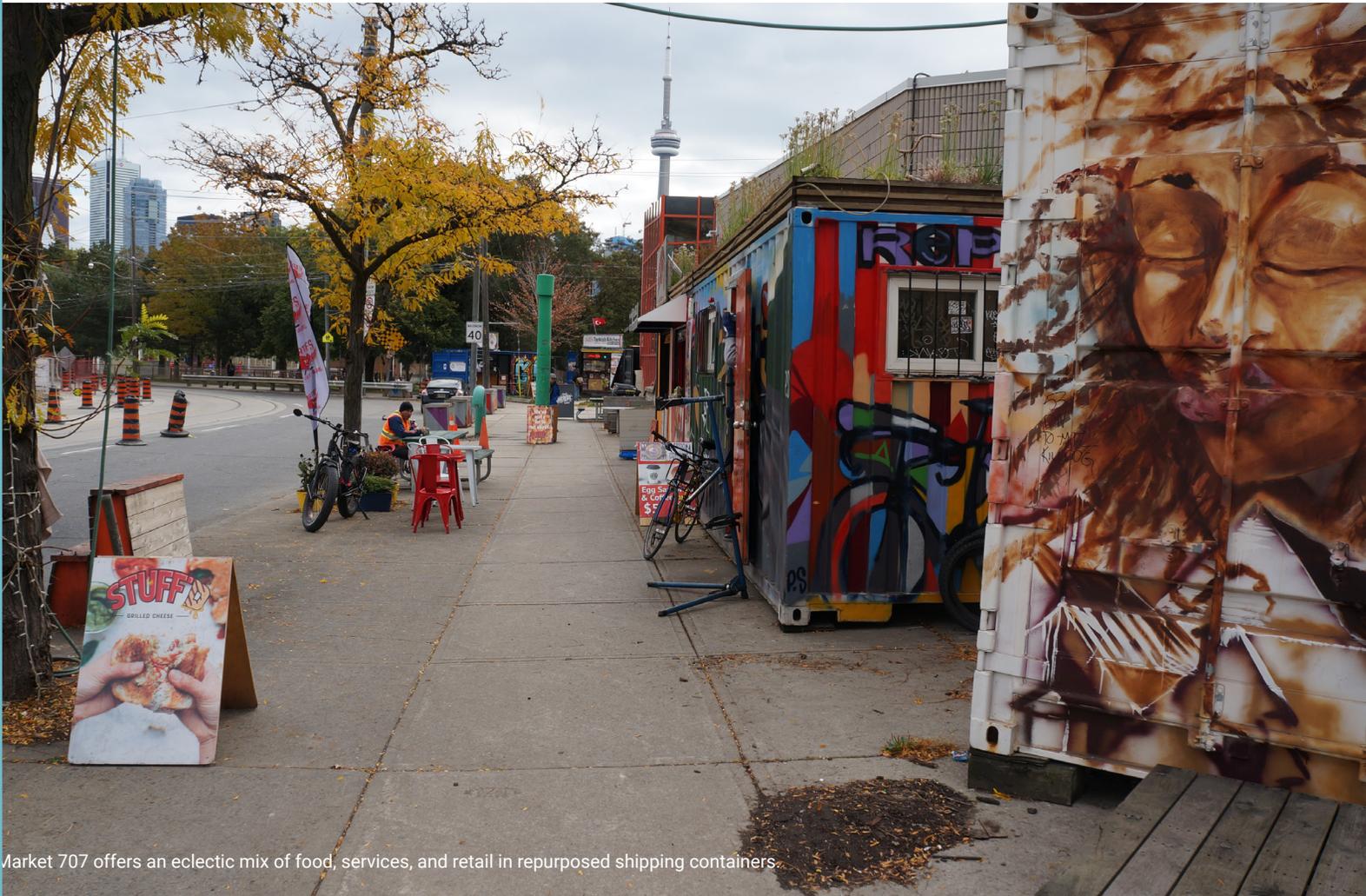
Market 707: Toronto's Shipping Container Market

One of the most prominent examples of pop-ups as a social business incubation model in Toronto is Market 707 by the Scadding Court Community Centre, a group of 17 shipping containers that have been repurposed as small-scale restaurants, retail shops, and service providers on the property of the community centre. As Zhuang (2018, p. 5) described:

"[It] is located in the historically multicultural Kensington Market/Chinatown area, and offers multi-faceted programming that changes seasonally. About 60% of the residents in the adjacent housing development were born outside of Canada, so programming was designed to help the diverse population interact and share common experiences ... Market 707, for some, this is a stepping stone to having a brick and mortar store, for others a change to test new menus and build a following – but it provides all with a sustainable opportunity that may not otherwise have existed, setting them on the path to economic independence."

Market 707 was launched in 2011. Colourfully-painted shipping containers transformed a drab and relatively under-appreciated street into a lively entrepreneurial area. The creation of the marketplace revitalized the surrounding area by bringing in many new customers. Market 707 is a space for testing micro businesses, which reduces risk and lowers the upfront costs to starting a business.

One of the largest benefits of the project is community building. Market 707 was created in response to community feedback, a desire for broadened local employment opportunities and an emerging redevelopment vision (Scadding Court Community Centre, 2018). Market 707 has transformed the physical and social space, and has created a more inclusive space for a variety of different aspiring and successful small business owners to be together in a retail community that supports each other (community advocate, personal communication, October 23, 2018).



Market 707 offers an eclectic mix of food, services, and retail in repurposed shipping containers.

As a business community, the vendors share resources and knowledge. It also addresses service gaps in the community. For example, the marketplace currently includes a bicycle repair shop and dreadlock cleaning services. The interviewed community advocate stated the following when asked about the potential for shared spaces/pop-up uses:

“It would be great to see this model spread to other underutilized spaces in the city and other marginalized communities. Having an appetite for and support for implementing spaces like this in other neighbourhoods that have under-utilized space could have an opportunity to revitalize certain sections and create employment opportunities for people in those communities. There is potential in creating inclusive spaces with people from various communities, working together, and creating opportunities where vendors can sell to people who have a lot of spending ability” (ibid.).

Assessments of Market 707 have been uniformly positive. One of the earliest assessments emphasized how Market 707 had transformative impacts beyond the market itself, improving the surrounding neighbourhood with “eyes on the street” (Leblanc & Gundu, 2013). Noting that the model was novel in Toronto in 2011, it was influenced by similar informal markets, shipping container markets, that Kevin Lee, executive director of Scadding Court, had encountered in Ghana (ibid.).

