

Density and Diversity: Considering the Impacts of Mixed-Use Development on the Retail Culture of Vancouver's Main Street

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Abstract

In the past decade retail gentrification, or commercial gentrification, has begun to receive more attention from academics and policymakers as commercial real estate in cities like New York, San Francisco, and Vancouver experience significant transformation through redevelopment and speculation. This has resulted in increases in commercial property values and lease rates, displacement of independent small businesses, increases in chronic vacancies and the proliferation of chain stores, or formula business. This trend has been coined “hypergentrification” or “supergentrification” and has resulted in residents and businesses organizing in affected cities and communities to retain independent small retailers as symbols of local culture and neighbourhood identity; with local governments employing various policy responses to mitigate these concerns. The research examines how real estate development on Main Street between 2007 and 2016 is influencing retail mix there, with a particular focus on the presence of chain stores and independent small businesses in relation to this development.

Keywords: Retail gentrification, authenticity, neoliberal urbanism, social reproduction of space, cultural geography, small business, urban public policy

Dedication

This thesis is dedicated to the small business owners in Vancouver and other cities who face challenges every single day while creating jobs and contributing to the cultural identity of neighbourhoods. It is also dedicated to the neighbourhood activists, advocates and innovators who are fighting to keep them in communities, in particular Jeremiah Moss (AKA Griffin Hansbury) in New York. It is also dedicated to Colin Mills at Langara College, who many years ago opened my eyes like he has countless other students' to the amazing field of Human Geography – sending scores of us on to SFU, UBC, UVic and elsewhere to pursue further studies.

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I also wish to acknowledge researchers at the Institute for Local Self Reliance, in particular Olivia LaVecchia and Stacy Mitchell who have produced what I feel is some of the most thoughtful, thorough and practical research into retail gentrification and displacement of small businesses available anywhere. Several of the policy recommendations made in the conclusion of this thesis reflect those highlighted by the ILSR's research into emerging policy response and practices in U.S. cities as a leading Community Economic Development organization. The advocacy and research of organizations like the ILSR and here in Vancouver by organizations like LOCO BC and the city's various Business Improvement Areas/Associations is greatly appreciated.

A special shout out also goes to Isaac Ambrose Moore, who every time I visit New York, makes sure to take me to the remaining hole-in-the-wall dive-bars and retail oddities that remain. I also want to acknowledge my wife Bronwen, who has patiently and supportively encouraged me through nearly 14 years of post-secondary studies. If not for her I don't know if I ever would have gone back to school to begin with. I'm glad I did. Lastly, to those interviewed. Thank you for your time and insight. I hope the research findings are useful to you all as you continue contributing to the development and evolution of Vancouver and its neighbourhoods.

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List of Acronyms

SFU	Simon Fraser University
FSR	Floor Space Ratio
CRU	Commercial Retail Unit
BIA	Business Improvement Area (or Association)
OCP	Official Community Plan
LAP	Local Area Plan
MUD	Multi-Unit Dwelling
COV	City of Vancouver
BC	British Columbia
DTES	Downtown Eastside (Vancouver)

Chapter 1 Introduction

Gentrification, generally speaking, is understood as the phenomenon whereby higher-income groups (i.e. the "Gentry") remake an existing space such as a street or a neighbourhood, through investment and settlement, which usually displaces and/or otherwise distresses another lower-income group of people. In North America the latter can often be racialized inner-city communities who have built up local communities, with their social networks, cultural institutions and economies over time. Beyond being a simple matter of migration and change, gentrification has been presented largely as a problem of harm and displacement, a modern form of pioneering and 'frontierism' empowered by ideological and institutional structures and logics as per the observations of academics like Neil Smith, Sharon Zukin, Gary Bridge, John Betancur and others. These academics, and others, observe a confluence of culture, class, and the ability to influence or wield both economic and political power to change a place within gentrification processes. Smith (2002) even contends that gentrification is in and of itself a global neoliberal strategy to remake the urban in the interest of profit seeking capital. This type of academic literature on the subject tends towards theories of harm and class conflict under an overarching umbrella of political economy.

However, other academics oppose the idea that gentrification is inherently or always negative, confrontational or political. Freeman & Braconi (2004) for example suggest that the evidence doesn't bear out the levels of concern about displacement from gentrification in New York in the 1990s, making the claim that a "normal succession" appears to be driving change in gentrifying neighbourhoods and that low-income residents were actually less likely to out-migrate from gentrifying neighbourhoods in part due to the apparent benefits of gentrification. McKinnish, Walsh, & White's work (2010) refutes the racial observations

of much gentrification literature by examining data which they suggest demonstrates inner-city African American communities experiencing gentrification become more attractive to middle-class African Americans, pushing back on the narrative that gentrification is a phenomena driven predominantly by affluent white people. Byrne (2003) makes the case outright for gentrification with the position that investment and improved economic health of inner-city communities contributes to the local tax base of municipalities and brings opportunities for employment or other benefits to low-income residents in gentrifying neighbourhoods. Similar to Freeman and Braconi he too makes the claim that natural cycles of change are at work where "dynamic succession has been the rule in all our urban history" (p410). This situates gentrification more as an indicator of natural demographic, generational, and cultural changes inherent to cities.

Retail gentrification, sometimes referred to as "commercial revitalization" (Sutton, 2011) or "commercial gentrification" (Zukin et al. 2009) has arisen as a subset in this theoretical space. Academics that study gentrification have emphasized how less examination has focused on retail gentrification, whether this examines small businesses as stakeholders, agents and/or victims of change (Sutton, 2011) or cultural and symbolic actors in the process of defining and redefining neighbourhoods (Bridge and Dowling, 2001, Zukin, 2009, Sutton, 2011, Douglas, 2012).

Zukin et al. (2009) contend that the trend, unlike displacement of housing, has yet to be really considered a 'social problem' as inner-city neighbourhoods have traditionally suffered from a lack of retail service, and stores entering an area have often been considered a good thing in general. This is in keeping with the less critical observers of gentrification like Freeman and Braconi, Byrne etc. However, Zukin emphasizes that this 'up-scaling' and remaking of urban communities through the arrival of boutiques and chain stores is driven by both

market forces and state-sponsored revitalization initiatives and often it eventually results in inequities and rising commercial rents (Pp49, 59).

This intertwining relationship between the state and the private sector in driving development, is also emphasized by Davidson and Lees (2002), Smith (2002) and before that by others such as Logan and Molotch (1987) and Molotch (1976) who brought us "The City as a Growth Machine". There are of course other perspectives on gentrification, but the tensions between these two principle notions of gentrification provide the bookends between which this thesis focuses on retail gentrification in particular, and how it has been problematized. Namely that gentrification is either part of a natural cycle of urban investment and demographic change, or something more deliberate, if not careless to the needs and aspirations of existing communities. That it is either a natural process of urban development, or one fraught with politics, class, capitalist logics and clashing cultures.

With this in mind it is the presence and roles of chain stores or formula businesses in the gentrification process, and to a lesser degree vacancy rates, that this thesis is principally concerned with. Particularly in the context of concern over the homogenization of diverse urban neighbourhoods which are often celebrated as unique collections of residents and businesses that organically develop over time to become authentic, socially reproduced places. In addition to Smith and Zukin's concerns about the inauthenticity of urban investment and remaking of place by capital, this concern rings through much of the public concern about gentrification and neighbourhood change found in media, as attention to retail small businesses in the gentrification discourse grows. For example, the increasing presence both of chain stores and chronic vacancies has been associated with the emergent term "hypergentrification" defined by Ehrenhalt (2015) as:

...a mature stage in the gentrification process when merely affluent residents are displaced by the truly rich, and when commercial real estate properties reach a market value that makes it difficult for anyone but a national or global corporation to pay the asking price

Tim Wu, a Columbia University Law Professor describes the shuttering and displacement of independent small businesses in New York's neighbourhoods as "high-end retail blight" in a *New Yorker* piece he authored in 2015.¹ There he references the work of New York blogger Jeremiah Moss, whose recent book *Vanishing New York: How a Great City Lost its Soul* (Moss, 2017) archives the impact of retail gentrification and hypergentrification in New York's neighbourhoods and the loss of local culture fueled by the process.

Much public discourse on retail gentrification is rooted in observation and thorough archiving on blogs like *Vanishing New York* and other social media, and in attention paid to it by both local and even national news media. It is a discourse of loss which often evokes a sense of powerlessness and anxiety. However, explanations of the processes that contribute to it are by and large anecdotal in these mediums. There are assumed causes that appear, like land values simply increasing and there are those that seem plausible, like real estate developments appearing more attractive to financiers when stable long-term retail tenants are secured for the ground floor commercial portions of their buildings.

This study takes a deeper empirical look at the drivers of retail gentrification along Vancouver's Main Street, not dismissing what has anecdotally been observed, but employing a phronetic research approach (Flyvbjerg, 2004) that quantitatively and qualitatively examines the changes occurring there, the decision-making logics of

¹ Why are there so many shuttered storefronts in the West Village, Tim Wu, *The New Yorker*, May 24th 2015 accessed at <http://www.newyorker.com/business/currency/why-are-there-so-many-shuttered-storefronts-in-the-west-village>

local actors that contribute to tenancy outcomes, and relations of power and benefit within and between those various actors.

A working premise central to this study is that independent neighbourhood serving businesses are more than just economic units in communities. That they are often recognized as symbols of neighbourhood identity, history, and culture too. Conversely, chain stores by comparison are symbols of capital, of Smith's neoliberal urbanism. As Harvard political philosopher Michael J. Sandel notes, the homogeneity of chain stores contributes to an increasing sense of "placelessness" in people's lives (Sandel, in Eberly, 2000, p386).

Two of the neighbourhoods along Main St. have active Business Improvement Areas (BIAs) which serve to promote the identity of their respective areas and the small businesses in them. In addition to the description of place by BIAs the language employed in Official Community Plans developed by the City of Vancouver (COV) and content produced by Tourism Vancouver emphasize strong local identities. This includes the foundational 1995 City Plan which first resulted in a vision for Vancouver as a "City of Neighbourhoods" with directives to ensure land use and planning activities "strengthen neighbourhood centres" and "define neighbourhood character"² through to the 2010 Mt. Pleasant Plan and Lower Main Urban Design Framework (2013) and the city's Tourism Master Plan which emphasizes promoting Vancouver's cultural diversity through its neighbourhoods.³

² See <http://former.vancouver.ca/commsvcs/planning/cityplan/cityplan.htm>

³ Vancouver Tourism Master Plan, Neighbourhoods (p24) recommends "creating a neighbourhood marketing council with Business Improvement Areas (BIAs) to promote Vancouver's cultural diversity"
https://res.cloudinary.com/simpleview/image/upload/v1/clients/vancouverbc/tourism_master_plan_64d161e3-d2b5-4aab-adf1-03a1fd8e1cc7.pdf

As these examples of neighbourhood promotional literature, tourism literature, and planning documents from the City of Vancouver examined in this thesis emphasize, sense of place matters in a 'city of neighbourhoods'. On the whole, given the premium placed on neighbourhood character, sense of place, diverse retail mix and other similar attributes in City policy and popular discourse, the distinction between independent 'mom and pop' stores and chains in neighbourhood shopping areas may perhaps prove an increasingly important one to make. Not just in terms of what we aspire to see in neighbourhoods, but the tools, policies and processes we create that can help actualize those things. Scanning media to assess public discourse it does not take long to see that there appears to be a disconnect between the neighbourhoods we describe and celebrate in planning documents and neighbourhood promotion literature, and the types of outcomes we are seeing on the ground. Right now in urban communities experiencing an influx of capital there appear to be increasing concerns about displacement of those very independent small businesses that help to make places unique and authentic expressions of neighbourhood identity, culture, and history. Same with their subsequent replacement with chain stores, or vacant storefronts, as land values, leases, and taxes continue to rise and the built form changes.

Are the intentions expressed in policy and the concerns expressed in discourse able to be attained and addressed within the current policy framework in cities experiencing acute and sustained pressures like Vancouver? As a recent study by the Canadian commercial real estate firm CBRE emphasizes, Vancouver is experiencing an "unprecedented retail boom" with an inflow of international chains attracted by real estate investment and development.⁴ If, as has been the case with

⁴ Vancouver experiencing unprecedented retail boom: CBRE, Mario Toneguzzi, *Real Estate News Exchange*, October 12th 2017 accessed at <https://renx.ca/vancouver-retail-investment-booming-cbre/>

residential real estate, Vancouver's retail-commercial real estate becomes something of international investment interest, this may have similarly serious implications for the affordability of local serving independent retailers that over time have become bound up in the identities of the geographies in which they have operated; diaspora communities, LGBTQ2S communities, artistic or cultural communities, working-class communities, low-income communities, and so on. These are the people, the families, and the local shop owners, who have helped make Vancouver a city of neighbourhoods to begin with. If they can no longer socially reproduce within the commercial built form of the city this may have serious implications for Vancouver's identity as a city of neighbourhoods into the future, as a form of hegemonic urbanism make neighbourhood shopping areas relatively indistinguishable from one another. These types of concerns appear to fuel the discourse of anxiety and loss that has emerged in major North American cities regarding retail gentrification and the impacts of speculation on the urban social fabric of communities.

In order to examine these tensions in a local context, the mixed-methods research undertaken in this thesis examines the overall change in retail mix from 2007 to 2016 along Vancouver's Main Street corridor, facilitated by the forms of development taking place there. This stretch of street was recently identified as being one of the city's longest contiguous stretches of property "hot spots" where land values have risen dramatically and significant construction is taking place⁵. This was one of the key reasons for its selection in the research along with public concerns being raised in local media and at numerous community events about displacement of independent small businesses and loss of local culture and identity in Vancouver neighbourhoods.

⁵ See Figure 1

The research examines how real estate development on Main Street between 2007 and 2016 is influencing retail mix there, with a particular focus on the presence of chain stores and independent small businesses in relation to development. In taking a closer examination at the relationships between real estate development and street level retail mix it seeks to answer whether the types of attributes we celebrate, plan for, and promote in these neighbourhoods being enhanced or eroded by development and what might be done to better align the aspirations of plans and strategies that celebrate diverse neighbourhood identities, and the tenancy outcomes in new development that can either contribute to or detract from them.

In order to do this, a mixed-methodology approach to quantitatively and qualitatively examine change over time in relation to development along Main Street from 2007 to 2016 was conducted. It included an in-depth cataloguing of photographs from Google Street View archive of over 1,000 storefronts along Main Street from its northernmost point to 33rd avenue in the south. These images were analyzed and annotated notes about the types of tenancies were made, including whether they were an independent small business or a chain store or formula business. Planning documents for the neighbourhoods immediately served by Main Street were examined along with neighbourhood promotional literature from the local Business Improvement Associations and tourism bodies to ascertain the ways in which these neighbourhoods were described and in particular how the City and these other authorities, or official sources, viewed small businesses in the context of neighbourhood identity, culture, and history. An examination popular discourse on retail gentrification from media looking at examples from Vancouver along with other major North American cities was also undertaken to mirror the aspirational literature of planning and neighbourhood promotion literature. The juxtaposition of which illustrates divergent outcomes from the aspirations of plans and celebrations of neighbourhood identity in

promotional literature, and retail trends in gentrifying neighbourhoods experiencing development. Detailed case studies of two newly built mixed-use sites with ground floor retail were then conducted help better understand the decision-making processes and influencing factors that lead to retail tenancy outcomes in this particular type of built form along the corridor, and how it contributes to the evolution of retail mix in these areas in the context of neighbourhood identity. Several policy and programmatic responses are put forward for consideration in conclusion.

1.1.1 Research Question

What factors led to chain stores, formula businesses, and long-term vacancies in the ground floor retail units of new mixed-use development along Vancouver's Main Street corridor in the retail spaces of new mixed-use buildings developed there between 2007 and 2016?

The research question for this project stems from a desire to provide a more rigorously studied examination and empirically rooted explanation of the factors that contribute to the proliferation of chain stores, formula businesses and to a lesser extent, chronic vacancies in areas experiencing retail gentrification and development.

Broadly speaking, in several North American cities the demands from the small business sector and residents alike for governments to do something about the rapid transformation of retail markets and displacement of smaller independent businesses in communities has led to a range of policy interventions. Many of these were recently featured in a report by the Institute for Local Self Reliance titled *Affordable Space: How Rising Commercial Rents Are Threatening Independent*

Businesses and What Cities Are Doing About It (Institute for Local Self Reliance, 2016)⁶

It is hoped that answering the questions posed in this research will help to better align retail tenancy outcomes in new developments with Vancouver's celebrated belief that it is indeed a city of distinct and diverse neighbourhoods. This will hopefully in turn be useful to other communities, local governments, developers and researchers who are interested in retaining the unique qualities of neighbourhoods that independent small businesses are cherished for. This at a time when neighbourhood shopping areas are accommodating the addition of new housing supply, which is impacting commercial land values and creating changes in the built form that have thus far appeared problematic for those small independent businesses.

1.1.2 Chapter Overviews

In chapter one we examine the physical site of concern, Vancouver's Main Street, which is home to a number of distinct neighbourhood shopping areas that serve neighbourhoods in the Downtown Eastside. This includes Vancouver's celebrated and rapidly changing Chinatown, Mt. Pleasant, Riley Park, and other communities. We couch retail gentrification along Vancouver's Main Street within the broader and more established concerns over housing affordability as an entry to retail gentrification and affordability of small independent businesses in this area, which is experiencing much development.

In chapter two we then explore the literature on retail gentrification, including concepts like new build gentrification, which has demonstrably taken place along stretches of previously under-developed or dormant industrial lands along Main Street. The chapter

⁶ Full report accessed November 30th at <https://ilsr.org/wp-content/uploads/downloads/2016/04/ILSR-AffordableSpace-FullReport.pdf>

continues on with an exploration of the many social, class-based and cultural dimensions through which retail gentrification has been explored. The literature draws mostly from the American experience of inner-city gentrification examined by academics like Gary Betancur and Sharon Zukin, but also in other western contexts like that of Australia. Concerning the latter Gary Bridge and Robyn Dowling take a semiotic approach to examining the cultural signifiers of signage, menus and other aesthetic attributes of businesses in various different neighbourhoods with different socioeconomic and demographic reputations (Bridge G. & Dowling, R, 2001). Drawing from the United Kingdom, Gonzalez and Waley (2013) examine tensions around a longstanding public market in the English city of Leeds that experienced political pressure to conform to sanitized, consumerist neoliberal standards – the old chaotic market and its traditional charm being seen as messy and unattractive by the local council. These examples touch on both the cultural and functional importance of businesses in community.

We also examine tensions between small independent businesses and residents in communities and the chain stores moving into their neighbourhoods, with examples of how residents and independent merchants have rallied against them, at times examining grey literature and media to round out the discourse. A brief examination of small businesses as semi-public spaces and symbols of neighbourhood identity and culture is also undertaken as a useful entry point to businesses as cultural and social units and not exclusively economic ones. This includes the role of businesses as cultural institutions and important “third spaces” or quasi-public institutions. These concepts are explored through the work of Kuppinger (2014) and Mehta (2011) in particular.

This examination of small independent businesses as being both simultaneously public and private types of spaces is couched within a

larger theoretical backdrop that includes an examination of cities as being either/both essentially public or essentially private. Such questions draw from the work of Henri Lefebvre (1968) and “the right to the city” compared alongside Logan and Molotch’s “the City as a Growth Machine” further complemented by Neil Smith’s later observations that hegemonic neoliberal urbanism represents the reproduction of space by capital over that of community driven social reproduction. These larger theoretical ideas being foundational to approaching an understanding of the decision-making logics undertaken by urban actors along Vancouver’s Main Street, whether they be government, developers, businesses or residents, and the pressures behind those logics. For example, supply-side theory responses to housing affordability, the profitability of development pro forma, the language of neighbourhood promotional literature, or the anxiety over loss of place and loss of community etc.

In chapter three we detail the mixed-methods of research used to examine Main Street’s retail change from 2007 to 2016. The quantitative research draws from methods employed in public health and criminology, where public space and neighbourhood audits have relied on the use of Google Street View (Vandeviver, 2014, p7). Over one-thousand storefronts were examined for this thesis research using Google Street View Archive, and retail tenancy outcomes recorded for each with annotated observations. After establishing a baseline of retail mix in 2007/2009 the ratio of independent local businesses to retail chains, vacancies, and medical/pharmaceutical tenants was entered into a table to track changes. Particular attention was paid to the tenancy outcomes in new mixed-use developments along Main Street and to redeveloped single-use commercial developments. In addition to being included in a block by block analysis both were also segmented into a sub-table to examine the ratios in these spaces in isolation from the total built form.

In addition to this quantitative archiving of retail storefronts, neighbourhood planning documents were examined alongside tourism and neighbourhood promotion literature to ascertain desired planning outcomes as they relate to the neighbourhood shopping areas along Main Street. Stories in local media and blogs examining the displacement of small businesses, anxiety over the loss of place and culture this displacement is associated with, and the encroachment of chain stores is examined in additional grey literature. This in order to illustrate that desired planning outcomes and actual outcomes are potentially misaligned when it comes to the feasibility of small businesses to sustain their tenancy in a speculative real estate environment and newer built form.

Finally, several semi-structured interviews were then conducted using two specific development sites as case studies – 3333 Main St. near the geographic middle of the research geography, and Blue Tree Homes at 31st and Main St. at the very edge of the research geography. Executives from the development sector, members of the local business community along Main St., and planning staff from the City of Vancouver who have worked in the area for a number of years and were knowledgeable about these developments and retail trends on Main St. were included in these interviews. This mixed-methodology approach was taken in order to explore:

- How and why retail gentrification has been problematized in the context of neighbourhood identities and cultures.
- How this has been communicated in the local discourse of Vancouver and whether that is similar to places elsewhere like New York, where these anxieties have been raised.
- What kinds of changes specifically have taken place along Main Street between 2007 and 2016 in terms of development and retail mix?

- Whether there exists any divergence between the tenancy outcomes in newly built spaces and those in existing built form.
- If divergence is found, what appears to be the driving factors for it?
- If development does appear to be facilitating homogenous forms of retail gentrification along Main Street, then what potential responses can be taken to maintain diverse retail cultures in communities experiencing development?

Chapter four then enters into a deeper analysis of the logics and pressures that are appearing to drive tenancy outcomes on Main Street through the case study interviews, using the two sites as microcosms of the broader trends along the street and its neighbourhood shopping areas. Discussions with those interviewed moved back and forth between detailed and specific observations about the process of developing the individual sites and the logics and influences and general trends in development and retail sectors overall. Those interviewed also explored what they felt were policy considerations, or suggested policy and programmatic responses outright to address the challenges of retaining independent small businesses in new buildings.

In Chapter five we then further explore a range of policy and programmatic considerations, mostly for local government, that could be considered in order to mitigate displacement of small independent businesses from neighbourhood shopping areas. Much of this draws on the literature and research from civic research organizations like the Institute for Local Self Reliance or Civic Economics, but also from the interviews with local decision-makers.

It is hoped that this thesis will take the reader through an examination of what retail gentrification is, how it has been problematized, why it should be of concern in a public policy context,

and possibly what can be done about it. It uses Vancouver's Main Street as a microcosm that is demonstrative of the broader discourse while seeking to understand the local factors that contribute to specific tenancy outcomes there. A better understanding of local factors may engender a deeper understanding of what kinds of local responses can be reasonably considered in the larger interest of supporting the social reproduction of space in urban communities, as represented by the presence of a healthy independent small businesses sector.

1.2.0 Defining Main Street

In this chapter we examine the context in which Main Street is being studied, including some of the recent overarching discourse on affordability which has driven a supply-side argument for more housing diversity and development. Denser models of housing development have been spreading out of the downtown peninsula southward and eastward for the past several years in Vancouver.⁷ Some of it is being absorbed on industrial, or employment lands, like that seen on False Creek Flats, while some is also being absorbed directly on shopping streets like Main Street, or Commercial Drive.

Vancouver, British Columbia, is a city of 631,486 people on Canada's west coast⁸. The greater metropolitan area in the southwest corner of the province is Canada's third largest urban centre with a population of 2,584,700 million people⁹. Host to major events including Expo 86 and the 2010 Winter Olympic and Paralympic Games, its profile as a growing and multicultural city has been raised internationally in the past few decades. Regularly topping livability indexes like the Economist Intelligence Unit's Global Livability Ranking or Mercer's Quality of Living Survey, the city is also one of North America's largest centres of film and television production, which includes TV shows about the city itself and its increasingly cosmopolitan residents.

Along with the international accolades and attention it has received the city has experienced a rapid pace of development amidst a severe and ongoing housing affordability crisis. The city's challenges

⁷ Vancouver's Million Dollar Housing Divide Shifts Eastward, Brent Jang, *The Globe and Mail*, Wednesday January 27th 2016 accessed at <https://www.theglobeandmail.com/real-estate/the-market/vancouvers-million-dollar-divide-shifts-eastward/article28404265/?arc404=true>

⁸ Statistics Canada (2016) accessed at <http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Geo2=PR&Code2=01&Data=Count&SearchType=Begins&SearchPR=01&TABID=1&B1=All&Code1=5915022&SearchText=vancouver>

⁹ Statistics Canada (2016) accessed at <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/demo05a-eng.htm>

with affordable housing and an overall rising cost of living has received much attention in local, national, and even international media.¹⁰ Mirroring the livability rankings which it regularly tops Vancouver often sits near the top of unaffordability rankings and near the bottom of major Canadian cities in terms of its median household income. Actions have been taken by local government in response to incentivize development and housing diversification, including Housing Vancouver (2017), the overarching housing strategy for the City. There are also recent community plans that create opportunities for mixed-use development near transit nodes (Grandview Woodland Plan, 2015) and inclusionary zoning in some communities for rental and social housing (DTES Plan, 2014) along with the Rental 100 and Short-Term Incentives for Rental Housing (STIR) programs which developers have been encouraged to take advantage of.¹¹ All of these promote housing densification and diversification.

