

# **Promoting the Retention of Small Independent Retailers in the RPSC Area**

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## Overview:

The Riley Park South Cambie (RPSC) area is not unique in terms of the challenges it faces in retaining its diversity of small independent retailers (SIRs). Small independent businesses are struggling to stay afloat across Vancouver, while prospective business owners are increasingly disinclined to start a brick and mortar store. In this report, we synthesize some of the unique contributions of SIRs and the challenges they face in Vancouver. Additionally, we will provide an overview of some of the existing strategies adopted by the city in addressing the challenges faced by SIRs while also highlighting promising interventions adopted in other municipalities to encourage the retention and growth of SIRs. Finally, we provide a discussion of the concept of neighbourhood centers and conclude with recommendations for the RPSC Community Group.

## What is a “Small Independent Retailer”?

A variety of theoretical and functional definitions exists around what may constitute a small independent retailer. Across these definitions however, there exists a common appreciation of the following characteristics:

**Size:** Small businesses can range from 1 to 99 employees; for the sake of focus we define them as having 1 to 9 employees, which is the definition adopted by the City of Vancouver in recent analysis of small businesses and retail.

**Independence:** The idea of independence is defined differently based on the context; however, it typically refers to a business that is privately owned with a limited number of outlets, as opposed to a chain store. A number of sources (Statistics Canada, 2021) have capped this figure at no more than three, although most references to independent businesses have involved enterprises with a singular outlet.

**Function:** In this report, our focus is strictly on retailers. This exclusively relates to businesses involved in the sale of goods and services to the public for the purposes of consumption.

## The Issue

Over the past decade, there has been increasing concern from the public and the business community around the loss of small independent businesses (often of significant cultural and

historical value) and the growing prevalence of storefront vacancies. A recent study by the City of Vancouver of six neighbourhood shopping districts demonstrated that there was indeed an empirical basis for these concerns— in five of the six areas surveyed, a decline was observed in the number of independent retailers between the baseline years and 2019 (Figure 1.)

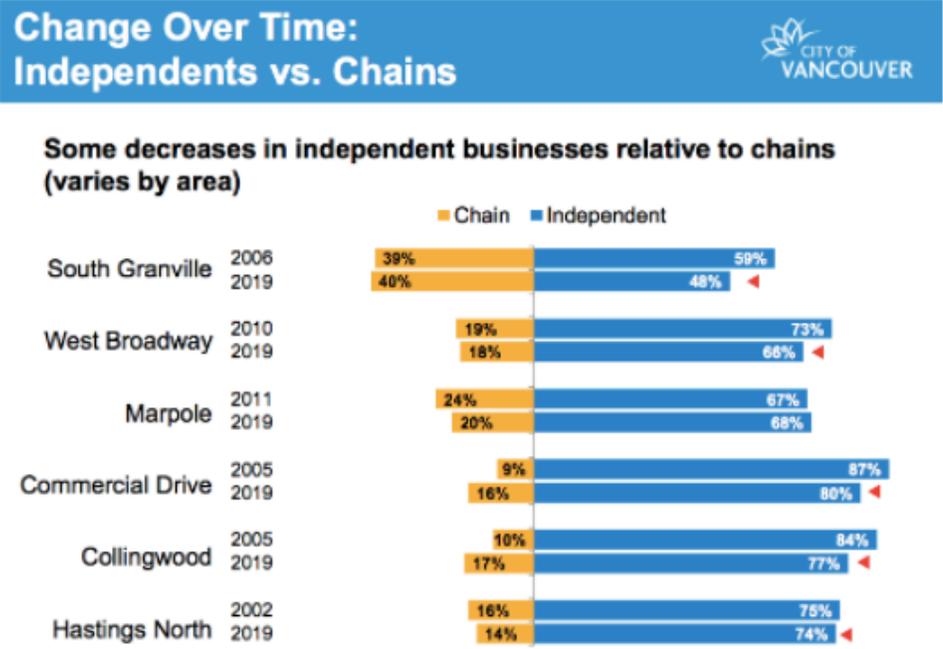


Figure 1. Change in the proportion of independent businesses across 6 sample commercial Districts (COV, 2020)

While the analysis of change did not include areas within the boundaries of the RPSC area, the fact that many of the drivers behind the decline of independent businesses (which will be discussed in later segments of this report) are not unique to the sample locations surveyed suggests that the phenomenon is likely to extend across other regions of the city. The findings of the City of Vancouver’s study complements some of the anecdotal observations provided by our partners over the course of our meetings and validates their concern around the survival of small businesses in the RPSC area.

### The Importance of Small Independent Retailers

An overview of the positive influences associated with small independent retailers provides a foundation for understanding the concerns around their gradual disappearance from the urban fabric. A review of existing literature revealed that small independent businesses

function as valuable community assets that contribute significantly to the quality of life in a neighbourhood through the delivery of diverse social, environmental and economic benefits at various scales.

**Social:**

Small-scale retail spaces have been found to serve as vital community anchors, providing opportunities for community interactions (Hunter, 2019) . They often serve as sites for neighbours to meet and form connections, and also function as venues for community events and gatherings. This is particularly important with the increasing prevalence of social isolation and declining levels of social participation in Canada (Vancouver Foundation, 2017).

