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Appendix B
Retail Study

Consistent at-grade retail uses lining the edges of the streetscape is a fundamental component of the design and character of the Avenues.

Urban Marketing Collaborative, as part of the Consultant Team, and in coordination with City Staff, has outlined the criteria for requiring retail at grade along the Avenues. The retail analysis was to determine where retail-commerical at-grade should be required along the Avenues.

It is important to note that the definition of retail in this Study is very broad and includes traditional retail categories such as food and beverage stores and clothing stores as well as food services, personal services, and other smaller focused professional-type services. Other community uses such as libraries, day-cares, etc. may be applicable as well.

Goals, Objectives, and Criteria

Based on consultation with the team and the City of Toronto, the following goals, objectives, and criteria were agreed upon. The overarching goal for the study is to answer the following question: *"Where should at-grade retail be required in mid-rise mixed-use buildings on the Avenues?"*

The objectives for the study include:

1. To enhance the community amenity
2. To enhance pedestrian amenity, comfort, and safety
3. To support (maintain, improve) the health and vibrancy of the shopping area
4. To provide adequate and appropriate retail services for the local neighbourhood
5. To provide space for new businesses

The following criteria were used to determine where retail commercial at grade should be required along the Avenues:

1. Continuity of an existing retail corridor, including public/private non-retail pedestrian or customer-oriented space; e.g., libraries, community centres, churches, parks, etc.

2. Size of the Avenue segment
   a. Length of continuous retail – commercial façade (approximated distance)
   b. Width of Avenue, especially in relation to corridor length (Official Plan Map 3 - Right-of-Way Widths Associated with Existing Major Streets)
   c. Block length (approximate of typical blocks to determine if the blocks are predominantly short, medium, or long in length)
   d. Double loaded retail, single loaded retail, or if there is no predominant main street type retail commercial corridor (e.g., a shopping plaza or stand alone building)

3. Access and transportation
   a. Parking – whether on-street parking/off-street lots exist (based on observation)
   b. Transit – high order includes subway and LRT and low order includes bus service (as per available information on existing and proposed transit)

4. Retail composition
    a. Presence of an existing main-street type retail environment as identified by Ryerson University's Centre for the Study of Commercial Activity (CSCA). The following are included in the CSCA data:
        i. Number of businesses in a main-street type setting identified
        ii. Vacancy rate – as measured in the percentage of buildings (not square feet)
        iii. Main type of retail offering including neighbourhood retail, service based retail, destination retail, or employment-serving based retail
        iv. Percentage of businesses over 10,000 square feet – presence of larger format retailers in a main-street type setting
        v. Percentage of businesses from 3,000 to 9,999 square feet – presence of medium sized retail units in a main-street type setting
    b. Other retail developments including plazas, malls, and power centres as identified by CSCA that are not included in the main-street type offering but are located on the studied Avenue
    c. Nearby competitive space – shopping centres, large format stores, power centres, etc. that are nearby

5. Marketing/management – presence of a Business Improvement Area (BIA)

6. Market/Potential Demands within walking distance (i.e. to support retail)

7. Specialized retail (e.g. cultural focus)

The City of Toronto assisted by providing property assessment information on all the Avenues.

Approach

The approach used identified portions of the Avenues on which the City will want to require retail and those that it will simply allow for retail.

1. Maintain continuity – i.e. replace existing retail-commercial space

2. Extend/enhance continuity – fill gaps in an existing Avenue corridor, or add on to the ends of existing corridors

3. Develop new pedestrian-oriented Avenue portions

The retail categorization analysis is based upon the review of the criteria for applicable Avenue portions (see Assumptions and Understanding of Retail Potential on page A-8 for an outline of which Avenues have been included in this analysis). It begins with an understanding of where existing and future communities are located or evolving. This is a key driver in determining where retail is required.

See Section 2.3.2 - Avenues Where Retail Commercial At Grade is Required for a description of the existing retail areas on the Avenues and Retail Commercial At Grade Recommendations.