The Nooks Case Study

The Nooks is a small business incubator that is designed for passionate creative entrepreneurs (Imrie, personal communication, October 23, 2018). It combines retail space with business development opportunities to help artisans and handmade businesses leap into retail and thrive in it. Colleen Imrie is the creative entrepreneur behind the Nooks; she saw a need for a market for artisans just starting out who were not yet ready to take on the risks and commitment of leasing a retail space and handling the day-to-day tasks. Imrie started the Nook concept because she realized that there was a huge gap in the services and opportunities available to artisans and handmade businesses. The only retail opportunities out there for them were craft markets, art sales - things where it requires a lot of their time to staff their table and it's a one-off thing. Like a pop-up. So Imrie saw this and thought it was really difficult - how can you exist and be legitimate and build a clientele and actually be successful at this? The low-risk model provides opportunities to launch, learn, and grow a successful creative business (ibid.).

The Nooks model is similar to subleasing. Imrie is a landlord to 150+ makers by collecting rent. Where she serves these makers is really giving them micro-resources to exist in business. She wants them to continue to be successful, to be able to pay rent so that they can continue developing their business with hers. The success in the Nooks business has been combining the brick-and-mortar element, which is space, with the support and necessary resources for a handmade business with drive-in retail. Imrie believes that keeping their brand story together, learning the merchandising and the pricing, and having their own space where they can really take ownership are tools toward reaching success. Just like Imrie carries a lease for the store at large - and that weight and responsibility - the makers carry the rent for their Nook, which is their membership fee. This helps them to level up in a professional and realistic way, and also allows them to take more ownership of what they are doing.

The Nook shop is located on Danforth Avenue, at Woodbine Avenue, where 120 creative makers are served under one roof. The makers, who are affectionately called "Nookies", collect 100% of their sales in exchange for a monthly membership fee (ibid.). The membership fee allows Imrie to offer the Nookies all of the brick and mortar back-end operations (bags, tissues, etc.). The Nooks also offers consistent coaching, toolkits and workshops and different things to help give a full experience of what it is like to actually to do business in retail (ibid.).

The Danforth location was selected based on the affordability of rent, access to transit and established community pillars that are within walking distance (it is located beside a children's indoor playground and a bakery, and four different banks). The Nooks is the only gift shop located in the east end of the downtown core. There are also a lot of artisans and people that appreciate handmade and shopping local in the community (ibid.).

“Micro-retailing is going to be huge” - Colleen Imrie

Imrie described the whole heart of the Nooks business as bringing people together and connecting them with something great, or exposing them to something new, different ideas - connecting people with great products and through the different events they host. The Nooks hosts an annual community music festival where a side road and rear laneway are shut down. It draws out over 100 vendors and there is live music and local restaurants open pop-up tents to serve food. This is something that was not done in the east-end previously. The Nooks also hosts a 10-week business competition from March until mid-June which is open to any creative person to apply. It is an online course, where at the end everyone comes out with a business plan. The business plans are then marked and the top 15 move on to a live pitch. The winner receives a free Nook for the year. The program is in its third year with over \$24,000 invested in free rent, to a total of 8 makers (ibid.).

Imrie cautions that business incubation is not just about collecting rent and providing space - that is still just regular retail. There needs to be a component that teaches people how to be better in business, how to be better in their business specifically. Whatever their goals are - there needs to be a backbone to it to actually help them execute their learnings in real-time instantly through their retail Nook. When asked about the potential for shared spaces/pop-up uses, Imrie believes that retail is currently undergoing a massive shift toward micro-retailing. She observed:

“micro-retailing is going to be huge, not just for mom and pop shops. We already are seeing it in big box stores. You walk into Hudson's Bay where a lot of the vendors have micro versions of their store. Micro retailing is the way of the future operation with multi-vendor marketplaces, in a brick-and-mortar setting. Customers want that excitement - that shopping excitement, that full experience. Customers want to go into a brick and mortar store and not just see the same old t-shirts from that brand, they want to look to their left and see something completely different. People are still obsessed with going in to buy stuff. As a small retailer I do not see how you can keep up with the trends financially (to hold all that inventory and constantly buying in a saturated market). You will have to bring in other people to create and excitement and more animation and just more ideas to better serve your customer and to exist” (ibid.).

Pop-ups as a development/ revitalization tool

The second way in which pop-up retail has been framed in Toronto is as a development or revitalization tool. This refers specifically to businesses being created on lots awaiting development or in vacant storefronts. For example, the Danforth East Community Association was established with one of its mandates being to address the problem of empty storefronts along its main strip (McMahon, personal communication, November 8, 2018). Its efforts included the Pop-Up Project, which has been credited with reducing the vacancy rate in that neighbourhood from 17% to 6% (Hwang, 2016; *ibid.*).

This project, based upon an Australian model, was one of the first of its kind employed in Toronto (Lavoie, 2016). The project organizers convinced landlords of empty storefronts to lease their premises for very low rents for periods as short as two days and up to six months, to prospective tenants. Similar to analyses of Scadding Court/Market 707, the organizers of the Pop-Up Project on Danforth Avenue emphasize that community engagement was central to its success. The Danforth East Community Association's worked in partnership with WoodGreen Community Services to engage residents, commercial landowners, and businesses to build a vibrant commercial strip. The project is supported by a grant from the Metcalf Foundation (Woodgreen, 2018).

An academic study of pop-up retail has also identified the potential for real estate development. Schaller and Guinan (2018) observed that pop-up retail can be used to catalyze investment, and specifically was able to effectively transform Philadelphia's Delaware Waterfront. Researchers have observed the potential for pop-up retail to improve livability and raise land values in Canada (for example Sarkar, 2012 and Pfeiffer, 2013). Pop-up retail can, therefore, be a way to unlock development potential in underutilized urban space.

The Danforth East Pop-Up Project Case Study

The Danforth East Community Association's Pop-up Project aimed to improve the walkability of the Danforth neighbourhood commercial area, while providing support to new retailers for up to six month periods, and sharing this with other places. Focused along the area of eastern Danforth Avenue, which was facing decline, property owners were approached to make their otherwise empty space available to business owners for a short period of time (Woodgreen, 2018). The result was a win-win. The pop-up tenant got the opportunity to test their new business in the community, and the landlord got their space cleaned, painted and staged for the potential lessees to consider it for future use (ibid.). The community benefited by fostering small business enterprises, having a formerly empty space filled by a provider of goods or services, which creates foot traffic and a busier, more vital and thriving neighbourhood (ibid.).

