

Corner Store Program Policy

Recommendation

That Executive Committee recommend to City Council:

That the Corner Store Program Policy C616, as set out in Attachment 1 of the May 23, 2019, Urban Form and Corporate Strategic Development report CR_6769, be approved.

Executive Summary

The Corner Store Program is an economic development tool aimed at supporting reinvestment in neighbourhood commercial areas within mature and established neighbourhoods. The four-year Corner Store Pilot Program came to an end in 2018. Evaluation of the program showed that it was successful at targeting private reinvestment and revitalizing neighbourhood commercial areas that may not have seen investment otherwise.

During budget deliberations for the 2019-2022 budget cycle, Council approved ongoing funding for the Corner Store Program. This report brings forward a proposed Corner Store Program policy to guide the allocation of program funding.

Report

The Corner Store Program began as a Council-endorsed pilot in 2014 and was intended to revitalize neighbourhood commercial areas in Edmonton's mature neighbourhoods. A neighbourhood commercial area is a site or small cluster of commercial development within a residential community, intended to meet the commercial needs of local residents. Reinvestment in these areas supports the local economy, quality of life and access to local goods and services for residents.

Administration piloted the Corner Store program in the neighbourhoods of Newton, Elmwood, Ritchie, Calder, Belvedere and Patricia Heights. These neighbourhoods were chosen based on a selection framework that evaluated opportunities for improvements in neighbourhood commercial areas of varying sizes and contexts. A review of the pilot indicated the program was successful in targeting private reinvestment and economic development to neighbourhood commercial areas that were unlikely to see any investment otherwise.

At the September 10, 2018, Executive Committee meeting, Administration presented a review of the Corner Store Pilot Program along with recommendations for improvements based on lessons learned (see CR_5479 for further details). During the 2019-2022 budget deliberations, Council voted to approve ongoing annual operating funding for the Corner Store Program of \$500,000. \$750,000 in annual capital funding is also available for the program, as approved through capital profiles CM-40-4040 (Building Great Neighbourhoods: Planning and Design - Growth) and CM-40-9000 (Building Great Neighbourhoods: Delivery - Growth). Administration has developed a proposed Corner Store Program Policy to guide the allocation of this funding as outlined in Attachment 1 - Corner Store Program Policy C616. This proposed Corner Store Program Policy aligns with the potential future structure of the program that was presented to Executive Committee on September 10, 2018.

Development of the proposed Corner Store Program Policy was informed by lessons learned from the pilot, a recent review of the Development Incentive and Facade Improvement Programs, and an analysis of how the three programs work together. Alignment with these programs would create a complementary set of supports for reinvestment in commercial areas within mature and established neighbourhoods.

Building on the program review and recommendations presented in Council report CR_5479, Administration proposes one overarching Corner Store Program Policy that is organized into two streams; Corner Store and Corner Store Light. Each stream provides financial incentives aligned with the size, scope, and context of potential participating neighbourhood commercial areas while allowing grants to be offered more broadly and with more flexibility. Proposed grants are aimed at improving the appearance of commercial buildings, filling vacant or underutilized commercial spaces, and supporting small businesses. Two streams would also ensure that City resources are spread across as many locations as possible while enabling the program to be nimble and responsive to local context.

Corner Store Stream

The proposed Corner Store Program Policy outlines eligibility criteria and matching reimbursement grants that would be available to property owners and business owners in eligible neighbourhood commercial areas. The Corner Store stream mirrors the Corner Store Pilot Program with an added focus on alignment with neighbourhood renewal projects. (See Attachment 2 for a comparison of the pilot with the two streams of the proposed policy. See Attachment 3 for a map of neighbourhood renewal projects).

Key criteria for participating neighbourhood commercial areas and sites include location within a mature or established neighbourhood (Attachment 4), site size of one hectare or less, and the presence of existing ground floor commercial units. Under the

policy, priority would be given to neighbourhood commercial areas in communities that are identified for neighbourhood reconstruction as a part of the neighbourhood renewal program in the current budget cycle. This alignment is strongly encouraged as streetscape upgrades are a major component of the Corner Store stream and significant efficiencies are realized by leveraging other planned City investments.

The Corner Store stream would not operate on an open application basis because it would prioritize neighbourhoods undergoing renewal. Potential participating sites would be identified and prioritized by Administration, and property owners and businesses would be approached to confirm their interest and capacity to participate.

Three types of matching reimbursement grants would be available under this stream:

- an exterior renovation grant of up to \$60,000 per building for small commercial centres and up to \$15,000 for stand-alone commercial buildings;
- an interior renovation grant of up to \$20,000 per building for small commercial centres and \$10,000 per building for stand-alone buildings; and
- a small business support grant of up to \$1,000 for each small business located within a participating neighbourhood commercial area.

Corner Store Light Stream

Corner Store Light differs from the Corner Store stream in a few key ways: it offers a smaller and combined grant amount for both exterior and interior building improvements, does not provide City-funded streetscape upgrades, and does not prioritize grant funding to neighbourhoods identified for neighbourhood renewal.

These differences from the proposed Corner Store stream are intended to widen the impact of the policy and available funding, making grants available to properties that are not eligible to participate in the Corner Store stream. The smaller and combined building improvement grant also provides added flexibility for property owners and businesses to allocate funds for interior and/or exterior improvements in ways that best meet the particular needs of each building. This new stream responds to high levels of interest in the Corner Store Pilot Program among commercial property owners in mature and established neighbourhoods, and a shared desire to spread the benefits of the program across more communities.

