

Corner Store Program

A Proposal to Revitalize Neighbourhood Shopping Sites in Edmonton's Mature Neighbourhoods

Recommendation:

That the March 18, 2014, Sustainable Development report CR_151, be received for information.

Report Summary

The following report outlines a program pilot to revitalize small neighbourhood shopping sites in Edmonton's mature neighbourhoods.

Report

In the 1950s and 1960s, neighbourhood development included commercial nodes that allowed for convenient access to goods and services while at the same time creating an environment for community connections. There was a strong belief that active neighborhood commercial sites were essential components of vibrant and sustainable local communities. Since then the City of Edmonton has witnessed significant changes including suburban growth and an increase in automobile ownership. The success of major commercial centres indicates consumers today are attracted to grocery chain stores and big box retail. There is a willingness to travel long distances and dedicate time to access the discount pricing, product variety and one stop shopping experience offered.

Over the last decade there has been an increasing market interest in mature neighbourhoods. This has resulted in a demand for new housing developments in established neighbourhoods.

In addition, there is reinvestment occurring in neighbourhood commercial centres within mature neighbourhoods to support a renewed focus for local economic development and community life. The 2004 Smart Choices Initiative and the 2010 Municipal Development Plan suggests smaller neighbourhood retail convenience is still important today. Carrying out an analysis of the current status of commercial sites in Edmonton's mature neighbourhoods lead to a consideration for the development of a program that could reinvigorate local commercial neighbourhood areas. The Corner Store Program was identified as the way to focus specific reinvestment into local neighbourhood commercial areas. Re-investing along with working directly with the local business to address specific business needs could act as a catalyst to spur business revival and increase potential for sustained local economic development.

Background

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In 2010, Administration undertook an analysis of neighborhood commercial sites. This included an inventory of 110 sites between 0.2 and 1 hectare in size in Edmonton's mature neighborhoods. The process to gather the inventory and data involved consultative interviews with small business operators, educators and service providers, as well as a web based survey of local residents. The information gathered shows that residents feel businesses are an integral component of the local community. In order for these commercial areas to remain viable and thrive, many businesses require renovations to existing premises and the surrounding commercial site often requires some level of improvement or redevelopment. Businesses collectively need to consider investing in marketing. Residents in the area also identified a primary interest in business services related to grocery stores, bakeries and neighbourhood farmers' markets. Further analysis also indicated assistance to small business owners in the form of improvements to building façade, property sites and the surrounding public realm could increase long term viability and success of these small commercial clusters.

The intent of the Corner Store Program is to stimulate local small business growth that in turn can provide a positive benefit to the community. Key elements of the program includes facade and development incentives, commercial area physical improvements, streetscape improvements and marketing assistance. The outcomes expected from a successful program include strengthening the business commercial viability of the area, connecting commercial small business services to community needs, improved opportunities for walkability to local amenities and contributing to the overall economic development of the area. Business owners are empowered to contribute to a vibrant diverse local economy.

Vital to the success of the program is strong interest and buy-in demonstrated by local businesses and community leaders. This will require an investment of their time and resources as they work collectively towards enhancing the local neighborhood commercial area. The Corner Store program requires collaboration among local businesses while still recognizing their unique interests to pursue independent initiatives as part of their own marketing and growth objectives.

The initiative would also involve encouraging and facilitating the development of a collaborative marketing plan and program to contribute to long term viability of the area. To supplement the physical improvements, Administration would engage business owners and community leaders in developing an operating framework that includes the following:

- Assess - market, demographic, local business/residential consultation and economic development capacity data analysis and outlook.
- Plan - development of a marketing strategy encompassing commerce attraction, public space infrastructure conducive to pedestrian commercial shopping walkability and explore the potential of a collaborative business model delivering shared value for the businesses and community.

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- Deliver – pilot the Façade Improvement Program with a ceiling cap on matching funds for existing and vacant retail sites and develop plans for infrastructure enhancements within existing capital resources.
- Sustain - marketing support and development, benchmark performance measures and evaluation tools supporting long-term success.

The intent for 2014 is to pilot Corner Store initiatives in up to three neighbourhood commercial areas. Consideration for pilot areas will be based on the following process and principles:

- Commercial cluster - the commercial area is made up of a minimum of three businesses willing to participate in the pilot.
- Demonstrated interest - business and property owners in the commercial area identified an interest to reinvest in their properties and are prepared to participate in available incentive programs for façade and development enhancements.
- Site improvements needs - the commercial area requires physical improvements to the surrounding streetscape and public realm to improve marketability.
- Marketing strategy needs - the business owners are willing to contribute efforts to a joint marketing program for the commercial area.
- Vacancies - the commercial area struggles with business retention and/or expansion with recurring and prolonged vacancies.

Upon evaluation of the pilot program Administration will initiate policy changes in the Façade Improvement and Development Incentive programs based on successful outcomes. A business case to continue the program with identified sites in the inventory will be developed.

The program sets out to demonstrate that collaborative work and shared reinvestment with local businesses in neighbourhood shopping sites will lead to long-term local economic prosperity. The Corner Store Program will collaborate with and leverage other City programs to ensure the best possible outcomes. Where possible programs like Building Great Neighbourhoods which includes Transportation Neighbourhood Renewal, Drainage Neighbourhood Renewal, and Great Neighbourhoods Capital Program could be aligned with the Corner Store Program. In addition, the Principles identified in the Complete Streets Program and the Infill Action Plan will also be reviewed and considered in the implementation of Corner Store projects.

Policy

The Way We Prosper, Edmonton's Economic Plan:

- Goal 3: An unrivalled, competitive business climate, Strategic Objective 3.1 A City committed to business
- Goal 5: A vibrant, livable City, Strategic Objective 5.2 Edmonton is a model for thriving neighbourhoods and communities that embody the best of social, economic, cultural and environmental business growth and practices

The Way We Grow, Edmonton's Municipal Development Plan:
- Policy section 6.2 - Retail and Service Space

Elevate: The Report of the Community Sustainability Task Force

Administration's Brownfield Redevelopment Strategy

Corporate Outcomes

The Way Ahead, City of Edmonton Strategic Plan, 2009-2018:

- Transform Edmonton's Urban Form
- Diversify Edmonton's Economy

Public Consultation

The Corner Store Project web survey was completed in February 2011. The 746 respondents indicated support for retaining and revitalizing neighbourhood shopping sites.

Budget/Financial Implications

\$750,000 capital funding (maximum of \$250,000 per pilot site) is available in public infrastructure improvements through Building Great Neighbourhoods Capital Program. Area business owners will also have access to the Development Incentive Program and the Facade Incentive Program on a pilot basis. As well, Administration is developing a marketing matching grant program.

Attachments

1. Estimated Corner Store Pilot Program Funding and Investment Opportunity

Others Reviewing this Report

- L. Cochrane, General Manager, Community Services
- L. Rosen, Chief Financial Officer and Treasurer
- D. Wandzura, General Manager, Transportation Services