



IMPACT OF COVID-19 ON CURRENT
STATE AND FUTURE OF TORONTO'S RETAIL

MAIN STREETS



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T H R E E
S I X T Y

collective

Prepared for the City of Toronto Economic Development and Culture Division

FINAL REPORT

Prepared by

Three Sixty Collective

99 Ivy Avenue Toronto ON M4L 2H8

647.339.9008

john@360collective.co

www.360collective.co

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Comments in this report are not intended, nor should they be interpreted, to be legal advice or opinion.

The data was collected and analyzed from June 2020 to the end of August/early September 2020. Announcements to programs and changes due to COVID-19 that happen after this period are not included. changes due to COVID-19 that happen after this period are not included.

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1. Introduction

A consultant team led by Three Sixty Collective undertook a comprehensive study of the current state and future of Toronto's main streets in 2019. Its findings and recommended policies and programs to better support main street businesses were scheduled to be considered by Toronto City Council in April 2020. This plan was interrupted by the lock-down measures made necessary by COVID-19.

The General Manager of Economic Development and Culture retained Three Sixty Collective to update the study in view of COVID-19. This report summarizes the results. Detailed findings are included in the report's Appendix.

The impact of COVID-19 on the broader economic context was assessed from published data sources. This analysis was limited by the data available as of mid-August 2020. The findings are summarized in Section 2.1.

Updated research was undertaken for nine of the eleven original main street case study areas that represented a range of conditions across the city. The findings are summarized in Section 2.2.

The updated main street case study areas were:

In the Downtown

1. Queen East of Victoria
2. Yonge North of Carlton

In Former City of Toronto Neighbourhoods

3. Danforth East of Jones
4. Danforth/Pape
5. Yonge North of Lawrence

In Suburban Neighbourhoods

6. Albion/Islington
7. Eglinton/Danforth Rd
8. Kingston Rd/Lawrence
9. Lakeshore/Islington

The following analysis was undertaken for each:



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- Cell phone mobility analysis of visitors to the businesses in 2020 including detailed analysis post Ontario Emergency Declaration on March 15, 2020.
- Business inventory for the first week in June 2020 and comparisons with the 2017 data summarized in the original Main Street Study.
- Retail market economics including retail market rent per square foot, sales per square foot, market cap rates, leasing activity and asset ownership.

The original 2019 Main Streets Study's (hereafter referred to as the Original Study) conclusions and recommendations were re-assessed in light of the updated research, actions already being undertaken to support main street businesses and other intelligence and research available online and through Three Sixty Collective's network of informed experts. New priorities for action also were identified. This analysis is summarized in Section 3 below.

It should be noted that the work summarized in this report was undertaken in June and July 2020. It describes and analyses the situation during a specific period of COVID-19's impact, recovery and support program development in Toronto. The new programs being rolled out in 2020 are briefly described but could not be analyzed or evaluated within the defined scope of work. Despite best efforts to be current and to reflect the insights of many experts and lessons learned around the world, the public health situation, economic ramifications and the supports to business recovery being offered all are evolving at a rapid pace. A recurrent theme throughout the report is that the best road to COVID-19 recovery lies in being well-connected with those on the front-line and in being flexible, creative and nimble in responding to emerging needs and opportunities.



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2.COVID-19 on Main Street Study Findings

2.1 ECONOMIC OVERVIEW

Toronto CMA Retail Sales Growth, June 2020 Year-Over-Year Change – Summary (Source: Statistics Canada)

- Most categories of retail and food service sales experienced a sharp year over year decrease in March and April. The exceptions were categories oriented to home-based activities and entertainment (building supplies & gardening; electronics and appliances) and food and beverage categories.
- Retail and food service sales started to regain strength in May. As of July 2020, total retail sales for the Toronto CMA were just 1.2% lower than in July 2019. Clothing and accessory sales, however, continued to be reduced (15% lower than in July 2019 in the Toronto CMA). Total food services sales were also 26% lower than in July 2019 (Ontario as a whole as CMA data isn't available; only take-out and delivery sales were permitted for most of the month).

- The impact of the City's CafeTO and patio program were only partially reflected in the July 2020 food service sales.
- Canada-wide sales rebounded more than in the Toronto CMA in many discretionary shopping categories. This is not surprising since the Toronto CMA was one of the last parts of Canada to permit non-essential retail stores to reopen.
- Within the consumer expenditures, there have been shifts benefiting some businesses over others. For example, lower food service sales benefitted grocery store sales both online and in bricks and mortar locations. There will be continued re-adjustments throughout the year as consumers continue to shift their expenditure patterns and behaviours in response to the evolution of COVID-19 and related returns to workplaces, schools and other activities involving gatherings.
- E-commerce sales spiked to a 123.6% year-over-year increase in April 2020 (recent data is only available for Canada as a whole). This is compared to a pre-COVID-19 23% year-over-year increase (for 2019 compared to 2018).
- E-commerce sales decreased in May through to July from the April peak after more types of businesses were permitted to reopen their doors to customers. But a significant year-over-year increase still occurred: a 116.5% year-over-year increase in May and 63.2% increase in July.
- It is expected that much of the jump in e-commerce sales that occurred in March and April will be a permanent change in shopping behaviour. A partial shift back to bricks-and-mortar shopping such as happened between May and July may continue in the coming months, but e-commerce is unlikely to shrink back to pre-COVID-19 levels.

Toronto CMA Employment – Three Month Moving Average – Summary

- Total employment in the Toronto CMA was 12% lower in July 2020 compared to July 2019.
- Wholesale and retail trade employment has bounced back significantly and as of July 2020, was just 9% lower than in July 2019 (based on a three-month moving average).
- Accommodation and food service employment remained low. Employment in this category was 46% lower in July 2020 compared to July 2019 (based on a three-month moving average). The fast moving changes for restaurants and cafes, such as CafeTO, will probably improve employment and sales in August and future months. However, the continued depression of tourism and business/convention meetings will keep the total employment for this overall category relatively low.

Ontario Employment by Business Category – Summary

- By July 2020 total employment in Ontario had rebounded since April 2020's low point. In July 2020 total employment was 7% lower than in July 2019.
- Total retail employment in Ontario has bounced back very quickly. In July 2020 retail employment was 4% lower than in July 2019.
- The accommodation and food service industry still remains a laggard in the rebounding economy. While food service employment has picked up, the accommodation sector remains low. Overall, the accommodation and food service employment was 34% lower in July 2020 compared to July 2019.

Ontario Employment by Business Size and Business Category – Summary

- Ontario employment for main street type businesses has bounced back faster for smaller and very large businesses compared to medium-sized businesses (those with 100 to 500 employees).

- Wholesale and retail trade employment for businesses with 20 to 99 employees and over 500 employees is higher in July 2020 compared to July 2019. Wholesale and retail trade businesses with fewer than 20 employees were almost back to July 2019 levels. These smaller businesses are often found on Toronto's retail main streets. Large retail employers such as Walmart, Loblaw, Costco have maintained good employment.
- A similar story exists for accommodation and food services. The accommodation and food service businesses with a low number of employees and very large employee based businesses are rebounding better than medium-sized businesses. For other services, including commercial services, the smaller businesses with fewer than 20 employees are rebounding quicker.
- It can be assumed that these smaller businesses are often found on main streets and are rebounding quicker than elsewhere. It is noted that many businesses in enclosed malls remained closed in Toronto in May and most of June, reopening in late June and early July.