Additionally, independent stores have been found to contribute significantly to a neighbourhood's perceived identity due to their ability to reflect distinct community values and characteristics (Laniado, 2005). Through their embodiment of unique facets of a community's socio-cultural composition, small independent retail stores have the ability to reflect the unique traits of a neighbourhood and enhance its character. This, in turn, enriches the neighbourhoods where they are found with a sense of authenticity and tradition, thereby nurturing a stronger sense of community and belonging among residents.

**Economic:**

One of the main benefits of small independent retailers is their contribution to the local economy. In addition to providing a source of employment, small independents have an outsized contribution to the local economy because of their significantly higher multiplier effect (Canadian Community Economic Development Network, 2013). According to a city planner we interviewed, a much higher percentage of every dollar spent at a local retailer is re-circulated locally due to the fact that they more often rely on local suppliers and hire from the local labor pool. Additionally, through our secondary research, we found that small businesses contribute significantly to the overall GDP and employment levels of the province-according to the BC's Ministry of Jobs, Economic Recovery and Innovation own executive report, small businesses accounted for 34% of overall GDP and over 53% of private sector employment. Amongst them, firms with less than 5 employees make up 83% of the total number of firms with the majority of them located in Metro Vancouver (Government of British Columbia, 2020).

Beyond contributing to GDP and employment, many of these small independents are also seeds of innovation, and have the potential to contribute decisively to the regional economy if given the right conditions to establish themselves and scale (Siggers, video interview, March 25, 2021.) This is witnessed in the examples of home-grown brands such as Artizia and Lululemon that started-off as small brick and mortar independents in local neighbourhoods.

### **Wellbeing and Environmental Sustainability:**

Through the provision of daily necessities and services, the presence of a diversity of small independent retailers located close to or within residential neighbourhoods has the potential to contribute to the development of “complete neighbourhoods” where the everyday needs of residents are available within a walking or short commuting distance. By reducing the need for vehicular commutes, the development of retail in close proximity to residential areas has the potential to cut greenhouse gas emissions (Handy & Clifton, 2001) while also supporting health outcomes by creating opportunities for moderate exercise (Sallis et al., 2012).

## **Challenges Faced by Independent Businesses in Metro Vancouver**

According to the Government of British Columbia (2020), small businesses appear to be doing well. This is reflected through the high rates of retention, growth rates and some of the lowest rates of bankruptcy in the nation (1 in 10,000 businesses). Additionally, with a growth rate of 18.1% between 2014-2019, Metro Vancouver is only second to North Coast & Nechako’s growth rate of 31%, whose growth rates has been inflated by a large increase in self-employed individuals without paid help. However, it must be said that such statistics mask a number of challenges faced by SIR owners in the city. Based on a synthesis of our primary and secondary research, the following are some of the primary hurdles to the survival of small independent businesses in Metro Vancouver.

### **Demand-side Challenges**

#### *Shift in Consumer Preferences*

Consumer patterns have shifted substantially in the past decade with the emergence of “big-box” outlet stores and grocery chains that are able to offer a variety of goods at significantly lower prices. This has in turn led to a shift away from local independent retailers as they are often

priced out and are unable to compete with these big-box outlet stores in terms of their ability to meet the multiple needs of consumers in one trip. More recently, local independent retailers that have traditionally operated as brick-and-mortar stores are also increasingly threatened by the shift towards online retail which have increasingly substituted in-person purchases. While online retail has trended upwards consistently since 2019, it has witnessed a precipitous surge in the past year due to the COVID-19 pandemic, and is likely to become an entrenched and dominant format of retail moving forward. Brick-and-mortar stores without the ability to undertake a digital transformation to provide customers with online sales channels are likely to experience a further decline in market share both in the short and long term.

### *Insufficient Foot Traffic*

Another concern surfaced by small business owners in Metro Vancouver is the lack of population density in certain areas to support commercial activities. Rising costs and slimming margins (discussed in following segments) have increased the volume of transactions required for store owners to stay viable. However, this need has not been met in certain areas where residential density has not increased in unison.

### *COVID-19 Pandemic*

According to a survey conducted June 2020, 78% of small businesses in BC reported lower sales. And while numbers have been steadily climbing, they have not returned to pre-COVID-19 levels. Additionally, in the early stages of lockdown, micro-enterprises, of which SIRs can be mostly classified as, lost 14.9% of their employees (*Small Business Profile, 2020*).

## **Supply-side Challenges**

### *Affordability Challenges*

One of the most frequently reported challenges faced by small businesses in Vancouver has been the issue of rising costs. According to a staff report by the City of Vancouver based on a study of the city's employment lands and economy, it was noted that "affordability challenges are impacting many aspects of Vancouver and job space affordability" and that small businesses, nonprofits and arts and cultural organizations were "most vulnerable" to these cost increases

(Robertson, 2020). One of the key drivers of rising costs has been increasing rental prices. According to the same study, rental prices for retail spaces have increased by close to 12% in the past four years, with 71% of the study's respondents citing space affordability as one of the top three challenges they were contending with.