Since October 2012, the project has hosted 32 pop-up shops along the stretch of eastern Danforth Avenue in Toronto (ibid.). Of those, 6 small enterprises were incubated by the project. One of the successful enterprises was Merrily Merrily, a children's clothing store (ibid.). The owner's admitted that they would not have taken the risk of opening up the shop if it wasn't for the "interstitial stage to test it out" (ibid.). The pop-up allowed them to build their client base, which eventually led to open a retail shop in the Danforth neighbourhood (ibid.).

Commercial property owners hold the key to building vibrant streets. The property owner was initially reluctant to take on a pop-up because of the short-term nature of the lease (which is a common sentiment among many of the groups we have interviewed for this study). Empty storefronts take away from the vibrancy of the commercial strip. Pop-ups present an opportunity adding life and personality to a previously empty space. Temporary tenants will help cover the landlord's costs; beautify the shop; bring in foot traffic and make the store more appealing to other prospective tenants. Of the new pop-up shop businesses involved in the Danforth Pop-Up Project, 100% agree the experience taught them invaluable lessons about the realities of running a retail business (ibid.).

Urban acupuncture within place-making is a concept of identifying key spots where public investment will create new energy, public life and amenities (Bedford, 2017). Numerous examples within Toronto include: the transformation of Queen's Quay, curbless Market Street next to St. Lawrence Market, Gould Street on Ryerson Campus, Wave Decks, Sugar Beach on Waterfront, and the Danforth Pop-up Project (Bedford, 2017). The Danforth Pop-Up Project was proactive, and realized the untapped potential of the eastern Danforth commercial strip. The program allowed for smart gentrification (which does not let the market produce the end result), and used the principle of urban acupuncture of focusing on key spots and opportunities, and exercising a lot of energy into those spots (Woodgreen, 2018).

The Marketing Potential of Pop-ups

Finally, pop-ups are framed as a useful tool because they can not only minimize risk for new businesses or existing businesses entering a new market, the temporary nature of an installation can also be very effective for drawing customers with a sense of urgency. As written by Deveau (2018) in the Financial Post, pop-up shops allow businesses to test out ideas and provide benefits to landlords. While the pop-up shop may have started as a way for online retailers to stage a lower-risk experiment with a physical presence, the temporary storefront has morphed into a marketing tool for established brands, often ones that already boast multiple locations (ibid.). For example, Ikea Canada, which operates a dozen stores in the country, has created multiple short-lived shops. In June, it opened the Ikea Play Café in Toronto where shoppers could sample meatballs, play a giant pinball machine and shop a small selection of the company's kitchen products (ibid.).

Patterson (2018) focused on the marketing possibilities of pop-up retail, seeing it as a "strategy to build buzz". He described that major landlords, such as Oxford Properties, are now designating portions of their properties specifically for pop-ups. For example, Yorkdale Mall has introduced a space permanently dedicated to pop-ups called CONCEPT. They call this an "in-mall multi-vendor rotating temporary retailer initiative." The space has been designed with "maximum flexibility" with the goal of bridging the "gap between click and brick." The original retailers were mainly food-based, including Eva's Original Chimneys, which originated as a food truck business, and Caplansky's Deli, which is an established deli brand in downtown Toronto. Other malls, such as Square One in Mississauga have hosted themed pop-ups centred around bridal needs, breast cancer awareness, and Chinese New Year (ibid.).

As a marketing or risk reducing strategy pop-up shops have been shown to be highly successful. Relevant literature in the business and marketing fields suggests that pop-ups will become increasingly present in the Canadian retail landscape (Deveau, 2018; Patterson, 2018).

From a developer's perspective, however, there is little support for the Pop-up model. The two executive interviewees were not optimistic when asked about the role of pop-ups in ground level commercial retail in a new neighbourhood like Regent Park, describing this model as "interesting" (personal communication, October 30, 2018). They cautioned that if one is to incorporate pop-ups into a new retail space, it needs to be planned for, and the spaces must be flexible. The design of pop-up spaces must account for ceiling heights, partitioning, flexibility in built form, and washrooms that are designed adequately for the space and for different users that will be maintaining it over shorter periods of time. The interviewees suggested that a certain percentage of space (e.g., 10%) be allocated to retail uses and accounted for in the development of a new community retail space. One executive further elaborated, when asked about the potential for shared spaces/pop-up retail:

“From a landlord perspective it would be much cleaner to just deal with one individual whose business it is to run a [pop-up] ... having an extra layer in between here going to have more permanent pop-up spaces ... [The business model needs] a landlord who you do the main lease with, and [they] have the ability to have subleases and subleasing control.”

“[As the landlord,] I wouldn’t be really happy having to go and chase 5 people a month, that’s on a revolving basis, for their rent ... I think that pop-ups have a place. Do I think it’s a little trendy, yes ... People like consistency. People like certainty. Yes it’s really cool to have a pop-up on the corner, on a certain percentage of the space. But a vast majority of people want consistency in their lives. They want to know that the quality that they have been getting for 15 years in a certain establishment, whatever that establishment is, still exists. I don’t think that is going away. And how did they see that pop-up? They saw it when they were going to their regular stuff. Pop-ups can’t advertise.”

The key takeaway from the interviews touches on the amount of risk involved with pop-ups. Landlords want a level of financial security and stability. The level of consistency that consumers want is subject to many considerations including business location, business types, other uses in the area (complementary or competing), business vacancy rates, etc. There is a role for pop-ups to play in Toronto’s commercial landscape; a role that must be managed. The design of pop-up retail spaces must be flexible enough to allow for different vendors and uses, and stable enough to be attractive to landlords.

Overall, there are many innovative responses to business pressures, both inside and outside of Toronto. Due to the evolving nature of trends, there is a need for flexibility in the planning of commercial space in neighbourhoods and to understand the needs of local communities. In addition, the need to have public commercial spaces that are more than just shopping areas but are places for social gathering are vitally important (Gomez et al., 2015).



American toy retailer, FAO Schwartz set up a pop-up Christmas store inside the Bay at Queen and Yonge Streets for the 2018 holiday season.