2.2 MAIN STREET CASE STUDIES

Main Street Case Study Areas and Local Trade Areas



Note: Suburban main streets include Albion/Islington, Lakeshore/Islington, Kingston/Lawrence and Eglinton/Danforth Road. The former City of Toronto neighbourhood main streets include Danforth/Pape, Danforth East of Jones and Yonge North of Lawrence. Downtown main streets include Queen East of Victoria and Yonge North of Carlton.

Visitation to Main Street Case Study Areas as Measured by Pedestrian Volumes – Summary (Source: Uber Media)

- Residential density near the main street case study areas was key to maintaining visitation volumes. This is in line with the finding that approximately one-third of all visitation derives from those who live within 800m of the main street. During COVID-19, residents opted to stay relatively close to home for most of their shopping. Reasons for venturing further afield included seeking out better one-stop shopping and specialty products or services (for example, culture-specific specialization). The bulk buying of household essentials also drove shopping behaviour further away, especially in March and early April.
- Suburban main streets with a depth and breadth of local goods and services did not experience as great a decline in visitation as Downtown and some of the former City of Toronto neighbourhood main streets. They also bounced back faster as the pandemic progressed and consumer shopping behaviour adjusted from early bulk buying in larger format stores to essentials and home goods available in their local neighbourhoods. Suburban main streets that had a good selection of necessities and some very unique regional appeal (often through a cultural specialization) were less impacted by COVID-19 than other areas.
- Downtown and former City of Toronto main streets that relied on regional visitation were significantly impacted by COVID-19 unless there was residential density nearby and key essential-good retailers (e.g. grocery stores, pharmacies).
- All Downtown main streets experienced the virtual disappearance of at least some of their customers (e.g. office workers, post-secondary students, arts and cultural visitors, sporting event attendees, etc.). Those that had significant residential populations nearby were able to maintain modest visitation levels that reflected the importance of residential density to their core business survival.
- Pedestrian volumes began to recover in May compared to late March and April. This is aligned with the noted recovery in retail sales for the Toronto CMA.



Photo: ATALIAS



Business Inventory June 2020 for Main Street Case Study Areas – Summary

- The ground floor business inventory was compiled by Three Sixty Collective during the first week of June 2020. At that time, Toronto was in Stage 1 of the reopening plan, with most non-essential retail and service business categories not permitted to serve clients and customers within their premises.
- As is summarized in the Appendix, about one-third of businesses were temporarily closed due to the pandemic (12% of retail stores and 45% of service businesses).
- About two-thirds of the businesses that were open had reduced their capacity and about one-quarter had reduced their hours. Many were using a variety of other strategies for continuing to do business, including selling through windows open to the sidewalk, delivery and pick-up and appointment-only.
- The temporarily closed businesses were excluded from the vacancy rate. The vacancy rate was measured based on the percentage of businesses that were permanently closed as well as the total amount of floor space.
- The floor space vacancy rate was lower than the business unit vacancy rate. Many of the main streets' larger stores were essential businesses such as supermarkets, pharmacies, dollar stores and hardware stores that continued to operate throughout the pandemic and often experienced increased business (as evidenced by the retail sales statistics).
- The change in vacancy between 2017 and June 2020 varied from area to area. Albion/Islington and Queen East of Victoria both experienced significant vacancy decreases. In the case of Queen East of Victoria, blocks undergoing redevelopment were excluded from the June 2020 business inventory whereas they were included in 2017 since they still included some operating businesses. This may be a factor. Lakeshore/Islington experienced a large increase in vacancy. While identifying possible causes transcends the scope of this analysis, it is noted that food and other local neighbourhood-based shopping is not a focus in this main street.
- Based on store counts, the average vacancy rate for the nine main street case study areas increased from 10.1% to 11.4% between 2017 and June 2020. Vacancy based on floor space slightly decreased from 8.7% to 8.5%.

2.3 SUMMARY

Overall, as of June 2020, a recovery in retail sales was beginning to occur in Toronto. Main street visitation levels also were starting to recover.

The main streets with strong clusters of neighbourhood-based retailing were faring the best in early June. Food and beverage retailers were especially strong anchors. On the other hand, clothing and accessory sales continued to lag. Main streets with a high proportion of fashion stores probably were similarly affected.

It is still uncertain as to what the future holds. The extent to which businesses can resume pre-pandemic operations will depend on the degree of success in containing COVID-19 within the community and the public's degree of comfort in congregating in large groups again. It seems likely that many main street businesses will continue to deal with reduced sales volumes and increased costs for the remainder of 2020 and probably into 2021. This may lead to additional business closures than were observed in early June.

The Original Study included a number of summary statements about the role and characteristics of main streets based on the 2019 case study analysis. The following table summarizes the impact the first three months of COVID-19 has had on those observations.

Original Study	June 2020 Update
Independent retailers predominate in main streets	<ul style="list-style-type: none"> Both chains and independents have been impacted. Three Sixty Collective field research observed many examples of independent businesses innovating to connect with their customers and accommodate customer pick-up and sales from the sidewalk. Some organized digital meet-ups and events, inserted "take-out" windows in their storefronts and offered customers free delivery or organized pick-up locations. Innovations such as were observed may be more readily implemented by independent businesses than by chains, helping to support their resilience through the pandemic.
There is wide variation in rents, market conditions and property assessments	<ul style="list-style-type: none"> This remained true during the pandemic. As of June 2020, real estate values and rents had not noticeably decreased. However, this stability is likely to erode. Most forecasts suggest that there will be downward pressure in the later part of 2020, extending at least into 2021.
There is wide variation in business mix and vacancy	<ul style="list-style-type: none"> This remained true during the pandemic. There was a continuation of the trend towards more services and fewer retail stores that was described in the Original Study. As of June 2020, 26% of businesses were retail stores versus 29% in 2017. Services accounted for 57% in 2020 versus 54% in 2017. In early June, the vacancy rate ranged from 18% to 4% of storefront units. The overall average across all case study areas was 11.4%

Redevelopment is impacting some main streets

- Redevelopment has not subsided.
- The negative impact of pending redevelopment on street animation has increased in some blocks and areas. For example, Queen East of Victoria includes several large properties awaiting redevelopment. Some have been boarded up and businesses that were on short term leases seem not to have reopened.