In addition to rising rental costs, another significant driver of costs has been property taxes. Diving deeper, one of the most significant drivers of rental prices has been the presence of "triple-net leases", which transfer the burden of property taxes, the building's property insurance premiums, and maintenance costs from property developers to retailers. The ongoing real estate speculation in the city, coupled with the fact that property taxes are calculated based on a property's assessed "highest and best use" leads to enormous fees being borne by retailers leasing the rental spaces (Kurucz, 2018).

### **Permitting Delays**

Permit delays, which contribute to greater business uncertainty and loss revenues, are another significant challenge faced by small businesses in Vancouver. According to a study conducted by LOCO BC (2020), the average wait time for licensing in Vancouver is 8.2 months, leading to significant losses for businesses in the form of opportunity costs and additional leasing costs. These costs to retailers have been found to be non-trivial: of the surveyed enterprises which were retail businesses, it was found that the losses across the entire average wait-time for permits and licenses resulted in an average of \$570,400 in losses to businesses and \$233,103 in losses to the local economy. In addition to these economic costs, permit and licencing delays also present negative non-economic impacts linked to the stress and anxiety faced by business owners and their families over business viability and financial security.

### *Displacement by Redevelopment*

While redevelopment is a necessary process to facilitate renewal and bolster a city's capacity to house a growing population, it nonetheless poses a number of significant challenges for small local businesses that are forced to relocate. Beyond the initial costs incurred in relocation, a major issue associated with location is the fact that many small retailers are heavily place-based and rely on a well-established and consistent consumer base from the surrounding neighbourhood. Thus, relocation, even temporarily, has a significant impact on these small

businesses. In many instances, due to the lack of any official city policy around commercial tenant relocation and protection, there is little guarantee that the business will be able to return to its previous location at the same rental rates, unlike the residential market where right of first refusal rules apply to most of the primary residential rental stock. Additionally, even when developed parcels of land are classified as being “mixed-use”, the re-configuration of the retail space in these developments are often uncondusive for the small independents to return and favour chain stores that have the ability to pay the much higher rents (Regan, 2017).

### **Examining Vancouver’s Business Climate**

In this section, we sought to examine how effective the local and provincial government is in dealing with criterias fundamental to the overall success of entrepreneurialism in the city. Much of a city’s business climate is ultimately shaped by a collective group of policies and regulations. As such, it is almost entirely a macro-economic issue in which action is primarily done by governing bodies. While there are a diverse number of factors affecting the many different profiles of SIRs here in the city, the following criteria is inclusive and relatable to majority of them: (1) Provisioning of Basic Infrastructure, (2) Reduction of Taxes, (3) Availability of Business Education & Support Programs, (4) Streamlining Businesses Regulations and (5) the Decentralization of Power.

#### *1. Provision of Basic Infrastructure*

Many of the most innovative companies have originated in the megacities around the world; businesses are highly dependent on a city’s provisioning of urban infrastructure through it’s output, income, employment levels, and ultimately, their retention and growth rates. The ease and availability of transportation, supply of skilled labor, broadband coverage, and favorable zoning codes are some of the many things business owners are reliant on the city council to provide. For aspiring entrepreneurs, major investments in human, physical and social capital are indicative of increasing levels of socio-economic health of the city and as such, offers reassurance that such factors of production will be supplied and maintained. Additionally, at a micro level, improving the quality of life and living in urban centers would likely result in increased foot traffic in the area, something SIRs are entirely dependent on. Safe, green, and people-focused neighborhoods often promote walkability, which results in SIRs having a greater reach into the local markets through an increase in customers visiting their stores (Mazzarol & Reboud, n.d.). The City of Vancouver scores wonderfully in most of these metrics. Constantly ranked one of the best cities to live in, coupled with a high quality of life, a good supply of skilled labor, a robust public transport system, and a

long list of small business subsidies, SIRs in Vancouver should enjoy a relatively high level of success, backed by foundations of a strong provisioning of high-quality infrastructure.

## *2. Reduction of Taxes*

In terms of SIRs, two main taxes apply: corporate income tax and annual property tax. Businesses in Vancouver enjoy the biggest corporate tax cuts in the nation; eligible small businesses (income lower than \$500,000) enjoy a mere 2% corporate income tax rate, equating to a 10% drop off the regular income tax rate for businesses, and a significant 24.75% drop off the estimated average corporate tax rate in North America. On the other hand, property taxes and the ways in which they are being implemented have placed heavy financial stresses on SMEs and SIRs.

Property taxes are made up of three components: (1) the assessed value of the property that includes the current land value, the current value of the property on that land, and the development potential of that land (highest and best use case policy), (2) a municipality tax that is dependent on the costs of services in your municipality, and (3) a small school tax intended to fund the education system in British Columbia (Property tax, 2021). Typically, property taxes are paid by landowners. But because of an inclusion of a “triple-net-lease” in most leases, tenants, of which the majority of SIRs fall under, are now being required to cover it. While triple-net-leases are a common occurrence in Canada’s housing market, when combined with Vancouver’s skyrocketing property prices, the policy has resulted in tenants paying large fees without receiving any of the benefits associated with landowning (Lawrance, 2021). To make matters worse, triple-net-leases not only entail the payment of the landlord’s property taxes, but also the building’s property insurance premiums and maintenance costs (Hall, 2021).