In response to concerns about the impacts of speculation and the international commodification of Vancouver's housing market the City recently introduced an 'empty homes tax' which came into effect in 2017¹² while the Province's introduction of a 'foreign buyers tax' or 'Additional Property Transfer Tax' came into effect just in the past year as well.¹³ Neither measures appear to have cooled off the housing market overall, though they do provide additional funds to create

¹⁰ Articles in the New York Times and The Guardian include Vancouver alongside New York, Miami, London and other major cities, for example *When the (Empty) Apartment Next Door is Owned By an Oligarch*, New York Times, July 21st 2017 accessed at <https://www.nytimes.com/2017/07/21/upshot/when-the-empty-apartment-next-door-is-owned-by-an-oligarch.html> or Gentrification is a global problem. It's time we found a better solution, The Guardian, September 29th 2016, accessed electronically at <https://www.theguardian.com/cities/2016/sep/29/gentrification-global-problem-better-solution-oliver-wainwright> and in other major news outlets like CNN, *10 Most Expensive Cities in 2017*, CNN, Wednesday August 2nd 2017 accessed electronically at <http://www.cnn.com/2017/01/23/architecture/2017-most-expensive-cities-hong-kong/index.html>

¹¹ See <http://vancouver.ca/people-programs/creating-new-market-rental-housing.aspx>

¹² See <http://vancouver.ca/home-property-development/empty-homes-tax.aspx>

¹³ See <http://www2.gov.bc.ca/gov/content/taxes/property-taxes/property-transfer-tax/understand/additional-property-transfer-tax>

affordable housing and appear to have had a modest impact on luxury housing. ¹⁴ With time they may potentially prove to have a greater impact.

Given the recent policy responses to address affordable housing in communities, this research invites policymakers at different levels of government to similarly consider responses to address affordable retail in communities. Increasingly, and most notably in neighbourhoods like Chinatown, residents and business owners alike have raised concerns about the affordability and financial sustainability of small businesses in Vancouver in a way that echoes the anxieties about housing.¹⁵

1.2.1 Ups and Downs, Main Street's Neighbourhoods in Transition

Main Street is a key North-South corridor serving several different neighbourhoods and high density planned communities. The street in its entirety extends from the Port Lands adjacent to the Downtown Eastside Neighbourhoods of Gastown, Strathcona and Oppenheimer through Vancouver's Chinatown, the industrial "employment lands" of the False Creek Flats, referred to in the New Mt. Pleasant Plan as "Lower Main" and upwards moving south from that it serves the neighbourhoods of Mt. Pleasant, Riley Park and Sunset, home to the recently struggling Punjabi Market commercial strip¹⁶. It then returns to grade, sloping down to where more industrial land sits in the floodplain of the Fraser River. There are three local Business Improvement Areas located along Main St including Hastings Crossing

¹⁴ *Vancouver defies expectations as overseas housing market cools*, Mike Lloyd, News 1130, July 4th 2017 accessed at <http://www.news1130.com/2017/07/04/vancouver-defies-expectations-overseas-housing-markets-cool/>

¹⁵ *Advocates help Chinese grocers, farmers survive Chinatown gentrification*, *Metro*, March 6th, 2017 accessed electronically at: <http://www.metronews.ca/news/vancouver/2017/03/06/chinese-grocers-farmers-face-chinatown-gentrification.html>

¹⁶ *Vancouver's Punjabi Market Neighbourhood is Changing*, Carlito Pablo, *Georgia Straight*, October 14th 2015 accessed at <https://www.straight.com/news/555211/vancouver-punjabi-market-neighbourhood-changing>

BIA, Chinatown BIA, and Mt. Pleasant BIA. There is no Riley Park, Sunset or Punjabi Market BIA as of 2017. Due to a break in retail continuity after 33rd Avenue the latter two were considered outside the scope of the research for this reason.

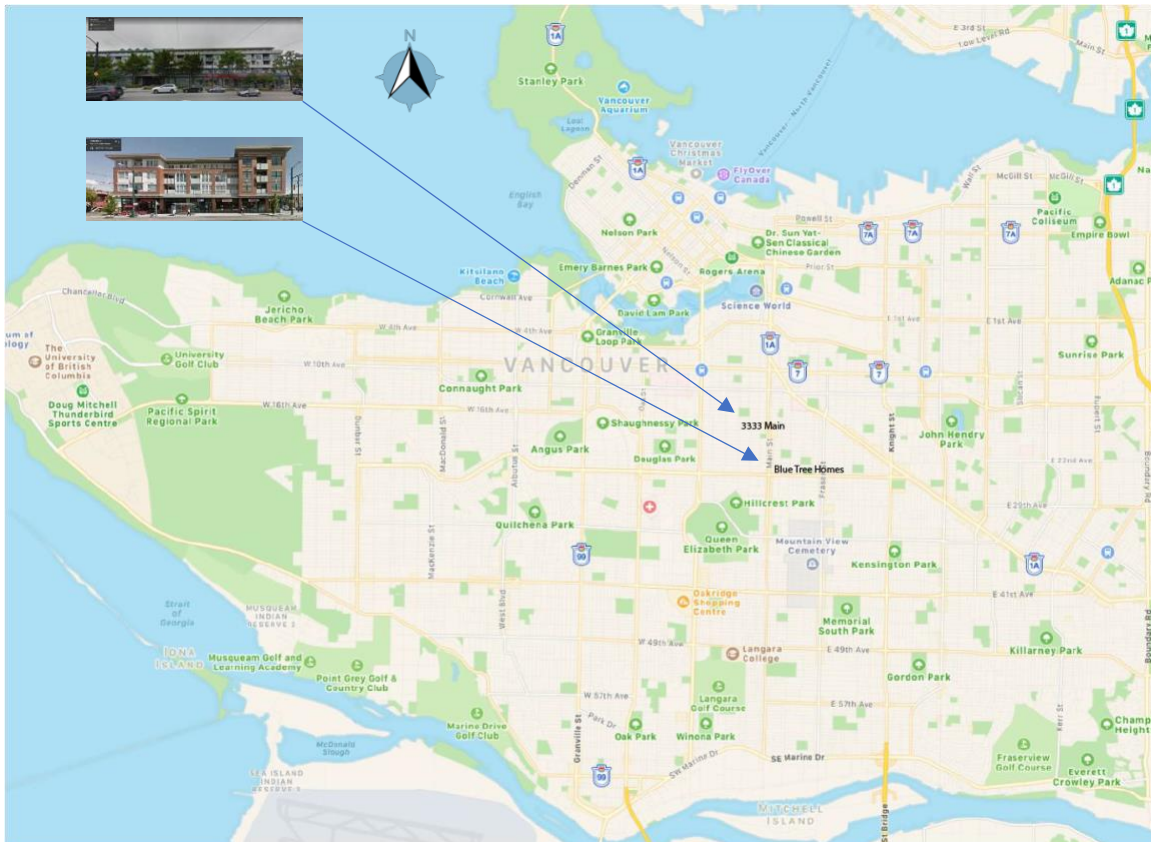


Figure 1 Map of Vancouver, 3333 Main and Blue Tree Homes demarcated near the middle of the map on Main Street, on the corners of Main and 18th and Main and King Edward Highway, respectively. These are two development sites chosen as case studies to probe the decision-making pressures and logics that drive typical ground floor retail tenancy outcomes in mixed-use development. Map base source: Google API.

In addition to serving these immediately adjacent neighbourhoods some portions of Main Street also serve the broader region as increasingly high-profile destination shopping areas known for a diversity of coffee shops, restaurants micro-breweries, antique stores, restaurants, clothing boutiques and specialty items. Chinatown for example balances being both a neighbourhood shopping area and a destination one within the region, offering unique imported items to serve a range of businesses and individual consumers. In addition to

this, mid-20th century Chinatown also played an important role in the Nightlife of Vancouver for decades, with the Chinatown Economic Revitalization Strategy noting the famous clubs, dining options and venues that “attracted people from across the City” at this time¹⁷.

The street has clearly reinvented itself a number of times as it balances the role its commercial areas play as both destination and local serving. Today, the stretch of Main Street through Mt. Pleasant has received the distinct honor of being included in real estate firm Cushman and Wakefield’s 2016 100 Cool Streets report.¹⁸ Described in the report as:

Mount Pleasant was historically a working class neighborhood centered around breweries located on Vancouver’s near northwest fringe....This neighborhood’s history goes back to 1890 when streetcars first connected it to downtown, making it one of Vancouver’s first suburban communities. Mount Pleasant is now served by the Sky Train instead of streetcars and its shift from working class to arts district began roughly 20 years ago. This transition has been on steroids over the last five years. Nowhere have the changes been more profound than near the intersections of Main Street and Broadway, which is ground zero for this Cool Street and the nexus of the neighborhood’s two primary retail arterials.

Preceding its recent notoriety as one of the coolest streets in the world, as per Cushman and Wakefield’s assessment, several blocks of Main Street were previously known as “Antique Row” for many years. This cluster of second hand and antiques dealers dotted it for many blocks, particularly in the Mt. Pleasant and Riley Park neighbourhoods and like Chinatown, meant that it too played a role as a local shopping area fulfilling the immediate needs of residents while also serving a broader regional clientele who were willing to undertake destination shopping to find unique antique items. In some ways the recent development of micro-breweries along Main Street, particularly Lower-Main, has transformed this stretch of it into a form of experiential

¹⁷ <http://vancouver.ca/files/cov/chinatown-neighbourhood-plan.pdf> (p9)

¹⁸ See <http://www.cushmanwakefield.com/en/research-and-insight/2016/cool-streets-report/>

destination shopping that speaks to some of the history of breweries in its earlier incarnations.¹⁹ The history of Main Street's somewhat resilient Antique Row identity is still acknowledged in articles about the street and its stores today and was recalled in detail by one of the City planners interviewed.²⁰ Pre-colonial Main Street was part of an indigenous trade route that connected the Fraser River to False Creek, demonstrating that even before Vancouver was founded this local geography played a role in fostering economic and social exchanges between diverse local cultures.²¹

Today, with much developable residential land considered already built up in the city, and new efforts underway to preserve historic single-family detached homes²², housing development in the past several years has taken place on industrial lands and on neighbourhood serving commercial streets where more affordable but aging low-rise, and often single-use commercial buildings, are being redeveloped into new mixed-use buildings with ground floor commercial retail units at grade and residential above. The pace of development has caused some to raise concerns that an entire era of architecture built mostly in the 1970s will be sterilized from the built form of the city.²³ The red linear clusters moving East-West along Broadway and West 4th avenues (top left quadrant of map Fig 2.) and North South along Commercial Drive

¹⁹ The History of Vancouver's Brewery Creek, Tom Ireland, 604Now <https://604now.com/history-brewery-creek-vancouver/>

²⁰ Main Street's Antique Row Coming to Collect, Jessica Hardy, Montecristo Magazine, January 2016 accessed at <http://montecristomagazine.com/design/main-streets-antique-row>

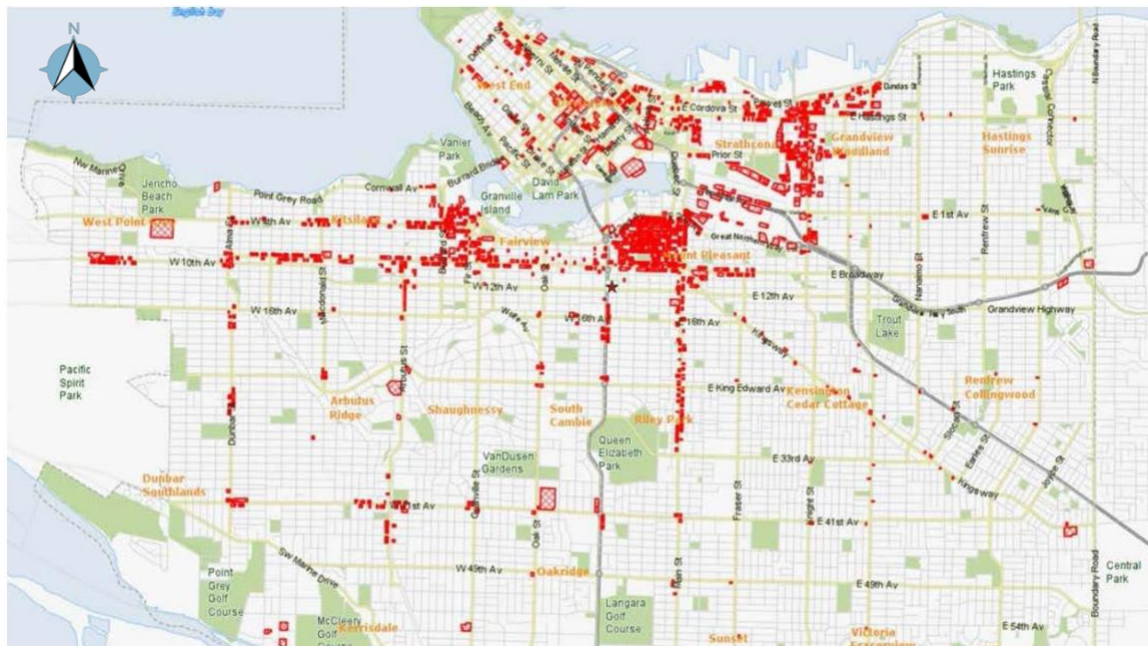
²¹ Our City. Our Art. Our Vancouver. An archive of the City of Vancouver's Public Art Program (BC Canada) accessed at <https://ourcityourart.wordpress.com/2016/06/18/25in25-a-public-art-retrospective-kingsway-trail/>

²² In September of 2015 the City of Vancouver established the First Shaughnessy District as the city's first-ever Heritage Conservation Area. This in order to "...move towards preserving and protecting valuable heritage homes in Vancouver." <http://vancouver.ca/news-calendar/first-shaughnessy-designated-heritage-conservation-area.aspx>

²³ We stand to wipe out a whole era': how the 1970s could vanish from Vancouver, Tyler Stiem, The Guardian, Wednesday September 27, 2017 accessed at <https://www.theguardian.com/cities/2017/sep/27/wipe-out-era-1970s-vanish-vancouver>

(top right quadrant of map Fig 2.) are illustrative of this current trend in the city where land speculation and rising property value assessments have created clusters of particularly “hot” real estate that is rapidly increasing in value. It is noteworthy just how prevalent these clusters have become along neighbourhood serving retail streets in Vancouver. This is one of the factors for choosing Main St. as our study site.

Figure 2 A Map of Property “Hot Spots” recommended for tax relief mitigation through “averaging” in the City of Vancouver (2016) The long red vertical line just to the right of the middle of the map is Main Street²⁴



In terms of the immediate neighbourhoods that Main Street serves, population growth has taken place unevenly and inconsistently with two census areas seeing a decrease in 2011 before increasing significantly between 2011 and 2016. Riley Park shows the least amount of overall population increase and lowest percentage of

²⁴ Noted in red are "hot spots" where “tax averaging” has been recommended to mitigate sudden spikes in property value, particularly disruptive to retail tenants who pay triple-net-leases that include a portion of the property taxes paid by landlords. The block of hot spots in the upper middle portion of the map is the newly built Olympic Village community adjacent to Main Street with the long red line in the middle of map being Main Street itself extending south to 33rd Avenue. Accessed November 23rd, 2016 at <http://council.vancouver.ca/20160309/documents/cfsc4.pdf>

change while Mount Pleasant shows the greatest overall population increase and second highest percentage of change. False Creek Flats, while showing the least amount in overall population change also saw the greatest percentage increase in change as new apartments and condos like Onni's Central shown earlier have been built there.

Area	2006	2011	Change 2006-2011	2016	Change 2011-2016	Change 2006-2016	% Increase 2006-2016
Chinatown	1,335	1,277	-58	1,821	+544	+486	+36%
False Creek Flats	660	698	+ 38	978	+280	+318	+48%
Mount Pleasant	23,616	26,400	+ 2,784	32,955	+ 6,555	+9,339	+40%
Riley Park	21,815	21,794	-21	22,555	+761	+740	+3%

Table 1 Census Tract Population Data for Chinatown, False Creek Flats, Mount Pleasant and Riley Park neighbourhoods. Data source: Statistics Canada, 2006, 2011, and 2016 Census of Population

An analysis of the population change on the street blocks themselves immediately adjacent to Main Street shows the increase in population closest to the shopping areas. These are blocks with a centre point 100 meters from the street.²⁵

Area	2006	2011	Change 2006-2011	2016	Change 2011-2016	Change 2006-2016	% Change 2006-2016
All street blocks adjacent to Main Street from Alexander Street in the North to 33 rd Avenue in the South	9,689	10,325	+636	12,452	+2,127	+2,763	+28.5%

Table 2 Street Blocks Immediately Adjacent to Main Street from Alexander Street (0-100 Block) to 33rd Avenue (4800 block) Data source: Statistics Canada, 2006, 2011, and 2016 Census of Population

²⁵ Note: There are some variations year to year in the exact shape of these census tracts but as an approximation there are roughly 12,000 people living immediately adjacent to Main Street from its northern tip in the Downtown Eastside near the Port of Vancouver to 33rd Avenue in Riley Park, an increase of more than 2,500 people and over 25%

1.2.2. Neighbourhood Differences

Though Main Street is a contiguous corridor with commercial retail and light industrial ground floor tenants from Alexander St. to 33rd Avenue it undergoes some distinct transitions that differentiate areas along it. The street's northernmost tip sits within Vancouver's Downtown Eastside. Chinatown, though a distinct neighbourhood unto itself, is included as one of several neighbourhoods in the Downtown Eastside Planning Area (DTES) along with Strathcona, Oppenheimer, Victory Square, Gastown, Kiwassa and an Industrial Zone immediately adjacent to the port lands.²⁶ Significant resistance to development has occurred in these communities in the interest of mitigating displacement of low-income and other vulnerable residents, as well as the affordable housing they rely on, and the shops and services that cater to them.



Figure 3 Fire Hall No.2 in the Downtown Eastside sits next to vacant retail storefronts and Single Room Occupancy Hotel (SRO) and mixed-use office with ground floor retail. At the end of the block is a rail overpass to the waterfront and Port of Vancouver

²⁶ <http://vancouver.ca/files/cov/downtown-eastside-plan.pdf>

In the DTES a significant amount of publicly owned land contains social housing. Much of this is from old Single Room Occupancy hotels that have since been converted to longer-term tenancies. Government bodies like BC Housing and the City of Vancouver itself own many of these with social service agencies often managing them, though many SRO units can often be privately owned too. In Chinatown, family associations, clans or benevolent societies to this day own a significant portion of property too. Playing an important role in maintaining the character of Chinatown the City of Vancouver has recently created a new financial assistance program to aid these organizations in undertaking maintenance and upgrades to preserve these buildings, many of which are designated heritage. This program is called the Vancouver Chinese Society Legacy Program, and it aims to retain and enhance existing built form.²⁷



Figure 4 Commercial retail properties along Main Street in Vancouver's Chinatown, 2017

Traversing southward through Chinatown one eventually comes to the Georgia and Dunsmuir viaducts which mark a distinct break

²⁷ <http://vancouver.ca/files/cov/chinatown-factsheet-english.pdf>

between Chinatown and the Downtown Eastside and the industrial lands of Southeast False Creek.



Figure 5 City of Vancouver Planning Department image of Georgia and Dunsmuir Viaducts separating Chinatown from the Transit Oriented Development high-density City Gate neighbourhood just to its south. Source: City of Vancouver <http://vancouver.ca/images/cov/feature/viaducts-facebook-banner.jpg>



Figure 6 False Creek Flats and Lower Main Areal View. This photo was taken before large-scale developments like Onni's Central were constructed. Photo year approximately 2011-2012. City-Gate is wedged between the Georgia and Dunsmuir Viaducts and Terminal Avenue where larger undeveloped industrial lots sit. Source: Vancouver Economic Commission http://www.vancouvereconomic.com/wp-content/uploads/2015/06/3265285691_517f3d1a5f_o1-970x498.jpg

The False Creek Flats has undergone dramatic transformation over the past several years as auto dealerships, mechanic shops, and other industrial uses have given way to mixed-use development.



Figure 7 False Creek Flats - Lower Main Street 2012 an advertisement for Onni Development Corporation's "Central" on the Westside of the street



Figure 8 False Creek Flats - Lower Main Street 2016. Onni's "Central" now occupies the Westside of Main along with other mixed-use buildings extending southward along the block.

After passing through the traditionally industrial low-rise built form of False Creek Flats and Lower Main one enters the commercially distinct shopping areas of the Mt. Pleasant Neighbourhood. With a mix of

building eras and iconic place-making features like the Heritage Triangle Building and Mt. Pleasant Clock. Here one of the densest and longest stretches of independent businesses in the city can be found, extending continuously up to 33rd Avenue with the bulk of membership of the Mt. Pleasant Business Improvement Area found between 2nd Avenue and 16th Avenue.²⁸



Figure 9 Mt. Pleasant Landing. Source: City of Vancouver <http://vancouver.ca/images/cov/feature/mount-pleasant-landing.jpg>

Crossing 16th Avenue south we come to Riley Park (also home to the sub-neighbourhood of Little Mountain). The transition here is less noticeable. Similar to Mt. Pleasant the built form here remains low-rise and on the whole a range of building eras from the early twentieth century to mid twentieth century dominate.²⁹

²⁸ See Mt. Pleasant BIA Website <http://mountpleasantbia.com/>

²⁹ See City of Vancouver Little Mountain Policy Statement <http://vancouver.ca/docs/planning/little-mountain-policy-statement.pdf>



Figure 10 Riley Park - Little Mountain Neighbourhood. Older single-use low-rise commercial buildings typical of the area.

1.2.3 Defining Mixed-Use and Single-Use Development

New development along Main Street, similar to other neighbourhood serving retail streets, has been almost exclusively mixed-use.

Accommodating both residential and other uses. The British Columbia Assessment Authority defines Mixed-Use Development as one of several combinations of use on a single site, including office, residential, retail, or different forms of residential residences i.e. single family detached, townhome, live-work, studio.³⁰ For the purposes of this study we are concerned specifically with mixed-use residential that also includes office, light industrial, and/or retail. These are the kinds of mixes that appear most often in neighbourhood serving retail areas in Vancouver. The study does not include purely mixed-use residential nor does it include strictly mixed-use office and retail of the kind which would be found in a Central Business District or CBD. Single-use development for the sake of this study refers to developments that do not include residential components, but are only commercial in nature, low-rise retail or mid-rise retail with office above. These latter too were included as a control group to help ascertain whether trends in retail tenancy

³⁰ See <https://www.bcasessment.ca/services-and-products/APPs/Classifying%20Mixed-Use%20Development%20Land.pdf>

were exclusive to mixed-use development or seen in mixed-use as well as single-use commercial-retail buildings along Main Street.



Figure 11 “Marine Gateway”, high-density Transit-Oriented Mixed-Use Development (Vancouver, Onni Group, built 2015)

1.2.4 Defining “Local Independent” vs Chain Store typologies

The question of how to define a local independent small business as opposed to a chain store is not as black and white as one might think at first glance. My examination of store types along Main has revealed a gradient or continuum of business types that are principally defined by ownership, from chain to hybrids that combine local culture and consistent corporate brand standards, to traditional ‘mom and pop’ businesses. This continuum is examined in Chapter 4. In addition to the question of whether or not a business “formulaic” in terms of having a standardized brand, with uniform, logo, etc. or are simply part of a “restaurant group” or “group of companies”. There is also the issue of how many locations constitutes a “chain store” with the most readily

available definition for the sake of this research being San Francisco's recently determined guidelines.

San Francisco's rationale for introducing the Formula Business Ordinance reads like it could have been lifted from Vancouver's 1995 City Plan:

The increase of formula retail businesses in the City's neighbourhood commercial areas, if not monitored and regulated, will hamper the City's goal of a diverse retail base with distinct neighbourhood retailing personalities comprised of a mix of businesses.

Formula Retail Use is then defined in the new Ordinance as:

...a type of retail sales activity or retail sales establishment which, along with eleven or more other retail sales establishments located in the United States, maintains two or more of the following features: a standardized array of merchandise, a standardized facade, a standardized decor and color scheme, a uniform apparel, standardized signage, a trademark or a servicemark³¹

San Francisco is not alone in adopting a formula business ordinance in response to concerns about displacement of local independent businesses, several other American cities have also taken this action in response to public concerns.³²

While these types of chains that fit San Francisco's definition do appear to tenant ground floor spaces in new-mixed use and single-use developments there are others that fall just short of the definition that are also appearing to compete for these spaces. These include regional emerging chains or businesses that have several locations in the Lower-Mainland and BC like Matchstick Coffee, Prado Coffee, Tacofino, Nuba etc. There are entities like the Donnelly Group which share similar branding and menu programming but have different business names i.e. the Oxford in Yaletown, the Butcher and Bullock in the CBD,

³¹ See <http://www.sfbos.org/ftp/uploadedfiles/bdsupvrs/ordinances11/o0056-11.pdf>

³² See <https://ilsr.org/rule/formula-business-restrictions/>

the Lamplighter in Gastown, Library Square etc. There are corporate restaurant groups like Glowbal that serve as an umbrella for several high profile and high-end restaurants like Black + Blue, Trattoria, and Italian Kitchen- the last of which was quite spectacularly displaced from a downtown location after its rent nearly tripled to \$100,000 per month when the property it was in was assessed at a higher value.³³

While not being “chains” as understood in the definition provided by San Francisco’s ordinance, well branded and formulaic independent businesses with multiple locations or those that are part of a group of companies are nonetheless appearing in newly built spaces as the Google Street View Archive analysis in Chapter 3 illustrates. Interviews detailed in the findings reveal that these types of businesses convey the cultural attributes of local independent businesses that developers recognize as important to communities, but have adopted corporate standards of practice, created strong brands, have replicable design standards, and have enough track record to de-risk investment and provide developer-investor confidence as tenants. They do however have their own ‘formula’ and as such cannot be fairly categorized as unique one-offs or mom and pop businesses.