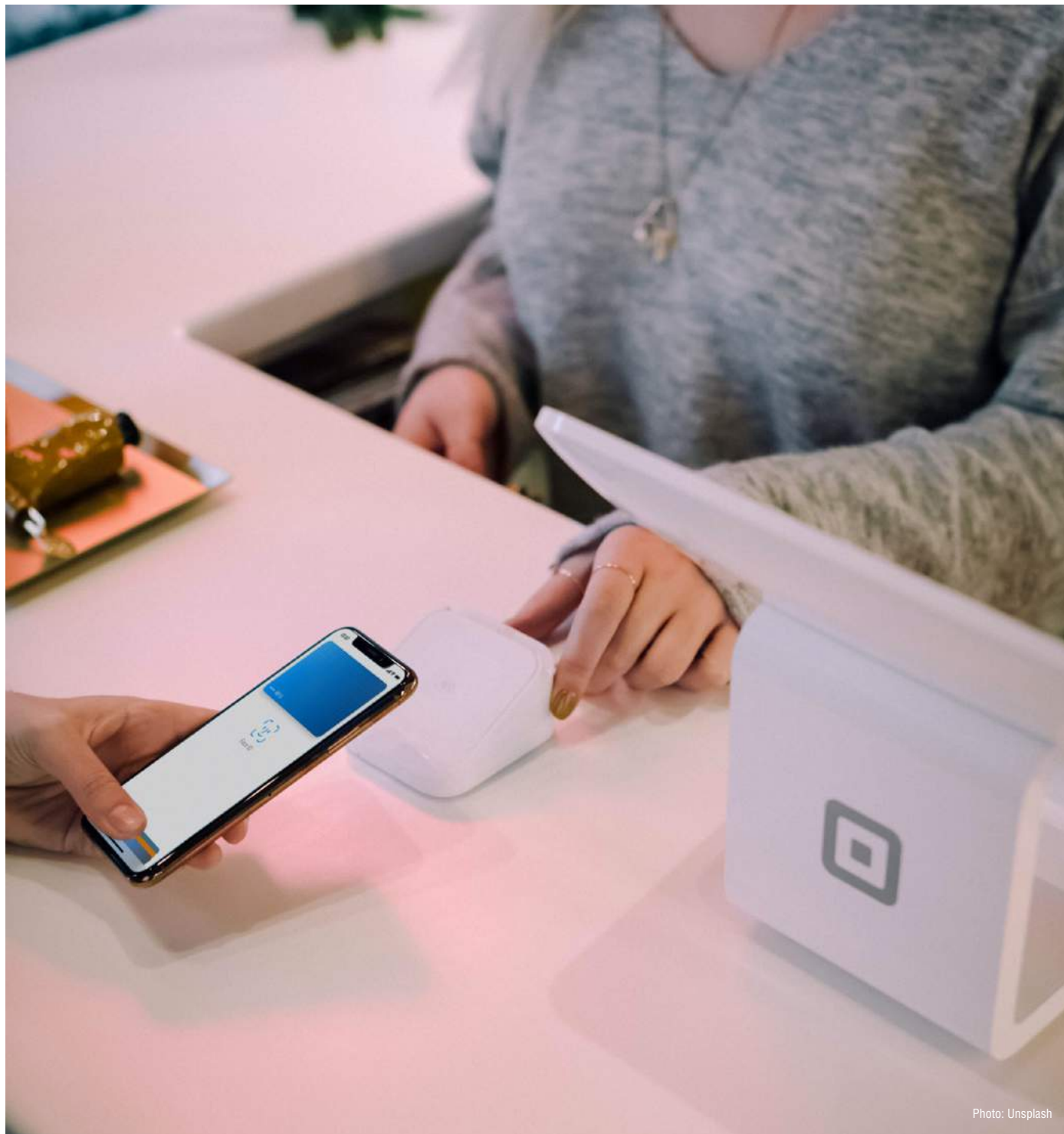


Photo: Unsplash



3. UPDATED FRAMEWORK FOR ACTION

The Original Study made fifteen recommendations for how the City of Toronto can better support independent main street business success. The first recommendation was overarching, recommending explicit policy support for main street independent businesses. The remaining recommendations were discussed under six broad themes:

1. Small Business Assistance
2. Small Business Access to Main Street Floor Space
3. Property Tax Reform
4. Public Safety
5. Community Economic Development
6. Metrics and Monitoring

The analysis behind the recommendations for each theme has been reassessed from the perspective of the impact of COVID-19 on its urgency and continued relevance and the actions that already have been undertaken as of mid-2020.

In addition, two new priorities have emerged:

1. Nurturing Innovation
2. Addressing High Ground Floor Vacancy Levels

The following chart summarizes the relationship between the original study and updated analysis.

Original Study	Updated Analysis
Policy Support	Section 3.1
Small Business Assistance	Section 3.3
Small Business Access to Main Street Floor Space	Section 3.4
Property Tax Reform	Section 3.6
Public Safety	Section 3.7
Community Economic Development	Section 3.8
Metrics and Monitoring	Section 3.9
New Priorities	
Nurturing Innovation	Section 3.2
Addressing High Ground Floor Vacancy	Section 3.5

3.1 OFFICIALLY RECOGNIZE SIGNIFICANCE OF MAIN STREET INDEPENDENT BUSINESSES

Although support for main streets and independent businesses is implied in the Official Plan and economic development strategy and program, City Council doesn't have an explicit policy to that effect. The original study recommended that one be adopted to focus attention on the sector and influence actions and resource allocations.

The havoc wreaked on main streets by COVID-19 has emphasized the critical role that main streets and their independent business communities play in defining the liveability and character of our local neighbourhoods and vibrancy of our cities. There is strong consumer interest in supporting main street businesses and in shopping local. The City of Toronto as well as the other orders of government and many organizations, private citizens and corporations have stepped up to help the sector survive.

We continue to recommend that Council make its support for main street independent businesses explicit.

3.2 NURTURE INNOVATION

Responding to the COVID-19 crisis has required a level of innovation, creativity and flexibility unprecedented in recent history. This has never happened before and there is no playbook. Businesses, health systems, government and individuals all have needed to quickly understand the new challenges and to adapt in the face of rapid change and ongoing uncertainty about what the future will bring.

If COVID-19 has a silver lining, it is how people, businesses, agencies and governments have stepped up to the plate to make what was previously impossible happen. New business models, products and services have been launched. Digital and technological innovations have enabled continued business activity, socialization and entertainment despite the need for social distancing. The

City of Toronto as well as other governments across Canada have transitioned to more of an “enabler” mindset – putting in place new programs in a matter of weeks versus after months of analysis that previously was the norm. Adjustments have been made “in flight” where issues have arisen.

The opportunity and need to continue to lead through innovation and to facilitate and support the successful innovation of others is a recurrent theme in updating the action plan.

COVID-19 also has shone a light on the underlying inequities within our society, including the unequal access to technology, financial supports, information and other resources. Not all small businesses and entrepreneurs were and are equipped to quickly “pivot” their business model and/or to take advantage of emergency supports for a variety of reasons. The gap between demographics and neighbourhoods, in addition to long-standing systemic barriers, has contributed to equity-seeking communities being disproportionately impacted by COVID-19.

Social inclusion and equity was an underlying theme and consideration in the Original Study. In recovery, more targeted attention is warranted to ensure that all segments of society are able to benefit. This requires the City to use innovative approaches to specifically connect with its equity-seeking business communities, tailor programs to better meet their immediate priorities and enable them to build stronger foundations for post-COVID-19 recovery and prosperity.