Lastly, the inclusion of demolition clauses by landlords on tenant agreements is a growing cause for concern and has been cited as a primary factor in Vancouver’s vacancy rates (O'brien, 2019). By signing a demolition clause, landlords have the right to evict or relocate retailers under most circumstances. Coupled with the increased rate of redevelopment all over the city, the likelihood of being evicted is understandably rising. Thus, between their increasing rent and taxes, the idea of being displaced with zero compensation may prove to be the final tipping point for struggling business owners.

In response to these stresses, a 2019 proposal was put out by the City of Vancouver that tackled the way in which property taxes are calculated. Under their proposed “split assessment”, tenants would pay taxes according to the current value of the land’s current use, rather than the value of its development potential. This move reduced the overall tax rate. Instead, the provincial government opted for a tax reduction framework , allowing municipalities to set up their own bylaws in exempting eligible small businesses from paying a predetermined portion of their property taxes. Eligibility for the Interim Business Property Tax Relief Exemption (IBPTRE) scheme is stern; a business owner has to meet (1) a municipality-set threshold increase in commercial land value and (2) surpass another municipality-set minimum percentage of the total property value to land value ratio (Commercial sub-class tax relief proposal, 2021). An example is provided below for illustrative purposes:

Table 1: Potential Eligibility to the IBPTRE Program

Min Total Value% Increase from Year X: 50%

Min % of Land Value to Total Value: 50%

Year	Property A	Property B
2015	Total Value = \$20,000	Total Value = \$80,000
2020	Total Value = \$100,000 (500% Increase) Land Value = \$60,000 (60%) Property Value = \$40,000	Total Value = \$100,000 (25% Increase) Land Value = \$40,000 (40%) Property Value = \$60,000

\* Property A would be eligible; Property B would not.

It is unclear what percentage of firms fall into BC’s thresholds (or what BC’s thresholds actually are). There is also limited information evaluating the general success of the program. In theory, however, rather than tackling the core issues of SIR’s rising property taxes (land assessment techniques/triple-net-lease etc.), the scheme would only alleviate a small minority of small businesses from paying a portion of their taxes for a set amount of time. It seems like a temporary fix, rather than a long-term solution. The scheme has drawn criticism, most notably from Mayor Stewart, citing: “We need to be able to target development potential and air space, and this does not allow us to tackle skyrocketing property values. These changes won’t do that.” (Mcintyre, 2021).

### *3. Availability of Business Education/Support Programs*

With SIRs and SMEs, access to solid financial planning advice and business management tools are essential throughout their lifecycle. Because business owners primarily spend the bulk of their time and effort on their products and services, it is reasonable to believe that some lack the business management aptitude required of running a business (Mazzarol & Reboud, n.d.). Business planning is a daunting task for anyone, especially for the uninitiated. Hence, the availability of business education/resource programs would prove extremely beneficial for both new and growing businesses. In British Columbia, that role has been excellently served by Small Business BC, a non-profit organization aiming to provide resources and support. Their website covers general policies and regulations regarding small businesses, an up-to-date news webpage (albeit in a disorganized fashion), step-by-step guides from starting and running a business to streamlining the supply chain processes, an admittedly vast but easily understood guide on the various sanctions/subsidies imposed on the different sectors, and detailed tutorials on business management/planning/market research. Small Business BC also matchmakes potential investors and entrepreneurs through monthly events.

### *4. Streamlining Business Regulations*

As discussed in the sections earlier, while the need for regulations are valid, they often come with so much paperwork, license obtaining and board approving that businesses, both small and large, are losing time, money and resources in order to get through what should be routine processes. The term “red tape” refers to the conforming of excessive regulations and has been used to describe the regulatory burden that businesses face in compliance with the law. Every year, the Canadian Federation of Independent Business (CFIB) releases a red-tape report card and scores each province according to their own red-tape analysis framework. While scoring excellently on regulatory accountability and interprovincial cooperation, B.C. scored low on regulatory burden. Amongst the criteria being scored in the section, BC suffers from a large amount of restrictions, low confidence among business owners in BC’s commitment to reduce red-tape, and a lack of communication channels for businesses to vent their red tape problems and suggest solutions (2021 Red Tape Report Card, 2021).