San Francisco’s definition is useful, particularly insofar as it is now a legally enshrined policy in a major U.S. city. It gives us a benchmark and something to build on. But there are nuances to the issue. It is clear that not only chains with 11 or more locations nationally are able to tenant new spaces along Main, the Google Street View archive analysis shows that one-offs or single location businesses are conspicuously absent from most new development. Similarly, the

³³ Vancouver Eatery facing \$65k per month rent increase moving locations, CTV News, Thursday June 1st 2017 accessed at <http://bc.ctvnews.ca/vancouver-eatery-facing-65k-per-month-rent-increase-moving-locations-1.3440082>

historic images demonstrate how new chain stores are conspicuously absent from most of the older building stock.

Unique upscale brands within corporate restaurant groups and families of businesses, or well capitalized early stage brands with a handful of locations for all intents and purposes appear to be playing a role in facilitating mixed-use development along Vancouver's Main St. And though anecdotally, throughout the rest of the city too. Despite not falling within San Francisco's precise definition of a formula business, for the purpose of this study they are therefore not ignored in this research. They are considered noteworthy and worth monitoring as development and retail trends evolve.

1.2.5 An analysis of authoritative sources describing neighbourhoods on Main Street

As our brief examination earlier has shown, Main Street is home to several neighbourhoods, and sub-areas with unique histories. These are celebrated and promoted in official City documents and plans as well as tourism and neighbourhood promotional literature from the BIAs and merchants associations or bodies like Tourism Vancouver. The Google Streetview archive and policy document analysis, and semi-structured interviews focused on the contiguous stretch of Main, where the cluster of property "hot spots" had been identified by City of Vancouver staff (Fig 1), and where recent community plans have been completed. Lacking a recent community plan and being set apart from the contiguous stretch of property hot-spots, Sunset and Punjabi Market are not included in the study.

The plans for neighbourhoods along Main Street that are completed or in process, include:

- The DTES Plan³⁴
- The Chinatown Neighbourhood Plan and Economic Revitalization Strategy³⁵
- False Creek Flats³⁶
- Mt. Pleasant Plan³⁷
- Lower Main Urban Design Framework (Part of Mt. Pleasant)³⁸
- Riley Park and Cambie Corridor³⁹
- Little Mountain (Riley Park)⁴⁰

These several documents from municipal government and neighbourhood promotion bodies provide a policy framework to complement the theoretical framework of this study. The analysis of these documents is not comprehensive, rather it focuses on the content concerned with neighbourhood character, social considerations in terms of identity, place and belonging, and local businesses and the economy.

³⁴ <http://vancouver.ca/files/cov/downtown-eastside-plan.pdf>

³⁵ <http://vancouver.ca/files/cov/chinatown-neighbourhood-plan.pdf>

³⁶ <http://vancouver.ca/home-property-development/false-creek-flats.aspx>

³⁷ See City of Vancouver Mt. Pleasant Community Implementation Package <http://vancouver.ca/files/cov/mount-pleasant-community-plan-implementation-package-3-lower-main.pdf>

³⁸ <http://vancouver.ca/files/cov/mount-pleasant-community-plan-implementation-package-3-lower-main.pdf>

³⁹ See City of Vancouver Riley Park South Cambie Community Vision Full Report <http://vancouver.ca/files/cov/riley-park-south-cambie-community-vision-full-report.pdf>

⁴⁰ See City of Vancouver Little Mountain Policy Statement <http://vancouver.ca/docs/planning/little-mountain-policy-statement.pdf>

One document that provides a foundation for the more recent plans is Vancouver's CityPlan. Approved in 1995 CityPlan identified eight directions for the city's future, these included:

- Strengthen neighbourhood centres
- Improve safety and better target community services
- Reduce reliance on the car
- Improve the environment
- Increase the variety and affordability of housing
- Define neighbourhood character
- Diversify parks and public places
- Involve people and redirect resources

In the summary document of the plan the identity of Vancouver as a "City of neighbourhoods" is affirmed, with attention paid to "Neighbourhood Centres" providing a "heart" for each neighbourhood and each neighbourhood having a "Distinctive Neighbourhood Character."⁴¹ The local area plans appear to this day to take their cues from City Plan.

The Mt. Pleasant Plan's Lower Main Design Guidelines (City of Vancouver, 2010, 2013) anticipates that changes along Lower Main will likely be "quite pronounced" (p29) with the new vision for the area promoting it as "...a distinct urban community on the edge of Vancouver's downtown"⁴² where "the public realm itself will evolve

⁴¹ Archive of previous City of Vancouver Website details the CityPlan directives as adopted by Council <http://former.vancouver.ca/commsvcs/planning/cityplan/dfvs.htm>

⁴² Mt. Pleasant Plan, Lower Main Design Guidelines section 3.1, p29
<http://vancouver.ca/files/cov/mount-pleasant-community-plan-implementation-package-3-lower-main.pdf>

into eclectic, pedestrian-focused spaces that connect interesting and important places, and that reflect Mount Pleasant's diverse history" (p31).

Regarding retail spaces in particular, the plan's design guidelines state that "Ground floor frontages should add to the character of Main Street and be clearly identifiable, inviting, continuous and transparent, and reinforce a human scale" and that frontages "should be scaled to support the neighbourhood-serving retail environment envisioned for Main Street (p41) No distinction is made between independent small businesses and chain stores or formula businesses however. Despite this, eclectic, diverse, neighbourhood serving, human-scale, pedestrian friendly retail appears to be the ideals in these guidelines.

Mt. Pleasant, where the bulk of Main Street's neighbourhood serving retail is found, is described by the City of Vancouver as:

...a vibrant and eclectic area known for its unusual stores, heritage buildings, artistic residents, and arts-focused festivals. The area is popular with first-time homebuyers, urban professionals, and families. Mount Pleasant runs from False Creek southeast and up the slope toward the busy Mount Pleasant shopping district, where Broadway, Kingsway, and Main Street meet"⁴³

Mt. Pleasant's Neighbourhood Promotion Literature from Tourism Vancouver, a civic body responsible for tourism promotion, similarly promotes diversity, "eclectic" and "distinct" businesses and unique history in the way it describes the area:

Mount Pleasant is one of Vancouver's oldest neighbourhoods, an eclectic collection of residents, distinct businesses, and new and historic buildings. The rich residential, commercial and industrial heritage of the area weaves together a variety of cultures and economic backgrounds, to create an

⁴³ See <http://vancouver.ca/news-calendar/mount-pleasant.aspx>

intriguing community that embraces individuality, creativity and entrepreneurship.⁴⁴

While the local Business Improvement Area describes Mt. Pleasant/Main Street as:

...the perfect place to experience Vancouver's relaxed West Coast lifestyle. The vibrant streets burst with unique shops and galleries showcasing local designers and artists. An eclectic array of restaurants and cafés feature local and international cuisine. Beer enthusiasts will be delighted by the diverse selection offered by our local breweries, and our collection of lounges and cabarets provide fabulous cocktails and live entertainment every night of the week⁴⁵.

It is clear from the literature that the principal qualities celebrated about this area from the authoritative literature appears to be descriptors like "eclectic" "diverse" "vibrant" "distinct" "local" and "neighbourhood serving". Most of these qualities are at odds with the growth of formula businesses or chain stores on Main Street, which may erode those things with the growing presence of homogenous and familiar brands; if not homogenous architecture as well. In the Google Street View Archive analysis comparing 2007/2009 with 2016 the increasing homogeneity is striking. Monolithic shop fronts with similar types of tenants, if not in fact the same tenants i.e. Starbucks on Main and Keefer, and a Starbucks on Main and 12th (eventually replaced by national brand Hakim Optical) or a Bank of Montreal branch in new mixed-use developments in Chinatown and a Toronto Dominion branch flanked by a Shoppers Drug Mart in new mixed-use development in Mt. Pleasant. It is not just in the high-volume shopping areas either where transit nodes are found. On the farthest southern edge of our study area a new low-rise mixed-use development tenants a national brand, Sleep Country Canada, a regional chain, Café Artiggiano, and a medical office – another popular tenancy type in new buildings. This

⁴⁴ See <http://www.vancouverattractions.com/whos-in-Neighbourhoods>

⁴⁵ See www.mountpleasantbia.com/tourismchallenge2016

site was chosen as a second case study where the Developer was interviewed about the decision-making processes and logics that led to these tenancy outcomes.



Figure 12 Blue Tree Homes on Main and 33rd, one of the case study sites for this research, represents a common new-built tenancy outcome in Vancouver. A national brand, regional chain, and medical/pharmaceutical tenant in the ground floor CRUs - Google Street View Archive

The stretch of Main Street through Chinatown has received particular attention for the displacement of local, culturally significant retail assets. Chinatown BIA describes this area, which lines multiple blocks of Main Street’s northernmost stretches, as:

Universally appealing to visitors, artists, and people of all nationalities, where one can sample world-renowned Chinese delicacies and savor the rich ethnicity of a culture that has surpassed generations. Chinatown fascinates with its striking collection of designated heritage buildings and tales that unfold the drama and link to the life of early Chinese pioneers.⁴⁶

Terms like “Rich ethnicity” emphasize the significant and unique cultural history of the area, which “fascinates” with its “striking collection” of heritage buildings. Tourism Vancouver describes Chinatown as:

Few neighbourhoods in Vancouver embody the city’s history, diverse cultures and vibrant future like Chinatown. Located on the eastern side of downtown Vancouver, the bustling district is North America’s third largest Chinatown by population, after those in San Francisco and New York. Its roots trace back to the late 1800s, when early Chinese immigrants who arrived to work on B.C.’s railroads and in the mines were settled in a ghetto

⁴⁶ See Chinatown BIA Website <http://www.vancouver-chinatown.com/history/history.php>

on the edge of the city. With time, the neighbourhood grew into a proud centre of Chinese culture, home to traditional restaurants, markets, temples and gardens, as well as a booming business district. Today Chinatown reflects the rich heritage but is also in the midst of a renaissance, with trendy bars and restaurants reclaiming historic spaces.⁴⁷

This description emphasizes the uniqueness of the area but also acknowledges that gentrification is occurring, this new “renaissance” has brought with it “trendy bars and restaurants”. These are identified in the Chinatown Economic Revitalization Strategy as a core constituency in this next evolution of the area, as the strategy recommends that the local BIA and City “*Improve the restaurant sector – make Chinatown a culinary and dining destination again*” (Chinatown Economic Revitalization Strategy, p49)⁴⁸. New independent businesses in some of these developments are in keeping with the strategy’s goal including Juke Fried Chicken, Dalina, the Juniper Lounge and Virtuous Pie, but none of them are Chinese. None of them even have bilingual signage in English and Chinese. They are all independents but arguably not culturally relevant to the “Rich ethnicity” noted in promotional literature, nor are they particularly affordable to the largely low-income community comprised of many monolingual Chinese seniors (Fung, S. 2016).

As new development guidelines have been approved, the types of buildings erected in Chinatown have caused public backlash from those concerned about the uniqueness of the area being lost to homogenous gentrifying developments or more upscale boutique concepts. The Globe and Mail’s Kerry Gold opens a December 2016 story on the area with a thought exercise:

⁴⁷ See Tourism Vancouver Website <https://www.tourismvancouver.com/activities/attractions/guide-to-chinatown/>

⁴⁸ See City of Vancouver Chinatown Economic Revitalization Strategy <http://vancouver.ca/files/cov/chinatown-economic-revitalization-strategy.pdf>

Imagine if Chinatown no longer existed. Those shops stacked high with winter melon like mini Zeppelins, heaps of dried mussels and cucumbers, butcher shops with crinkly Chinese sausage dangling from green string and bright pink BBQ pork, ginseng, tea – all of it gone, replaced with chain stores and high-end supermarkets.⁴⁹

New restaurants, locally owned independents for that matter, have indeed been opening up in Chinatown and with much fanfare, but so too have those bank chains and international retail brands, claiming the storefronts where the heaps of dried mussels and cucumbers and ginseng tea were once seen. Kerry Gold's thought exercise is, depending on whom you ask, slowly, or rapidly happening in Chinatown.

In response to these changes several public town hall meetings were held between 2015 and 2017 specifically decrying the impacts of higher density development in the area, and the displacement of local serving independent stores that serve vulnerable populations (Fung, S., 2016). As both a graduate student researcher and a municipal planning employee I attended most of these and listened to speakers, or in some cases participated on the panels exploring the trends and the concerns.⁵⁰

⁴⁹ Losing Chinatown, bit by bit, Kerry Gold, *Globe and Mail*, December 2016 accessed at <http://www.theglobeandmail.com/real-estate/vancouver/vancouver-chinatown-threatened-by-development-anddemographics/article33351575/>

⁵⁰ One such panel held at Chinatown's Dr. Sun Yat-Sen Garden in 2016 was comprehensively documented by local Community Economic Development enthusiast and past Toronto Mayoral Candidate Himy Syed <https://twitter.com/i/moments/824007483756687360>

Chinatown and Vancouver's DTES are not alone in terms of resident concerns over the impacts of development occurring along Main Street. The Rize development off Main and Broadway in Mt. Pleasant⁵¹ and the Little Mountain Development at Riley Park⁵² are two other examples of mixed-use developments that residents feel dramatically impact the character of these areas.

We will now move on from the examination of media discourse and authoritative documents from government and other sources to explore theoretical explanations from academic examinations of retail gentrification.

⁵¹ Mount Pleasant residents fight development proposal, *CBC News*, Feb 26th 2012, accessed at: <http://www.cbc.ca/news/canada/british-columbia/mount-pleasant-residents-fight-development-proposal-1.1241637>

⁵² Residents oppose 12-storey buildings in Little Mountain redevelopment plan, *Vancouver Sun*, February 1st 2013 accessed at: <http://www.vancouversun.com/business/residents+oppose+storey+buildings+little+mountain+red+velopment+plan/7907467/story.html>

Chapter 2 A Deeper Examination of the Literature

2.0 Retail Gentrification

Gentrification research presents a picture of neighbourhoods as a front in both class and culture wars as urban streets and neighbourhoods are idealized and even fetishized for their edginess (Douglas, 2012), bohemian charm and diversity (Florida, 2008) and perceived authenticity (Zukin, 2009). These neighbourhoods are territorialized and sanitized by waves of settlement and investment. This drives up rents and drive out existing residents, along with the businesses and institutions they rely on. (Betancur, 2011).

This 'up-scaling' and remaking of urban communities through the arrival of boutiques and chain stores is driven by both market forces and state-sponsored revitalization initiatives and is indicative of a neoliberal logic that "...works against the interests of long-term low-income residents" and is driven by a global financial sector as well as local actors like Community Development Corporations and Business Improvement Districts, resulting in inequality and rising commercial rents (Zukin, 2009, Pp49, 59).

Betancur (2011) similarly contends that even if gentrification is not displacing residential communities outright, that it results in significant damage to the social fabric and the erosion of local institutions, while encouraging conflicts and tensions within affected communities. It is a destabilizing force in lower-income people's lives in particular, people who are more likely to be "fixed in place" (p387) and rely on place-based social fabrics that take years to build up, but can be quickly dismantled by rapid "place shifts" (p397). Research by Ruiz, Hernández and Hidalgo (2011) similarly shows that while place identity can be something people relate to quickly, the deeper sense of place attachment is something that takes longer to build up (p212).

Building on Smith and Zukin, Gonzalez and Waley (2013) examine tensions around a publicly owned market in Leeds, facing pressures to adopt what is considered a neoliberal standard of aesthetic and operations that runs contrary to the use value it creates for lower income locals (p696). This pointing either to the local government misunderstanding the important role these old-style open markets play in communities (p968) or to them viewing them as an obstacle to “an emergent strategy of gentrification” and neoliberal makeover of The City (p969).

In addition to government documents their research incorporates other forms of empirical evidence, industry documents on markets and news reports, to conduct a discourse analysis of the ways in which the neoliberal argument for Kirkgate Market’s upscale transformation as a “frontier space” is made. This being part of a broader vision of an entrepreneurial urban “renaissance” of Leeds as it climbs the ladder of social status among British cities (p973). This “urban renaissance” logic is also noted by Davidson and Lees (2002) when examining new-build gentrification in older industrial areas.

Kirkgate Market serves as a case study in how the process of gentrification, in particular a form of state-sanctioned gentrification driven by neoliberalism, remakes urban spaces with disregard if not disrespect for cultural differences that can be considered messy, dirty, chaotic and otherwise distasteful according to the qualities and sensibilities seen in upscale boutiques and reputable chains. Re-enforcing the observations of Smith (2002) that retail gentrification is a strategy that serves the needs of capital, as it is assisted by neoliberal governments to reproduce space, taking precedence over the social reproduction of space by residents and merchants in communities –messy as it may be.

A question that arose during this research is whether governments in North American cities similarly misunderstand, or overlook, the important role that older building stock plays in engendering unique and diverse retail cultures – Vancouver being a case in point. Here we are not talking about heritage building stock, but that dumpy, run down, second rate, out of date building stock from three, four or five decades ago that can often be where more affordable lease rates are found. The logic of urban property assessment dictate that these eras of built form are waiting to become “highest and best use”. The expectation that the site will be developed to its maximum revenue generating potential.

To this end, questions of the contemporary role of assessment authorities, in this case BC Assessment, factored into discussions with those interviewed in the case studies examined on Main Street. The “highest and best use” in a financial sense might very well be a mixed-use development with an international chain store on the ground floor, but what if in the minds of thousands of residents who live nearby that site the “highest and best use” is in fact small independent businesses that provide the goods and services they need? Particularly if there are culturally specific shopping needs relating to language or diet. Local government and assessment authorities appear to overlook the use-value of current ‘class C properties’ in the context of the real economy and of neighbourhood culture, and the role they play in hosting independent small businesses that shape either. A premium is instead placed on highest-best use and what the building could in theory be based on the maximum developable potential of it.

The needs of capital are prioritized over the needs of community in the logic of urban development right from the very start if the assessment formula is strictly established along a single-bottom-line that excludes culture and social impact.

2.1 Social reproduction, identity, and authenticity

In addition to retail gentrification being examined in a class and political economy context by Smith, Zukin, Betancur, Bridge and Dowling and others, the commercial-retail aspects of neighbourhood gentrification have been considered in the context of race (Bridge, 2006, Sutton, 2011, Sullivan and Shaw, 2011) and culture, (Bridge and Dowling, 2001, Douglas, 2012, Zukin, 2009). It has been examined in the context of small businesses as important quasi-public social spaces (Kuppinger, 2014, Mehta, 2011) or a form of amenity similar to the types of public goods that government provides that contribute to quality of life (Meltzer and Schuetz, 2012). It has even been examined in the context of Neighbourhood activism to protect identities, preferences or needs (Lavin, 2003). So despite being relatively less studied than the housing and settlement related aspects of gentrification, it has nonetheless been approached from a diverse range of perspectives exploring the social reproduction of space.

Bridge & Dowling (2001) *Microgeographies of Retailing and Gentrification* provides a key pillar of both this literature review and this research's methodology. Bridge and Dowling begin with the question of "whether the retail spaces of gentrified neighbourhoods are geographically distinct" by looking at four different inner-city neighbourhoods in Sydney, including Newton, Glebe, Rozelle, and Balmain. In these four neighbourhoods they perform a semiotic examination of things like menus, shop names, forms of architecture and advertising/marketing that comprise the "aesthetic and symbolic dimensions" of retail (p98).

Bridge & Dowling contend that the differences from neighbourhood to neighbourhood observed via the cultural, generational and lifestyle signals that these small businesses communicate supports the theory that these microgeographies of retailing are indicative of two

trends. Firstly, that landscapes of consumption are becoming increasingly localized and secondly that they rely on production of 'authenticity' which lends itself to the cultural reproduction of urban identities along class and even generational lines (p105) I found their primary observations of signage, menus and other indicators in the four neighbourhoods resonating with my research as they have couched small business, and retail in particular, within neighbourhood identities that are reflective of individual consumption patterns. These consumption patterns are intimately bound up in identity and the reproduction of culture and lifestyle.

In the case of Vancouver, a recent study by the Hua Foundation employs a similar semiotic examination of stores but similar to this thesis it uses Google Street View Archive analysis. The study highlights the loss of what has been termed "cultural food assets" in Chinatown, a description of the findings offered by the Hua Foundation details the displacement trends from 2009 to 2016:

50% of Chinatown's fresh food stores—greengrocers, fishmongers, barbecue meat shops, and butchers—have been lost between 2009 to 2016. Thirty-two percent of Chinese dry goods stores, and 56% of food service retailers that were in operation in 2009 have also been lost during the seven year timeframe. (Ho and Chen, 2017, p8)

The report lists four key factors in the decline based on interviews with the displaced merchants. These included Chinese businesses moving to other parts of the Lower Mainland to serve a more spread out consumer base, dramatic increases in property values in Chinatown, changing socioeconomics (i.e gentrification) and a lack of succession planning & continuity (p26)

SUMMARY OF DATA RESULTS

Below is a summary of our survey results. A comprehensive list documenting the change in Chinatown retailers between 2009 to 2016 can be found in Appendix A.

Business Type	Number In Operation		Number Lost	Percent Lost
	2009	2016		
Greengrocers	11	5	6	55%
Fishmongers	5	2	3	60%
Barbecue meat stores/Butcher shops	8	5	3	38%
Chinese dry goods stores	31	21	10	32%
Food Service Retailers	36	16*	20	56% ^{***}

* of the 36 in operation in 2009
 [***] Due to the absence of baseline data, this figure does not include the change in food retailers in the Chinatown Plaza cafeteria.

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Figure 13 Hua Foundation data results, Chinatown Food Security Report (Ho and Chen 2017) the study identifies small businesses as "Cultural Food Assets" which have declined precipitously in the past several years due to a number of factors

The Hua Foundation report emphasizes the integral role these small businesses play both in terms of the functional dietary needs of nearby residents but also the sense of place, local culture, and history of Chinatown that they embody.

2.1.1 The City, somewhat private and somewhat public

What is a City For? Asks the title of Dr. Matt Hern's new book (Hern, 2017) in which the bedrock concept of private property and home ownership is identified as a foundational logic to the global trend of urban displacement gripping cities like Vancouver. There exists a dichotomy between cities perceived as essentially public or essentially private places, and the relationship between people and capital and the institutions that mediate them. From Henri Lefebvre's *right to the city* (Lefebvre, 1968) employed by Sharon Zukin, Neil Smith, David Harvey and other critical theorists, to the more depersonalized research of

Byrne or Freeman and Braconi.⁵³ The latter presents the city as a site of constant economic transformation and natural dynamism, echoing the concept of the city as a Growth Machine (Logan and Molotch, 1987) in which both industry and government drive changes in the interest of capitalist growth and development. This broad overarching dichotomy is reflective of the nuance of small businesses as being both essentially private and public spaces and both representing a reproduction of space bound up in both local social relations and access to capital. On one hand agents of capitalism, and on the other hand sometimes being historic signifiers of racialized or stigmatized populations who over time came to form communities that have endured.

Between these contradictory visions of *The City* as public and as socially or communally reproduced, and *The City* as economic and reproduced by capital and political power, sit small businesses as quasi-public spaces, cultural and ideological symbols, functional pieces of the social fabric and local economies of communities; both the good guys and the villains of neighbourhood gentrification, both the catalysts for and victims of revitalization. Described by some researchers as the “third space” between places of residence and places of work (Jeffres et al. 2009) they are liminal spaces of social reproduction and chance encounters that enliven streets (Mehta, 2011) places where cultural

⁵³ Originally published in French in 1968 Lefebvre’s work has been translated into an English edition by Eleonire Kofman and Elizabeth Lebas in their 1996 work *Writing on Cities Henri Lefebvre*, Blackwell Publishing, Oxford. Chapter 14 of that work (The Right to the City pp147-159) deals particularly with Lefebvre’s central premise that long-term social reproduction of the city demands a central *right to urban life* (p158) such as previous rights that have been fought for in the ongoing attempt to create a more complete set of ideal conditions in which working people live, play, create, explore and make sense of their world through interaction, socialization, symbolism etc. This constitutes a new praxis or social reproduction of society with and through the urban form and urban experience of inhabitation. The project being both utopian and revolutionary in scope and aim. Lefebvre’s 1974 *la production de l’espace* builds on many of these themes with a particular focus on the struggle against hegemonic domination of space by capitalist elites and the ability of people to socially reproduce space across ‘fields’ both physical and metaphysical through praxis and a sense of orientation. See Donaldson Nicholas Smith (1991)

mixing and discovery occur (Kuppinger, 2014) just as cash may exchange hands.

As these Janus-like institutions they occupy a place of incredible tension, transformation, and contradiction in the discourse of and in the actual material process of gentrification. It is one that is worthy of closer examination, particularly when as Storper (2000) suggests “Consumption and consumerism provide one way to understand the connections between what economists say about the economy and how the rest of us feel about it and the politics that we engage in about it” (p376) If one could sum up what this means in a neighbourhood retail context, a business is not just a business. A business can be a symbol of resistance, a place of refuge, a signifier of place, a gathering place of importance to a community, as residents engage in the politics of identity through consumptive choices. Take away those choices, and it becomes clear why the loss of businesses in community has resulted in protest and anxiety. It limits the ability of one to socially reproduce and to feel a part of an authentic body of community, however overtly political or simply public, this choice may be.

2.1.2 Authenticity, identity, and gentrifying “logics”

There appears to be a psychology to gentrification that is driven by different “logics” behind the decision-making processes of politicians or corporations, as per the Growth Machine City or the Neoliberal City, or more recently, Florida’s Creative Class City. Self-aware individuals themselves make decisions to locate and relocate, divest or invest, based on considerations of cultural capital and class reproduction (Bridge, 2006, 1976), ideologies (Douglas, p3580) or the exchange value of property (Betancur, 2011, p394). Normative logics within the economy, within cultures and generations, and public policies are all potential drivers of gentrification and retail gentrification. From planning and development guidelines, to tastes and trends, normative

logics support both the social reproduction of space and place and their reproduction by capital. In some cases these may not be logics in the rational sense, but desires and yearnings that become bound up in places. Like the desire to experience something authentic, or real, over something inauthentic and formulaic.