3.3 SMALL BUSINESS ASSISTANCE

The Original Study pointed to a need for greater support for main street independent businesses in order to provide:

1. Clear, consistent and accessible information and direction;
2. Individual one-on-one assistance in interpreting general requirements to the specific situation and in providing guidance on how to meet requirements or seek exceptions;
3. Access to professionals and experts who can support small business needs;
4. Training;
5. Access to financing; and
6. Support in adjusting to changes, such as new regulations or sudden cost.

COVID-19 created sudden and severe liquidity challenges for most main street businesses. Non-essential businesses were required to close with almost no notice. Essential businesses could continue to operate, but with limits on the number of people in their premises and increased requirements for cleaning, partitioning, signage and personal protection equipment (PPE) for employees. Many businesses reduced their operating hours and brought in additional staff to guide the flow of customers into and throughout their premises.

3.3.1 ACCESS TO INFORMATION, ASSISTANCE AND EXPERTISE

The Original Study recommended that the City:

1. Pilot an explicit “Small Business Advocate” role as part of the City’s economic development services to provide one-on-one assistance in navigating regulations, policies and procedures and act as a point-person for liaising with other City Hall front line service providers to develop tools and strategies for better meeting the needs of small businesses.
2. Continue to disseminate information and organize workshops, webinars, etc. to help businesses understand the regulatory framework and key business requirements (e.g. understanding commercial leases). It also was suggested that the City:

- a. Develop a broader audience and greater reach for sessions by facilitating their repetition by BIAs and other business associations and chambers of commerce; and
 - b. Encourage information sharing among individual BIAs, chambers of commerce and other business associations as to effective tools and contacts they've used to better inform members.
3. Explore options for facilitating independent businesses' access to professionals and experts. For example:
 - a. Promote "Ask the Expert" workshops to main street businesses through BIAs and other business associations. Consider increasing topics of specific interest to this audience (e.g. commercial leasing).
 - b. Explore the feasibility and associated resource requirements of expanding vendor listings maintained by Digital Main Street (DMS) to include other categories of services needed by main street independent businesses.
 4. Explore whether the DMS training model is transferable to other types of training relevant to main street independent businesses and whether it is feasible to also serve main streets that are not BIAs.

2020 Initiatives

The City of Toronto has provided extra information and advisory supports to businesses throughout the COVID-19 lock-down and reopening phases of the emergency. These included:

- Business surveys to better understand the pandemic's impact.
- Weekly open calls with Toronto Association of Business Improvement Areas (TABIA) and individual BIAs across the City to answer questions and share information.
- The BusinessTO Support Centre whereby businesses can submit online questions about COVID-19 related regulations and the support offered by all orders of government as well as request one-on-one assistance in accessing the various programs. Economic Development staff trained on the various programs answer the requests and work with the businesses to address their individual needs. Staff liaised with each other about the questions they were receiving and expert consultants were hired to fill gaps in their knowledge (e.g. in accounting). The service also is providing a sounding board for businesses to liaise with staff and informally share their experiences.
- Enterprise Toronto has continued to offer general supports to entrepreneurs and small businesses, adapting their workshops to a webinar format.
- Support for adopting digital technologies and moving transactions online has been significantly expanded, both through increased investment in Digital Main Street and introducing ShopHERE, a new online store, launched in partnership with Google, Shopify and other technology partners. Students have been hired to help businesses and artists develop websites at no cost and join the Shopify platform (first three months of subscription fees are free).

Impact on Main Street Study Recommendations

It is recommended that Economic Development staff assess the experience gained in outreaching and supporting main street independent businesses during the pandemic to tailor their delivery of ongoing support to the sector.

- The BusinessTO Support Centre could be transitioned to an ongoing Small Business Advocate role, broadening service delivery to address the full range of small business issues such as was recommended in the Original Study and acting as an advocate for small business within City Hall;
- The Advocate role should include identifying opportunities to remove barriers and expedite processes within City Hall.

The COVID-19 emergency responses demonstrated the potential for the City to function as an enabler as well as a regulator. CafeTO (see Section 3.4.1 below) is an example of a nimble, proactive response that can be learned from and hopefully leveraged and replicated.

- The Original Study's recommendations for organizing workshops and facilitating access to expert advice continue to be relevant, as does the concept of strengthening relationships with BIAs and other business associations to facilitate their offerings of workshops and seminars to their members;
- The pandemic and reopening process is highlighting the importance of landlord/tenant relationships and lease negotiations as key topics needing attention. Access to lawyers, HR specialists and workplace safety experts is another heightened need as businesses reopen and recall employees or deal with the ramifications of needing to downsize their workforces;
- The pandemic has mushroomed the rate of online and cashless transactions. The City of Toronto has excelled in responding to the need to help small businesses transition to digital platforms. TABIA is considering options for the future organization and management of Digital Main Street now that it has been so widely recognized as a national best practice and has expanded across Ontario. The ShopHERE program has received funding from Google to go national. It is recommended that the City build on this experience and momentum in the future.

These programs and initiatives have been a major support to main street independent businesses. In order to engage with equity-seeking communities, the City of Toronto has shared information with not-for-profits representing diverse communities, and continued its partnerships with key community organizations. The City has also been leveraging its support programs to specifically target equity-seeking communities, such as providing mentoring sessions to female entrepreneurs.

Although there have been continued partnerships and outreach to ensure that inequities are addressed, anecdotal information suggests that more can be done to ensure inclusive and equitable participation from different neighbourhoods, demographics and types of businesses. It is thus recommended that staff monitor the take-up by (a) business owners who identify as indigenous or part of equity-seeking groups, (b) businesses located in different geographic areas across Toronto, especially in Neighbourhood Improvement Areas and low-income neighbourhoods.

3.3.2 FINANCIAL SUPPORT

The Original Study recommended that consideration be given to extending Façade Improvement Grants to businesses outside of BIAs and for enabling grants for interior renovations and hiring professional services in some situations. It also noted that the main small business loan program available to Canadian businesses (offered by the Business Development Bank of Canada) did not seem to be used by many main street independent businesses. It was suggested that the application process be reviewed in collaboration with the BDBC to explore the feasibility of facilitating the application process – for example, by hosting workshops or Q&A sessions.

COVID-19 has drastically increased main street small businesses' need for financial support to bridge the gap between their fixed costs and loss of revenue and to assist with the increased costs of staffing, cleaning, providing PPE and renovating the premises to better protect employees and customers from the risk of infection.

2020 Initiatives

The federal government extended due dates for income tax payments and introduced special emergency loan and loan guarantee programs as well as a wage subsidy program and a rent assistance program that have helped sustain many small businesses through the lock-down phase of the pandemic. However, not all main street small businesses are eligible and others are reluctant to incur increased debt. This has left gaps in the support system.

The Province has suspended charging premium electricity rates for peak and mid-peak usage until the end of October 2020 and deferred due dates for many of its business taxes and fees.

The City of Toronto has also offered several forms of financial support, including:

- Deferring due dates for property tax and utility payments during March and April and offering further extensions to November 30, 2020 upon application by individual businesses.
- Suspending permit fees for boulevard patios and merchandise display areas.
- Partnering with the private sector to expand funding for digital transformation grants through Digital Main Street and provide free website development and three months subscription fees for Shopify.
- Supporting the launch of distantly.ca, an online platform that enables people to make donations to their favourite businesses.
- Supporting and promoting the Royal Bank of Canada-led Canada United program (GoCanadaUnited.ca), a campaign encouraging Canadians to shop in local small business and creating a \$2 million Canada Small Business Relief Fund that will provide grants to small and medium-size businesses for COVID-19 related expenses and implementing e-commerce capabilities.