Table 2: *Regulatory Burden Scorecard on CFIB 2020 Red Tape Report*

Regulatory Burden, Score and Grade (10 is best, 0 is worst)

	Regulatory Burden Score and Grade	Total Provincial Regulatory Restrictions	Provincial Regulatory Restrictions Per Capita	Business Owner Confidence in Provincial Commitment to Red Tape Reduction	Public Feedback Mechanism for Reporting Red Tape Concerns
AB	8.7 A-	7.1	9.7	8	10
SK	8.0 A-	7.1	7.7	7	10
MB	7.8 B+	7.8	8.4	5	10
ON	6.5 C	0.0	10.0	6	10
NB	6.3 C	8.7	7.4	4	5
QC	6.1 C-	1.7	9.8	3	10
BC	6.1 C-	6.6	9.8	3	5
NL	6.1 C-	8.5	5.8	5	5
NS	6.0 C-	6.9	7.1	5	5
PEI	5.8 D+	10.0	0.0	8	5

### 5. Decentralization of Power

The profiles of SIRs can vary tremendously from city to city, and as such, requires individualized attention in forming effective macro-policies. The diversity of businesses in a province means the perception of SIRs needs to be thought of as a collective group of different needs, rather than a single entity. The benefit of having a local council and mayor is that they can understand the diverse needs of SIRs in their jurisdiction, and are better suited to make more informed decisions about the local business landscape, challenges faced by SIRs, and the ways in which they can be dealt with (Gomez, Isakov & Semansky, 2015). Case in point, by late 2018, the City of Vancouver had finalized their “split-assessment” property tax strategy proposal, a full two years before the provincial government’s release of their well-intentioned but ultimately misguided Interim Small Business Relief Scheme. This decentralization of power should not be limited to the public establishments either; empowering local residential organizations— be it RPSC or other citizen-led advisory boards (VCPC or DPBAB)— has been cited to advocate for investments better suited for the collective whole, as well as reducing the NIMBYism (not in my backyard) that commonly occurs in the policy forming process (Gomez, Isakov & Semansky, 2015).

### COVID-19

Before we get into recommendations, it would be useful to discuss the current COVID-19 landscape that SIRs are currently finding themselves in. Loss of revenue, staff layoffs and reduced work hours are common themes among businesses. According to a survey conducted June 2020, 78% of small businesses in BC reported lower sales, and while numbers have been steadily

climbing, they have not returned to pre-COVID-19 levels. Additionally, in the early stages of lockdown, micro-enterprises, of which SIRs can be mostly classified as, lost 14.9% of their employees. As you might expect, confidence levels are reportedly at an all-time low.

Non-financial support exists in the form of streamlining of regulatory processes, a deferment of property taxes, and the temporary restructuring of public spaces for SMEs & SIRs who are unable to meet social distancing measures in their store, though these are considered secondary. Yet, the main bulk of COVID-19 support comes from loans and grants. There are quite a few to choose from, both public and private, though many require proof of a drop in revenue. Some grants and loans deal with paying a portion of employee wages and covering property taxes, while others guarantee low interest loans, both big and small, from their respective financial institutions (Support for local businesses and nonprofits during COVID-19, 2021). Looking ahead, it's unclear how much of an effect these grants will have on the city's budget and how much small businesses will ultimately be recovering that deficit through rising property taxes. Already, the city has raised property taxes by 5% in 2021 in response to a combination of a loss of revenue, increased costs of regular operations and emergency responses (Chan, 2021).

## **Case Studies**

### **Creating a supportive environment for businesses through the provision of basic infrastructure (e.g. safe streets, efficient public transport)**

The city of North Vancouver has been working to increase walkability and accessibility to public transportation to increase foot traffic in various ways, such as coordinating with Translink to provide more rapid transit options, thereby increasing transit frequency and reliability (City of North Vancouver [CNV], 2014). The city also works to decrease the use of single-occupant vehicles by investing in cycling and pedestrian facilities such as providing safe and connected walking and cycling networks, increasing pedestrian-level lighting, providing end-of-trip facilities for bikes (CNV, 2014), and allocating more spaces for car-share and carpool vehicles.

In North Vancouver, attractive, vibrant, and plentiful seasonal public spaces have been created to promote community interaction. Shipyard Commons, a 20,000 square foot covered public space is available for public events. The interactive event space also converts into a splash

park in the summer and skate plaza in the winter (City of North Vancouver, n.d.). The Shipbuilders' Square provides an outdoor public space for seasonal events such as concerts, festivals, and markets. Through these redevelopments, the cultural and historical identity of the space have been preserved. The Shipyards District has kept its original industrial appearances; shops and restaurants embraced the industrial designs inspired by its history. The highly popular Shipyards Commons is reconstructed with the appearance of the old Machine Shop.

To encourage foot traffic, Toronto's Kensington Market started closing streets to vehicles every Sunday in the summer. Reclaiming this space for events and socialization increased the vibrancy of the area and generated more activity for businesses in the area. The recurring nature of Pedestrian Sundays contrasts with Vancouver's Car Free Days in that the former allows community members to keep coming back to the space and interact with the community on a sustained basis. This positive feedback loop is supported by Whyte's (The Social Life of Small Urban Spaces, 2004) study of pedestrian behaviors in New York. He found that public space is utilized when there are available spots to sit down. He also found that pedestrians tend to cluster around areas with more pedestrian activities.

Montgomery (2013) brought up Copenhagen, where the city has blocked off traffic in some plazas and replaced them with seating areas extended out from cafes. This has transformed the city's plazas into a vibrant scene; residents even sit out in the plazas with blankets during winter. Montgomery also contrasted Times Square before and after it was closed for traffic. He explained that closing roads to traffic enabled pedestrians to experience the space rather than simply pass by. Visitors can really interact with the space rather than seeing it as a destination to conquer.