Sharon Zukin's work on gentrification and retail gentrification in particular employs authenticity as a theoretical tool for examining social and cultural forces at play within neighbourhood businesses. Zukin uses authenticity as a theoretical framework through which to observe retail gentrification phenomena and processes. Cited by Bridge (2006), Gonzalez and Waley (2012), Kuppinger (2014), Douglas (2012), Sullivan and Shaw (2011) and many others, Zukin emphasizes that authenticity has seven *virtues* as a tool for analysis. According to Zukin (2009), as a tool for critical analysis the concept:

...directs attention to culture as well as political economy in the development of global urbanism; it connects to the pervasive modern search for sources of 'real' identity; and it reflects concerns with changes in urban experience, as well as with physical displacement in the built environment" (p543).

In defining this theoretical concept she references Walter Benjamin (1968) and the English publication of his 1936 *Das Kunstwerk im Zeitalter seiner technischen Reproduzierbarkeit* or "The Work of Art in the Age of Mechanical Reproduction". This is a dialectical materialist examination of copying and other forms of technical reproduction, which at this time through film and photography were becoming more prevalent in society. One of Benjamin's central theses in the paper is that when the original is copied something is lost, a sort of 'aura' that degrades the value of it as it becomes lost in time and place, ubiquitous, perhaps even reduced to frivolity, the nature of our relationship to that thing is completely changed. There are particular social and political moments that art is bound up in, and/or that are bound up in art. To copy it is to reduce it to a consumer good and lose

the soul of the piece imbued by the creator and the traditions they inherited or were taught in order to create it.

One could level the same criticism on chain stores as copies of originals. Starbucks is not the café in London or Paris where lively discussions that propelled the enlightenment forward began, Wal-Mart is not the small town mom and pop hardware store that ran tabs for locals, the formulaic Irish pub chains are not the public houses in which the Irish War of Independence was birthed under the djinn of rebel songs, but they all project elements of the original that seek to capture the value of the real and the authentic as their selling features. On their own they may be inauthentic but also inoffensive, it is when they seek to replace 'the authentic' in community that residents and independent merchants alike appear to join in rally cries of opposition.

Zukin takes this premium on authenticity and infuses it with the urban form and the rights of lower income people to essentially place-make, as per Henry Lefebvre's notion of the 'right to the city' (2009, p544). However, Zukin posits, authenticity is more often than not used in accordance with Bourdieu's observations of cultural capital, a form of cultural gatekeeping that defines the best form of culture for an area based on tastes and preferences rooted in class i.e. gentrifiers who seek "'real' places, 'real' experiences', and 'real' self" (p545) through tourism and cultures of consumption. To this end a form of 'hegemonic global urbanism' destroys the 'real' culture of cities and communities by homogenizing the urban landscape, creating a form of 'sameness' that creates an urban reflection of cookie cutter suburbs. This rapid hegemonic change creates a crisis of identity where the loss of authenticity impedes our ability to understand our own 'real' identities (p545). This idea of 'authenticity' helps to define the concern articulated in communities about the loss of identity, experienced via the loss of independent local businesses, which are replaced by less-authentic if not inauthentic 'formula' businesses. The latter a reflection of capital

and not social reproduction, though they may have the trappings of some original business created in a real and authentic social context.

The crisis of identity and neighbourhood change is similarly present in Douglas' examination of the nascent process of defining what he observes as "Edgetown" (Douglas, 2012) where urban pioneering in a West Chicago neighbourhood is driven by ideological and cultural push-pull factors to capture or recapture some form of idealized authenticity just on "the edge" of other "cool neighbourhoods" like Wicker Park, a romanticized frontier place that isn't passé yet, still undefined and malleable, still full of promise, not sullied by mainstream popularity and mediocrity (Pp 3586,3587). His conclusion is that these "urban hipsters" are essentially engaged in an entropic and self-defeating pattern of trying to re-claim an idealized form of community that directly leads to their own displacement thanks to the role they play in making these areas safe for more mainstream forms of gentrification (p3590). This reduces them to a form of nomadic colonizers that Douglas compares to a roaming form of "strip mining" (p3591) only temporarily satiated, fleeting, never fulfilled, in a perpetual cycle of creative destruction where normalcy and mediocrity eventually and inevitably reign supreme and the settlement is relocated to find that ideal sense of community on the frontier. The search for something authentically new and exciting being the driving logic. Or driving desire as it may be.

This struggle against homogenization and subsuming of identity is bound up in activities like people organizing against the opening of chain stores in their communities (Lavin, 2003) or cross cultural hybridization of ethnic and western cultures to make uniquely local colloquialisms, foods, and random encounters with the Other (Kuppinger, 2014, p154). Another example is found in the opposition to the Brooklyn Academy of Music's Cultural District Plan by the Bogolan Heights Merchants Association. This in response to having a form of

institutionally legitimized culture imposed on their area when after years of organizing, small business owners had organically cultivated a neighbourhood character rooted in the local African diaspora community's presence there (Sutton, Pp366,367). It is a struggle of communities to retain their authenticity, their 'real self', amidst the projection of the fabricated and idealized authenticities of neoliberal capitalist gentrifying logics.

2.2 Retail Gentrification as a Cause of Public Anxiety

As we've seen from the neighbourhood promotional literature, the City of Vancouver, bodies like Tourism Vancouver, and the local Business Improvement Areas along Main Street all tend to focus on uniqueness, historical identity and diversity as neighbourhood strengths. The anxiety about the loss of businesses in Vancouver that embody these qualities echoes the narrative seen in the broader gentrification discourse both academically and in blogs or media. As Sutton (2010) emphasizes

Although the rhetoric of urban appeal is linked to diverse land uses, novel shops, and an amalgam of independent identities, absentee retailers and the proliferation of chain stores have become reality for many neighborhoods. (p367)

The emerging public discourse in Vancouver echoes similar narratives found in New York, San Francisco and numerous other cities where words of terminal emphasis like "vanishing" "survival" "disappearing" and "loss" describe the impacts and implications of small businesses being displaced from community serving retail areas as cities experience commercial gentrification and homogenization. This is reflective of what Neil Smith describes when writing about Neoliberal Urbanism and its effect on the reproduction of urban space:

...the new revanchist urbanism that replaces liberal urban policy in cities of the advanced capitalist world increasingly expresses the impulses of capitalist production rather than social reproduction (2002, p426)

The process is anecdotally expressed in Vancouver's news media and blogs, similar to New York's, San Francisco's and other cities. Condos and townhouses are built in 'up and coming neighbourhoods' or old neighbourhoods with cache. Land values, lease rates and taxes soon increase, existing housing is replaced, existing merchants displaced, and with it communities of people unable to afford the new housing stock are pushed out of their communities or left feeling that they remain but the rest of their community has been pushed out.

Whether it is historically ethnic enclaves like Canadian and American Chinatowns, or the disappearing 'gaybourhoods' that rose in cultural and political solidarity within the long-stigmatized queer community, the sense of loss from rapid transition is profound. As a recent New York Times article explores, whether it is Castro in San Francisco or Capitol Hill in Seattle, the unique authentic cultures that have been established over time, and unmistakably represented by retail businesses catering to community needs and wants, are being rapidly undone by an influx of urban investment. This has been described as the "straightening" of these LGBTQ established places.⁵⁴ This echoes the 'whitening' of racialized inner-city communities through investment⁵⁵.

As the high end boutiques and national brand chain stores populate spaces, small businesses in these commercial areas are no

⁵⁴ There Goes the Gaybourhood, Scott Jame, *New York Times*, June 21st 2017 accessed at <https://www.nytimes.com/2017/06/21/us/gay-pride-lgbtq-gayborhood.htm> |

⁵⁵ What will happen when Harlem becomes white? Rose Hackman, *The Guardian*, Wednesday May 15th 2015 accessed at <https://www.theguardian.com/us-news/2015/may/13/harlem-gentrification-new-york-race-black-white>

longer *socially reproduced* by those living in the community. Space is reproduced increasingly by capital, and by those with control over it and the finance it requires to mass itself in place. Communities affected by the influx of capital in turn feel anxiety and a sense of loss, which becomes publicly expressed.

In the case of Vancouver, there appears to be an emerging public perception that there is a direct correlation between new mixed-use development, displacement of small independent businesses, and retail homogenization in particular.

While rooted in some reasonable assumptions and plausible scenarios, the connections drawn between urban development or re-development, and small business displacement have not yet been supported by a rigorous analysis that probes deeper than surface observations of change in neighbourhood shopping streets where new mixed-use development has occurred. For example, a guest post by author Amy Robinson on the blog of a past City Councilor and former Director of the SFU City Program, Gordon Price, photo-documents the phenomenon and draws a connection between density and loss of small businesses (Amy Robinson "Will Densification Bring an End to Independent Business in Vancouver?" *Price Tags*, Monday January 25th 2016) the article begins with:

Our unique neighbourhoods and local business community are at risk of gentrification in the race to densify our housing stock without including better planning for ground floor retail spaces.⁵⁶

⁵⁶ Full blog post available at <https://pricetags.wordpress.com/2016/01/25/will-densification-bring-an-end-to-independent-business-in-vancouver/>

Another article from the Vancouver Sun published in June of 2016 quotes a local business owner who states that:

These rents push the smaller stores out. It's just the chains and higher-end stores that can afford rents like that...it's sad because it does change the neighbourhood when the smaller stores are forced out.⁵⁷

This process of small businesses being displaced from communities is being observed in many cities, documented and communicated in great detail through blogs and online digital archive initiatives like Jeremiah's Vanishing New York, featured in the New York Times⁵⁸. In Vancouver a similar archiving initiative called Disappearing Main Street photo documents the change in retail culture in Mt. Pleasant.⁵⁹ The Disappearing Main Street photo-blog was referenced by a business owner and board member of the local BIA who was interviewed for this research. They emphasized that the photo-documentation of the loss of independent small businesses by the authors of the blog had spurred conversation about retail gentrification and development in the area. All of this invites a more rigorous analysis to go beyond observations and anecdotes and into a deeper examination of the mechanics of how land use and planning policies, flows of capital, and retail chain growth are resulting in anxiety inducing outcomes in urban communities experiencing these trends. Furthermore, it invites us to consider what can be done about it, particularly when such qualities as diversity and uniqueness are stated as desired planning outcomes and celebrated qualities of Vancouver's neighbourhoods.

⁵⁷ *Small businesses pushed out as Vancouver's commercial real estate gets redeveloped*, Kim Pemberton, June 3rd 2016, The Vancouver Sun, accessed November 14th at

<http://vancouversun.com/business/local-business/small-businesses-pushed-out-as-vancouver-commercial-real-estate-gets-redeveloped>

⁵⁸ "More Than Coffee: New York's Vanishing Diner Culture, George Belcher, New York Times, November 23rd, 2016 <http://www.nytimes.com/2016/11/23/nyregion/diners-new-york-city.html> Vanishing New York blog <http://vanishingnewyork.blogspot.ca/>

⁵⁹ See Disappearing Main Street Blog at <https://disappearingmainstreet.wordpress.com/>

As municipalities like Vancouver respond to housing affordability challenges perhaps it is worth considering the rising anxiety about retail displacement and what can be done in tandem to support communities with the range of retail assets, or amenities that functionally and culturally support social networks and sense of place.

2.2.1 Neighbourhood businesses, somewhat private and somewhat public

The anxiety over loss of independent small businesses in communities suggests that they are more than simply economic units providing goods and services in a market. They embody the culture and community of a place, whether that be a Chinatown, an urban 'gayborhood' or another organically forming area that has established an identity over time. In this regard the streets in which local small businesses are found are as Mehta (2011) says "one of the most important types of public space in both Western and Eastern cultures" (p272).

Kuppinger (2104) examines the role of multi-ethnic businesses on NStreet in the German city of Stuttgart as she makes neighbourhood stores and shopping streets "...sites of urban experiments and cultural beginnings which produce new authenticities in the face of rapid homogenization" (p140) Kuppinger examines N-Street as a case study in authentic urban place making with a focus on immigrant entrepreneurship and how it came to hybridize over-time with the mix of residents in the area reflected in the small businesses that served them. Social reproduction of space as embodied by immigrant diaspora and the retail shops catering to their diverse needs and tastes.

Multiple businesses are observed by Kuppinger, all of them owned and operated by waves of immigrants that formed communities in the neighbourhood of N-Town over generations. Over time these

businesses began to hybridize cultures in a way that was particular to the mix found on N-Street (Pp 151-152) In summary Kuppinger states that “While the economic aspects of neighborhood businesses are crucial, as they provide livelihoods for owners and goods and services for customers, their social and cultural contributions make them unique and indispensable elements of a 21st century cityscape” (p152)

The imprint of Neil Smith’s writings on “Neoliberal Urbanism” and Sharon Zukin’s ideas regarding “Authenticity” are evidenced in the research of academics like Kuppinger who parse out the nuances of small businesses in processes of neighbourhood change. Research by Gary Bridge on neighbourhoods and cultural capital and by Gary Bridge and Robyn Dowling on the Micro-Geographies of Retailing and Gentrification also grapple with extra complexities once one agrees to see businesses in neighbourhoods as more than economic actors serving a rationally self-interested homo-economicus. With this in mind resistance to chain stores on the part of both independent small businesses, residents, and local government find sets of logics that draw on the role of businesses as quasi-public spaces and signifiers of culture and place.

These logics appear to ring true in planning policy. This includes the City of Vancouver’s ‘CityPlan’, which in 1995 resulted in a vision for Vancouver as a “City of Neighbourhoods” with directives to ensure land use and planning activities “Strengthen neighbourhood centres” and “Define neighbourhood character”⁶⁰. Today local shopping streets continue to play a central role in this work as evidenced by the emphasis placed on them in recent community planning efforts. The Grandview Woodland Plan (2016), West End Plan (2013), Downtown

60 See City of Vancouver City Plan_

<http://former.vancouver.ca/commsvcs/planning/cityplan/cityplan.htm>

Eastside Plan (2014) and Mt. Pleasant Community Plan (2014) all explicitly recognize the need to retain the diverse mix of small businesses on local shopping streets that serve specific local needs, and contribute to the distinct identity and “vibe” of these neighbourhoods.⁶¹ Now that we have established how retail gentrification has been problematized we will undertake a deeper examination of the academic literature on it.

2.2.2 New Build Gentrification

There have been successive waves of gentrification over the past century. The etymology of the word gentrification stems from ‘The Gentry’ that upper-middle-class strata of society with power to invest and relocate into communities that with minimal improvement,

61 Regarding the important role that Commercial Drive plays as the local shopping street for Grandview Woodland, The Plan states that: The plan recognizes the energy, the identity and “the vibe” that is “The Drive”. It ensures that this unique character will remain vital into the future. It seeks to do this through four planning directions (Grandview-Woodland Community Plan Summary and Highlights p2 accessed at <http://vancouver.ca/files/cov/grandview-woodland-community-plan-summary-highlights.pdf>

The West End Plan protects key local shopping streets from impacts of residential property speculation by re-emphasizing the role of commercial lands in the Metro Core Jobs and Economy Land Use Policy and allowing for additional height and density in the three Village Areas (Lower Robson, Davie Street, Denman) for commercial, retail, hotel and office. (West End Plan, Chapter 13 Local Economy, p90 accessed at <http://vancouver.ca/files/cov/west-end-community-plan.pdf>

The Lower Main Design Framework, part of the Mt. Pleasant Plan, states the goal of aiming to “improve the public realm through redevelopment; foster civic life and placemaking towards a distinct local identity” see <http://vancouver.ca/files/cov/mount-pleasant-community-plan-implementation-package-3-lower-main.pdf>

The DTES Plan’s Chapter 10 (Local Economy) lays out a number of policy directions in order to retain local serving businesses and specifically low-income serving businesses. DTES Plan Pp 109-120 accessed at <http://vancouver.ca/files/cov/downtown-eastside-plan.pdf>

a new coat of paint, a new fence, has houses with an attractive classic charm. Bounds and Morris (2006) describe the first wave of gentrification in Australia:

First wave gentrification typically involved the revitalisation of 19th century housing by young professionals seeking to capitalize on the depressed values of inner working class areas. (p107)

Bounds and Morris (1991, 2001) cited in Wyly and Hammel (2001) observe that over the decades other successive waves of gentrification have since occurred on brownfield, waterfront and industrial lands, aided by government support of developers. The first wave occurring between the 1950s and 1970s was aided by urban renewal policies, and was largely owner-occupier led. After the economic stagnation of the 1970s set in, a second wave was seen in the late 1970s and ran until another economic disruption in the 1990s. Here and then local owner-occupiers are still agents of gentrification but speculative developers have begun to play more of a role. This is occurring around the time that global foreign direct investment was being aided by national and supra-national state actors and public-private-partnerships that help to "internationalize" real estate markets. The third and current wave of gentrification identified by Wyly and Hammel observes that patterns of development have moved beyond neighbourhoods where larger developers are aided by the state, which acts to facilitate development (p218). This brings us to new build gentrification, taking place on these areas which are not necessarily neighbourhoods but nonetheless can have impacts on those in adjacent neighbourhoods.

Some have debated whether new-build gentrification should even be considered for inclusion in the gentrification discourse as it has been argued that it does not necessarily displace existing communities the same way that inner-city neighbourhood redevelopment and investment does (Lambert and Boddy, 2002, Boddy, 2007, Butler, 2007b, Buzar et

al., 2007) this however is refuted by Davidson and Lees (2009) who draw on research conducted in an adjacent stretch of geography to Vancouver's Main Street, Fairview Slopes, by Caroline Mills in the late 1980s and early 1990s. Davidson and Lees identify the type of development seen there and in other reclaimed industrial waterfront areas in the latter half of the 20th century as serving as a blueprint for the emerging global neoliberal urbanism that continues to become more ubiquitous and recognizable in cities.

Davidson and Lees (2009) reassert the position by Smith and Zukin and others that new-build development in inner cities is in fact a form of gentrification and not 'reurbanisation' or 'residentialisation', terms that they note some academics (Lambert and Boddy, 2002, Boddy, 2007, Butler, 2007b, Buzar et al., 2007) had begun employing, refuting that this type development displaced lower-income residents. In making this case Davidson and Lees examine Caroline Mills' work (1988, 1989, 1993) researching Vancouver's Fairview Slopes, an area close to our study site that went through transformations in the 1980s. Rather than emulate common tensions over social reproduction of space observed by gentrification researchers in communities, Fairview Slopes displays a new type of 'conformity' that has become internationally *ubiquitous* "a gentrification blueprint that has become the leading edge of neoliberal urbanism" (p397 citing Lees et al., 2008). Three decades later the forms of urban waterfront redevelopment that it purportedly seeded have come home to roost in the form of mixed-use development along Main Street and adjacent to it in the False Creek Flats portion of the Main Street corridor just between Chinatown and Mt. Pleasant.

Davidson and Lees note that new-build development on the Thames River in old industrial areas has displaced people and significantly changed the population demographics through "social mix". As indicative of 3rd wave gentrification's attributes noted by Wyly and Hammel this new-build development has been sometimes state driven

or by corporate developers supported by the “New Labour” government’s “urban renaissance” policies which drive redevelopment along neoliberal logics (p404). In the end, the effects of new-build gentrification go beyond simply adding new housing for higher income earners in blue-collar neighbourhoods and industrial employment lands, they constitute a total shift in the nature of place, and the sense of belonging that blue-collar working-class people experience through the “...forced disconnection from familiar place and the (phenomenological) relocation into a new urban social context” (p406)

This is reminiscent of John Betancur’s analysis of gentrification in Chicago’s Latino communities and the difficulties faced by lower-income people as being “fixed in place” (p387). Betancur’s research reveals how these local community systems take time to build up, but can be rapidly dismantled by “place shifts” (p397). Added to this is the historical importance attached to place in regards to racial struggle, and identity (p386) which also echoes Davidson and Lees’ findings that working-class residents interviewed experience both physical displacement but also a psychological displacement through the loss of place-based identities that new-build gentrification erodes (p408). In this regard gentrification can be considered cultural in terms of its impacts on race but also in terms of class, with different forms of culture, for example ‘working class’ culture being impacted by the dramatic changes in built form and the social, economic, and cultural implications this has.

2.2.3 Businesses as both the victims and villains in retail gentrification

In terms of businesses themselves, being viewed as symbolic, economic, cultural, social and ideological actors, they appear to occupy different spaces along a continuum. On one end are Kuppinger's local hair salons and restaurants of N-Street that bring together people of different ages, cultures and races in as small neighbourhood institutions (Kuppinger, 2014) and Vikas Mehta's 'Main Streets' and other neighbourhood commercial streets where small businesses contribute to making the permeable zones of sidewalk, window, door and the animated spaces where exchange, exploration and socialization takes place (Meta, 2011 p272). Sutton (2010) parses out nuanced tensions between different generations of merchants themselves as she focuses on the efforts of African diaspora merchants in Fort Green Brooklyn to illustrate how small business owners at times perhaps even "wittingly and inadvertently...cultivate civic capacity, influence business location decisions, and shape retail mix" (p353)

Then slightly more critically we have Bridge and Dowling's *retailing micro-geographies*, neighbourhood shopping areas that serve as reflections of consumer identities along class, generational and even gender lines (2001, p105) places extracting a "gentrification premium" (Bridge, 2006, p724) from those prepared to pay to access and reproduce cultural capital contained within neighbourhood businesses, architecture, and other aesthetic or semiotic qualities. As Bridge puts it

The gentrification frontier is a boundary of socially legitimised taste of the new middle class that is valorised in the built form of the city. (2006, p722)

Then more critical still we have Douglas' Edgetown entrepreneurs and hipster residents who push the frontier of gentrification like nomadic strip miners (p3591) and Zukin's boutiques that "...become a stalking horse for long-term residents' fears of displacement" and chain

stores that “disrupt social bonds” (Zukin et al. 2006, p48). From all of this it is clear that businesses play both the hero/victim and villain/victor in the discourse of neighbourhood retail and commercial gentrification, but this appears to depend on who owns them, and where and when they own them. Local small business owners who have real or perceived authentic connections to the communities in which they operate or corporate chains that presumably have external connections to a corporate parent, and a distant head office with no such authentic connections to that community.

With this in mind there are examples of businesses themselves mobilizing against other types of businesses in order to defend communities, like the Bogolan Merchants in Brooklyn or the “Keep Portland Weird” campaign⁶² both of which highlight the role of businesses in creating culture and community. In the case of the Bogolan Heights it was that of an African diaspora nature, in Portland, more of an urban bohemian and counter-culture nature. It is an anxiety to defend, made deeper by rapidity.

2.2.4 Opposition to chain stores from independent businesses and others

An example of public anxiety in Vancouver cited earlier in this thesis is articulated by a pro-local-business advocate Amy Robinson, who is Co-Executive Director of LOCO BC an affiliate of the Business Alliance for Living Local Economies or BALLE.⁶³ Large industry associations like the American Booksellers Association and North American Retailer Association have contracted firms like Civic

62 See <http://www.keepportlandweird.com>

63 Amy Robinson, guest contributor to Gordon Price’s blog “Price Tags” is the Co-Executive Director of LOCO BC, a business to business capacity building non-profit that supports a number of buy-local initiatives and conducts research into trends in the independent small businesses sector/community. www.locobc.com

Economics to advance the cause of supporting local independent businesses over corporate chain stores.⁶⁴

The Civic Economics methodology involves examining the financial books of independent small businesses to ascertain things like labor costs, profits, procurement of other goods and services, and charitable giving, in order to gauge how much money is generally re-circulated in local and regional economies by independent small businesses compared to corporate chain stores. Their research consistently finds that local independents re-circulate two to three times more money in local economies than their chain counterparts. As the introduction to Civic Economics' Home Sweet Home Study (2013), states

Independent businesses provide their communities with substantial, quantifiable economic benefits relative to their chain competitors, and modest changes in purchasing habits can produce meaningful impacts (*p1*)

The Civic Economics methodology for demonstrating/emphasizing the value of local independents over corporate chains may be fair game for criticism, looking at the books of a small sample size of businesses versus publicly available shareholder reports of large corporations could be criticized for being an apples to oranges type comparison. More forgivingly it could also be acknowledged as doing the best that the researcher can with imperfect data and imperfect methodologies. Either way, the problematization of retail chains from an economic perspective is not unwarranted. There is a body of research that points to a few

64 Work by Civic Economics includes reports like Thinking Outside the Box: A Report on Independent Merchants and the New Orleans Economy, The Urban Conservancy in partnership with Civic Economics (2009), Indie Impact Study Series 2013-2014, A National Survey, Re>Think Local: New York's Hudson Valley, Civic Economics, American Booksellers Association, ReThink (2014), Indie Impact Study Series, The Monadnock Region of New Hampshire, Civic Economics and Monadnock Buy Local (Fall 2014) and Home Sweet Home Study, Independent We Stand, North American Retail Hardware Association, Civic Economics (2013).

reasons why, including such things as capital leakages, when money 'leaks' out of the local economy to centrally managed bookkeeping, legal, payroll, or in-house consolidated supply chains that corporate chains utilize that are outside of a neighbourhood or region in which a location operates. Considering the rapid growth in corporate chain retail this is an argument worth considering. Then there is the concern of the growth of monopolies posed by major mergers, such as Amazon's recent purchase of Wholefoods or the aggressive growth of major chains.⁶⁵

The United States Department of Agriculture data shows that the top 20 grocery chains and large format retail food sellers (WalMart, Target etc.) increased from 39.2% of market share in the United States in 1992 to 63.8% in 2013⁶⁶. Similar trends appear to be occurring in Canada where large formula retailers have increased their presence in the Canadian retail market exponentially. This in turn has impacted supply chains, influenced consumer choices and preferences, and consolidated market share particularly among the largest corporate retailers in food, prescription drugs and general merchandising in particular⁶⁷

Not only has it been large American retailers who have penetrated Canadian retail markets but boutique chains like Starbucks have rapidly increased market share to the point where in 2014 there

⁶⁵ Amazon finalizes Whole Foods takeover, promises lower prices starting Monday, CBC News August 24th 2017 accessed at <http://www.cbc.ca/news/business/amazon-whole-foods-1.4260885>

⁶⁶ Accessed at <http://www.ers.usda.gov/topics/food-markets-prices/retailing-wholesaling/retail-trends>

⁶⁷ The Consumer Trends Report, Office of Consumer Affairs, Government of Canada, 2004, Chapter 2 accessed electronically at <https://www.ic.gc.ca/eic/site/oca-bc.nsf/eng/ca02096.html#fnb52>

were 40 Starbucks locations for every one million people in Canada⁶⁸ and with consolidated net revenues of over \$16 billion globally, the company had reported 19 consecutive quarters of growth.⁶⁹ “Notice that almost wherever you look, there’s a Starbucks on the corner?” starts a Globe and Mail article from May 2014⁷⁰. On Main Street three new Starbucks locations have occupied recently redeveloped sites, one of them on Main and Keefer in Chinatown, one in the newly built ground floor retail space at the Main St. Science World Skytrain Station, and the other at 12th and Main in a redeveloped single-use commercial building. This at the same time that economists are raising alarm bells about a potential decrease in economic dynamism - the entry of new businesses into markets and business churn rates or turnover that results in labor migrations and other changes (Hathaway and Litan, 2014, Decker, Haltiwanger, Jarmin and Miranda, 2015).