Impact on Main Street Study Recommendations

It is recommended that the City consider filling some key gaps in the financial support available from the senior levels of government. Grants to partially offset the cost of implementing new safety and social distancing requirements and innovating to better meet the new challenges (interior renovations, hiring professional services) are a gap. Nova Scotia's Small Business Reopening and Support Grants that provided up to \$5000 for renovations and up to \$1500 for advice and services needed for safe reopening provide a possible model.

Entrepreneurs who were working towards opening bricks and mortar locations when the pandemic hit are not currently eligible for the federal government's \$40,000 loan program (Canada Emergency Business Account program). Anecdotal information has profiled examples of businesses that had incurred considerable expense securing leases, outfitting space, buying inventory, etc. who then had to delay planned openings due to COVID 19.

Looking to the future, it is becoming increasingly apparent that the "new normal" will look much different than the pre-pandemic world for quite some time. Main street businesses may need to continue to deal with reduced revenues and increased costs for the rest of 2020 and probably into 2021 and even beyond. Yet many of the COVID-19 emergency supports have already ended or are set to wrap up during Fall 2020.

It is recommended that the City seek feedback about gaps in the current support system and main street independent businesses' need for continued financial support in the months ahead. While recognizing the City's need to generate revenues, temporary reductions or relief from the fees normally charged to businesses for solid waste collection, building permits, licenses, etc. might have a significant impact in supporting recovery.

Deeper insights into the extent to which businesses are reluctant to apply for the current programs or have been turned down or are ineligible would assist in developing appropriate responses.

A possibility may be that more innovative and community-based financing models and vehicles are necessary to support the main

street business community, especially in lower-income areas and among businesses owned by indigenous and equity-seeking communities. After all, conventional private sector financial institutions are accountable to their shareholders and not local community stakeholders. Their prime mandate is to maximize profit for their shareholders, not to build strong local communities and economies.

- A recent example of a targeted community-based financing initiative is the Black Opportunity Fund, which was started in June 2020 by a coalition of Black executives and business leaders with the support of the Toronto Foundation. The Fund's goal is to offer Black businesses and organizations long-term stable capital.
- Community-based credit unions are another model. For example, the Vancity credit union invests in the long term needs of local communities and has grown to become Canada's largest credit union.

The City could explore whether there are actions it could undertake to facilitate the creation and expansion of more community-based financing initiatives in Toronto.

It is suggested that the recommendation to review the application process for the BDBC's Small Business Loans be deferred to the post-pandemic period. The lessons learned in implementing the federal government's COVID-19 emergency programs for businesses may well influence future processes and supports. City staff should monitor the situation in consultation with the main street business community and follow-up as needed to help ensure that the needs of Toronto's independent main street businesses, along with priorities to address inequities, are addressed.

3.3.3 OUTREACH AND COMMUNICATIONS

The Original Study noted that most main street independent businesses don't seem to use the supports currently available through the City of Toronto and recommended that a communications plan and outreach strategy focused on how Economic Development and Culture supports independent main street business success be implemented. The plan should include a rebranding of services to clarify their applicability to independent main street businesses throughout the City.

2020 Initiatives

COVID-19 related supports have been extensively communicated through outreach to BIAs, bulletins to individual businesses registered with the City or subscribing to its newsletters and media releases. Supports are prominently grouped on the City's website.

Impact on Main Street Study Recommendations

The Original Study's recommendation remains relevant. A relaunch of ongoing services with a focus on their applicability to main street businesses could be rolled out as the emergency responses wind down and Toronto moves into a "recovery phase".

3.4 SMALL BUSINESS ACCESS TO MAIN STREET FLOOR SPACE

3.4.1 COST OF SPACE

The Original Study discussed the lack of security for commercial tenants in Ontario when their landlords increase rents or introduce other conditions at the end of leases. Commercial rent control rarely has been implemented in Canadian or US jurisdictions. In late 2019 New York City had introduced legislation to provide commercial tenants with more security; since then questions raised about the legality of City action has postponed action while a Commission considers the associated issues.

The Original Study recommended that the City focus on better equipping independent businesses to negotiate favourable terms when entering into leases. Suggested strategies included:

- Undertaking education and communications through Enterprise Toronto as well as BIAs, other business associations and other points of contact for entrepreneurs such as small business banking and loan personnel, accountants and entrepreneurship development services and agencies.
- Making legal advice more accessible and affordable for small businesses.
- Tracking vacancy, business turn over and vacancy rates in the future to help evaluate the need for further action.

COVID-19 has greatly reduced businesses' ability to meet rent, mortgage and loan payments. Although the impact was the most severe during the lock-down phase, reduced revenues and increased costs seem likely to continue for the rest of 2020 and probably into 2021 for many types of main street businesses. Yet current leases were negotiated in the pre-pandemic economy. Tenants are obligated to pay their landlords the previously agreed rents and property owners are obligated to keep up with their mortgage payments.

Extensive negotiations are taking place between property owners and tenants as well as between lending institutions and property owners to change terms and/or arrange short term relief and payment deferrals. Where landlord/tenant relationships are open and both parties are invested in the long-term health of the neighbourhood, mutually satisfactory adjustments can probably be made. However, in general independent businesses probably are less well equipped to renegotiate leases than national chains.

2020 Initiatives

The federal government has supported tenants by introducing the Canada Emergency Commercial Rent Assistance program (CECRA). The Ontario government has passed a temporary moratorium on commercial evictions. Currently, both programs are set to end September 30, 2020.

The City of Toronto helped main street businesses increase their capacity to serve customers while maintaining social distancing by enabling their greater use of the sidewalk and curb lane of the street.

- CafeTO is providing restaurants and bars more outdoor dining areas by expediting processes, relaxing some conditions for curb lane closure and waiving permit fees. More than 600 restaurants participated. 328 curb lanes representing 8000 metres of roadway were closed to accommodate dining areas for the summer months.
- CurbTO enables businesses to apply for temporary 10-minute parking to facilitate the pick-up of orders and dedicated space for customers to line up in the curb lane of the street.

In addition, all retail businesses have been exempted from noise bylaw in 2020 to facilitate after-hour delivery.

Impact on Main Street Study Recommendations

It seems likely that additional financial support will be needed to cushion the disconnect between the revenues that can be earned from occupying floor space and pre-COVID-19 negotiated leases and property values in the coming months. Direct support seems best provided by the Canadian and/or Ontario governments since this is a national issue and they have a greater ability to raise the needed revenues than municipalities.

It is suggested that the City of Toronto play a role in consulting with the local business community and supporting advocacy by groups such as TABIA and the Canadian Business Resilience Network for the continuation of a more robust and effective rent relief program. The goal should be to simplify eligibility criteria and processes and to avoid amassing debt obligations that small businesses and landlords haven't the capacity to carry.