In Toronto's Regent Park Neighborhood, massive redevelopment has kicked off the redesign of public spaces (e.g. parks, community centers) to ensure that they are culturally sensitive and inclusive to encourage integration between the influx of new middle-class residents and social housing residents with different cultural and socioeconomic backgrounds. For example, Regent Park's Aquatic Center provides an inclusive space for Muslim women to swim by having privacy screens and designated time slots for female-only usage. The programming at Scadding Court Community Centre, where "60% of the residents in the adjacent housing development were born outside of Canada," (Zhuang, n.d) is aimed to help the residents share common experiences

and foster connections with one another. Activities include a skate park and a seasonal fishing pond, activities that some residents have not experienced growing up.

The City of Toronto has public outdoor ovens installed at multiple public parks. They can be reserved through the city for use in festivals and community events. The Thorncliffe Park neighborhood took this initiative further and transformed their previously neglected public place into a popular attraction by housing North America's first outdoor tandoor oven. The Thorncliffe Park Women's Committee (TPWC) proposed the idea of an outdoor tandoor oven at the park to city officials, who were highly supportive. Since the outdoor tandoor oven is the first in North America, city officials played a crucial role in looking into regulations. The tandoor oven is used to make naan during the community events. For members of the TPWC, many of which are new immigrants and mothers, it is an opportunity to interact with the community and share their cultural knowledge (Hurley, 2014).

### **Business Education / Support Programs Through Community Groups**

Market 707 at Regent Park in Toronto is an initiative to create a starting point for independent, small businesses. The temporary nature of the market offers a lower barrier of entry than starting a brick and mortar store. Businesses simply pay for their spot, without having to deal with navigating and dealing with delays in regulations and permits. The market provides a lower-stake opportunity for businesses to test their products, gain a customer base, and build experience before deciding on a permanent storefront. This is especially helpful in areas with high rent prices, where having an established customer base will be highly beneficial for businesses.

Following plans for a highrise condominium development that would displace the group of Filipino restaurants and businesses by the Joyce Skytrain station, multiple community groups rallied together to provide support and emphasize the importance of protecting these cultural food assets. Logan (2021) reported that the Joyce Renfrew Collingwood Food Justice group, Sliced Mango Collective, and Sulong UBC stepped in to provide English and Tagalog services so that business owners could better understand the situation and the implications of the development. These groups also set up stations outside these restaurants with translation services, and social media campaigns so that community members can provide feedback to the city. Following the social media campaigns from various community groups and the resulting media coverage (e.g. from CBC (Gallagher, 2021), National Observer (Logan), and The Tyee (Cheung, 2021)), local

residents in other areas have become aware of the loss of these food assets and helped amplify the importance of these assets.

With digital channels becoming increasingly influential, especially during the COVID-19 pandemic, many local BIAs and community groups are leveraging their digital presence through various social media channels as an inexpensive way to increase sales. The Lower Lonsdale Business Improvement Area (LLBIA) maintains a highly active social media presence on Facebook, Instagram, and Twitter (at @shipyardsdistrict) with daily posts and engagements with local influencers. In the first year alone, their unpaid media campaigns were able to reach over 30 million people (Lower Lonsdale Business Improvement Area, n.d.). The LLBIA also attracted visitors by joining campaigns such as the Tourism Passport Challenge, which brought in over 2,500 tourists. They advertise the space for filming and offer great support for filming to take place. This further increases the exposure of the area and brings in donations to the Lower Lonsdale BIA Beautification Fund.

#### *Business Education / Support Programs Targeted at Immigrants*

British Columbia's share of new immigrants is the highest in Canada at 3.8%. Vancouver itself has a significant percentage of immigrants and new immigrants at 42.5% and 6% respectively (NewToBC, 2018). To encourage more diverse, ethnic businesses, the City of North Vancouver increased its outreach efforts to the city's ethnic population and immigrants. Specifically, the city targets government and social service agencies that have connections to local cultural groups. The information covered opportunities and benefits, available programs and support services, as well as business regulations (City of North Vancouver [CNV], 2008). The city also aims to increase the voices of these ethnic business owners by increasing their representation in roundtable discussions and committees in order to address unique difficulties faced by these groups (CNV, 2008).

The Thorncliffe Park Women's Committee (TPWC) is also an example of how community groups can empower underrepresented groups to start their own businesses by directly addressing their concerns. The Friday summer bazaar organized by the TPWC created a variety of unique and attractive businesses. The predominantly South Asian residents of Thorncliffe Park are already familiar with how street markets operate and its relaxed nature, which makes them more

inclined to participate (Hurley, 2014). Like Market 707 at Regent Park, the bazaar is more accessible for vendors as the organizer, not the vendor, is responsible for navigating the regulatory and permit work. The flexible nature of the bazaar also addresses constraints of vendors, many of whom are mothers and/or working other jobs, who cannot commit to the permanent, full-time hours of running a business. Sabina Ali, TPWC's coordinator, also highlighted the social aspect of the market. The market is a space for new immigrants to interact with the community and for some, to practice their language skills and gain confidence.