While highlighting the critique, the multiplier effect argument is not the central thrust of this thesis. It is used here nonetheless to illustrate again how businesses themselves can be engaged in resistance to retail gentrification and encroachment of chain stores, and the logics that underpin those actions. Economic impacts and circulation of money in local markets being one, monopoly formation and impacts on business dynamism being other potential concerns, and neighbourhood identity being a third kind.

Undertaking more rigorous empirical analysis of trends and case studies to better understand how local processes and policies connect

⁶⁸ Mappucino: A cartographic guide to Starbucks’ global domination, David Yanofsky, May 27th 2014, Quartz Magazine, <http://qz.com/208457/a-cartographic-guide-to-starbucks-global-domination/>

⁶⁹ See <http://www.businesswire.com/news/home/20141030006579/en/Starbucks-Reports-Record-Fourth-Quarter-Fiscal-Year>

⁷⁰ How Starbucks has conquered Canada, Michael Babad, The Globe and Mail, Tuesday May 27th 2014 accessed at <http://www.theglobeandmail.com/report-on-business/top-business-stories/how-starbucks-has-conquered-canada/article18865907/>

with those broader theoretical concepts like the neoliberal city, or intangible scales that a globalized real estate market presents, can hopefully help us better understand what is happening with retail cultures in our cities' neighbourhoods. With this we can hopefully begin to consider with more certainty what can be done about it to ensure that tenancy outcomes are aligning with the ideals we appear to hold of diverse, unique, distinct communities, as reflected in authentic local independent neighbourhood merchants and their culturally symbolic and socially reproduced shopping areas. With that we now turn to our empirical observations about the trends on Vancouver's Main Street.

Chapter 3 Empirical Observations of Main Street

3.1 The Methodology, its Strengths and Limitations

In examining Main Street's change over time, I employed a mixed-methods approach that in addition to a literature review, draws from:

- An analysis of policy and planning and neighbourhood promotion documents from the City of Vancouver, the Business Improvement Associations and authoritative sources like Tourism Vancouver. This was done to establish what kinds of desired planning outcomes were envisioned in communities, with a particular focus on how shopping areas and businesses were discussed in these documents, and what were understood to be the strengths of neighbourhood identities that these shopping areas are bound up in.
- An examination of various media in major cities experiencing retail gentrification similar to Vancouver, to compare the ways in which the local discourse was similar or divergent. This included mostly blogs and newspapers with attention to how they described retail gentrification and its impacts, particularly in terms of independent small businesses and chain stores and the implications for neighbourhood identity. This was done to question whether Vancouver's discourse on retail gentrification was similar to that of New York or San Francisco, which have both created, and are further exploring policies and programs to mitigate the displacement of local independent businesses. Examples include the Small Business Jobs Survival Act in New York⁷¹ or the Formula Retail regulations developed by San Francisco to preserve neighbourhood character as produced by small independent businesses.⁷²

⁷¹ <http://takebacknyc.nyc/sbjja/>

⁷² <http://sf-planning.org/chain-stores-formula-retail-use>

- A comparison of Google Street View archives from 2007 to 2016 to empirically observe the changes that have occurred in this time was then undertaken. A spreadsheet with images of every block's storefronts from 2007 to 2016 with detailed notes on the retail tenants including whether they were a local independent business or a chain store, vacant, or a clinic/pharmaceutical retail tenant was created. Occasionally no data for 2007 was available or the image quality rendered it unusable, in this case images from 2009 substituted. Over 1000 storefronts in total were examined and compared. These data were then compiled and entered into SPSS formulas where I looked for any statistically relevant trends through cross tabulations
- In order to examine the specific conditions on Main Street I then conducted semi-structured interviews that probed two case studies of mixed-use development. Through these two case studies I sought to delve deeper into the local factors, logics, policies and processes that lead towards the tenancy outcomes in those selected sites from a range of different perspectives. These included interviews with the developers of the sites themselves, and representatives from the City of Vancouver's Planning Department and local business community. The two sites chosen were both low-rise mixed-use development with national chains with one having a local/regional coffee chain, another common tenancy outcome in other mixed-use developments along Main Street. These sites served as examples of the prevalent type of low-rise development taking place on neighbourhood serving commercial streets outside the downtown core. Interviews revealed several factors beyond just financial drivers of development that drove these tenancy outcomes with the case study sites providing an entry point to discuss the general trends in Vancouver's development sector as it pertains to ground floor retail.

Each different method is intended to shore up a weakness or further support another method's line of inquiry. For example, a dashboard

examination of ground floor retail spaces does not tell us what pressures and logics contributing to chain stores taking up new CRUs, but interviews exploring the case studies and trends along Main Street more likely can. An examination of the discourse of anxiety and loss concerning retail gentrification does not tell us what desired planning outcomes have been established in neighbourhood shopping areas as constituent parts of neighbourhood plans, but an examination of plans and neighbourhood promotional literature alongside that discourse can.



Figure 14 The 600 block of Main St. 2009 where dozens of independent small businesses serving the local Chinatown community are promoted in bilingual signage

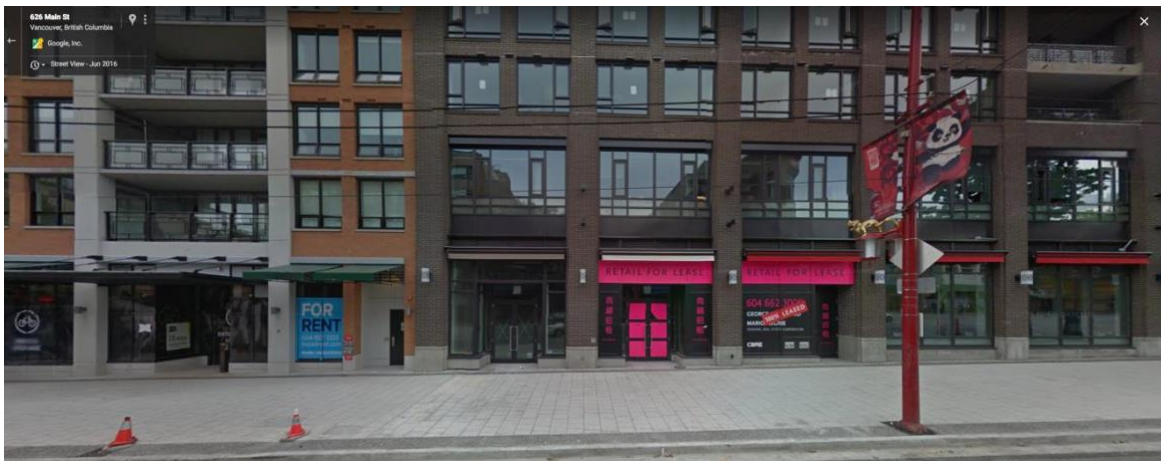


Figure 15 The 600 block of Main St. 2016 fewer businesses, and signage without Chinese language, replaced local service providers and retail merchants. These spaces as of 2017 now include a vegan pizza shop, two national bank chains, and Juke a boutique fried chicken restaurant.

3.2 Google Street View Archive Analysis

In order to go deeper than media coverage and anecdotal observations by community advocates and examine the change in retail culture over the past decade along Main Street, I sought a valid and reliable way to detect indicators of neighbourhood and retail change and by employing Google Street View Archives. Google Street View Archive was introduced in 2014 after more than a decade of development which saw it grow from a Stanford University project launched in 2001, to the platform the public now uses daily.⁷³ As an emerging observational tool in the social sciences it has been used academically and professionally, most often by criminologists and public health researchers to conduct “neighbourhood audits” (Vandeviver, 2014), and contributes to the methodological foundation on which this research has been built. Google Street View Archive does have limitations though, and in the case of data available for Vancouver’s Main Street, not every block had continuous archival images available. Where data from 2007 was not available, data from 2009 was used in lieu. It is also worth noting that the quality of the photographic technology differs dramatically from 2007 to 2009 alone, with images from the latter being of a much higher megapixel count and therefore much clearer and able to be expanded larger for additional finer grained inquiry.

Recent research has sought to better understand the use of Google Street View archives, what it is best suited to do and its limitations. A summary published in 2014 in *Crime Science*, an Interdisciplinary Journal, states that:

A number of public health studies have already looked into the opportunities that Street View offers for collecting data on the built environment, and confirm that audits using Street View imagery offer a convenient and reliable alternative to on-site audits” (Vandeviver,2014, p7).

⁷³ See <http://graphics.stanford.edu/projects/cityblock/>

A published study in the *American Journal of Preventative Medicine* by Rundle et al (2011) cited by Vandeviver put Google Street View to the test in conducting neighbourhood audits using the online tool and found that "Although items that are small or temporally variable may not be appropriate for Street View measurement, it is demonstrated here that Google Street View can be an efficient tool for collecting data on many physical and urban design characteristics that are important for neighborhood health studies" (p99). Where it performs poorly is with very small items, cigarette butts, gum etc., or sounds and dynamic moments.

This research also revealed another performance limitation. Google Street View Archive may currently be useful looking at a specific site or very small parcel of geography, but when piecing together a larger contiguous stretch of sites issues of data continuity present themselves. When choosing to view a stretch of street from 2007 or 2009 at times the software would arbitrarily choose a more recent image, in part because it appears images from 2007-2009 are not always taken at the same angle or at times data may simply be incomplete. For example, data from one year at the closeness optimal to make out the details is unavailable and one has to piece it together between different years by looking at the storefront features to tell if it is the same awning, window signage, sandwich board etc. Sometimes the images from 2007 in particular are such quality that one could only enter "nondescript business" into the spreadsheet. Thankfully there were less than 10 of these such sites, where "zooming in" the browser revealed there was a business occupying. They were labeled as such if signage was unclear.



Figure 16 Far left is a "nondescript" retail tenant from 2007 next to other more discernable tenants with clearer and larger awning signage

When conducting analysis of Main Street storefronts from 2007 it was sometimes necessary to search online for the identity of the business, or to see if there was any information available about a business that had since closed or relocated. In many cases switching to the 2009 frame provided a clearer picture, and where it was obvious that it was the same awning, signage, and retail tenant, 2009 checks were used to confirm 2007 tenancy. In looking at awnings, signage and built form I have taken a similar semiotic approach to looking at neighbourhood characteristics employed by Bridge and Dowling (2001).

A succinct description of the overall primary research methodology I employed includes a combined approach of conducting comparative Google Street View Archive neighbourhood audits with the type of semiotic observations made by Bridge and Dowling (2011) in their work on retail and neighbourhood culture. In addition to this, semi-structured interviews with decision-makers connected to particular development sites to probe into the decision making process, pressures, influences and logics that led to tenancy outcomes in these sites. Conversations with those interviewed from the business community, developers, and municipal planners moved between the specific details of the sites in question, and the sites as microcosms themselves of the broader trends in urban development and the particulars of retail tenancy.



Figure 17 The site furthest south on Main St examined, a single medical-pharmaceutical national chain store tenant takes up the entire ground floor commercial retail unit (CRU)

In total, just over one-thousand storefronts from 2007/2009 and 2016 along 44 blocks running North-South along this central corridor in Vancouver were examined in this research.⁷⁴ Business name, type of business (restaurant, café, clothing store etc.) and whether they were a chain or an independent local business were recorded. Sometimes it was necessary to search the internet for information on whether a business was a chain or not. International Chains like Goldilocks Bakery for example are just entering the Vancouver retail market, but have many locations in their home country of the Philippines.⁷⁵

These data show that in 2007/2009 10% of all businesses along Main Street were chain stores, 50 in total out of 521 businesses, while 90% were independents, 471 in total. These are highlighted in table 4. In 2016 the totals had shifted to 16.5% chain stores, 87 in total, and 83.5% independents or 441 in total. The total number of retail spaces overall has increased slightly from 577 spaces in 2007/2009 to 586 in

⁷⁴ Total Commercial Retail Units (CRUs) in the 2007/2009 data-set equaled 577 spaces with an increase to 586 observed in 2016 data. When looking at specific areas of Main though there are some outliers. One particular office/retail complex in Chinatown with dozens of longstanding tenants for example was replaced with new mixed-use developments tenanting only a handful of new retailers in consolidated retail floor space.

⁷⁵ Goldilocks Bakery is one of four chain store tenants in a newly redeveloped single-use commercial site located at 12th and Main see figure 14 p99 <http://www.goldilocks.com.ph/stores>

2016 while the total number of businesses increased by seven in total from 521 in 2008 to 528 tenants in 2016.

The most pronounced changes were found in Chinatown where dozens of independent Chinese language speaking and serving businesses were replaced with Canadian national bank chains in larger consolidated retail footprints. In the case of Lower Main and indeed much of Mt. Pleasant and portions of Riley Park car dealership lots and auto mechanic chains and independents were replaced by mixed-use development where several retail spaces still remaining vacant as of late 2017, while some other formula businesses and independents have moved in. Vacancy rates have remained stable across the whole of Main Street at 10% in both 2007-2009 and 2016. There are no other outlier sections of Main Street where such dramatic changes have taken place as found in Chinatown's 500 700 block of Main Street although retail commercial units have been added to the southern blocks of Main St. thanks to new mixed-use development on what were previously vacant lots or auto dealerships.

On the whole, Main Street is by all accounts a very healthy and vibrant retail corridor with several clusters of unique retail programming. However, in total numbers, chain stores and formula businesses have increased their presence along Main Street by 74% while independent small businesses have shrunk by 6.4%. While a 74% might seem extreme, this represents a total increase of only 37 stores in total. Nonetheless, for those concerned with maintaining the unique traits that neighbourhoods along this corridor are celebrated for, as represented by small independent businesses, the clear shift may be cause for concern if the trend continues unabated or unmanaged.

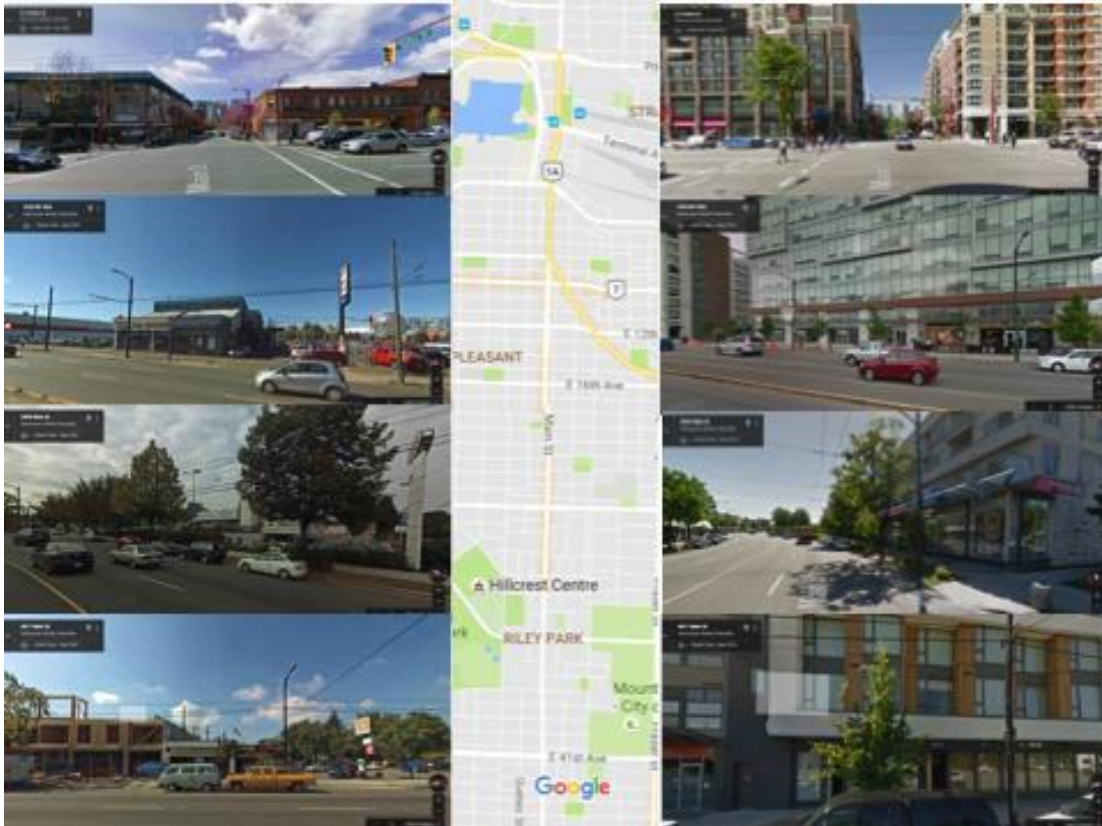


Figure 18 an example of Google Street View Archive comparisons along Main Street Corridor 2007 appearing on the left and 2016 on the right. Images parallel to each other are from the same sites. Significant height and mixed-use density has been added as the images illustrate.

Table 3 Chains and independents as a percentage of business types within Main St. retail mix

TOTALS	Chains	Independents	Total Businesses
2007-2009	50	471	521
% 2007-2009	10%	90%	100%
2016	87	441	528
% 2016	16.5%	83.5%	100%
DIFFERENCE 2007-2016	(+) 37	(-) 30	(-) 7
DIFFERENCE %	(+) 74%	(-) 6.4%	(-) 1.3%

When the new-build and redeveloped sites are segregated from the total data they show a clear preference for formula business tenants with vacancies nearly equaling the number of independent retailers in these newly built spaces. Vacancies in new buildings are more than double the vacancy rate of Main Street overall. However, newly built spaces are not the only CRUs where chain stores have moved in. Thirteen of the 37 chains have moved into blocks where no new development has occurred while the remaining 27 new chain stores added are found on blocks that have redeveloped sites. The statistical modelling uses the unit of analysis of the entire block, not building. These data have been taken out though to demonstrate the specific outcomes just in newly built sites.

Table 4 Tenancy outcomes in new build and redeveloped mixed use and single-use commercial property

Total Business 2016 In Newly Built CRUs	Chains	Independents
40	26	14
% of mix	65%	35%

Table 5 Tenancy outcomes as a percentage of total new retail space⁷⁶

Total New Space 2016	Chains	Independents	Vacancies
55	26	14	14
% of mix	47%	25%	25%

⁷⁶ Note: A CRU is unaccounted for as a government office in Onni's Central was neither counted as a chain or independent

3.2 Describing the changes from 2007/2009 to 2016 on Vancouver's Main Street

The change along Vancouver's Main Street in terms of retail tenancy trends is consistent from Alexander Street on the north end to 33rd Avenue on the south end insofar as the type of development is tending towards similar retail tenancy outcomes in all four different local areas or neighbourhoods. The cultural impact of this varies however. In Chinatown, the displacement of dozens of businesses along Main Street, and their subsequent replacement with major bank chains, coffee chains, or upscale boutiques (independent as they may be) has resulted in the community mobilizing to raise concerns and produce its own retail studies to demonstrate the impacts behind these concerns.

These tenancy outcomes are contributing to anxieties about Chinatown "disappearing" or "vanishing" while just up the street to the south, the new-build gentrification taking place on Lower Main has seen large auto dealership lots replaced with a formulaic Irish pub, medical services, and formula businesses or expanding chains like an international inline skating dealership, and an aspiring coffee chain "Brews and Bites", that has since gone out of business. Unlike in Chinatown, the public does not appear to disapprove of the car dealerships being replaced with these stores and an argument could be made that on the whole it is an improvement from a car lot. Worth noting is that lots in 2008 that had a chain store already there were more likely to be redeveloped by 2016. For the purposes of this study that includes car dealerships with a specific brand or brands of automobile sold, and gas stations, a number of which were replaced with new mixed-use development.

In Mt. Pleasant a few of the major mixed-use developments have similarly replaced car dealerships, and these too have been mostly chain stores, banks, drug stores, or coffee chains in their new ground

floor units. Even these new-build gentrification sites have not elicited the same community reaction as we have seen in Chinatown. However, some sites that are slated for redevelopment, like the Rize tower just off of Main and Broadway have stoked opposition in the anticipation of the punctuated change to the neighbourhood they may bring.

Some housing experts like Patrick Condon of UBC have suggested that the tower and podium *Vancouverism* architecture that has since become exported around the world doesn't necessarily fit in Vancouver's own neighbourhoods outside the downtown core, and that the city appears to be trapped in a "one size fits all" response embodied by projects like Rize.⁷⁷ A local business owner and BIA representative described the changes taking place in Mt. Pleasant over the past decade as coming in waves. Once rezonings and community plans changed the development potential of sites, assessments go up, and the nature of the business mix changed in response. Some of this being driven by the revitalization of industrial lands with mixed-use development or anticipated Transit Oriented Development along the Broadway corridor intersecting Main Street (BUS01).

See tables 4 through 7 for the SPSS data outputs which examine these trends at the unit of analysis of blocks, in integers of 100 from 100 to the 4400 block. There are sections where blocks do not contain built form such as the Main Street Science World Skytrain Station and major intersections like Main and Terminal or Main and 2nd/Great Northern Way. This is why blocks end at 4800 but only 44 blocks are included in the analysis.

⁷⁷ *Rize Opponents Suggest Alternatives to Density*, Vancouver Courier, March 21st 2012 accessed at: <http://www.vancourier.com/news/rize-opponents-suggest-alternatives-to-tower-density-1.383282>

Table 4 Chains present in blocks with new development or no new development and Chi-Square Tests - 2016

Crosstab

Count

		New redevelopment present		Total
		no	yes	
Change in chains - pos, neg, same	Negative	0	1	1
	Same	17	3	20
	Positive	9	14	23
Total		26	18	44

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	10.789 ^a	2	.005
Likelihood Ratio	11.837	2	.003
Linear-by-Linear Association	4.976	1	.026
N of Valid Cases	44		

Table 4 above shows a direct relationship between the presence of new development and the increased presence of chain stores on those blocks that experienced development between 2007 and 2016. There is only one block where development occurred and a chain store was displaced.

Table 5 Change in independents – positive or negative – when new development is present on blocks

Crosstab

Count

		New redevelopment present		Total
		no	yes	
Change in independents - pos, neg	Negative	9	6	15
	Positive	1	6	7
Total		10	12	22

Chi-Square Tests

	Value	df	Asymptotic Significance (2- sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	4.023 ^a	1	.045		
Continuity Correction ^b	2.390	1	.122		
Likelihood Ratio	4.384	1	.036		
Fisher's Exact Test				.074	.059
Linear-by-Linear Association	3.840	1	.050		
N of Valid Cases	22				

On Table 5 the data also shows a correlation between new development on street blocks, a decrease in independents on those blocks, and a slight increase in chains while vacancy remains virtually unchanged. The mean increase in chain stores on blocks with development is 1.3 per block and the increase on those blocks that did not see development is .50000 or half a

chain store per block on average, or put another way, a chain store every other block. There were an average of .70 fewer independent stores per undeveloped blocks and .61 per developed block. The various statistical tests giving us this confidence level appear in table 7.

Table 6 Mean and Standard Deviation of statistical data - New Development and Change in Chains, Vacancy and Independent Businesses.

Group Statistics

New redevelopment present		N	Mean	Std. Deviation
ChangeChains	no	26	.5000	.81240
	yes	18	1.3333	2.05798
ChangeVacancy	no	26	.1154	1.30620
	yes	18	-.0556	1.89340
ChangeIndependents	no	26	-.7308	1.71015
	yes	18	-.6111	2.68194

Table 7 The statistical significance of the distribution of chain stores vs independents along developed and undeveloped blocks.

		Sig. (2-tailed)	95% Confidence Interval of the Difference	
			Lower	Upper
ChangeChains	Equal variances assumed	0.068	-1.73157	0.06490
	Equal variances not assumed	0.118	-1.89605	0.22938
ChangeVacancy	Equal variances assumed	0.724	-0.80090	1.14278
	Equal variances not assumed	0.742	-0.88315	1.22503
ChangeIndependents	Equal variances assumed	0.857	-1.45432	1.21501
	Equal variances not assumed	0.868	-1.58927	1.34996

The p-value of .068 in the Sig (2-tailed) column implies a 93% level of confidence that there is a statistically significant greater change in the number of chains in redeveloped street blocks (+1.33 on average) as compared to undeveloped street blocks (+0.50 on average).

The story of these data is that new development on Main Street appears to be contributing to the rise in chain stores on blocks where development has taken place, while contributing to a slight decrease in independents. It is not a dramatic transition taking place but one that over time could have a cumulative effect of homogenizing neighbourhoods celebrated and promoted for their distinctness and diversity.