The needs of both landlords and tenants should be considered in developing rent relief programs. Small main street landlords include many individuals who own a building or two to supplement their incomes and retirement savings. These include retired business operators who purchased their buildings and now finance their retirements by renting them out. Landlords with mortgages rely on the cash flow from tenant rent payments to meet their obligations.

CafeTO is scheduled to end in November 2020. Yet currently there is little indication that the pandemic will be contained sufficiently well to permit indoor dining to resume at pre-COVID-19 capacities by winter 2020/21. A winter-friendly adaptation of the program would help sustain Toronto's many restaurants and food service businesses in future months.

3.4.2 INDEPENDENT AND MICRO-BUSINESS ACCESS TO SPACE

The Original Study discussed why independent businesses may find it difficult to access floor space in new developments on main streets. This is of concern since main street independent businesses play a key role in local communities and the economy, providing the opportunity for innovation and entrepreneurship, diversification and social inclusion. The Original Study recommended that further analysis be undertaken of the extent to which space in new developments was being leased to chain stores and franchises versus independent businesses. The study should also identify and assess barriers to leasing space to independents and consider the need for additional policy or program responses.

At the present time, planning tools are being used requiring some new developments to include space for smaller retailers. In addition, Section 37 Agreements have required that space be provided to not-for-profit agencies operating small business incubation programs. The Original Study recommended that these practices continue.

The Original Study also recommended that the City continue to develop, encourage and support programs providing low-cost space on short-term leases to entrepreneurs and small businesses as well as programs supporting start-up businesses' "incubation" and maturation to become permanent tenants.

2020 Initiatives

The Toronto BIA Office is already acting on the recommendation to support pop-up programs. It plans to launch a new program facilitating the implementation of pop-up programs in Fall 2020. BIA Pop-ups will provide training and mentorship and support the cost of implementation for interested BIAs.

Impact on Main Street Study Recommendations

There is a continued need for further analysis of the extent to which space in new developments is being leased to chain stores and franchises versus independent businesses and associated barriers and solutions.

Anecdotal information suggests that start-up businesses have been dealing with increased impediments during COVID-19. They aren't eligible for the federal support programs (unless they were open prior to March 2020), renovations to prepare units for occupancy may have been delayed by suspended permitting and inspection processes in March and April and financing probably is even less accessible than before the pandemic.

It is recommended that the needs of this sector continue to be monitored and additional responses developed as needed.

3.5 ADDRESSING HIGH GROUND FLOOR VACANCY LEVELS

The Original Study found that high vacancy wasn't an issue in most of the case study areas in 2017. The recommendations therefore didn't include strategies for addressing or mitigating high ground floor vacancy.

As is summarized in Section 2.2, fieldwork during the first week of June 2020 revealed a small increase in ground floor vacancy in most of the case study areas. It's still too early to forecast the extent to which temporarily closed businesses will close permanently. Some reopened businesses may not be able to sustain continued operations. It seems likely that more Toronto main streets will be impacted by high vacancy as a result of COVID-19.

2020 Initiatives

The Toronto Association of BIAs (TABIA) is developing a web portal that will profile commercial market information for each BIA and enable landlords and brokers to list properties for sale and floor space for lease (LocateHERE).

BIA Pop-ups will provide another source of tenants for landlords, helping to reduce vacancy.

Impact on Main Street Study Recommendations

It is recommended that the Toronto BIA Office closely monitor the vacancy situation and work with BIAs and other community partners to implement strategies for animating and utilizing the vacant space. During the early months of the pandemic, TABIA and the BIA Office coordinated weekly open "phone" conferences at which BIA members and staff could ask questions, raise issues and share information and best practices. It is suggested that this practice be continued and that vacancy be among the topics discussed.

By way of background context, the Original Study provided an overview of how the commercial real estate market works and the different reasons why space is vacant (Appendix 20). Generally speaking, when ground floor vacancy pushes above about 10% on a block or in a district, it begins to have a dampening impact on the overall community, critical mass and animation of the area.

Strategies for working with landlords to reduce the impact of vacancy include:

- "Decorating" vacant storefronts and display windows. Alliances might be formed with local schools or artists; display windows might be rented to neighbouring businesses.
- Facilitating "co-location" arrangements, where a tenant sub-leases some of their space to another business. Examples range from "pop-up" corners, wall/shelf space or tables rented by the day to an artist, craftsperson or other business to the more long term dedication of a portion of the floor space to another "sub-tenant". This strategy could be a component of a BIA Pop-up program.
- Facilitating access to vacant floor space for municipal or community purposes that attract people to the main street, also supporting neighbouring businesses. As "Stage 3" COVID-19 recovery stretches into the foreseeable future, social distancing requirements probably have greatly increased the need for space to meet community needs for recreational, library and other community programming if affordable access can be negotiated. Community hubs, work, performance and display/sale space for artists and entrepreneurship development are other examples of uses that need low cost space and are synergistic with main street businesses.

Main streets with high vacancy problems that don't have active BIAs are less well equipped to implement vacancy reduction strategies. More direct City support to build community capacity may be needed, as is discussed in Section 3.8 below.

Where landlords are not willing to implement vacant storefront animation strategies, property standard by-laws can be enforced as may be necessary to address derelict properties. Pre-pandemic, some jurisdictions (most notably San Francisco) were considering storefront vacancy taxes to dissuade property owners from holding the ground floor vacant for extended periods of time. If similar practices are problematic in Toronto once the overall commercial real estate market recovers, Toronto may wish to also explore such measures.

3.6 PROPERTY TAX REFORM

The property tax volatility that occurs in neighbourhoods experiencing redevelopment has been a major issue for main street businesses for several decades. The business revenue losses resulting from COVID-19 has made the need for reform even more urgent.

2020 Initiatives

The City of Toronto provided emergency support by delaying property tax due dates and permitting requests for late payments without penalty until November 2020. This has assisted businesses with their immediate cash flow issues.

City Council approved the continuation of a 10% cap on assessment-related property tax increases for the 2020 tax year. This reduces the impact of tax volatility on businesses, but does not eliminate it.

The Toronto Association of BIAs (TABIA) is undertaking a study of different reform options to develop a policy framework for advocating for reform. The Study is scheduled for completion in Fall 2020.

Impact on Main Street Study Recommendations

Pending the outcomes from the TABIA study, Three Sixty Collective continues to recommend that the impact of assessment volatility on business survival be ameliorated by capping annual property tax increases.

The recommended analysis of the incidence and impact of commercial assessment increases based on unrealized development potential versus current use is no longer needed given the TABIA study.

3.7 PUBLIC SAFETY

The Original Study revealed the extent to which businesses in some main streets are experiencing public safety issues. It developed a toolkit for BIAs to use to better equip their businesses.

COVID-19 has exacerbated the hardships faced by Toronto's homeless and other disadvantaged populations including those dealing with mental health and substance abuse issues.

2020 Initiatives

The Original Study's recommendations already are in the process of being implemented through the Safe and Inclusive Retail program. A toolkit is being published and Safe and Inclusive Workshops and a business-specific de-escalation training program are being developed for roll out in 2020.

Impact on Main Street Study Recommendations

Since implementation is in progress, the Original Study's recommendations regarding public safety are no longer required.