### **Streamlining Business Regulations**

Many cities, including the city of North Vancouver, plan to simplify the permit and regulatory processes by working to adopt BizPal (CNV, 2008). Bizpal is a website created by the federal government to centralize information on the regulatory processes and related costs specific to each municipality.

“[BizPaL helps businesses] identify which permits and licences they require and how to obtain them. Entrepreneurs simply select the business activities they plan to undertake and BizPaL then automatically generates a list of all required permits and licences from all levels of government (federal, provincial, territorial and municipal), along with basic information on each, and links to government sites where the entrepreneur can learn more and, in some cases, apply online” (BizPal, n.d)

Several jurisdictions across Canada and British Columbia have started using BizPal, including Richmond, Burnaby, Coquitlam, Langley, Victoria, and Kelowna. Currently, Vancouver is using the provincial version of BizPal, which contains province-specific regulations but not regulations specific to Vancouver itself.

### **Neighbourhood Centres**

The concept of neighbourhood centres is prevalent in the practice of urban planning. Sometimes referred to as community centres, neighbourhood centres are the core that serve the people who reside in the area. These centres are made up of shops, services, gathering places, art and culture spaces, outdoor spaces on top of other mixed-uses for space.

These community developments bring much more value than the immediate benefits that they seem to present. These spaces produce more than just a physical space. It is about the people and they are a direct reflection of a community's values (Fontenot, n.d.). The City of Vancouver's

Community Plans initiative was one that aimed to inform future development in neighbourhoods across the city through a mix of short- and long-term goals that were built on these community values as well as their local needs and issues (City of Vancouver, n.d.). These community plans were presented as policy documents targeting numerous urban-related matters (City of Vancouver, n.d.). The city highlights six neighbourhoods where these city plans have been completed over the last decade, however they appear to be stagnant and not moving beyond those six neighbourhoods. The areas of Riley Park and South Cambie have not been addressed in these community plans.

Another initiative put forward by the City of Vancouver is the “Complete, Connected Neighbourhoods” which is a segment of the long-term Vancouver Plan. The idea of connected and complete neighbourhoods embodies the concept of neighbourhood centres in that it is working towards creating neighbourhoods where all residents have quick and easy access to essential goods and services along with an array of facilities and leisure activities that can be utilized (City of Vancouver, n.d.). According to the City of Vancouver Planning Department, complete neighbourhoods must consist of a diverse range of housing options that cater to the needs of people from diverse socioeconomic backgrounds (City of Vancouver, n.d.). In addition to this, they point out the need for spaces that bolster social engagement and sense of culture (City of Vancouver, n.d.).

Paul Siggers, a planner with the City of Vancouver spoke to the complete communities program as a concept that the city is focusing its attention that quite closely relates to neighbourhood centres. As a part of this, the planning department has been carrying out walkability assessments to determine strategies on how to improve pedestrian routes both in terms of safety and time. This is a key concept within the idea of complete neighbourhoods as well as neighbourhood centres. Siggers pointed to the fact that the creation of neighbourhood centres has to be a long term goal and that there will be a series of small steps that lead to the broader concept as a whole (Siggers, video interview, March 25, 2021). Vancouver is currently in the beginning phases of this plan.

Neighbourhood centres, and more relevant to Vancouver’s planning practices today, complete neighbourhoods, bring with them many advantages when they are accompanied by complementary policies in other areas. They are the foundation of the local identity that people

look for in their neighbourhoods. As noted in a report to City Council from the manager of Planning for the City of Vancouver, residents of the city reported that they want neighbourhoods that are diverse and consist of characteristics that are unique to them (Kelley, 2020). This vibrancy that Vancouver residents desire is one that is demonstrated in the neighbourhood centre model. Through outdoor space, shops, restaurants, and services connected through smart networks available to people using various modes of transportation, the city can take steps to achieving neighbourhoods that exhibit social cohesion, cultural vibrancy and well-being.

Furthering this concept into its relation to small business, neighbourhood centres cannot exist without small businesses. Small businesses are a crucial element in the make up of neighbourhood centres not just physically but also through the 'feeling' and community they forge through their presence. In the plans for creating complete neighbourhoods, there is no mention of what the city plans to do to encourage the formation or retention of small businesses. The plan remains centred largely on public spaces, accessibility, and the desire for a local identity (Kelley, 2020). These things are important, but cannot be achieved if the city does not implement policies that allow small businesses to thrive without being pushed out due to affordability or redevelopment.

Moving forward, the City of Vancouver should ensure that there are not conflicting policies working against each other. For example, the planning department highlights its desire to create neighbourhood centres and complete communities, however its policies around small business are doing more harm than good, preventing neighbourhoods from thriving in the ways that they indicate they want them to. There is an opportunity for policies that encourage small business retention and this will become even more important through COVID-19 recovery. At a time when small businesses are struggling more than ever, they need support. On the other hand, looking at the consumer and local residents, there is an opportunity for innovative changes as people have come to realize the importance of well-planned neighbourhoods where people are able to access essentials and utilize outdoor space. These considerations need to be at the forefront of decision-making regarding development in the future.