If to someone retail is retail is retail then the relationship between development and tenancy outcomes along streets like Vancouver's Main is a non-issue. If one cares about the particular type of retail, and how they relate to neighbourhood identity as signaled by the nature of retail in that area, then clearly at some point the trend may become concerning as new development displaces independents and chain stores continue to grow their presence, eroding the diversity of local retail as a cultural signifier of unique community and neighbourhood character. The key finding being that while chain stores are directly displacing independent small businesses to a lesser degree, development itself is causing it to a greater degree. The newly built commercial spaces appearing to favor chains over independents and the majority of new chain stores and formula businesses added being found on blocks that have experienced redevelopment.

Table 8 Total tally, block by block, of independent businesses (Ind) and chain stores (Ch) from 2008 to 2016 complete with differences (Dif) over that time and the presence or lack of presence of new development on those blocks Y=1 N=0.

Block	Dev 07-16	Ch08	Ch16	Dif	Ind08	Ind16	Dif	TotBus 08	TotBus 16	Dif
100	0	0	0	0	1	1	0	1	1	0
200	0	0	0	0	7	6	-1	7	6	-1
300	0	1	1	0	7	8	1	8	9	1
400	0	3	3	0	9	1	-8	12	4	-8
500	1	1	1	0	19	12	-7	20	13	-7
600	1	1	2	1	14	9	-5	15	11	-4
700	1	0	1	1	1	2	1	1	3	2
900	1	0	0	0	3	5	2	3	5	2
1000	1	0	0	0	9	7	-2	9	7	-2
1100	1	4	5	1	5	5	0	9	10	1
1500 ⁷⁸	0	1	1	0	0	0	0	1	1	0
1600	1	2	4	2	0	0	0	2	4	2
1700	1	6	3	-3	1	1	0	7	4	-3
1800	0	0	1	1	5	4	-1	5	5	0
1900	0	1	3	2	4	2	-2	5	5	0
2000	0	0	1	1	2	2	0	2	3	1
2100	0	0	0	0	6	6	0	6	6	0
2200	0	0	0	0	3	3	0	3	3	0
2300	0	0	0	0	16	16	0	16	16	0
2400	0	0	2	2	18	18	0	18	20	2
2500	1	1	6	5	11	6	-5	12	12	0
2600	0	1	1	0	11	11	0	12	12	0
2700	0	1	1	0	13	13	0	14	14	0
2800	1	1	8	7	2	3	1	3	11	8
2900	0	6	7	1	7	5	-2	13	12	-1
3000	0	2	5	3	16	13	-3	18	18	0
3100	0	1	1	0	27	27	0	28	28	0
3200	0	0	0	0	20	20	0	20	20	0
3300	1	1	3	2	6	6	0	7	9	2
3400	0	2	3	1	16	15	-1	18	18	0
3500	0	1	1	0	11	11	0	12	12	0
3600	0	0	0	0	20	19	-1	20	19	-1
3700	0	0	0	0	21	21	0	21	21	0
3800	1	0	1	1	10	10	0	10	11	1
3900	0	0	0	0	15	15	0	15	15	0

⁷⁸ The Main Street Science World Skytrain Station and Main and Terminal Intersection takes out a significant portion of block while vacant lots with no CRUs are also found in the block directly adjacent to it

4000	1	3	4	1	6	5	-1	9	9	0
4100	0	1	2	1	17	17	0	18	19	1
4200	1	2	3	1	13	14	1	15	17	2
4300	0	0	1	1	38	38	0	38	39	1
4400	1	3	5	2	16	16	0	19	21	2
4500	0	2	2	0	17	16	-1	19	18	-1
4600	1	0	1	1	15	14	-1	15	15	0
4700	1	1	2	1	2	3	1	3	5	2
4800	1	1	2	1	11	15	4	12	17	5
TOTAL										
S 16	18	50	87	37	471	441	-30	521	528	7

TABLE LEGEND

Block = Block number

Dev = Whether a site was developed on that block between 2007 and 2016 1 = Yes 0= No

Ch08 = Chain stores present in 2008 on that block

Ch16 = Chain stores present in 2016 on that block

Ind08 = Independent stores present in 2008 on that block

Ind16 = Independent stores present in 2007 on that block

TotBus08 = Total number of chains and independents in 2008

TotBus16 = Total number of chains and independents in 2016

Dif = The difference + or – from 2008 to 2016 counts

Chapter 4 A Closer Examination of Mixed-Use Buildings on Main Street - Case Study Findings

After examining every storefront along Main Street from Alexander Street in Gastown to 31st Avenue, the general trends have supported the theory that new mixed-use development appears to be playing a role in facilitating the change in ratio of independent local businesses to chain stores and formula business, though it does not appear to be the only cause. Newly built single-use commercial developments on Main and Broadway and Main and 12th Avenue tenanted chain stores and formula businesses exclusively. In order to seek insight into these trends two sites were chosen as case studies to inquire more deeply into the development process, particularly with concern for the retail commercial component. Two senior representatives from the development firms that built new mixed-use developments on Main Street were interviewed about their sites, and about the decision-making process and influences that factor into tenancy mix.

In addition to the developers a city planner who has been active in the communities along Main Street for many years was also interviewed as well as a local business owner and executive on the board of the local Business Improvement Area.

The interviews revealed several themes which we will now explore in more detail in sections 4.1.0 through 4.1.5. These themes included financial pressures of development, tax fairness, adaptations in the local retail market, and tensions and tradeoffs in the decision-making process.

4.1.0 The Role of Finance

Interviews revealed that the pro forma of new build and mixed-use developments often required ground floor tenants that provide confidence to self-financing developers and for those requiring lenders and investors to financially back the construction of these sites alike. These are sometimes referred to as “credit tenants” or “blue chip tenants” or as one of the developers interviewed referred to them “covenant tenants” (DEV02). They are seen as less risky than independent small businesses and therefore provide confidence in lenders and investors and self-financing developers. Given the increasingly expensive land values, and corresponding lease/tax rates this increasingly means national and international brands. As a 2016 article in Bloomberg titled, *Blame the banks for all those chain stores ruining your city*, explores the phenomena as “the commercial logic shaping American cities” and it appears Vancouver is not immune from this *commercial logic* ⁷⁹

Ultimately the banks would love to see it pre-leased, that’s everybody’s goal. Even before you start construction, you have someone who’s going to go there and the banks are even going to love it more if that tenant has a covenant, so if they’re a national franchise, international franchise, whatever, just that there a covenant tenant because then there’s the mother ship you know, if it’s whatever, if it’s Rexall, whatever the parent company that’s securing the lease they’re offering their covenant and they’re signing an indemnity DEV02

Worth noting however is that both the case studies examined along Vancouver’s Main Street were not financed through international investment, or the global real estate market that has often been finger-pointed as the source of rapid development in cities. Both development firms interviewed for the two respective case study sites were locally owned long-standing ventures, decades old, that were able to largely

⁷⁹ Blame the banks for all those boring bank chains ruining your city, Bloomberg News, September 26th 2016 accessed at <https://www.bloomberg.com/news/articles/2016-09-22/blame-the-banks-for-all-those-boring-chain-stores-ruining-your-city>

self-finance the projects in question based on the strength of their reputation and their own financial position. Both executives and all others interviewed acknowledged that external investment can often be necessary though – particularly with smaller developers who need to borrow or attract outside investment.

This suggests that while Vancouver is experiencing an increase in land values due to the internationalization of its local real estate market, that it is not in fact faceless foreign corporations that are changing its built form or causing retail gentrification. This again presents a slightly more nuanced picture of what is taking place along Vancouver's Main Street. The line placed between capital and community, in regards to the ability to socially, or financially reproduce space is somewhat blurred.

The pressures and logics to secure national and regional chains as revealed through interviews were coming less from a global financial economy and were driven more by increases in local land value and what was perceived as a currently problematic tax policy in regards to small businesses, which made these new spaces unfeasible to all but the well capitalized chains. The developers presented a case where there were no other options if the site were to generate its expected profit than to secure these types of tenants. This despite both of them expressing an appreciation for independent small businesses and a hopefulness that the types of mom and pops or startups that have made neighbourhood cultures unique and distinct along Main Street can continue to thrive. This distinction has been noted in the matrix provided earlier in section 3.2, which offers a measure of nuance in terms of the role of chain stores as agents in communities.

It's worth noting that most of the interviewees spoken to in this research also acknowledged that chain stores did play some positive role in the retail diversity of what would be considered healthy shopping

areas. One developer shared that the public appears to conflate resentment and fear of larger national and international chains with “big box” stores in their hopes to retain smaller, quainter types of shops that contribute to neighbourhood character (DEV02). This developer also defended the role that these larger national chains played as anchors, which drew shoppers to areas and supported nearby smaller businesses with their presence.

We have to understand that no matter what, in every retail cast, whether it's a master-planned community or on Denman, Davie, Robson, whatever, there needs to be some anchors, and those anchors draw the traffic that the little businesses draw from. Right, and it's how retail works, just plain and simple, that's like the fundamentals of retail... there's a formula, and you can't just have all one thing, there needs to be a smattering of retail of different types and sizes to work, so you can't plan by wishes. (DEV02)

A small business owner and director of one of the local Business Improvement Areas on Main Street recounted how some chain stores, ones which were operated by local franchisees in particular, were in fact active and valuable contributors to the BIA's work of promoting and enhancing the area:

Some of the franchise owners, as much as you are this big chain, they're really a small business person that's utilizing a way to get in there and be able to go right away, and they don't have to build that marketing and that stuff, so I'm starting to understand that those aren't all terrible for neighbourhoods if they are done well and the person cares about the neighbourhood (BUS01)

Yet at the same time they were very critical of one of the recently upgraded single-use low-rise commercial properties in which no local independents were included in tenancy after the renovations were completed

Researcher - Have there been discussions at the board level about like, the increasing presence of chains in the area, are there any concerns. Or is it seen as a good thing?

BUS01 - No, so we look at what happens at 12th and Main when the redevelopment was in and then suddenly you get a Flight Centre, Subway,

Starbucks, Money Mart, and how those type of businesses completely go against what the regular neighbourhood was hoping to get

This hints at potential opportunities for further learning through an examination of corporate head-office owned stores and locally or franchisee owned ones, and the levels of engagement either show in terms of BIA involvement and other forms of community connection.

4.1.1 Property Assessment Formulas and Controls on Speculation

The other major factor cited by interviewees was the way in which commercial retail tenants are taxed in British Columbia and Vancouver.

Assessments tell current owners, prospective buyers, and tax collectors, the value of a site based on three different factors. These are detailed below with direct quotes describing each taken from BC Assessment's webpage.⁸⁰

1) The Direct Comparison Approach:

The Direct Comparison Approach is based on the premise that the value of a specific property is set by the price an informed purchaser would pay for a comparable property, offering similar desirability and usefulness. This requires an understanding of all market variables, including location, property size, physical features and economic factors

2) The Cost Approach:

The Cost Approach to property assessment is based on the premise that an informed purchaser will judge the value of a property by the market price of similar properties, and will also consider the cost of buying land with similar characteristics and constructing a new building. This assumes the cost of replacing the existing building plus the value of the land equals market value.

⁸⁰ <https://info.bccassessment.ca/Services-products/Understanding-the-assessment-process/real-estate-appraisal-and-property-assessment>

The Cost Approach is most often used when the property being appraised is new or nearly new, where there are no comparable sales, or where the improvements are relatively unique or specialized.

3) The Income Approach

The Income Approach to value is based on the premise that the value of a property is directly related to the income it will generate. The appraiser analyzes both the property's ability to produce future income and its expenses, and then estimates the property's value. The appraiser also develops a capitalization rate by analyzing the sales of similar income properties and determining the relationship between the sale price and net income.

To determine the potential gross income, the appraiser determines market rents by analyzing rents in both the property being assessed and in comparable properties in the neighbourhood. The appraiser makes allowance for vacancy and collection loss.

The assessment and tax regime in Vancouver sees small business tenants who do not own the land they are on pay taxes based on the value of that land's exchange value or development or revenue potential. This in effect pits local businesses relying mostly on local incomes against an international real estate market accessible to the world's wealthiest people and companies. And as the assessment processes illustrates, once a property owner or leasing agent starts asking well above existing lease rates if a business agrees to pay that rate this becomes a new benchmark for comparable properties.

Every interviewee painted a scenario where the provincial assessment authority would set in motion a cascading series of events that resulted in local businesses facing financial strain and exclusion

DEV01 - It's really a pressure to sell, if you're sitting... we've seen tax bills that have doubled and tripled over a short period of time you start out at you're looking at two or three thousand a month and then suddenly it's six thousand a month based on the property values going up, and then it's eight thousand, you're delivering those bills to your commercial tenants, that's standard business, the tenant pays for that, but you can't sustain that, if you have a property owner they'll have no choice but to sell to a developer and have them come in, so, and that's been driving this market for quite a while in Vancouver

Researcher- And is that, in your opinion, is it also driving towards the tenancy in new mixed-use developments to have the larger international chains or regional chains or whatever as opposed to the independents?

DEV01- Yes, because the end result tax bill is equally high, and you've got a tax bill going for that square footage that it has to be a national tenant to handle it. Your smaller retailers aren't going to be able to add, or pay, double rent, which is basically what is happening with these tax bills. It's creating a double rent scenario

Local planners also acknowledged the impact of the assessment process and the formula for assessment as it was now applied and noted that the City was scoping research to better understand the connection

PLAN01 - In a triple net situation it means that there's a base rent that is net of three variables... taxes, maintenance and insurance. And so in the first scenario (referring to fixed rate leases without net variables) the landlord takes the risk of any increases in cost, and in the triple-net situation the landlord doesn't take any of the risk, they charge a base rent which is fixed over the term of the lease but the total charge to the tenant increases with those other three variables, and so increasing assessments, and therefore increasing taxes on the property which the landlord then passes on to the business. And in that environment, even in existing frontages let alone new development, the existing retailer is increasingly squeezed to do sales that can exceed the cost of rent under that assessment situation

Researcher - How much of a role is this playing then, in the question of local independent businesses versus chain stores in Vancouver?

PLAN01 - I would say it's playing a huge role, playing a huge role, and when we do our study we're going to find out more of the role it's playing.⁸¹

This was corroborated by our local small business owner and BIA board member when discussing his recent lease renewal:

Researcher: Are lease rates still, you think, reasonable here?

BUS01: Nah, we just renegotiated last year and it's substantially higher, the triple net, because my building got sold about eight months after I bought (another property) and my right of first refusal I just didn't have the financial capacity to buy it, but it's tripled my taxes because it was assessed

⁸¹ Referring to a City of Vancouver study that was in the process of being scoped, to examine city-wide retail trends and drivers of displacement and change.

at such a low rate before and after it was bought, suddenly the assessment is reflecting more the sale price

Another City planner interviewed agreed that the assessment process played a role in small business feasibility and affordability issues and suggested that commercial rent controls and an updated assessment process that split the ground floor commercial from the residential could help ease some of the pressure retailers face.

I do think there is a basic principle of tax-fairness going on, separate of whether or not it is good or bad for business, it feels like that split-assessment would better support tax fairness so that those operators are being asked to pay for things that they actually do on the site. Whether or not that solves the problem I'm still not sure because you may be faced with continually escalating prices and these would still be passed through, so I think it's part of it, part of a solution. The triple-net lease construct, for those operators who are not owners is an interesting question and certainly not something within the City's powers to regulate, but it does make one wonder whether or not, like we have the RTA for residential increases on lease or rental payments, about whether or not small businesses could have something akin to the Residential Tenancy Act's requirements to limit annual lease rates. (PLAN02)

The Urban Development Institute and local tax fairness advocates have suggested that charging business tenants impacted by residential real estate speculation the same rate as residential should also be considered. Currently, businesses represent less than 10% of the built form of the city but pay over 40% of the tax base with a rate nearly five times higher than residential rate payers. Yet they are often paying for the value of residential real estate that could be, or has been built, above them. This is detailed in a Westender Story examining the displacement of a longstanding business on Robson Street after the building's assessed value increased from just below \$17 million to \$52.3 million in a span of a year and the tax portion of this businesses' triple-net lease grew by more than 90%⁸²

⁸² *Taxed to death: How Vancouver's small businesses are falling victim to soaring property tax*, Jan Zeschky, Westender, Dec 14th 2017 <http://www.westender.com/news-issues/news/taxed-to-death-how-vancouver-s-small-business-are-falling-victim-to-soaring-property-tax-1.23121997>

4.1.3 Adaptations in the Local Retail Market, From Funky to Formula

As affordability issues continue to persist on neighbourhood shopping streets like Main it appears that in order to occupy some space between that of a high confidence “covenant tenant” and that of a “funky independent” some retailers in Vancouver are adapting to these pressures to combine elements of both local culture and corporate culture to appear attractive to both community and corporate firms developing in them. Regional chains like Café Artigiano and growing local brands with a handful of locations, like Matchstick Coffee, or Moja Coffee, appear to be attractive tenants for new development along Main Street and other commercial areas. They are local, but they have adopted some of the corporate practices of chains. Both the City Planners, local businesses association rep and developers interviewed acknowledged this emerging typology of business that was not yet a chain store, at least to the extent that regional, national or international brands are, but still appears in newly built spaces and has more than one location in the city. These aspiring formula, or formulaic businesses, were often coffee shops or food and beverage concepts.

One City planner interviewed described the trend as they saw it

I think one of the things you’re seeing in Vancouver, in local business circles is a move to create small local chains or local concept groups...and they’re nominally local, and at least at that level one would assume that inputs are purchased more locally, profits are returned to the local economy to a greater degree (than national or international chains) but what it’s doing is it’s tending to standardize, and even Main Street is going this way. You know when you walk into a concept restaurant compared to going into a mom and pop restaurant where you know the owners, you know the family that runs it, and maybe those days are done, one has to be realistic, but certainly this is one tactic that local businesses is using, they’re turning themselves into more corporate, and they’re highly capitalized, the interiors tend to look the same, it’s all the same kind of hyper modern look and it’s getting to the point where you don’t even, you know someone could plop you into one or the other, wake you up and you wouldn’t know if you were in one or the other. (PLAN01)

This echoed sentiments shared in the 2016 Affordable Space report from the Institute for Local Self Reliance:

Some locally owned businesses, like those with multiple locations or a higher end product, can handle those increases. "It's the older, smaller businesses that really built the city in a lot of ways that I see hurting," Melançon says. It's also impacting who can start a business. "Austin's extremely entrepreneurial, but if you don't have deep pockets, the threshold for entry has gone way up," continues Melançon. "There isn't anyone out there it's not affecting. (LaVecchia, 2016, Pp 9,10)

A similar observation was also made by the local BIA representative, but with the added observation that this tier of business could often be of benefit to other surrounding businesses and be quite involved in the local community

...they can afford bigger rents than some of the others, and you kind of need that mix, also, certain restaurants bring people to an area so if Burgoo has a lineup maybe they'll check out the restaurant next door (BUS01)

The BIA representative cited a local restaurant group, the Cascade Group which owned and operated a handful of different restaurants and a local brew pub as an example of a well-capitalized restaurant group that had invested itself in the cultural identity of the neighbourhood on Main Street in which it operated.

Some of them are crucial to what Main Street has been, you look at Habit, Cascade, they're doing their ten-year anniversary...they're different businesses but obviously part of what makes Main Street what it has been, so yeah, but his (the owner's) are all focused on Main Street and he's very involved in community stuff...he's very focused to keep sure Main Street stays what it is, and so those are the types of businesses and people that you want to see. Just because he has four (businesses) doesn't mean that he's a chain or that's a bad thing, because that means he has the economies of scale to be profitable and to be sustainable (BUS01)

In terms of both restaurant groups and the local formula businesses coffee chains this could perhaps be fairly categorized as a form of retail *Glocalization* where the independent local business takes on the trappings of local community with the practices of a corporate chain that could be found in a newly built mixed-use development in

Vancouver as much as anywhere else in the world, as such these ventures within the restaurant group or the formularized local startups are still local enough to not be a threat to neighbourhood culture or identity the same way that a global chain would. They still retain some of the local charm attractive to residents, and developers alike, and as the studies like that of Civic Economics demonstrates, they are more likely to recirculate their money locally to a greater degree than national and international chains. Glocalization has been acknowledged for over a decade as a competitive business practice (Svensson, 2001) although in this particular case of Vancouver's Main Street it is less a global corporation adapting to local conditions in order to remain competitive and instead it appears that local businesses are adapting to global conditions that are influencing local markets and the built environment. That is to say, they appear to be trying to adapt to hegemonic neoliberal urban conditions by taking on aspects of those retail ventures able to compete and survive in the new built form; formulaic design standards and menus, economies of scale, etc. We have named these "Confidence Tenants" as they are not necessarily a national or international chain, though they have local qualities that are incorporated into their brand formula, they appear to provide enough confidence to the development community to occupy newly built CRUs similar to national and international chains.

4.1.4 Tensions and Trade-Offs in the Decision-Making Logics of Developers

Developers interviewed described a process where they sought out those independent small businesses that had more than one location and appeared poised for growth on the strength of their brand for new development space, articulating tensions between making a decision based on the cultural value of an independent business versus the financial pressures of securing a safe tenant:

Going after that cool funky retailer that you think's going to be successful, I would say for selling condos, is more of a draw than having your Scotia Bank below, but your Scotia Bank below is far easier in terms of your financing and all that kind of stuff. If you can install a really trendy restaurant that has staying power and they've been able to reinvent themselves a couple of times and they have their steady following and they have sound financial and business plan we'd way rather do that because it just creates a different vibe, it's more of a body heat, there's more sort of people congregating and staying longer as opposed to just going in and using the ATM or making a deposit or whatever, there's just more happening there, and so we have to make those decision all of the time. (DEV02)

Developer 01 echoed those same sentiments regarding their site and the tradeoff between choosing a tenant that reflected the culture of the area that made developing there attractive to begin with, versus the financial pressures of a safe tenant in a more expensive property.

So we saw it as a delightful neighbourhood with people who are incredibly loyal to the neighbourhood, the commercial around there is very creative, very artsy, that sort of theme went into the architecture of the project but again you're taking on a lot of expense to put that building in there and put in that amount of commercial space...it is an incredibly long site, I think it was either 400 or 500 linear feet that was the length of the site that went in there, which was a lot of area for commercial to take up, so that was another stressor on us, there was a lot of commercial in that particular project. (DEV01)

This developer also stated that they had heard concerns from residents in the area about what kind of retail programming would go into the site once completed

DEV01 I think that the site is working well, that people are embracing what it is, but then again even during the process we had lots of questions from the neighbourhood about what the tenants would be, they were wishing for the more ma and pop, and of course...

Researcher: Questions from the residents about what the retail tenants would be?

DEV01 Yeah whether it was neighbourhood surrounding it or whether it was our clients buying, everybody was hoping it would be more of the trendy shops that are there

Speaking about the role of retail in general in Vancouver's development sector this developer stated a growing aversion to retail due to the risk it increasingly posed to the pro forma of development sites.

From the tenant perspective, the independent business owner and BIA representative interviewed shared some insight into difficulties on their end, in terms of tenancing new spaces. The challenges went beyond simply the lease rates and taxes and included costs of tenant improvements to make the space usable. Unlike old spaces that are "turn-key" despite possibly needing cosmetic improvements, the new spaces are often shells according to this business owner, and the cost of getting it ready for business are an additional burden to small independent business owners. They explained how some landlords were sitting on new spaces for extended periods of time, hoping to charge as much as \$70 per square foot which this business owner described as "Robson rates" referring to the city's downtown retail high street of Robson, long regarded as one of the most desirable retail street in the city and one of top ten most expensive retail streets in the world as recently calculated by the firm Cushman and Wakefield.⁸³

BUS01 No there's weird pockets of it, there's weird landlords that are just sitting on vacant spaces at such crazy amounts right now that no one would be able to go in there and if they are they're just going to kill businesses...the lease rates are so high that anyone going in there either has to be a well-established chain or someone that's going to lose their head for a few months and then leave, or they're going to be a weed company

⁸³ Robson among world's priciest shopping streets, Evan Duggan, Vancouver Sun, November 30th 2016 accessed at <http://vancouver.sun.com/storyline/robson-among-worlds-priciest-shopping-streets>

Vancouver has seen a rapid proliferation of retail marijuana stores that the City has responded with new guidelines and bylaws to regulate.⁸⁴

This same business representative described actions by a local property owner who leased an older property called Heritage Triangle which is adjacent to the iconic Mt. Pleasant Clock off of 8th avenue and Main. According to them this property owner deliberately sheltered the business tenants from the rapid increase in property value by not charging them the full portion of taxes on their triple net leases, which were also seen as a key driver of small business displacement.