3.8 COMMUNITY ECONOMIC DEVELOPMENT

The Original Study discussed the additional barriers faced by main street independent businesses in lower income neighbourhoods. It recommended that the City continue to facilitate local community economic development focused on Neighbourhood Improvement Areas and the commercial districts that serve them. It also noted the potential to integrate more commercial revitalization and business development initiatives in community development projects and provided some best practices for consideration.

Public Health mapping has confirmed that COVID-19 is having a disproportionate impact on lower income neighbourhoods, many being areas where equity-seeking communities – such as immigrants, Black and racialized groups – are overrepresented. The impact on the main streets that serve these neighbourhoods is not clear at this stage of recovery. Many do not have the same level of BIA organization and engagement as more prosperous neighbourhoods. This increases the challenge of implementing support initiatives in these areas.

Impact on Main Street Study Recommendations

COVID-19 has amplified the need for community economic development initiatives in Neighbourhood Improvement Areas. Outreach work to create and strengthen effective local and community organizations, such as BIAs and non-profits and/associations that represent equity-seeking communities, is critical to help bridge the gap between individual businesses and centrally developed and implemented programs. Examples of such associations include the Canadian Gay and Lesbian Chamber of Commerce and the Black Business and Professional Association (BBPA). Initiatives could include facilitating community-owned property assets and financing vehicles.

3.9 METRICS AND MONITORING

The Original Study provided a framework for monitoring Toronto's retail sector and main streets. It made significant strides towards creating clear data definitions and providing a foundation for monitoring trends across multiple data sources.

It recommended that the City develop an "Independent Main Street Business Dashboard" and publish annual updates. It also recommended that a follow-up comprehensive study of the "Current State and Future of Toronto's Main Street Businesses" be undertaken in approximately five years (2024).

2020 Initiatives

The Toronto BIA Office has initiated the development of an Independent Main Street Business Dashboard. The target is to publish it in 2021.

Impact on Main Street Study Recommendations

The dashboard will be extremely relevant in monitoring business recovery and the need for additional responses. As well as a city-wide summary, information should be tracked for individual main streets so that area-specific issues and successes can be identified.

It is suggested that the timetable for a follow-up comprehensive study of main street independent businesses be advanced. COVID-19 has drastically changed how people interact and purchase consumer goods and services as well as how businesses function. Once economic recovery has reached a “new normal”, it would be extremely valuable for the City to objectively reassess how main streets are functioning as neighbourhood centres and the need for new or re-tooled programs or policies.

4. SUMMARY

The following chart summarizes the continued relevance of the recommendations made by the January 2020 report on the Current State and Future of Toronto Retail Main Streets study given the pandemic and actions already taken by the City of Toronto during the first six months of 2020.

The pandemic has created three new priorities for main street independent business health that are summarized after the Chart.

Summary Recommendations

	January 2020 Main Street Study Recommendations	Update
1	Request Council to adopt an explicit policy statement recognizing the key role that independent main street businesses play in the City of Toronto by contributing to its economy, quality of life, quality of place and social inclusion and equity objectives.	Amplified importance.
2	Pilot an explicit “Small Business Advocate” role as part of the City’s economic development services to provide one-on-one assistance in navigating City regulations, policies and procedures and act as a point-person for liaising with other City Hall front line service providers to develop tools and strategies for better meeting the needs of small business.	Partially implemented for COVID-19 supports (BusinessTO Support Centre). Implement a broader “Advocate” program to support recovery and ongoing sustainability. Explore the potential for the City to act as an enabler as well as a regulator.
3	Implement a communications plan and outreach strategy focused on how Economic Development and Culture supports independent main street business success. The plan may include a rebranding of services to clarify their applicability to independent main street businesses throughout the City.	Implemented for COVID-19 supports. Launch broader program to support recovery and ongoing sustainability.
4	Continue to disseminate information and organize workshops, webinars, etc., to help businesses understand the regulatory framework and key business requirements (e.g. understanding commercial leases).	Implemented for COVID-19 related regulations and supports. Broader topics continue to be relevant as well. Amplified importance of commercial lease negotiation and HR related topics.

	January 2020 Main Street Study Recommendations	Update
4a	Develop a broader audience and greater reach for sessions by facilitating their repetition by BIAs and other business associations and chambers of commerce.	Continued relevance.
4b	Encourage information sharing among individual BIAs, chambers of commerce and other business associations as to effective tools and contacts they've used to better inform their members.	Continued relevance.
5	Explore options for facilitating independent businesses' access to professionals and experts.	Continued relevance. Amplified importance of access to lawyers and commercial leasing, HR and workplace safety specialists.
5a	Promote "Ask the Expert" workshops to main street independent businesses through BIAs and other business associations. Consider expanding topics of specific interest to this audience (e.g. commercial leasing).	Continued relevance. Amplified importance of access to lawyers, commercial leasing, HR and workplace safety specialists.
5b	Explore the feasibility and associated resource requirements of expanding the vendor listings maintained by Digital Main Streets to include other categories of services needed by main street independent businesses.	Further consider needs, priorities and capacity to deliver broader services in light of progress made during the pandemic.
6	Explore whether the Digital Main Street training model is transferable to other types of training relevant to main street independent businesses and whether it is feasible to also serve main streets that are not BIAs.	Further consider needs, priorities and capacity to deliver broader services in light of progress made during the pandemic.
7a	Financial support for hiring professional services. Eligibility could be targeted at specific priorities and categories of businesses (e.g. legal services for negotiating commercial leases, professional services needed to comply with regulatory changes, businesses in their first five years of operation).	Increased need for financial support for professional services related to adapting to COVID-19 as well as for legal services.
7b	Façade improvement grants for main street property owners located outside of BIAs.	Support for interior renovations may now have greater priority.

	January 2020 Main Street Study Recommendations	Update
7c	Grants to property owners and tenants for interior renovations and leasehold improvements. Eligibility could be targeted at specific priorities and categories of business (e.g. renovations needed to comply with regulatory changes, properties that have been vacant for extended periods of time, new businesses moving into their first bricks and mortar location).	<p>Increased need for financial support for interior renovations.</p> <p>Explore temporarily reducing fees normally charged for City services, permits and licenses.</p> <p>Address the probable need for post-November expanded spaces for safe dining (after the scheduled end of CafeTO).</p>
8	Consider collaborating with the Business Development Bank of Canada to review the Small Business Loan application process and strategies for making the program more accessible to main street independent businesses.	<p>Defer to post-pandemic period. Monitor the need for additional action.</p> <p>Lessons learned in implementing COVID-19 emergency loans and grants may have an impact.</p>
9a	Continue to use planning tools to reserve space in large scale retail developments for smaller businesses and to support business incubation.	Continued relevance
9b	Continue to develop, encourage and support programs providing low-cost space on short term leases to entrepreneurs and start-up small businesses and which support their “incubation” to become longer-term tenants.	<p>Amplified importance.</p> <p>Toronto BIA Office is launching a new Pop-Up program.</p>
10	Ameliorate the impact of assessment volatility on business survival by continuing to cap annual property tax increases.	Amplified importance, pending outcomes of TABIA study.
11a	Create an online resource to make the Community Safety Toolkit developed as part of this study accessible to businesses throughout the city. Implement a media and outreach strategy to promote its use.	Implementation is underway.
11b	Consider the need for financial support to organizations for implementing community safety plans once the local needs have been identified.	Implementation is underway.
12	Continue to facilitate community economic development initiatives focused on Neighbourhood Improvement Areas and the commercial districts that serve them.	Amplified importance.