International Case Study: Food Carts in Portland, Oregon

Portland has over 500 food carts available at any given time. Most carts are organized into “pods.” These are surface lots with more than a few carts. Downtown food carts in Portland were born of the Great Recession (Burmeister, 2018). Multiplying across the city’s surface parking lots, they have collectively grown into one of Portland’s great, grassroots success stories (ibid.). They have fostered, economic opportunities, culinary experimentation, cultural diversity, tourism, and tasty, inexpensive food (ibid.).

Downtown Portland is relatively dense and pedestrian-friendly yet has a lot of surface parking lots. One way to use these lots is to lease space to food carts. Once the first food cart took off, owners of parking lots were eager to expand the model to other lots. Food carts eventually spread out from downtown and can now be found in many other parts of the city (Enright, 2012). Operating a food cart in Portland is simple and inexpensive. Oregon has provisions for carts to operate without a separate commissary kitchen and having a single location means that a food cart faces significantly less regulatory overhead (ibid.).

Restaurant owners do not like the idea that a food truck could conceivably show up across the street and siphon off business. Food carts with fixed locations do not create the same kind of animosity, so there is no strong organized opposition to them. By comparison, Seattle’s newly-relaxed laws still include provisions limiting the ability of trucks to operate near restaurants (ibid.). In short, leasing space to food carts is a good deal for Portland’s landowners and operating a food cart is not ruinously expensive in Portland like it is in many other cities. Everybody likes good, cheap food, but not every city is in the position to foster a cart scene as robust as Portland’s (ibid.).



In Toronto, the food truck scene has had a slow start. In 2015, the city’s licensing committee reviewed its food-truck policy, loosening some restrictions (Hui, 2017). Most significantly, the City reduced the distance trucks must park from brick-and-mortar restaurants from 50 to 30 metres. According to food truck owners, this ban is still prohibitive and has food trucks racing in the early morning to secure a good parking spot. The City stated that it is necessary to balance the interests of restaurants with food trucks, arguing it’s already a compromise between truck owners, who wanted zero metres, and restaurant owners, who asked for 250 metres (ibid.). Most other cities in North America have limits somewhere between 15 metres (Seattle) and an even more restrictive 90 metres (Boston, but there are also designated food-truck sites there) (ibid.). According to the “Street Food App” website, there are 188 food trucks currently listed in Toronto, with 91 operating in November 2018.

Mixed-Use Light Industrial Zones

Strategic zoning can be used to revitalize flagging neighbourhoods, to mediate and shape neighbourhoods in transition, to fight the economic stratification of neighbourhoods, and to protect some of Toronto's most vulnerable populations (Martin Prosperity Institute, 2010). Zoning can also act as a source of municipal innovation, a mechanism by which to introduce novel planning ideas to the city landscape (ibid.). The case for mixed-use zoning has been made extensively, most famously by long-time Toronto resident Jane Jacobs in her 1961 book, *The Death and Life of Great American Cities*. Jacobs argued that mixed-use zoning, whereby many land uses are permitted within a given area, encourages strong development around transit routes, reduces reliance on motor-vehicle use, and maintains the energy and safety of the central city. By allowing a broad range of uses in an area, residents of a neighbourhood are able to work, shop, and perform leisure activities in close proximity to where they live. With a variety of land uses comes a variety of operating hours, and more eyes on the street around the clock enhance the safety of a neighbourhood. Jacobs played an instrumental role in Toronto's regeneration of the two Kings and the St. Lawrence Market Neighbourhood where her ideas of zoning reflex zoning and mixed residential and commercial uses were largely implemented.

Since the 1970s, the gradual departure of heavy industry from Toronto has meant that enforced land-use separation has become increasingly unnecessary, and zoning bylaws have been amended to encourage mixed-use development. More recently, mixed use light industrial zone has become one of the effective planning tools to promote local production, commercialization, creativity, and innovation, with popular forms such as makerspaces, microbreweries, commissary kitchens, ceramic workshops, etc. These light industrial uses are currently scattering in various residential neighbourhoods in Toronto, like the Drake Commissary and the Nestle Factory on Sterling Road, Henderson Brewing and the Junction Workshop in the Junction, where former manufacturing districts have been transformed into neighbourhoods with industrial buildings still dotting the residential landscapes (Mok, 2018).

An old single-storey industrial building at the northwest corner of Queen Street West and Dufferin Street in Toronto is set to be the first mixed-use light manufacturing incubator in North America (Foxman, 2018). The site is located at 390-440 Dufferin and will be transformed into a distinctive three-building development. Two buildings will have rental apartments and retail uses. The third building will have rental residential units above 60,000 sq. ft. of light-manufacturing space. 25% of that space will be dedicated to a light-manufacturing incubator, and will provide a space to help manufacturing start-ups commercialize and overcome the barriers to getting to scale (ibid.).

Retaining the manufacturing space and establishing the incubator were integral to the City of Toronto's agreement for the development (ibid.). The incubator will be an affordable and supportive space for entrepreneurs looking to build businesses in Toronto. Tenants will have access to advisors and mentors, as well as shared production and shipping facilities (ibid.). In October 2018, the City issued a request-for-proposals (RFP) seeking a post-secondary institution or a non-profit organization interested in establishing and operating the incubator (City of Toronto, 2018a). The City will offer a range of benefits, including below-market lease rates, operating funds and partnership development support to engage other potential supporters (Foxman, 2018). The City will select an operator by the end of December 2018, and the projected occupancy in the incubator is June 2020 (City of Toronto, 2018a).

San Francisco's Production, Distribution and Repair (PDR) Zoning

The problem of high rents has driven creative residents out of San Francisco, and in an effort to preserve the eclectic quality that makes it unique, the City introduced new zoning measures to allow light industrial uses to occur in residential areas (Pfau, 2016). In 2008, San Francisco created a plan to protect existing production, distribution and repair (PDR) spaces from being converted to high-rent dwellings such as residential and commercial office space in the City's Eastern Neighborhoods (ibid.).

The Eastern Neighbourhoods Plans were created in response to the growing conflicts between light-industrial uses and encroaching office and residential uses, and enable the transition of about half of the area's industrial lands to allow for new housing (OEWD, 2018). The other half is reserved for PDR uses, such as warehouses, distribution centers, caterers, art production, and other similar light-industrial activities (ibid.). The Plans balance the need to protect industrial uses with the need to accommodate growth and create complete neighborhoods (ibid.).