Heritage Triangle is a good example of what's keeping us around is that we have such amazing businesses there but the land owner is taking all the triple-net costs and eating them themselves, it is net, and they pay very little rent, and we have Pulp Fiction Books, we have artists and all these amazing businesses, we have this vegan cheese store that's about to go in there and a comic shop, if that triangle goes, and it's being tried to be bought up, it's going to change the entire city (BUS01)

⁸⁴ See <http://vancouver.ca/doing-business/medical-marijuana-related-business-regulations.aspx>

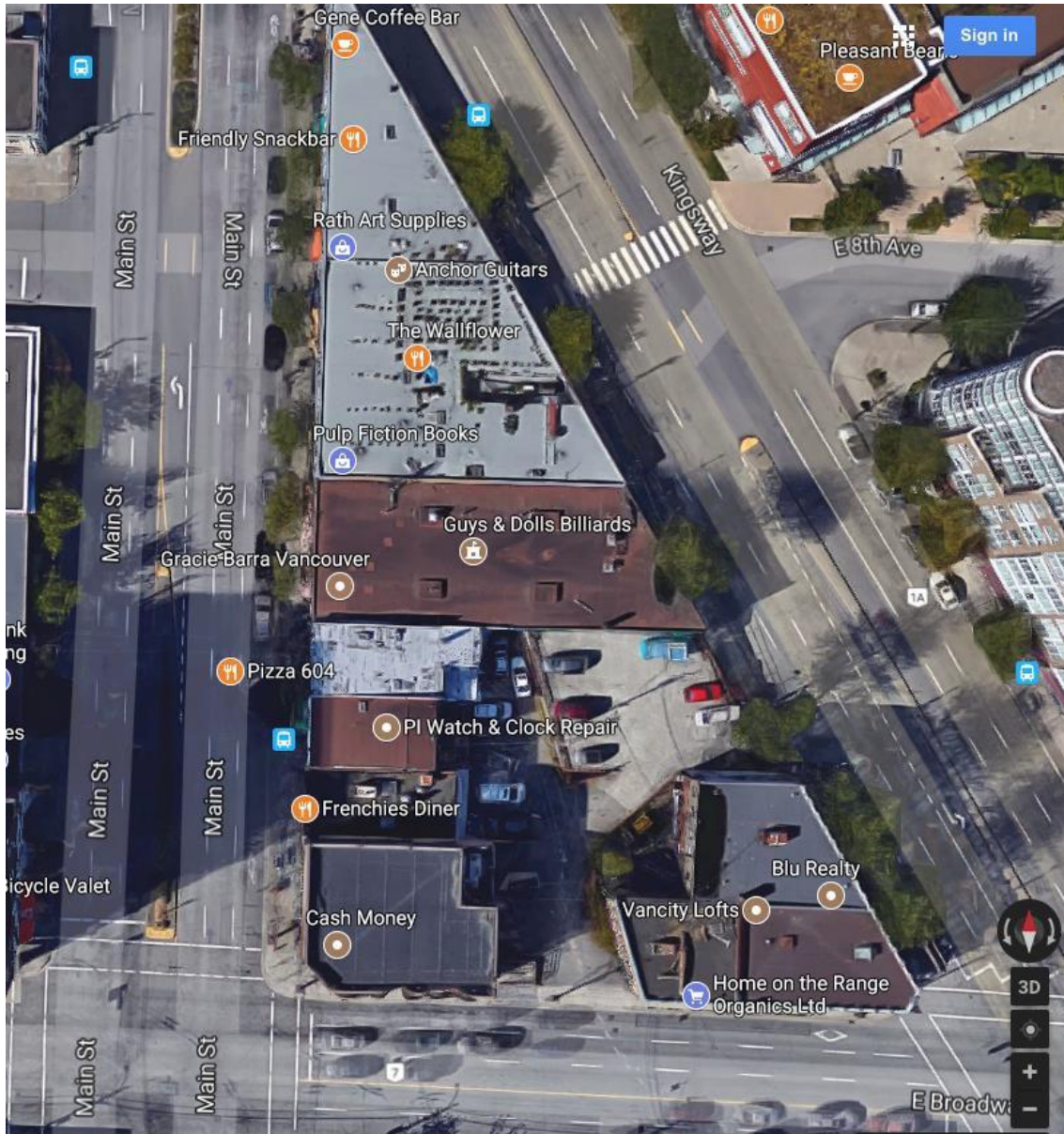


Figure 19 Heritage Triangle as seen from above, home to popular coffee shops, affordable artist studio space, and small retailers like Pulp Fiction Books, an independent book store with an extensive collection of comics and graphic novels established in 2000

The triangle they reference is a triangular building that currently houses several popular independent businesses and artists' studios immediately adjacent to the iconic Mt. Pleasant Clock which helps signify one's entry into the area. Many of the businesses in there typify what Mt. Pleasant has become increasingly known for in recent years, that is to say "hipsters" most succinctly. Andy Yan, Director of Simon

Fraser University's City Program describes the demographic shift taking place as young professionals vacate more expensive traditionally attractive upper class neighbourhoods as "the great reshuffling into hipster homelands"⁸⁵.

This same migratory trend is cited as one of the driving factors behind the emergence of 'cool streets' like Main in Cushman and Wakefield's report, as it describes the emergence of Brooklyn's Williamsburg, considered the poster child of the hipster phenomenon:

Starting around 1999, Williamsburg began to see an influx of new residents priced out of Manhattan. This initial wave consisted of a mix of creatives, artists, musicians, hipsters and the LGBT community willing to take their chances in a neighborhood that could best be described at that time as "edgy." They brought with them a counterculture philosophy that infused Williamsburg's commercial corridors. New bars, music venues, art galleries and boutiques catering to their tastes sprang up in the area. The Cool Street cycle was set in motion, and Williamsburg's appeal grew — as did its rents. Within just a few years, residential rents in Williamsburg were on par with top Manhattan apartment rates. National chain retailers engaged in bidding wars over prime corner shop space while quirky independents were priced out. (p6)

Anecdotally the deliberate decision to keep lease rates lower in order to accommodate the desired businesses mix by property owners has also been conveyed to me by business owners further up Main St in a non-recorded interview, who noted the owner of a local record shop and properties kept lease rates low to keep unique and celebrated local businesses in the local retail mix. The BIA rep

⁸⁵ Andy Yan, Director of Simon Fraser University's City Program describes the shift of Vancouverites under 40 from traditionally attractive Westside neighbourhoods to neighbourhoods like Mt. Pleasant in recent Globe and Mail article

In Vancouver, young people are fleeing the lush west side, Kerry Gold, Globe and Mail, June 15, 2017 accessed at <https://beta.theglobeandmail.com/real-estate/in-vancouver-young-people-are-fleeing-the-lush-west-side/article23555084/?ref=http://www.theglobeandmail.com&>

A playful news story on Mt. Pleasant's hipsters includes the Triangle as a form of Ground Zero for locating "Hipster-Town" with an appeal to eat at The Foundation, which closed in 2017 due to an increase in lease rates

Warning: you are entering hipster town, Stephen Hui, Georgia Straight, May 2, 2012, accessed at <https://www.straight.com/blog/warning-you-are-entering-hipster-town>

interviewed also noted that several business people and property owners were planning on exploring cooperative real estate investment models and other interventions to support local ownership for intentional retail programming in older properties like the Heritage Triangle.

The BIA rep also noted the City of Vancouver's complicity in contributing to chronic retail vacancies and increasing lease rates in Mt. Pleasant, instead of engaging in thoughtful and intentional retail programming to revitalize stretches of street on which it owns property with affordable rates for unique businesses. The City itself is a property owner and engages in similar practices like sitting on a property without reducing the expected lease rate. This contributes to a sort of "high end blight" similarly noted in New York earlier in this research. This suggests that as a public owner of commercial property that the City can perhaps also play a role in engendering more thoughtful and deliberate retail programming in accordance with the goals of community plans and concerns of residents.



Figure 20 Large Format Retail in the ground floor of "Central" built by the developer Onni in 2015. This space is still vacant as of October 2017

4.1.5 A more nuanced typology of formula businesses, chains and independents

As a closer examination of Vancouver's Main Street shows, the line between a neighbourhood being reproduced by capital, reflecting of the neoliberal hegemony of homogeneity, or being socially reproduced by local merchants and entrepreneurs, is perhaps not entirely solid and clear. Governments also appears to value both the pure market exchange value of a site in the case of the province, and the potential it has to strengthen neighbourhood character and create unique places in the case of the City. A disconnect exists between these ideals of a sites potential though, and it appears that the financial pressures of site improvement do tend towards homogenization in retail programming, though not entirely.

When one takes a more granular look at retail gentrification and real estate development and the interplay between pressures to develop and costs of tenancing there appears to be a tier of hybridization between chains and mom and pop businesses, and developers too. In terms of the businesses, these hybrids, in particular locally owned restaurants and cafes, bridge both worlds. They take on the corporate appearances of a standardized brand and often benefit from economies of scale, but are still perceived as being local and somewhat unique to Vancouver.

While falling out of San Francisco's definition of chain stores and formula businesses they appear nonetheless able to facilitate the needs of development in terms of retail tenants. This is a distinction worth emphasizing though, as these types of businesses appear to play a similar role as "credit tenants" like those banks and drug stores. And even though they may only have between two and ten locations, they too are tending towards a form of homogenization.

In order to capture the nuances of local vs chain in tenancy outcomes I have created a table that tiers tenancy based on what the data has shown on Main Street. From the types of businesses most likely to be found in newly built spaces to those most unlikely to be found in them. As interviews with developers revealed, their position on the continuum relates directly to the perceived risk to development pro forma. Local independent being highest risk and least likely to afford rent/taxes to international chains being the lowest risk and most likely to be able to afford the rent/taxes in newly built Commercial Retail Units.

Table 9 Tiered Tenancy Ranking: International Chains to Local Independents

Top Tier: Supra-Local Credit Tenant/Blue Chip Tenant	
<p>International high-end/mid-tier/discount chains</p> <p>Often U.S. based but not exclusively</p> <p>Further distinction can be made between a corporate "head office" owned concept from outside the region and a franchise with a local owner⁸⁶</p>	<p>Eg: Starbucks, The Gap, Subway, Apple Store, Goldielocks, Banks (Tangerine, HSBC), H&R Block, McDonalds, Grocery (Whole Foods, Tesco, Safeway)</p>
<p>National high-end/mid-tier/discount chain</p> <p>Further distinction between ones whose corporate head office is in Vancouver and ones whose are in other cities – in particular those outside the region of the Lower Mainland- can be made</p>	<p>Eg: Tim Hortons, Aritzia, Hakim Optical, Banks (CIBC, RBC, TD), Home Hardware, Grocery (Loblaws, No Frills, Overwaitie) Drug Stores and Pharmacies (Shoppers Drug Mart, Pharmasave, Rexall)</p> <p>Restaurant Groups (Cactus Club, Boston Pizza, Earls, Moxies)</p>

⁸⁶ The latter was revealed in interviews to often be more engaged with local community development as individual franchise owners were seen as small business owners themselves and not large corporations

Further differentiation can also be made between brands that began within the region (Eg. in Vancouver's case Browns Restaurant Group, Milestones Group, Cactus Club) and those from outside(eg. Moxies, Boston Pizza)	
Regional/Provincial (State) chains	Eg: Grocery (Choices Market, Donalds) Drug Stores and Pharmacies (London Drugs) Coffee Shops (Blenz Coffee, Waves Coffee, Café Artigiano, JJ Bean) Restaurants (Whitespot, Flying Wedge Pizza, The Boathouse)
2nd Threshold- The Threshold of Local and Supra-Local Retail Tenants	
Middle Tier: Local Confidence Tenant/Blue Chip Tenant	
Local formula businesses/chains with multiple locations (less than 11)	Matchstick Coffee, Prado, Moja, Hubbub, Burgoo, Nuba, Bon Chaz, Cartems Donuts
Local "restaurant groups" with consistent formula for branding/menus/uniforms	Donnelly Group (Library Square, Butcher and Bullock, New Oxford)
Local "restaurant groups" with destination food & beverage concepts and individual brands within a corporate umbrella	Sequoia Company of Restaurants, Glowbal Restaurant Group, Top Table Group, etc.
1st Threshold- The threshold between well-capitalized lower-risk local tenant and less capitalized higher-risk local retail tenant	
Lower Tier: Local independent small business tenant	

Independent local business with multiple locations	Slickity Jim's Chat'N'Chew, Granville Island Toy Company
Independent local business single location	Vancouver Special, Neptoon Records, Welk's General Store

The purpose of this table is to clarify what we appear to be seeing along Main Street in terms of the types of development taking place and the types of businesses that appear more likely to tenant them. The issue is one principally of the role certain types of businesses play in facilitating the financialization of the commercial built form, privileging reproduction of space by capital over social reproduction in communities, or conforming to the pressures of land-uplift and the subsequent leasing and taxation cost increase. Those businesses that appear more likely to facilitate the process are clustered above the first threshold in the 2nd and 3rd tiers, anything under the first tier can *potentially* tenant space in a new development but in the case of the Main Street commercial strip studied here it is those in the second and third tiers that appear most commonly. We have used this as a tool to create our tabulated spreadsheets with annotated Google Archive images. This gave us a ratio that used both San Francisco's criteria for inclusion as a formula business and one that included this other tier of "glocal" businesses that have been launched in Vancouver but also display the hallmarks of formula businesses through consistent branding that includes standardized menus, standardized exterior and interior design etc.

Out of the 19 sites that have been developed in the last nine years on Main St. there are a total of 40 new retail tenants and 14 vacancies (as of 2017) in ground floor CRUs. Seventeen of these tenants are Third Tier "Credit Tenants" or "Blue Chip Businesses" with more than eleven locations provincially/regionally, nationally or

internationally (chains, formula businesses). Nine of the new tenants are Second Tier *Local Credit Tenants* or what we are calling "*Confidence tenants*". These tenants are part of corporate restaurant groups or a "family of businesses" or they are standardized formulaic businesses with multiple locations. Interviews with developers revealed that these types of businesses were attractive for giving confidence, based on their proven formula and strength of brand, but also conveyed a sense of "local culture" by being a Vancouver business. Fourteen independent businesses round out the rest of the tenancy mix. This presents a ratio of 26 (Chains and Confidence Tenants) to 14 (Independents) in 19 newly built or redeveloped sites. See Table 10 for more details.

The ratio in terms of percentage sees 70% chains and confidence tenants to 30% independents in newly built ground floor CRUs. This is an inverse ratio to the overall mix of the area, where in 2007/2009 the ratio was 12% chains and confidence tenants to 88% independents.

If we just adopt San Francisco's Formula Business Ordinance to delineate the differences and include those formulaic "glocal" businesses with the local independents it is less skewed comparison of seventeen chains to twenty-five independents, a 43% - 57% chains stores to independents ratio. This is still a dramatic trend away from the 10% to 90% ratio seen in 2007/2009 and even the 16.5% to 83.5% ratio seen as a whole in 2016.

For anyone who believes that Vancouver's neighbourhoods are unique, eclectic and diverse, that is to say anyone who has written promotional literature over the past decade celebrating it as such (i.e. Tourism Vancouver, local Business Improvement Areas, the City of Vancouver, Travel Guides etc.) an even split between corporate chain stores and local business should be concerning enough as is. Using these three tiers we seek to capture the nuance between international

chains and local independents in the mix for Main Street tenancies in the 19 newly developed sites built since 2007 on Table 10.

Table 10 Tenancy Mix in Newly Built Commercial Retail Units (CRUs) along Main Street 2007-2016

Third Tier: Supra Local Credit Tenant/Blue Chip Tenant (11 or more locations) - 17	
International chains (5)	Starbucks, McDonald's, Subway, Goldielocks, UPS Store,
National chain (7)	Sleep Country Canada, BMO Bank, TD Bank, Hakim Optical, Shoppers Drug Mart, Flight Centre, Rexall Drugs,
Regional/Provincial (State) chains (5)	Café Artigiano, Pure Nail Bar, Baguette and Co, Noodle Box, Waves Coffee
Second Tier: Local Confidence Tenant (Less than 11 locations) - 9	
Local or non-local formula businesses/chains with multiple locations (6)	Nesters Market, Genesis nutrition, Brews and Bites ⁸⁷ , Barber & Co., Shop/Task Inline Skates, Matchstick Coffee
Local "restaurant groups" with consistent formula for branding/menus/uniforms (2)	Dub Linn Gate Irish Pub, My Coffee,
Local "restaurant groups" or "corporate families" with destination F&B and individual brands within a corporate umbrella (1)	Dalina
Tier: Local independent small business tenant - 14	

⁸⁷ As of the writing of this thesis, August 2017, Brews and Bites has now left this location and another local business with more than one location, Railtown Café, has replaced it.

Independent local business multiple location	
Independent local business single location (14)	Juke Fried Chicken, Juniper Lounge, Virtuous Pie, Pomp and Proper Salon, Architecture Office, Cure Laser and Skin Clinic, YYoung Medicine Mart, Train on Main, Main St. Insurance, Muira, Various physio/medical offices (3), East is East Restaurant,



Figure 21 The 600 Block of Main Street in Chinatown "Golden Gate Centre" in 2009. In the ground level facing Main Street along several local independent bilingual retailers and service providers that local residents rely on, including elderly monolingual Asian seniors and others are seen. Below in Figure 13 is an image of the redeveloped site which now houses significantly fewer businesses and no businesses that appear to serve Chinese clientele exclusively, with no bilingual signage etc The only tenant on the Main Street side of the building is a national bank chain.

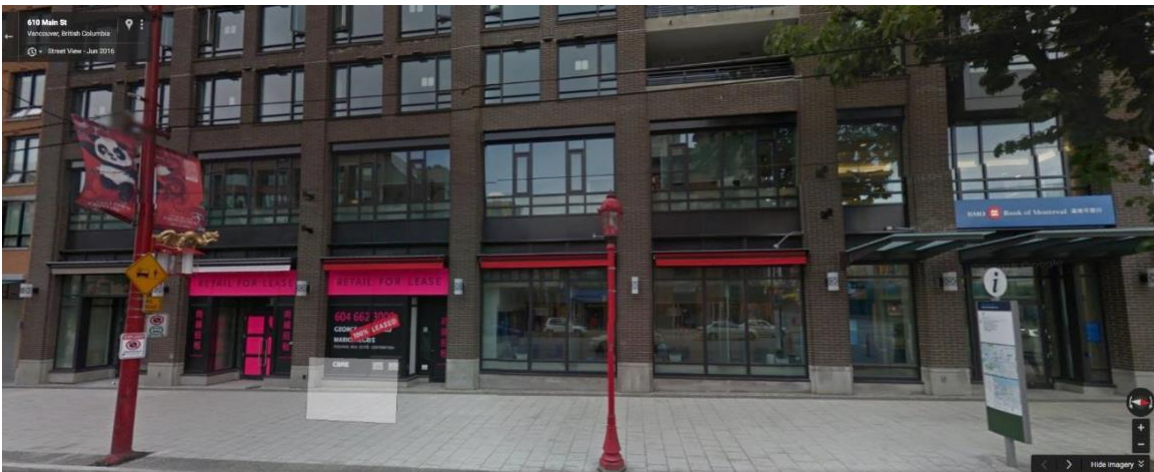


Figure 22 The 600 Block of Main Street in Chinatown in 2016, new mixed-use development now houses a Bank of Montreal Chain, Vacant Storefronts and a high-end fried chicken restaurant, Juke, on the ground floor (out of frame)

The 600 Block of Main Street in Chinatown "Golden Gate Centre" in 2009. In the ground level facing Main Street along several local independent bilingual retailers and service providers that local residents rely on, including elderly monolingual Asian seniors.

Chapter 5 Learnings

5.1.0 New vs Old Building Stock

While academics like Condon and neighbourhood activists that they work with raise salient points about the impacts of towers, it is arguably the incremental addition of low-rise and mid-rise development and redevelopment along Main Street that is on the whole quietly changing the retail culture of these neighbourhood shopping areas more than the taller developments which serve as lightning rods for anti-development responses. The cumulative effect of these low and mid-rise developments has quietly gone about shifting the ratio of local independent businesses to chains without similar community protest seen for towers even though chains perform the very functions the larger developments are targeted for: erosion of local identity, changing neighbourhood culture, homogenization, pricing out local merchants etc.

It is not only mixed-use development that appears to be contributing to the trend however. There are sites that have been redeveloped for low-rise commercial use only. Here, chains stores outnumber independents too. At one site at Main and Broadway two independent businesses that tenanted spaces have since moved – Miura Restaurant and Baguette and Co. Their respective tenancies appeared to have lasted two years, and as figure 1 shows they were located in the stretch of Main Street where planners at the City of Vancouver identified land value “hot spots,” where property values have increased rapidly. The increases along Main have been featured in media as cherished neighbourhood businesses like Our Community Bikes who tenanted a storefront in Mt. Pleasant for decades was forced to move.⁸⁸

⁸⁸ Small businesses brace for property assessment fallout, Jen St. Denis, Business in Vancouver, January 8th 2016 accessed at <https://www.biv.com/article/2016/1/small-businesses-brace-property-assessment-fallout/>



Figure 24 Single-use commercial redevelopment site at Main Street and Broadway in Mt. Pleasant

Meanwhile at another location at Main and 12th a one-storey commercial development hosts four chains: Hakim Optical, Flight Centre, Subway, and Golidlocks, a Filipino bakery chain with locations in the U.S. and Canada too. In this location two chain stores already turned over their tenancies, a cheque-cashing outlet is now a vacant storefront and a Hakim Optical has replaced a Starbucks store. This is the site referenced earlier by the local business owner and BIA representative as a form of tenancy outcome that disappointed local residents and demonstrates that mixed-use, and new-build gentrification are not solely to blame for the increase in chain stores. It suggests rather that new spaces in general and the increasingly expensive land they sit on are demanding, or requiring, lease rates and tax rates, that are unfeasible for local independent merchants.

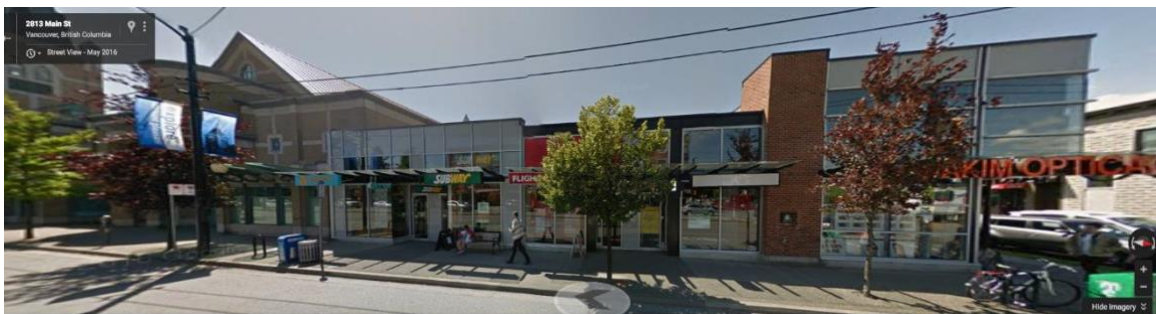


Figure 23b Single-use commercial redevelopment (built 2007) Main St and 12th Avenue

As the cross tabulations demonstrate the older commercial built form developed in the early and mid 20th century in particular, but even those spaces built in the 1980s and 1990s, is remarkably resilient in terms of the retention of independent small businesses – though

nearly thirteen chain stores or formula businesses have also moved into older spaces between 2007 and 2016. These appear to tenant high-traffic intersections like Main and Broadway where a Tim Hortons, Bon Chaz Bakery, Cash Money Payday Loan Store, and Gracie Barre jujitsu dojo are found in older buildings. Another high traffic location being between 12th and Main and 16th and Main where across from Centre Point Mall there are a cluster of chains and emerging formula businesses like Cobb's Breads, a Dairy Queen which has been in that location for decades, Vera's Burger Shack, a Starbucks, JJ Bean Coffee and Panago Pizza all across from the Mall. Overall though, the older built form has remained the fertile grounds for one-off independent businesses overall.



Figure 25 The 4300 Block of Main St. Low-Rise older buildings are home to several independent small businesses including new “hipster” appealing businesses like Red Cat Records and some longstanding antiques merchants who have historically been associated with the area

This resilience is potentially due to a combination of factors explored by those interviewed: these spaces are generally smaller, sometimes they are poorly designed for the operational needs and brand standards of major retailers, or are aesthetically charming in their own right but not “class A” commercial spaces in which modern national and international brands can showcase uniformly consistent design and branding features. As one city planner interviewed suggested, newly built commercial spaces may not only be cost prohibitive but their

design features and layout may not be conducive to what your quintessential “funky” “edgy” or “hip” independent business is drawn to (PLAN01). While another city planner raised concerns that even new spaces being built often lacked the depth, design and layout necessary to include “back of house” features, like loading bays, or change rooms, adequate office space storage, resulting in “vener retail” where a chronic vacancy or simply a display window instead of active retail is the case (PLAN02). This same planner noted that the development sector appears to be under-delivering in terms of the expected floor space ratio that land use and planning guidelines have laid out. This was corroborated by one of the developers interviewed (DEV02) who admitted that there was within their company, a growing concern about ground floor retail in mixed-use development because of the risks involved – namely that of finding a commercial tenant that could pay the triple-net lease rates and remain financially sustainable.

The local business owner and BIA representative stressed that not only were new spaces more expensive in terms of lease rates and taxes for small businesses, but they often required substantial tenant improvements in order to make them operable, another barrier to small independent business owners (BUS01).

All this suggests that while independent small businesses are being displaced in some cases by chain stores it is development that is doing it even more so. The types of spaces available in newly developed or redeveloped buildings are changing due to patterns of development, and these available spaces appear to favour chain stores over independents for both design reasons but most especially cost reasons. More affordable and smaller retail units in older spaces appear to be replaced by more expensive larger units, and local smaller shops appear to be losing ground to regional, national and international chains as the built form transitions and land values increase.

5.1.1 The Role of Ownership

While examining the nature of ownership in great detail is outside of the scope of this research it is worth noting that whether it is publicly owned buildings, or those owned by non-profit societies, these can potentially serve as a form of protection against land assembly for higher density development. In the case of Chinatown, two longer buildings on the 600 Block were demolished and their respective sites consolidated in an assembly of land that brought significant change in height, density and change in retail as the before and after images below illustrate.