Assumptions and Understanding of Retail Potential

There are several assumptions that have been used in this analysis, including:

- The studied areas include only those Avenues and sections of the Avenues that have not been studied previously and that are designated Mixed-Use Areas. It excludes Avenues with Neighbourhoods, Parks and Open Space Areas, Natural Areas, Apartment Neighbourhoods and Employment Areas. It does not include consideration for areas with existing Avenue Studies or Secondary Plans. Note that some small mixed-use segments are not included such as those along Eglinton Avenue West, where the dominant land use is something other than Mixed Use.

- A primary consideration for any retail analysis is that there must be sufficient demand (either residual approach or market impact approach) from the target markets to satisfy additional retail development in mixed-use buildings. This is always true; otherwise, the retail spaces will remain vacant or be under-utilized. The effect of having large spaces that are un-occupiable may be worse than not having retail.

- The retail study cannot solely look at the demand from the immediate Avenue but must look to the surrounding community for retailer support. There must be enough people in the community to support the new retail. The population thresholds may vary from community to community depending on income and expenditure levels and the types of residents living there. A thorough demand study should be completed.

- The retail categorization analysis for this study must be about enhancing and creating communities - developing livable places for Toronto's growing population.

- There is not one solution, or five solutions (e.g., no panacea to creating vital Avenue strategies). Rather, the approach is to develop a framework around good guiding principles to achieve well-balanced, healthy communities whereby retail is part of the mix of enhancing the street environment.

- Retail streets should be viewed as an amenity to healthy communities. Not only are local residents able to shop nearby to provide the needed things for their families, it may serve as a recreation function (to go out for a stroll and browse shops); it is a place for people to socialize and meet friends and families either in coffee shops, restaurants, stores, or on the street. In addition, the sidewalks can provide friction where chance meetings can happen or you meet new people. The side benefits are increased safety and security while fostering improved community cohesion.

- In the study it is important to reiterate that retail follows residential (it rarely leads). There are some instances whereby a retailer may lead and go into a new development early (e.g. Metro grocery store opening in Liberty Village before the residential demand is built out) but this is rare and the City cannot always anticipate that retailers will want to be leaders. This fact is extremely important as it relates to potential phasing of developments for the proposed Avenues, as some developments will have to

be pioneers, offer different incentives, or create more destination-type retail spaces to attract shoppers from outside a traditional community trade area.

• There are unique aspects to current communities that need to be taken into consideration and a recognition that communities can change and new communities are being created and emerging. For example, Chinatown, Little India, and Corso Italia have existed for many years but Avenues such as Sheppard Avenue East, Mount Dennis, and Bathurst and Lawrence are evolving and changing as population shifts.

• Zoning and regulations cannot accomplish everything on their own - organizations such as Business Improvement Areas (BIAs) can enhance the community function. There are almost 70 BIA organizations representing retailer and property owner interests to the City of Toronto (not all BIAs are located on the Avenues). BIAs market the retailers effectively to the local communities.

• A huge difficulty will be the role of vehicles in these Avenues, especially in the inner and outer suburbs, and the timing of new developments that may or may not coincide with improved transit service and facilities.

• There must be consideration for large, more permanent retail developments such as malls (e.g. Cedarbrae Mall, Cloverdale Mall, Eglinton Town Centre, Gerrard Square, Centrepoint Mall, Fairview Mall, Sherway Gardens, etc.) that are along the Avenues as well as malls that are nearby the Avenues (e.g. Dufferin Mall). The significant investment of the malls means that these are less likely to be redeveloped. While many malls have been redeveloped, the current de-malling trend is to replace them with power centres or larger format retail centres rather than mixed-use communities such as Don Mills Shopping Centre. There are precedents of malls being redeveloped to include mixed-use developments on the existing parking lots.