To enable this, the City created PDR zones, the intent of which is to ensure space for existing and new PDR businesses and activities. Similarly, mixed-use zones, promote a mix of different types of activities to accommodate unique characteristics of different neighbourhoods. They allow for a mix of residences, retail and PDR uses within the same district (ibid.). Thereby allowing makers an opportunity to produce goods (light manufacturing) from their place of residence.

Recommendations

Toronto's neighbourhood commercial landscape is distinct. From unplanned origins, numerous forces have shaped it over the years: policy, built form changes, retail trends, immigration, market fluctuations, and more. While our American neighbours declare the death of main street commerce, the story is different here. Challenges exist, but our main streets remain vibrant, commercial uses are helping to revitalize neighbourhoods, and entrepreneurs are innovating. There is much to be learned from examining the Toronto context.

Based on a review of the literature, analysis of CSCA data, field visits, and interviews, we have developed six key recommendations for building and sustaining neighbourhood commercial spaces in order to create a neighbourhood that achieves new standards of sustainability, affordability, mobility, and economic opportunity. In line with these goals, our recommendations highlight central issues of economic sustainability, social value, and equity. Our recommendations are as follows:

Recommendation 1: Create a complete community

Complete communities are those in which daily needs can be fulfilled on foot without leaving the neighbourhood. Daily needs may vary based on the community, but may include daycares, grocery stores, banks, pharmacies, hardware stores, places of worship, and fitness centres. In addition, complete communities are high amenity areas with an animated streetscape, pleasant pedestrian environment, and a rich variety of shops, restaurants, community services, and cultural facilities, which generate more economic growth and community vibrancy than low amenity areas (Gomez et al., 2015). Retail is a key determinant of where people choose to live.

To build this complete community, it is crucial to match commercial spaces to the neighbourhood's planned function, built form, and community socioeconomic demographics. Development must follow the pattern of "critical path retail," populating the neighbourhood first with key daily services, such as a grocery store, bank, and café. From that base, more specialized offerings catering to specific community needs and desires, and supporting local employment and economic opportunities may be introduced, such as the Community Commercial Program initiated in the second phase of Regent Park revitalization.



Recommendation 2: Promote and support independent, locally-owned businesses

Toronto's many vibrant and successful commercial streets are comprised of small, independent, locally-owned businesses, which have become the defining features as well as the critical social and economic infrastructure of the neighbourhoods. In a new development like Quayside, a mix of larger format corporate businesses (e.g., grocery, pharmacy, bank) and smaller enterprises is the key to ensuring the completeness of a community. Spaces and supports are especially needed for smaller retailer or a family business to get a foothold into the new community.

Therefore, it is in the collective interest of private developers and public agencies to prop up this community. Ways to encourage small scale entrepreneurship in a new neighbourhood include offering rental and other financial incentives, as well as mentoring and skill building programs. These supports need to be considered upfront, built into a development's design, and accounted for in a project's financial analysis; they cannot be an afterthought. It should be understood that the short-term loss may be the best chance at long-term financial sustainability.

The other consideration is to form a Business Improvement Area in the long run for local businesses to create a network, allocate resources, take collective actions, and be more resilient. This will in turn help individual businesses mitigate unforeseen market conditions and be better able to adjust to economic downturns.



Recommendation 3: Provide space for social enterprises

Quayside should build in dedicated space for social enterprises. Social enterprises have split foci on business goals and social goals – which is exactly what a new neighbourhood such as Quayside needs. In the short term, these organizations will contribute retail or service offerings that meet local needs and animate the street. In the longer term, their impact will be far reaching. Social enterprises are vehicles for community development. They bring people together and build individual and collective capacity through training and employment. This primary activity of local economic development has spillover effects for civic engagement and social cohesion.

Dedicated space could be secured through Section 37 agreements or public private partnerships. For example, in Regent Park the building in which the Centre of Learning & Development is housed is operated in partnership with the University of Toronto, Ryerson University and George Brown College and with the support of the TD Bank Group, and Toronto Community Housing.

Social enterprises require many of the same supports to thrive as do traditional commercial businesses. Since the bottom line of a social enterprise extends beyond the financial, affordability is key. Reducing these organizations' overhead costs (such as rent and utilities) frees up resources so social enterprises can have a larger social impact. Social enterprises would also benefit from flexible commercial spaces and a strong local network of businesses and residents working together.



Recommendation 4: Curate flexible space and programming

Flexible space refers to an adaptable built form that allows for changing store footprints. Flexible space is well-suited for shared spaces, pop-ups and other innovative models. Sidewalk Toronto should consider how to limit the upfront costs to a new retailer moving into a space, by means such as offering a 'fit-out' so the retailer is not receiving an empty concrete shell. Pre-installed accessible washrooms, providing servicing that could facilitate different shop layouts, and durable interior elements that suit a variety of purposes (i.e. partitions, lighting, seating, counters, and shelving) are options to reduce costs to new retailers.

Flexible programming should support a variety of social, cultural, and play uses. Successful main streets are those that produce third places, encourage social interaction, serve the daily needs of residents within the community, and offer pleasant and unique experiences to shoppers. Paying attention to community and customer preferences is important (i.e. ensuring a level of stability of opening hours, longevity of uses, etc). Efforts should be made to ensure that the uses are complementary (and not competing).



Recommendation 5: Ensure access and affordability

The ownership and management structure of commercial units has a significant impact on access and affordability. The market rental price in a new neighbourhood at the City's prime location is out of reach for many independent, local businesses, which leads to an overabundance of chain stores and professional offices. For this reason, we recommend Quayside to focus on diversifying retail spaces for non-chain stores, managing a balanced retail-service mix, providing options for the rent structure similar to the Community Commercial Program employed in Regent Park, and promoting programs and partnerships that foster local entrepreneurship. Some retail developments that are planned to be affordable are not actualized as such. An integrated model of planning, development and retail management may be required to affordability goals are achieved throughout the lifetime of the development.

Affordability is a concern for many people in the city. With Quayside planned to incorporate affordable housing units, it is important to ensure that the retail and services available within the neighbourhood are affordable to people with lower incomes. Neighbourhood commercial areas should be a place for everyone and this is accomplished through nurturing a diversity of choices. If certain Quayside residents must leave the neighbourhood to procure goods and services they can afford, then a complete community has not been achieved.