Under the proposed policy, the Corner Store Light stream would be available to commercial or mixed-use properties with ground level commercial uses in Edmonton's mature and established neighbourhoods, provided a property is not part of a Business Improvement Area, larger commercial corridor, or part of a larger commercial area or shopping centre.

Two types of matching reimbursement grants would be available under this stream:

- a combined exterior and interior renovation grant of up to \$15,000 per building and,
- a small business support grant of up to \$1,000 for each small business located within a participating building.

Budget/Financial

Program funding is based on \$500,000 of ongoing annual operating funding approved in the 2019-2022 budget.

Program Impact and Next Steps

The proposed Corner Store Program Policy will allow Administration to better support ongoing reinvestment and revitalization of commercial areas in Edmonton's mature and established neighbourhoods. The program provides opportunities to respond to local context and community needs including access to food and local services, and to leverage and advance other City strategies and priorities such as community hubs and Fresh: Edmonton's Food and Agriculture Strategy.

Together with the Facade Improvement Program and the Development Incentive Program, the Corner Store and Corner Store Light program streams provide a complementary set of tools to support commercial revitalization across much of the city. The programs also support City Council's strategic goal of Urban Places, as identified in ConnectEdmonton: Edmonton's Strategic Plan.

Based on the proposed policy and available annual funding, each year Administration would be able to take on up to three projects through the Corner Store stream. Administration would also be able to support improvements of up to 15 buildings and small businesses through the Corner Store Light stream. This would support commercial reinvestment in up to 18 neighbourhoods per year. The number of projects undertaken and grants allocated annually will depend on property and business owner interest. The pilot program supported six Corner Store projects over four years.

Should the proposed policy be approved, Administration would open an application period before fall 2019 for grants under Corner Store Light. Corner Store projects would be initiated shortly thereafter, in alignment with neighbourhood renewal projects already underway in the 2019-2022 budget cycle.

As with the Facade Improvement and Development Incentive Programs, program administration will also be guided by formal program procedures and a program guide that supports participants through the process and that outlines building design, site design, and other expectations.

Administration will monitor results on an ongoing basis to ensure that program outcomes are aligned with the City's strategic goals. Administration will return to City Council with the results of the programs prior to deliberations in 2022 for the next four-year budget.

Public Engagement

Over the course of the four year Corner Store Program Pilot, Administration solicited formal and informal feedback from property owners, community members, business owners, other interested stakeholders and partners within Administration. Formal feedback came in the form of pre- and post-project surveys of business owners, property owners and community residents. Informal feedback came from interactions with various program participants and stakeholders. Feedback from these stakeholders over the course of the pilot program helped inform the development of the two Corner Store Program streams, associated grants and proposed policy.

The proposed Corner Store Program Policy also benefited from an extensive program review of the Facade Improvement and Development Incentive Program. Between September 2018 and March 2019, Administration engaged with key program stakeholders including Business Improvement Area Executive Directors, past and potential applicants to the program, and City staff involved in the administration of the program. Tactics used in this engagement included three workshops, a drop-in session, interviews, and an online survey. Results of this engagement helped inform the policy, procedures and guidelines required to administer all three programs.

Corporate Outcomes and Performance Management

Corporate Outcome: Edmonton is attractive and compact			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Encourage well designed buildings and spaces. The area is aesthetically pleasing	Number of patrons reporting the area is aesthetically pleasing.	To be reported	Stability or increase.
	Number of exterior renovation projects reimbursed per year.	To be reported	Stability or increase.
Advance a thriving, resilient, sustainable economy and environment. Real estate is in demand	Filled commercial vacancies supported by the program per year.	To be reported	Stability or increase.

Corporate Outcome: Edmonton has a globally competitive and entrepreneurial business climate.

Outcome(s)	Measure(s)	Result(s)	Target(s)
Edmonton has reduced barriers to business growth and better meets the needs of business and industry. Businesses are thriving	Participating businesses report improvements in business conditions because of the program per year.	To be reported	Stability or increase.
	Number of businesses supported by the Small Business Support Grant per year.	To be reported	Stability or increase.

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
Customers/ Citizens	If approved, the program may be oversubscribed.	3 - Possible	1 - minor	3 - Low	<ul style="list-style-type: none"> Clearly communicated application periods. Regular updates to stakeholders and potential applicants. 	
Public Perception	Potential negative public perception of public dollars going to private investment through the program.	1 - Rare	1 - minor	1 - Low	<ul style="list-style-type: none"> Regular updates to stakeholders and potential applicants. 	

Attachments

1. Proposed Corner Store Program Policy C616
2. Comparison of Corner Store Pilot Program to Proposed C616 Streams
3. Neighbourhood Renewal and Neighbourhood Revitalization Communities - 2019-2022
4. Mature and Established Neighbourhoods

Others Reviewing this Report

- R. Kits, Acting Deputy City Manager, Financial and Corporate Services
- C. Owen, Deputy City Manager, Communications and Engagement
- B. Andriachuk, City Solicitor
- G. Cebryk, Deputy City Manager, City Operations
- A. Laughlin, Deputy City Manager, Integrated Infrastructure Services
- R. Smyth, Deputy City Manager, Citizen Services