	January 2020 Main Street Study Recommendations	Update
13a	Undertake further analysis of the extent to which space in new retail developments on main streets has been leased to independent businesses versus chain stores and franchises. Identify and assess any barriers being encountered in making newly constructed retail space accessible to independent businesses and consider the need for additional policy or program responses.	Continued relevance.
13b	Undertake further analysis of the incidence and impact of commercial assessment increases based on unrealized redevelopment potential versus current use. Monitor Vancouver's exploration of "split assessment rolls" and planned introduction of measures to reduce the impact of increases due to unrealized development potential on businesses.	TABIA study is ongoing, removing the need for additional study at this time.
14	Develop an "Independent Main Street Business Dashboard" and publish it annually in a consistent manner so that year-to-year changes can be monitored.	Continued relevance. Work has started in 2020.
15	Undertake a follow-up comprehensive study of the Current State and Future of Toronto's Main Street Businesses in five years (2024) to monitor changes and inform the need to amend policies and programs.	Advance timing to post-pandemic state of main street – potentially move ahead to 2022 instead of 2024.

New Priorities:

- Monitor the uptake of programs and supports by different types of business clients, including businesses owned by equity-seeking groups and businesses in lower income neighbourhoods. If monitoring reveals inequities in accessing programs, undertake further analysis to determine whether more targeted outreach is necessary or if programs and supports can better address the needs and priorities of these groups and adjust accordingly or create complementary mechanisms. For example, exploring how the formation and expansion of community-based financing initiatives in Toronto could be encouraged might be one option to address difficulties in accessing conventional financing.
- Monitor the ongoing issues associated with the affordability gap between pre-pandemic property values and leases and the reduction in revenues that can be earned from occupying floor space. Support the advocacy of groups such as TABIA and the Canadian Business Resilience Network for the continuation of a more robust and effective rent relief program.
- Closely monitor storefront vacancy throughout the coming months in consultation with TABIA and individual BIAs. Where high vacancy is an issue, support BIAs in sharing best practices and implementing strategies such as are outlined in the body of the report to animate and better utilize vacant space.



Photo: BlogTO

5. UPDATED RECOMMENDATIONS

Officially Recognize Importance of Independent Main Street Businesses

Request Council to adopt an explicit policy statement recognizing the key role that independent main street businesses play in the City of Toronto by contributing to its economy, quality of place and social inclusion and equity objectives.

Small Business Support Services

1. Launch an explicit “Small Business Advocate” role as part of the City’s economic development services, building on the experiences gained through the BusinessTO Support Centre. The Small Business Advocate service is intended to provide one-on-one assistance to businesses in navigating City regulations, policies and procedures and act as a point-person for liaising with other City Hall front line service providers to develop tools and strategies for better meeting the needs of small business.
2. Explore additional opportunities to remove barriers and expedite processes within City Hall. Leverage lessons learned from COVID-19 emergency responses such as CafeTO to simplify processes, reduce fees and shorten timelines. Consider extending CafeTO program beyond November 2020 or introducing a winter-friendly alternative to expand space available for safe dining.
3. Continue to disseminate information and organize workshops, webinars, etc., to help businesses understand the regulatory framework and key business requirements (e.g. understanding commercial leases).
 - a. Develop a broader audience and greater reach for sessions by facilitating their repetition by BIAs and other business associations and chambers of commerce.
 - b. Encourage information sharing among individual BIAs, chambers of commerce and other business associations as to effective tools and contacts they’ve used to better inform their members.
5. Explore options for facilitating independent businesses’ access to professionals and experts.
 - a. Promote “Ask the Expert” workshops to main street independent businesses through BIAs and other business associations. Consider expanding topics of specific interest to this audience (e.g. commercial leasing).
 - b. Explore the feasibility and associated resource requirements of expanding the vendor listings maintained by Digital Main Street to include other categories of services needed by main street independent businesses.
6. Build on the evolution of the Digital Main Street training model and organization that has occurred during 2020 to explore whether it is transferable to other types of training relevant to main street independent businesses and to main streets that are not BIAs.
7. Consider increasing financial support for independent businesses, such as:
 - a. Grants to reduce the cost of hiring professional services, especially those related to adapting to COVID-19, legal services for negotiating commercial leases and landlord/tenant issue resolution, and HR and legal services related to employee relations.
 - b. Grants to property owners and tenants for interior renovations and leasehold improvements. Eligibility could target renovations needed to reduce the risk of infection from COVID-19 and potentially other priorities such as complying with regulatory change, introducing innovations, renovating properties that have been vacant for extended periods and new businesses moving into their first bricks and mortar locations.
 - c. Temporarily waive or reduce City fees (e.g. solid waste collection, building permits and licenses) to support business recovery.

8. Monitor the uptake of programs and supports by different types of businesses, including businesses owned by indigenous and equity-seeking groups, start-up businesses and businesses in lower income neighbourhoods. If monitoring reveals inequities in accessing programs, undertake further analysis to determine whether more targeted outreach is necessary or if programs and supports can better address the needs and priorities of these groups, and adjust accordingly.
9. Implement a communications plan and outreach strategy focused on how Economic Development and Culture supports independent main street business success. The plan may include a rebranding of services to clarify their applicability to independent main street businesses throughout the City.

Independent Businesses' Access to Space

10. Monitor the ongoing issues associated with the affordability gap between pre-pandemic property values and leases and the reduction in revenues that can be earned from occupying floor space. Support the advocacy of groups such as TABIA and the Canadian Business Resilience Network for the continuation of a more robust and effective rent relief program.
11. Undertake further analysis of the extent to which space in new retail developments on main streets has been leased to independent businesses versus chain stores and franchises. Identify and assess any barriers being encountered in making newly constructed retail space accessible to independent businesses and consider the need for additional policy or program responses.
12. Continue to develop, encourage and support programs providing low-cost space on short term leases to entrepreneurs and start-up small businesses and which support their "incubation" to become longer-term tenants.
13. Closely monitor storefront vacancy throughout the coming months in consultation with TABIA and individual BIAs. Where high vacancy is an issue, support BIAs in sharing best practices and implementing strategies such as are outlined in the body of the report to animate and better utilize vacant space.

Community Economic Development

14. Continue to facilitate community economic development focused on Neighbourhood Improvement Areas and the commercial districts that serve them.

Metrics and Monitoring

15. Develop an "Independent Main Street Business Dashboard" and publish it annually in a consistent manner so that year-to-year changes can be monitored.
16. Undertake a follow-up comprehensive study of the Current State and Future of Toronto's Main Street Businesses post-pandemic (perhaps move ahead to 2022 instead of 2024) to identify and assess any long term changes to how main street independent businesses function as neighbourhood centres and shopping locations and inform the need for amended policies and programs.