• Communities need other amenities to prosper and thrive including public realm space, for example, parks and squares, libraries, houses of worship, cultural, sporting, and entertainment facilities, and community centres. These can be included along a walkable main street type environments. In addition, these facilities can greatly influence retail sales potential along the Avenues, especially facilities such as libraries.

Retail Development Principles

The following are key Retail Development Principles:

Short Blocks: Outdoor retail works best when the blocks are short. This keeps consumer interest piqued, as there is new stimulus at shorter intervals. It also increases the number of corner locations. This is the model for Manhattan, New York and Portland, Oregon. In New York, retail is primarily located along the short blocks of the Avenues. The Streets feeding into them are primarily longer and residential. The result is that more potential consumers are fed into these retail areas. In the typical New York grid pattern, the Avenue blocks are just over 60 metres long and the Street blocks are approximately 120 metres. This creates a situation whereby the residential along the streets is funneled into the retail areas on the Avenues. In addition, Downtown Portland has also been recognized as a model retail community. Their short blocks are approximately 60 metres feet on each side with retail fronting all sides.

Mix Convenience and Destination: A great neighbourhood community provides a combination of convenience retailing and destination retailing. To have longevity, good convenience retail that responds to the needs of the local residents will ensure that a large portion of the retail activity remains productive through changing economic conditions and trends/fads. The complementary destination retail creates atmosphere and experience. A neighbourhood built solely on destination suffers when tastes change or during economic slowdowns.

Management and Leasing: Desired retail retention and recruitment does not happen by planning and regulation alone. Strong management is often a key to a retail area's success. Retail management helps ensure that the area is clean and safe for shoppers. Management can also work on marketing/events, retention programs, and recruitment programs. In Toronto, Business Improvement Areas (BIAs) often handle this.

For retail management companies, short (five year) leases ensure out-of-date stores are dropped and new ones enter the marketplace.

Hierarchy of Retail Streets and Shopping: For retailing to succeed there needs to be focus, intensity, and concentration of goods and services into specific streets. This creates critical mass and draws consumers to particular areas. There needs to be an overall hierarchy of retail streets that have these elements. While retail may locate on other streets, the overall aim will be to steer retail to these higher visibility and traffic areas. Higher rent retail spaces will locate in the core, typically in smaller units while larger units locate on the outside edges, capturing lower rents.

Preserving Key Locations for Retail: Services such as banks often prefer corner locations and will pay higher rental rates for them, but some of the corner locations need to be preserved for retail, including eating and drinking. Some municipalities have enacted legislation to preserve corner locations for traditional retail or eating and drinking (not professional services or banking). In addition, consideration may be given to entire blocks being preserved for retail.

Design Elements: Design elements will build a unique, noticeable character for a retail corridor. Important elements, such as paving, benches, planters, trees, lighting, public transit shelters, and utility covers all need to be thought of in terms of reinforcing the overall character and personality of the area. A coordinated plan for public art and overall design that matches the commercial (retail and office) and residential themes of the area is important. In addition, design should be flexible enough to accommodate different uses throughout the construction period. The ideal tenants may not be found during the initial period and alternative/temporary tenants may be sought out to fulfill the function of enlivening the street until full residential build-out.

Culture and Experience Clustering: Arts, entertainment, culture, and experience-based retailing is becoming *the* driving force in urban district development. Programs, policies, incentives, and regulations have been used to encourage the

development of more of these anchor type uses in revitalized areas. While these uses can create linkages for businesses such as restaurants, cafés, and leisure retail to capture increased sales, art is not a panacea for all neighbourhoods.

Double-loaded Retail: The term double-loaded retail refers to retail that is on both sides of the street. Districts that have retail on both sides are stronger than ones with retail only on one side. The increased critical mass of retail (i.e. more stores in one area), the ability to cross shop (jaywalk), as well as visually creating a sense of more retail increases the competitive nature of the area. Retail along each side of the street must be of a quality that will attract potential customers. If retail is to be located on one side only, then it must be high enough quality to stand on its own.