It is not the responsibility of Sidewalk Toronto alone to solve the affordability crisis in Toronto. The City of Toronto needs to address affordability with comprehensive, high level policies. A planner from TCHC summarizes nicely: "When people are talking about viable small business, I would bring it back to the fact that you can't maintain viable small retailers – especially family businesses – if the City as a whole is becoming more unaffordable. It's a holistic piece." (planner #2, personal communication, November 8, 2018). Sidewalk Labs can use Quayside to test potential policies, evaluate their effectiveness, share the knowledge gained with the City, and advocate for positive change.



Recommendation 6: Encourage local leadership and community stewardship

It is evident in our study that effective community engagement is the key to the success of many commercial streets and community programs in tower neighbourhoods. Given Toronto's very diverse public interests, the long-term sustainability of our neighbourhoods heavily relies on how these multiple voices are equitably represented in major decisions that will eventually affect the community as a whole. Once a new community is populated, local residents, businesses, and community members should be offered equal access to information and engagement opportunities, which will help bring local people into the centre of community building and cultivate local leadership.

Community agencies should be given more support for their efforts in enhancing the well-being of the residents they serve and represent. The social enterprise model could provide the needed community space and support, as evidenced in the Daniels Spectrum in Regent Park, a community cultural centre hosting performance, co-work spaces, service providers, and the Centre for Social Innovation, where community members frequently meet and make decisions on local matters. Building community stewardship is a long-term commitment that requires ongoing support and equitable community engagement.



Photo by Jessica Brodeur.

**“...we can achieve new standards of sustainability, affordability, mobility, and economic opportunity”
(Sidewalk Labs, 2018)**

References

- Agostino, R. (2013). Regent Park Revitalization: Building a Great Neighbourhood [PowerPoint slides]. Retrieved from https://www.ryerson.ca/content/dam/graduate/programs/ensciman/forms/RemoAgostino_RegentParkRevitalization_EnSciMan2013.pdf
- Alamenciak, T. (2014, February 13). Developer backs off Kensington Market Walmart plan. The Star. Retrieved from https://www.thestar.com/news/city_hall/2014/02/13/developer_backs_off_kensington_market_walmart_plan.html
- Archello. (2014). Markthal Rotterdam. Retrieved from <http://ca.archello.com/en/project/markthal-rotterdam>
- ArchDaily. (2014). Markthal Rotterdam / MVRDV. Retrieved from <https://www.archdaily.com/553933/markthal-rotterdam-mvrdv>
- Babad, Michael. (2014, September 9). "Vogue names Toronto's Queen Street West world's second hippest district." The Globe and Mail. Retrieved from <https://www.theglobeandmail.com/report-on-business/top-business-stories/vogue-names-torontos-queen-street-west-worlds-second-hippest-district/article20488696/>
- Barber, J. (2007, October 27). The moral of the downtown success story: It's no accident. The Globe and Mail. Retrieved from <https://www.theglobeandmail.com/news/national/the-moral-of-the-downtown-success-story-its-no-accident/article725926/>
- Bedford, Paul. (2017). The Value of a BIA. Ontario Business Improvement Area Association Conference. Retrieved from: <http://www.obiaconference.com/UploadedFiles/THE%20VALUE%20OF%20A%20BIA.pdf>
- Bradburn, Jamie. (2017, June 19). "Vintage Toronto Ads: Sheer Unisex." Torontoist. Retrieved from https://torontoist.com/2007/06/vintage_toronto_19/.
- Burmeister, Brett. (2018). The Future of Downtown Food Carts. <http://www.foodcartsportland.com/>
- Casey, L. (2013). Toronto Shipping Container on Dundas West Drawing Crowds. Toronto Star. Retrieved from https://www.thestar.com/news/gta/2013/09/19/toronto_shipping_container_on_dundas_west_drawing_crowds.html
- Centre for the Study of Commercial Activity. (2018). Store Counts for Selected Zones [Data File].
- Centre of Learning & Development. (2018). About Us. Retrieved from <http://www.tccltd.org/about/>
- Chief Planner's Office. (2017). Proceeding from Study to Plan Phase for the Proposed West Queen West and Parkdale Main Street Heritage Conservation Districts. Toronto: City of Toronto.
- City of Toronto, By-law No. 572-2014 to amend Zoning By-law No. 569-2013, as amended, with respect to the Residential Apartment Commercial Zone
- City of Toronto. (2017a). Potential Policies and Programs to Support Toronto Retail Areas (Item ED25.6). Economic Development and Culture. Retrieved from <https://www.toronto.ca/legdocs/mmis/2017/ed/bgrd/backgroundfile-108775.pdf>
- City of Toronto. Tower and Neighbourhood Revitalization Unit. (2017b). Q&A: Residential Apartment Commercial (RAC) Zone. Retrieved from https://www.toronto.ca/wp-content/uploads/2017/11/8ff3-tower_renewal_rac_sites_brochure.pdf
- City of Toronto. (2018a). Proposal Request - Light Manufacturing Incubator. Retrieved from <https://www.toronto.ca/business-economy/business-start-ups/incubators/proposal-request-light-manufacturing-incubator/>
- City of Toronto. (2018b). Toronto Strong Neighbourhoods Strategy 2020. Retrieved from <https://www.toronto.ca/city-government/data-research-maps/research-reports/social-reports/toronto-strong-neighbourhoods-strategy-2020/>
- Cochrane, J. (2000). Kensington. Boston Mills Press.

