

Background and Context Setting

The issue of grocery stores in older neighbourhoods has been before City Council several times in recent years. Restrictive covenants that Canada Safeway placed on the land title of stores it had closed prevented new grocery stores from opening up in the affected locations. This caused community concerns in more than one neighbourhood.

After Sobeys Inc.'s transaction to buy Canada Safeway was announced, Council moved on September 18, 2013, that the Mayor write to the Competition Bureau requesting that it consider imposing conditions on the Sobeys and Safeway deal relative to striking, and limiting and/or discouraging covenants that restrict grocery stores. The letter was sent on November 5, 2013, about two weeks after the Competition Bureau's announcement, on October 22, 2013, of a Consent Agreement with Sobeys.

The Consent Agreement requires Sobeys to divest 23 stores in Western Canada including four stores in Edmonton to ensure a competitive balance will be maintained in certain local retail markets. The agreement concluded no imbalance was created by the acquisition in the wholesale market. The Bureau believes the conditions imposed on the purchaser of each store by the agreement resolves any competitive issues.

Why is this report here?

- Council has repeatedly expressed a concern for the viability and liveability of mature neighbourhoods and has viewed the availability of retail, particularly of grocery stores, as an important part of a vibrant neighbourhood. Restrictive covenants placed on the sites of former grocery stores have been a concern to communities for many years.
- Specific to the Competition Bureau announcement, there was concern that Sobeys' divestiture of four stores would reduce the availability of retail grocery stores in mature neighbourhoods.

What has happened to date?

- The Consent Agreement was signed by the participating parties.
- "The Initial Sale Period," as defined by the Consent Agreement has begun and the properties are being marketed, details are confidential. Sobeys must submit a progress report to the Competition Commissioner every 21 days.

Who are the key Stakeholders?

- Sobeys Inc., the Competition Bureau, the City and the affected neighbourhoods.

What are their points of view?

- Sobeys wants to have a successful share of the grocery market in Edmonton.
- The Competition Bureau wants to ensure that there is adequate competition in that market.
- The City and affected neighbourhoods want to ensure that residents have convenient access to grocery services.

What are the policies or other issues? [Or: why is this an important issue?]

- Quality of life
- Modes choices and walkability
- Neighbourhood infill
- Viability of mature neighbourhoods, which are directly linked to the Ways documents