Multi-level Retail: Retailers that occupy more than the ground level will always be challenged to make either the upper levels or basement (lower levels) highly productive in terms of sales volume. While there are successful multi-level retailers (there are many examples of high producing multi-level retailers in major cities), the retailer must have a good retail concept on the ground floor first and a strong connection to the next level. Very few retail businesses thrive with a second-level-only location (especially outside of the Downtown area). Businesses that are successful in this context include those that take appointments (e.g. beauty salons, higher-end restaurants, medical offices), have well established clientele (fitness clubs and recreation), or provide added value. The opportunities for multi-level retail have to be analyzed on a case-by-case basis.

Dogleg Retail: Larger format retailers can be accommodated on retail streets in behind smaller scale retail. This is referred to as a dogleg retail space due to a layout that resembles a small leg connecting the main retail area at the back of the

development with the major retail street. An example would be Carrot Common on Danforth Avenue. The grocery store is located behind the small retail units and is connected by a path to Danforth Avenue.

Mass Public Transit and Parking: Mass public transit opportunities are critical to the success of developing main-street type retail. However, the importance of parking in a retail setting that is transitioning is significant.

Retail Sizes and Lot Depths: There should be encouragement for a range of retail sizes throughout the corridors. Variety of retail forms creates more interest and excitement for a retail corridor. The predominant forms for pedestrian oriented, main street type retail will be typical retail units of approximately 50 to 200 square metres. This will usually require 4 - 6 metres minimum of street frontage.

However, there should be opportunities for a small percentage of very small units and larger units. Examples may include 30 square metre dry cleaner, hair salon, or shoe repair business. Often these businesses can only pay lower rent and will opt for smaller spaces or secondary locations such as on side streets or on lower or upper levels. In addition, there must be allowances for larger units to create a full spectrum of retail forms. Larger units may include a 400 square metre restaurant, a 1,000 square metre pharmacy, or even larger units that can accommodate a grocery store. The configuration of the smaller and larger units presents interesting issues for developers. Some very shallow lots may be able to accommodate a limited number of small sized retailers. In addition, deeper lots should be considered for accommodating larger units where possible.

Of note are very deep lots such as the redevelopment of plazas and shopping centres. In these situations it may not be feasible to require retail throughout the whole development but only closer to the existing or proposed streets.

Assumptions and Descriptions

- Measurements are approximate and intended to provided context.
- Recommendation – Retail Required, Retail Encouraged, or Retail Permitted. Further explanations are provided in Section 2.3.2.
- Recommendations in this analysis refer to Mixed Use Areas only.
- The retail analysis contained within this study does not include recommendations to lands with Avenue Studies, Secondary Plans or Other City Initiated Study Areas. However, for information purposes only the consultant has examined the retail environment for lands subject to some Secondary Plan Areas and other City-Initiated Studies.
- Double/Single Loaded – From a retail perspective, a qualitative assessment has been made as to whether the corridor is primarily retail double loaded or retail single loaded. If there is retail but not single or double loaded (e.g. plazas, stand alone retail, etc.) it is identified as "No".
- Parking – qualitative assessment whether there is on-street parking available. Note this may change in the future.
- Transit – assessment based on High Order (subway, LRT) or Low Order (bus) based on existing and proposed routes.
- Main Street Commercial – based on Ryerson University's Centre for the Study of Commercial Activity a determination is made if the corridor has an identifiable main street type retail character along a portion of the area. The following attributes include the number of businesses, vacancy rate by number of businesses, the retail type including neighbourhood retail, service based retail, destination, retail, or employment retail, and the percentage of businesses over 10,000 square feet (929 square metres) and those between 3,000 to 9,999 square feet (279 - 929 square metres)
- Other retail in the district including plazas and malls that are identified by CSCA are included for further analysis.
- Marketing BIA – whether a Business Improvement Area exists for the retail corridor being studied.

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