- Colman, Michelle. (2018, May 09). The State of Food Trucks: Why Owners are Fed Up with Outdated Regulations. Retrieved from <https://www.6sqft.com/the-state-of-food-trucks-why-owners-are-fed-up-with-outdated-regulations/>
- CSCA & R.E. Millward + Associates. (2014). Evaluating Large Retail Developments Near Pedestrian Shopping Areas in Toronto. (Rep.)
- Cushman and Wakefield. (2016). Cool Streets Report: 2016 Edition. Retrieved from <http://www.cushmanwakefield.com/~/media/reports/corporate/Cool%20Streets%20Report%202016/CW%20Retail%20-%20Cool%20Streets%20Report.pdf>
- Delta Family Resource Centre. (2017). Pop-Up Infrastructure: Re-inventing community space (Rep.).
- Depetro, N. (2016, August 9). O2O is the New Way to Reach Customers. Real Estate Experts. Retrieved from <https://www.globalrealestateexperts.com/2016/08/o2o-new-way-reach-customers/>
- Downtown Denver. (2018). Planning and Initiatives: The 16th Street Mall. Retrieved from <https://www.downtowndenver.com/initiatives-and-planning/16th-street-mall/>
- Downtown Denver Partnership. (2018). About Us. Retrieved from <https://www.downtowndenver.com/home/about-us/special-districts/downtown-denver-business-improvement-district/>
- Enright, S. (2012, October 18). How Did Portland develop such a thriving food truck culture? Quora.com. Retrieved from <https://www.quora.com/How-did-Portland-develop-such-a-thriving-food-truck-culture>
- ERA Architects, planningAlliance, & University of Toronto Cities Centre. (2010). Tower Neighbourhood Renewal in the Greater Golden Horseshoe (Rep.).
- Filey, M. (1997). Toronto Sketches: The Way we Were. Toronto: Toronto Sunday Sun.
- Foxman, Stuart. (2018). A Made in Toronto Solution to Urban Manufacturing. Startup Toronto. Retrieved from <https://startupheretoronto.com/partners/enterprise-toronto/a-made-in-toronto-solution-to-urban-manufacturing/>
- Gannon, Devin. (2017, August 10). From Oysters to Falafel, the Complete History of Street Vending in NYC. Retrieved from <https://www.6sqft.com/from-oysters-to-falafel-the-complete-history-of-street-vending-in-nyc/>
- Gomez, R., Isakov, A., & Semansky, M. (2015). Small Business and the City: The Transformative Potential of Small Scale Entrepreneurship. Toronto: University of Toronto Press.
- Hernandez, T., & Jones, K. (2005). Downtowns in transition: Emerging business improvement area strategies. *International Journal of Retail & Distribution Management*, 33(11), 789-805.
- Hoyne, A. (2016). The place economy. St Kilda, Melbourne, Victoria: Andrew Hoyne Design.
- Hui, Ann. (2017, June 05). Full Stop on the Revolution: Why Toronto's Food Truck Scene Keeps Falling 50m Short. *The Globe and Mail*. Retrieved from <https://www.theglobeandmail.com/news/toronto/full-stop-on-the-revolution-why-torontos-food-truck-scene-keeps-falling-50-metres-short/article24014861/>
- Hume, C. (2009). We Define Ourselves by Our Neighbourhoods. *The Star*. https://www.thestar.com/opinion/columnists/2009/08/30/we_define_ourselves_by_our_neighbourhoods.html
- Janus, A. (2018, February 01). City Approves 10% Cap on Property Tax Hikes for Businesses. *CBC News*. Retrieved from <https://www.cbc.ca/news/canada/toronto/property-tax-cap-1.4514168>.
- J.C. Williams Group. (2015). TOcore Retail and Service Commercial Land Use Study (Rep.).
- Jones, K. (2000). Dynamics of the Canadian Retail Environment. In Bunting, T. & Fillion, P. (Eds.), *Canadian Cities in Transition* (2nd Ed.). Oxford, New York: Oxford University Press. 404 - 422.
- Kensington HCD Plan. (2017). Proceeding from Study to Plan Phase for the Proposed Kensington Market Neighbourhood Heritage Conservation District. Toronto: City of Toronto.

Kilgannon, C. (2018, September 6). The Empty Storefronts of New York. The New York Times. Retrieved from <https://www.nytimes.com/interactive/2018/09/06/nyregion/nyc-storefront-vacancy.html>

Lavoie, Joanna. (2016, July 13). Danforth East Community Association's Pop-up Shop Project Winds Down. The Beach Mirror. Retrieved from <https://www.toronto.com/news-story/6766202-danforth-east-community-association-s-pop-up-shop-project-winds-down/>

Leblanc, D., & Gundu, B. (2013, October 17). Shipping containers create an instant community market. The Globe and Mail. Retrieved from <https://www.theglobeandmail.com/life/home-and-garden/architecture/shipping-containers-create-an-instant-community-market/article14901776/>

Li, N. (2015). Kensington Market: Collective Memory, Public History, and Toronto's Urban Landscape. Toronto: University of Toronto Press.

Linovski, O. (2012). Beyond aesthetics: Assessing the value of strip mall retail in Toronto. Journal of Urban Design, 17(1), 81-99.

Martin Prosperity Institute. (2010). Toronto Election 2010: Discussion Paper #5—September 2010 Zoning for a Better Toronto. Retrieved from: http://martinprosperity.org/media/pdfs/toronto_election_series-Zoning-for-a-better-Toronto.pdf

Might Directories Ltd. (1910). The Toronto City Directory 1910. Toronto: Might Directories Ltd.

Mok, T. (2018). This Street Is About to Be Toronto's Next Big Thing. <https://www.blogto.com/city/2018/04/sterling-road-toronto/>

Myrvold, B. (1993). Historical Walking Tour of Kensington Market and College Street. Toronto: Toronto Public Library Board.

OEWD. (2018). Production, Distribution and Repair. San Francisco Office of Economic and Workforce Development. Retrieved from <https://oewd.org/Industrial>

Office for Urbanism. (2006). Queen Street West Heritage Conservation District Plan.

Orendorff, A. (2018, May 21). O2O Commerce: Conquering Online-to-Offline Retail's Trillion Dollar Opportunity. Shopify Plus. Retrieved from <https://www.shopify.com/enterprise/o2o-online-to-offline-commerce>

Pfau, Peter. (2016, February 17). Made in the Bay Area. Retrieved from: <https://www.pfaulong.com/made-in-the-bay-area-2/>

Rizzo, J. (2008). Retailers doubling up to draw shoppers. Retrieved from: <http://www.dcvelocity.com/articles/20181030-cbre--retailers-drawing-online-shoppers-into-stores-with-ship-to-store-tactic/>

Ross, Daniel. (2013, March 7). "Development, Community and Citizen Activism in Toronto's Kensington Market 1960s and 2013." ActiveHistory. Retrieved from <http://activehistory.ca/2013/03/development-community-and-citizen-activism-in-torontos-kensington-market-1960s-and-2013/>

Rusk, James. (2004, February 21). "Many Happy Returns." The Globe and Mail. Retrieved from <https://www.theglobeandmail.com/news/national/many-happy-returns/article4087531/>

Ryerson Diversity Institute. (2013). Business in a Box Evaluation Report. Toronto: Ryerson University.