## **Recommendations**

### **Policy Recommendations for the City**

Because increasing financial assistance would probably result in higher tax rates anyways, we would like to suggest quality of life changes instead. Metro-Vancouver already possesses many of the attributes necessary in cultivating a strong hotbed of entrepreneurship in the city, and are only let down by a few, if fundamental, flaws to the system.

#### **1. Rework property taxes**

The proposal by the City council would be a good place to start: assessing land on its current development rather than its development potential would lower the tax rate. This would be the logical next step, though whether or not the provincial government would be willing to rework their existing scheme remains to be seen. We would also suggest a bylaw exempting SIRs from triple-net-leases, and have them instead pay a double-net-lease or a single-net-lease. A single net lease would still entail SIRs paying their landlords property taxes, but would exempt them from having to pay property insurance premiums, maintenance and repairs and utilities fees (Hall, 2021).

#### **2. Public Red-Tape Feedback Mechanisms**

Currently, BC primarily gathers red-tape feedback through public consultation. While they do have a dedicated email for red-tape inquiries, we feel more could be done. Establishing a dedicated communication channel with a responsive appeal-and-review system would help reduce red-tape issues. Ontario's "tackling the barriers" initiative would be a good model to emulate. It is an appeal system where businesses can request temporary changes to the system, and there are a number of changes already approved on their site (Frontline and business: help us support you during COVID-19, 2021). From allowing restaurants with liquor licenses to include alcohol in their takeout menu to extending daycare center hours for healthcare workers working overtime, this site represents a huge opportunity in reducing the overall regulatory burden and highlights problems that could have been potentially overlooked at the local or provincial level.

### **Recommendations for the RPSC Community Visions Group**

First, we believe that a more detailed survey of retail units in the area should be conducted, with particular attention towards identifying businesses which may function as valuable assets

within the neighbourhood. This may include businesses serving as social and cultural institutions within the local neighborhood, food assets, and locations for community gatherings. This community asset mapping exercise should also have the goal of capturing the unique social and cultural value of the businesses in the neighbourhood through a collection of the community's sentiments towards these businesses. This vital piece of research can then be translated onto a digital platform such as an application or website, putting these businesses on the digital map and ensuring that an awareness of their existence is translated into the city planning process.

Next, building on the previous recommendation, we propose working more closely with the relevant BIAs and community groups to convey the social and cultural value of these local independent retailers to a broader audience through digital channels. In addition to helping put these community assets on a "map", this strategy will help to directly address the challenges associated with the lack of foot traffic and the digital transformation of the retail sector. Our case studies, particularly in the Shipyards and Lonsdale area, have shown that social media campaigns led by influencers are relatively inexpensive options that can help to build greater traction. Additionally, we propose undertaking a process-design study to examine how information is moved between city advisory groups and the city. Our general impression from interviews with both parties was that they were committed to supporting small businesses; however, there exists an information gap that currently prevents the RPSC Community Visions Group from playing a more engaged and effective role in the city planning process. The incredibly fragmented nature of the information provided by the City prevents the RPSC Community Visions Group from providing feedback and recommendations to ongoing developments and initiatives in a timely manner. Additionally, the ineffective channels of communication also erodes trust between the city that is arguably well-intentioned and civic groups like our community partner. Addressing this issue for communication is likely to better allow the RPSC Community Visions Group to realize its full potential in advocating for the needs of the community while enabling the city to design policies and initiatives in a ground-up and stakeholder-engaged manner.

Finally, to fully make use of the available community resources, we recommend that the RPSC Community Visions group look into coalition building with other community organizations and organizers in the area. The concerns for the survival of small businesses are likely to be shared by other community groups; recognizing that no one organization is likely to have the complete range of skills, knowledge and resources to tackle the issue, it is thus beneficial for the

organization to adopt a collaborative approach in tackling the issue. As highlighted in the case studies we provided of Toronto and the Joyce-Renfrew Collingwood area, the formation of coalitions can play a decisive role in driving the success of civic activities.

## **Limitations**

There are limitations to this report that need to be taken into consideration. First, our group was unable to reach any Business Improvement Associations (BIAs) in the Riley Park South Cambie area. BIAs would have been able to supplement our report with first-hand knowledge of the challenges that are facing small businesses in the immediate area. Profiling small businesses directly would have allowed us to find specific issues and policies for their individual businesses rather than generalizing across Vancouver as a whole. Due to COVID-19 and time constraints, canvassing small businesses was not a feasible option. Along the same lines, we did not have the time or resources to conduct a broader survey with the general public about the effects of small businesses being pushed out of their neighbourhoods. This would have been useful to gain a better understanding of the sentiment among a representative sample of the population, which would have provided us with a more nuanced understanding of the issue. Finally, having more time would have allowed for interviews with participants and leaders of the initiatives described in the case studies we raised to assess if they were truly effective in helping the survival of SIRs.

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