Scadding Court Community Centre. (2018). About Us: Market 707. Retrieved from : <https://scaddingcourt.org/market-707/#1524076340696-cc5790d3-8e98>

Schaller, S., & Guinand, S. (2018). Pop-up landscapes: a new trigger to push up land value?. Urban Geography, 39(1), 54-74.
ndu, B. (2013, October 17). Shipping containers create an instant community market. The Globe and Mail. Retrieved from <https://www.theglobeandmail.com/life/home-and-garden/architecture/shipping-containers-create-an-instant-community-market/article14901776/>

Sidewalk Labs. (2018). Sidewalk Labs. Retrieved from <https://www.sidewalklabs.com/>

Stewart, G. (2018). RAC Zone. *Ontario Planning Journal*, 33(1), 7-8.

Talen, E. & Jeong, H. (2017). Does the Classic American Main Street Still Exist? An Exploratory Look. Paper presented at the annual ACSP conference in Denver.

Thorpe, J., Shura, C., & Rabyiniuk, S. (n.d.). RAC Rules. Retrieved from <http://www.raczone.ca/rac-rules/#ran-rules>

Urban Land Institute. (2008). An Advisory Services Panel Report: 16th Street Mall, Denver, Colorado. Washington D.C. Retrieved from <http://uli.org/wp-content/uploads/ULI-Documents/2008DenverReport.pdf>

Vandor, P., & Franke, N. (2016, October 27). Why are immigrants more entrepreneurial?. *Harvard Business Review*. Retrieved from <https://hbr.org/2016/10/why-are-immigrants-more-entrepreneurial>

Van Duivenbode, O. (2016, October 24). [Looking into Markthal at dusk]. Retrieved from <http://www.my-rotterdam.com/2016/10/24/the-markthal-rotterdams-food-palace/>

Wainwright, O. (2014, October 02). Rotterdam's Markthal: Superdutch goes supersized in psychedelic marketplace. *The Guardian*. Retrieved February 5, 2018, from <https://www.theguardian.com/artanddesign/architecture-design-blog/2014/oct/02/-sp-rotterdam-markthal-superdutch-market-mvrdv#img-4>

Weber, S., & Hernandez, T. (2018). Retail Development & Planning Policy: The Breaking of the 'Power Centre' Wave (Rep.). Toronto, ON: Centre for the Study of Commercial Activity.

Yeates, M., Hernandez, & T., Murray, A. (2015). Commercial Strips in the GTA. Toronto: Centre for the Study of Commercial Activity, Ryerson University.

Zhuang, Z. C. (2017). Creating Third Places: Ethnic Retailing and Place-making in Metropolitan Toronto, in N. Wise and J. Clark (Eds.) *Urban Transformations: Geographies of Renewal and Creative Change*. pp. 97-114. London: Routledge.

Zhuang, Z. C. (2018). Toronto: Planning for Diversity, Inclusion, and Urban Resilience. Toronto: Cities of Migration. http://citiesofmigration.ca/wp-content/uploads/2018/07/Building-Inclusive-Cities-Toronto-Case-Study_Final-Digital-Version-V2.pdf

Appendices

1. Participant Interview Questions

2. Photographs of:

- Queen Street East
- Queen Street West
- Market 707
- Regent Park
- Thorncliffe Park

Participant Interview Questions

We define 'neighbourhood retail' as retail businesses at the neighbourhood level that are typified with small and independent stores, mixed uses, and pedestrian activities. They are generally located on main streets, or within neighbourhood complexes (e.g., the ground floor of apartment towers). How would you define 'neighbourhood retail' specifically in the context of Toronto?

What are the major characteristics of Toronto's neighbourhood retail? Would any of the following contribute to its character: built form, public realm, business composition, land use, social and cultural function?

What do you think are the key anchors in Toronto's neighbourhood retail landscape? What factors do you think contribute to their success (e.g., diversity, density, stability)?

Are there unsuccessful neighbourhood retail areas in Toronto? Where are they located and why are they unsuccessful?

Are you aware of successful shared retail spaces and/or temporary/pop-up uses in Toronto or elsewhere in the world? If so, could you give some examples? If not, here are some examples we discovered through an environmental scan: community market in Thorncliffe Park, Market 707 in converted shipping containers in Scadding Court, social enterprises in Regent Park, the Nook in Toronto, etc. Do you see potential in shared retail spaces and/or temporary/pop-up uses?

What are the challenges that small independent businesses face? Do you know any existing policies, programs or initiatives to support small independent businesses? How can new retail developments address these challenges?

Research has demonstrated that immigrants are more entrepreneurial than natives. Ethnic businesses operated by immigrants/newcomers are evident in Toronto. How can we support ethnic entrepreneurship and promote innovative and inclusive retail development practices? Do you know any existing policies, programs or initiatives to support ethnic businesses?

What are the emerging trends of retail development at the neighbourhood level? How would you describe the future of neighbourhood retail in Toronto? What are the top priorities to achieve a vibrant, healthy, inclusive, and sustainable neighbourhood retail environment in Toronto?



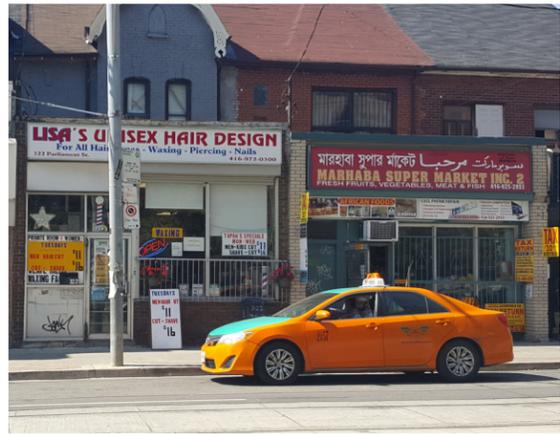
Queen Street East



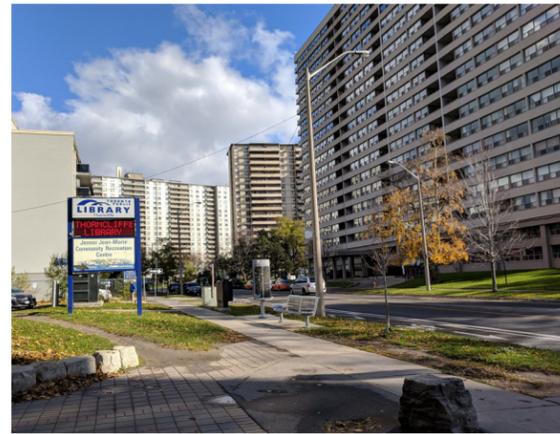
Queen Street West



Market 707



Regent Park



Thorncliffe Park