Figure 26 600 Block of Main 2009 pre-development

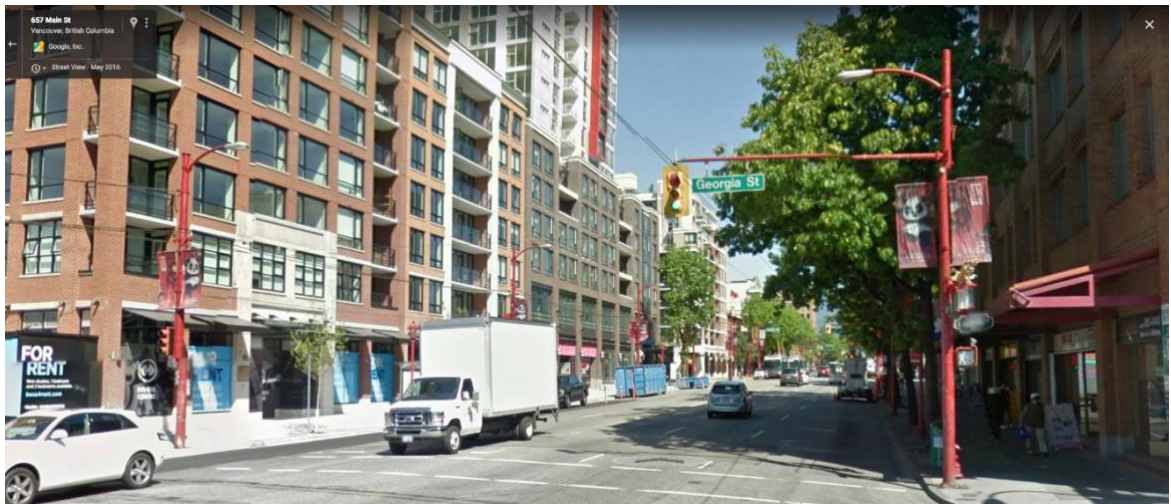


Figure 27 600 Block of Main 2016 post-development

Then there is the question of businesses themselves not owning their spaces, yet shouldering the cost of the land value and absorbing the speculative shocks of rapidly rising assessments in their triple-net lease agreements.

Interviews and the scan of media stories on gentrification emphasized that land values are foundational to the challenge, and with this comes a basic question of tax fairness. As Vancouver has become a focus of international real estate speculation and investment it appears the same type of affordability strains that households have experienced may be making their way into commercial real estate and impacting small businesses. Housing prices have been well beyond what local incomes can support for several years. The new Housing Vancouver Strategy has come to terms with this by recognizing that the addition of record numbers of housing supply in recent years has not resulted in decreased prices. The new housing strategy seeks to create the “right kind of supply”, not just a general supply which includes luxury condominiums.⁸⁹ In the case of small businesses the right kind of supply may just be a diversity of building ages, and ensuring commercial buildings protected from residential condo speculation. Older, single-use building stock appears to be playing a key role in retaining the diversity of small independent businesses along Main Street, whereas new spaces show a preference for national and international chains and formulaic “confidence tenants”.

In the case of Heritage Triangle, the local business representative interviewed shared how businesses were working to pool their resources to ensure the asset remained in the community for its use value, housing independent small businesses that reflected the culture of Mt. Pleasant, as opposed to its exchange value. This begs the question of whether the small business community in Vancouver should explore collective ownership models of property that emulate the protections that public

⁸⁹ See <http://council.vancouver.ca/20170328/documents/rr1.pdf>

ownership, and the legacy society ownership in Chinatown, seek to ensure. This is being actively pursued in American cities like Minneapolis and New York through investment co-operatives.⁹⁰ With Vancouver's Lower Mainland being home to Canada's two largest credit unions, Coast Capital and Vancity, this could be worth close examination and consideration as potential response to the displacement of local small businesses.

5.1.2 The Assessment Process

All those interviewed agreed the current triple-net-lease situation is either not fair to small business owners, or simply not sustainable if we want to retain them in communities. Especially when properties in an area begin rising in value rapidly. It appears to be a driving factor in developers seeking national and international retail brands to tenant spaces along Main Street as the confidence they have in them to sustain the tax pressure as a portion of the lease is potentially out of reach for most independents. It also appears to factor into these emerging "glocal" formula businesses that instill confidence for development firms, or the investors and banks that are financing projects. The latter "glocal" formula businesses we have observed combine aspects of local culture with formulaic corporate brand standards in more than one location. We have named these "confidence tenants" as they do not fit San Francisco's definition of a formula business or chain store but they appear to be facilitating the retail components of new mixed-use development along Main Street and are an interesting trend in Vancouver's retail sector worth paying more attention to.

Developers, small business representatives and city planners all cited the current interplay between property assessments and triple-net-

⁹⁰ Northeast Investment Cooperative <http://www.neic.coop/>
New York Real Estate Investment Cooperative <http://nycreic.com/>

leases as a driving factor in small businesses facing mounting affordability challenges in Vancouver. There were areas of divergence however.

Developers interviewed suggested that the City needs to work with developers and communities to find ways of reducing the costs to small businesses if mom and pop businesses are to survive in Vancouver. According to those interviewed such things as retail design guidelines, parking requirements, expected floor space ratio of retail in developments and other issues particular to local sites could all be examined more closely as having an impact on retail tenancy outcomes. Those interviewed claim to celebrate the unique identity of communities and want to develop in these communities for those reasons, recognizing that small businesses play a clear role in creating those local cultures and social fabric. The reality for these developers though is that there is a lack of confidence overall in where retail trends are leading, and an aversion to the risk of tenanting a small independent business in an expensive new space versus securing a long-term lease with an experienced retailer. The latter is a more logical, though sometimes less attractive option to both the developer and the existing community. This may particularly be the case if the developer doesn't have the track record to secure loans and investment without pre-signing a lease to a credible tenant. A tenant that brings absolute confidence is the logical choice.

The perspective from the small business representative was that the city's plans and re-zonings allowing for more density and height in communities along Main Street have driven the increase in assessments. New spaces that are built are not only cost prohibitive in terms of the new triple-net leases but also in terms of the amount of investment required to make them operable i.e. Tenant Improvements. A range of community responses were being explored, including cooperative real estate models to protect older building stock and the small businesses in them. The effort to retain the Heritage Triangle in Mt. Pleasant was noted in particular, for its symbolic importance as a host building to iconic local

businesses that helped to establish the current retail culture of the Mt. Pleasant stretch of Main Street.

City Planners interviewed emphasized a lack of empirical evidence about what precisely is driving retail trends in Vancouver and the need for more research to be undertaken. Multiple factors are at play, including the role of e-commerce and other emerging influences. Planners also emphasized that there are dynamic processes taking place over time where businesses venture into less developed areas only to be displaced when waves of investment come in and the churn in business mix tends to favour those that can pay higher rents. In this regard Planners identified a need to pay attention to where those pioneering businesses are going in order to support quality place-making and active inviting streets. However, this otherwise normal process may possibly be accelerated by what we are seeing in Vancouver as a site of great interest to real estate investors.

The planners acknowledged that current tax policies, lease structures and assessment process puts additional risk on the small business tenant who assumes this on behalf of the property owner. In the interest of tax fairness some new arrangement that respected the cost-prohibitive nature of the current situation could help small businesses. The most obvious starting point in the opinion of the planners was a split-assessment that saw the businesses pay taxes based solely on the value of their commercial portion of a property, and not the prospective or actual residential units above it. Many of these actions are out of the city's control however. The assessment process and formula, laws around leasing, protections for renters, these things rest with the Province. Planners felt that it was not realistic to place all expectations on the City to do something about retail affordability when many of the tools are not theirs policy-wise. This echoes the same challenges about housing affordability and interplay between municipal and provincial jurisdictions and powers.

5.1.3 Retail Blight through Chronic Vacancies

Interviews in the case studies did not sufficiently answer why chronic vacancies persist in some newly built spaces beyond the input from some interviewees that owners “sit” on sites with lease rates that are well beyond what small independent businesses can pay, that there may be space design issues or that floor plate sizes are beyond the needs of small businesses, or the need for potentially expensive ‘tenant improvements’ in order to make spaces operable. Once again, the larger national and international chains having more capital at their disposal than independents to eventually make these types of investment in such spaces and take tenancy. The City of Vancouver itself was also implicated as a contributor to high-end retail blight through chronic vacancies in one of the case study interviews. It is worth noting however that planning, and planners, are concerned with future outcomes, and that bringing retail space online in anticipation of future demand may likely play a factor in excess commercial floor space in some neighbourhoods.

Chapter 6 Programmatic and Policy Considerations

If Main Street is any indicator, Vancouver's affordable housing crisis appears to be evolving into an affordable commercial retail affordability crisis too, if it is not in fact already the case. While not as pronounced as other international cities like New York, it appears nonetheless that the trends are favouring chains over independent small businesses along Main Street. If the development trends on Main Street were to proliferate through Vancouver's other commercial neighbourhood serving streets it is likely that over the coming decade these streets celebrated for their uniqueness and diversity may become increasingly indistinguishable from one another and the intention and hopes laid out in CityPlan as well as the several recent community plans will be unmet. That is to say, Vancouver's ability as a city to socially or communally reproduce itself through independent locally owned businesses will be diminished. As one of the developers interviewed described Vancouver's future in terms of neighbourhood retail culture:

Small storefronts for chain tenants all over the city and no more mom and pops. All over the city, that's literally what I see for Vancouver. I see the smaller commercial being driven out to the other cities, Burnaby, New West, I don't see them being able to survive in Vancouver, unless they're getting some kind of incentive or break from the property owner. (DEV01)

If the commercial built environment is being increasingly territorialized by corporate chain stores, where indeed are new firms expected to open? The defense of urban space that retail chains will engage in even results in the same chain stores "cannibalizing" customers from its own neighbouring outlet just to protect its market share from competitors (Lavin, 2003, p323). The realities on the ground, the needs of local residents, the cultural richness of diverse local retailers as signifiers of place and community, are potentially

being overshadowed by the logics of investment returns. The reproduction of space by capital.

This research scope has focused on one street in one city, but the trends along Main Street potentially hint at bigger problems in larger-scale economies of retail and small businesses. Further research could be conducted to see if there is a relationship between the growth of chain stores in North American cities and towns and the concurrent displacement of local independents, in the context of national indicators of business dynamism appearing to enter a state of entropy. (Litan and Hathaway, 2014) That is to say, fewer businesses being started, more monopoly markets forming, concentration of capital, and a general decrease in churn and innovation in the private sector at a national level. If a connection is indeed shown, then cities could perhaps play a role in reversing such entropic trends by adopting policies that support small businesses and business diversity and encourage local entrepreneurs by lowering barriers to market entry that favor diversity over monopoly.

In addition to government responses, the private sector, lenders, and organizations concerned with small business diversity and retail health could commit resources to helping local retailers adapt to the challenges posed by developmental impacts and assessments. A closer look at what these hybridized “Glocal” retailers or “confidence tenants” are doing in the middle tier that we have included in our three-tiered assessment of business typologies for example. Exploring capacity building, shared services, bulk purchasing or other things that emulate the economies of scale and efficiencies that privilege well-capitalized retail chains and businesses within corporate families or groups enjoy could assist independent small businesses. Which level of government is ultimately best suited to support this, or whether it is a partnership between more than one is something to consider.

All participants interviewed shared the common appreciation for small independent retailers and the role they play contributing to neighbourhood identity, but all also acknowledged the multiple pressures that are resulting in new and unaffordable spaces being inhospitable to those very merchants who have helped make neighbourhoods unique. All those interviewed also noted a sense of powerlessness to intervene in the retail market to affect any particular outcome that favored small independent businesses, even though it would appear that they have considerable decision-making power in the process of development - with the exception of the small independent business owner. This suggests that all parties may be able to explore their common aspirations and limitations together in the interest of more ideal outcomes.

Planners interviewed noted that the tools they had to use, design guidelines, zoning, approved uses and the like, were not ideally suited for the complexity of the challenge. They were "blunt" tools as one planner described them, lacking flexibility or finesse, and unable to address policies that were dictated by the Province, namely how properties are assessed, laws around leases, etc.

The Developers, similar to the planners interviewed, emphasized how beneficial and attractive small independent businesses are, and how they would like to be able to accommodate them, but that the market forces and current government policies in place make it extremely difficult to choose a small independent business over a chain that can offer investor confidence and assume a long-term lease in more expensive new spaces.

This sense of powerlessness perhaps suggests that retail health in British Columbian communities could be given more attention at the Provincial level. As one planner suggested, small businesses have no equivalent of the Residential Tenancy Act which protects residential

renters with certain due process and seeks to prevent dramatic rental price increases. This cause could be brought up through the Union of BC Municipalities or through one of the Provincial Ministries. Currently there is no Ministry concerned specifically with small businesses, despite small businesses making up 98% of the private sector employment base of BC⁹¹. Two possible choices from the current ministries include Municipal Affairs & Housing, where BC Assessment and Property Assessment Review Panel is located, or Tourism, Arts & Culture, where Destination BC is housed - promoting visitation to the Province. Alternatively, a commission or another formal body could take on revising current policy at the Provincial and municipal levels in concert with the small business community, developers and other stakeholders.

Without Provincial attention to the issue, municipalities may not be able to take the types of actions on their own required to foster an inclusive environment for small independent retailers when speculation and development begins to impact their neighbourhood serving retail streets. This mirrors the challenges to address affordable housing that cities have faced using the tools available at the municipal level.

It is not that the City is without any powers at all though to work with communities and the development sector to shape more intentional retail outcomes. One City planner interviewed recalled how City Plan and the Community Visions processes had resulted in the City crafting policies to limit big box retailers and support neighbourhood grocers. This eventually led to other actions that Vancouver has taken in the past to protect unique neighbourhood serving retail areas. Some of these previous actions included restricting the maximum size of a retail unit and separating out uses so that grocery was not included in large-format retail, which was Wal-

⁹¹ See http://www2.gov.bc.ca/assets/gov/employment-business-and-economic-development/business-management/small-business/sb_highlights.pdf

Mart's business model at the time. Drawing customers in with "cheap food" in the hopes they would purchase other retail items. The City opposing Walmart was a controversial decision at the time but done deliberately in the context of City Plan. (PLN02) This precedent of the City of Vancouver taking action in the past to preference and protect small neighbourhood retailers may be instructive in supporting potential future actions.

Given that developers interviewed expressed an interest in independent ground floor tenants one has to question what kinds of compromises and trade-offs could be considered by local government and developers to accommodate them. Cities like Vancouver have leveraged property re-zonings to increase height and density in order to create community amenities through Community Amenity Contributions (CAC)⁹². The City of Vancouver describes CACs as:

Community Amenity Contributions (CACs) are in-kind or cash contributions provided by property developers when City Council grants development rights through rezoning. The demand on City facilities increases with rezonings, because of new residents and employees in the area. To lessen the impact on the community CACs address this increased demand by adding and expanding City facilities.

CACs help the City build and expand facilities like:

Park space, Libraries, Childcare facilities, Community centres, Transportation services, Cultural facilities, Neighbourhood houses

If low-rise mixed-use development is to continue being the predominant model of built-form in Vancouver's neighbourhood shopping areas, perhaps affordable, smaller format, tenant-ready ground floor retail units could be guaranteed through the provision of an additional floor of residential similar to these other types of community assets?

⁹² <http://vancouver.ca/home-property-development/community-amenity-contributions.aspx>

In order to support business diversity along Vancouver’s Main Street and better align tenancy outcomes in new mixed-use and single-use buildings with the aspirations of community plans and neighbourhood promotional literature, we offer this and some other considerations in the following section, based on both the empirical observations of change, the literature reviewed, and the case study interviews.

6.1 Policy Considerations

There are many challenges to creating the conditions in which small independent businesses can compete and flourish in the new built form of ground floor retail units. Some of these have been identified as design related, some of them have been identified as arising within the disconnect between how the provincial assessment authority assesses property and how businesses are taxed in accordance with that property value. In a way, businesses appear to be paying to sustain Vancouver’s speculative real estate market, yet in the act of absorbing the additional tax burden on behalf of property owners, logic dictates that one can’t dismiss the possibility that the triple-net tax regime may also be de-incentivizing development so long as there are businesses willing to pay lease rates that service the tax burden of existing buildings for owners. What appears clear though is that more cooperation between the Province and municipalities on issues affecting street level retail could help create a better overall policy environment. The following several policy ideas are put forward for consideration:

- 1) The Provincial Government engage with municipalities and the small business sector to explore and implement changes to improve affordability for small independent businesses through coordinated policies and programs*

- 2) *The Province conduct a review of current assessment and taxation policy as it relates to small businesses*
- 3) *The Province include responsibility for the health of small independent businesses in an existing ministry or create a new ministry with a mandate to support the sector*
- 4) *The Province and municipalities explore creation new classifications of tax rates and mill rates that differentiate between local independent businesses and chain stores, shifting tax revenues from local independents to national and international chains*
- 5) *The Province could create rent protection legislation for small independent BC owned businesses similar to the Residential Tenancy Act and how it seeks to protect residential tenants from sudden dramatic rent and tax increases*
- 6) *The City could explore the creation of limits on the number of chains or formula businesses in a neighbourhood as a percentage of business mix overall similar to San Francisco's Formula Business Ordinance⁹³*
- 7) *The City could introduce frontage limits in retail design guidelines and zoning similar to the West End Plan and parts of Chinatown⁹⁴ as stated earlier it could also explore density-bonus tools to reduce the revenue pressures on the ground floor CRU within the pro-forma of new buildings by allowing for an additional floor of residential floor space in response to smaller format, tenant-ready, well-designed ground floor retail space being provided by the developer in return*

⁹³ See <http://sf-planning.org/chain-stores-formula-retail-use>

⁹⁴ See West End Plan <http://vancouver.ca/files/cov/west-end-community-plan.pdf> and Chinatown Plan <http://vancouver.ca/files/cov/Chinatown-HA1A-Design-Guidelines.pdf>

- 8) *The City could allow for multiple businesses and business types to tenant shared retail spaces to enable cost-sharing for small businesses, startups, pop-ups and micro-retail*
- 9) *The City could create a vacant storefront bylaw fine that can build up a fund to support community retail programming needs (i.e. affordable grocery and low-cost diners or cafes in low-income communities, culturally significant retailers serving minority and racialized communities etc.) similar to San Francisco's Ordinance⁹⁵*
- 10) *The City could explore the creation of a Legacy Business Program similar to San Francisco's which seeks to retain businesses and non-profits that have been in operation for 30 years or longer and have contributed to local neighbourhood history and the history of the city⁹⁶*
- 11) *The City could consider keeping neighbourhood serving commercial streets like Main St. or extended portions of these commercial streets as low-rise or single use only commercial/industrial to protect employment lands and affordable retail, and add density in adjacent residentially zoned neighbourhoods in order to support diverse retail mix*
- 12) *To reduce speculation in neighbourhood serving commercial streets the City could consider zoning for rental only or housing co-ops with light industrial and commercial on ground floor, similar to inclusionary zoning actions taken in DTES Plan (Community Based Development Area)⁹⁷*

⁹⁵ San Francisco's Vacant or Abandoned Storefront Ordinance came into effect in 2014 for more information see <http://sfdbi.org/sites/default/files/Front%20Cover%20for%20Annual%20Registration%20of%20Vacant%20or%20Abandoned%20Commercial%20Storefront.pdf>

⁹⁶ See <http://legacybusinesssf.com/how-it-works/>

⁹⁷ See City of Vancouver DTES Plan <http://vancouver.ca/home-property-development/dtes-local-area-plan.aspx>

13) *The City could consider a "rate of change" policy in which eras of building stock that are more affordable to small businesses are protected along Main Street from redevelopment or a temporal stagger of eras is maintained. A building erected today may qualify as affordable older space 20 years from now.*

6.2 Programmatic Considerations

Canadian municipalities, as creatures of their respective provinces, do not have the same powers as their American counterparts. They are limited in terms of what they can do to specifically privilege independent local businesses over chain stores. However, there may be some programmatic responses worth considering.

6.2.1 Social Enterprise Retail Programming

Vancouver, and the Province of British Columbia, have become recognized for being home to a strong and growing social enterprise sector. These are businesses that are owned by a non-profit or non-profits directly engaging in the production of goods and services to support a mission.⁹⁸ Opportunity exists for community-services co-ops and non-profit owned social enterprise to fill neighbourhood serving retail gaps as they qualify for grants and other capacity building support from the City and other funders unlike privately owned ventures. The Vancouver Charter limits Vancouver from giving any direct or indirect benefits to a privately-owned business, but it has freedoms to support these types of ventures. Considering that the City of Vancouver itself is an owner of retail spaces it can help retain local assets like the Hua Foundation's Cultural Food Assets, or other types

⁹⁸ BC a mecca for social enterprise, Sauder study finds, Randy Shore, the Vancouver Sun, May 11th 2016 accessed at <http://vancouversun.com/business/local-business/b-c-a-mecca-for-social-enterprise-sauder-study-finds>

of businesses that provide a necessary and valuable function in communities but may be pressured by displacement from development.

6.2.3 Convening and collaborating

The City could also consider convening community groups, the small business sector, and developers, to discuss how Vancouver could become more intentional in terms of retail programming. In addition, both the City and the Province and local financial institutions could collaborate to support community investment and ownership models that emulate responses like New York’s New York Real Estate Investment Co-op (NYREIC) and Minneapolis’ Northeast Investment Co-op (NEIC)⁹⁹

6.2.4 Commercial Land Trusts and “Least Trusts”

BC Housing, the Province’s Crown Corporation, recently formed a new non-profit commercial real estate company called the Community Impact Real Estate Society (CIRES). The City of Vancouver is on the Executive of this entity along with Vancity Community Foundation. It currently has 57 Commercial Retail Units in BC Housing properties managed under a cross-subsidized portfolio. The City could help grow the CIRES portfolio, with the addition of its own publicly owned vacant ground floor commercial retail units¹⁰⁰ This effectively acts like a land trust to preserve affordable employment lands and commercial spaces. Cities like Boston and Vancouver have successfully employed the Land

⁹⁹ See New York Real Estate Investment Co-op <http://nycreic.com/> and North East Investment Co-op <http://www.neic.coop/>

¹⁰⁰ While still forming, I have served in an advisory role as a City of Vancouver planner on the creation of CIRES, which takes 57 commercial retail spaces in publicly owned buildings and creates a cross subsidized model that supports community retail aspirations and social enterprise with affordable, below-market rents and capacity building support. A scalable model, this effectively acts like a commercial land or “lease trust” to protect certain commercial retail units for community-based retail programming <https://ccednet-rcdec.ca/en/job/2017/01/05/executive-director>

Trust model to build and protect residential property, perhaps it is worth considering for community retail needs too¹⁰¹



Figure 28 The west flank of Heritage Triangle building where Main Street meets Kingsway. Active and mixed pedestrian use animates the sidewalk.

¹⁰¹ Boston example <https://nextcity.org/daily/entry/boston-land-trust-network-launches>
Vancouver example <http://vancouver.ca/news-calendar/vancouver-land-trust-partnership.aspx>

7.0 Conclusion

If more effort is not put into retaining unique independent retail programming in communities like those along Main Street, Vancouver risks experiencing their continued displacement, and a deteriorating quality of life for those who culturally identify with their communities and the small businesses in them. This also has implications in terms of capital leakages and entropic money circulation in local economies as the Civic Economics studies of chains and independents demonstrates. Main Street acts as a microcosm for the broader trends in many North American cities. This includes other cities in BC where real estate speculation and development of industrial lands, downtown business districts, and neighbourhoods may potentially inhibit independent ventures and engender retail homogenization through the expressions of monopoly capital in the built form of cities.

It is hoped that the several policy or programmatic ideas laid out in the learnings of this thesis will be further examined to help avoid this future so that neighbourhoods can be socially reproduced through the commercial built form in Vancouver and elsewhere. Or that they might open other lines of inquiry that result in constructive responses.

As has been noted earlier the City of Vancouver has already taken measures, some of the policy, some of them programmatic. One notable example is the planning directive to keep neighbourhood built form low and mid-rise on commercial streets to protect small independent businesses. This has been adopted as a measure in the nearby area of Grandview Woodland, which includes in it one of Vancouver's other celebrated neighbourhood retail streets, Commercial Drive. While appearing an intuitive and logical action, if the experience of Main Street is any indicator Commercial Drive and other neighbourhood serving commercial streets may need additional forms

of protection for independent retailers as low building heights have not appeared conducive to independent small retailers in any of Main Street's neighbourhood shopping areas and chains have even moved into older spaces on busy crossings too. Even some single-use and single storey commercial sites have appeared to prefer chains on Main. Another high-profile reaction to the encroachment of chain stores into Vancouver's retail market includes the 2005 rejection of Walmart by Vancouver's City Council, which stands as a controversial and definitive rebuke of corporate chain store and big-box retail.¹⁰²This demonstrates that the City of Vancouver has taken actions in the past to protect local retailers, and through a better understanding of the trends it may be better positioned to take further actions in the future.

Vancouver, like other growing and attractive cities, is searching for ways in which urban development can supply diverse housing for different income levels but attention also needs to be paid to diverse retail, and other forms of employment lands that diverse income levels rely on for their livelihoods and social reproduction of community. To this end a distinction should be made between corporate chain stores as an expression of the reproduction of space by capital and that of small independent businesses as an expression of the reproduction of community by residents and merchants. This being similar to the distinction made between foreign and speculative housing investment by the Province and the City, and local home ownership or home rental. Here we have seen actions to improve affordability for residents, similar actions should be considered to improve affordability for local independent merchants who serve them. This necessitates the Province and the City and developers and retailers working together.

Neighbourhood serving retail streets like Main Street, with its collection of older low-rise building stock, provides crucially important

¹⁰² No Wal-Mart for Vancouver, CBC News, June 2005 <http://www.cbc.ca/news/canada/british-columbia/no-wal-mart-for-vancouver-1.543224>

affordable space for first time business owners, new Canadians and diaspora communities, and for the providers of goods and services that serve those aging in place or with particular needs. If Vancouver wants to remain an inclusive city that will mean becoming an affordable city and that means retaining affordable retail to serve the unique needs of communities. As Zukin (2009) states

...it is urgent to change public policy that fails to protect long-term, local shops while fostering the growth of new retail clusters...the right to the city passes through the right to shop there" (p62)

If the vision of Vancouver as a city of neighbourhoods is still to be honored, where the unique characteristics of diverse communities create authentic places that we celebrate, enjoy, and promote, then more thoughtful forms of engagement between community, industry and government on the issue of independent retailers can hopefully shape future outcomes with more intention. It is hoped that this thesis has demonstrated the important role that businesses play as cultural, historic, and social assets in addition to their role in the local economies of cities. It is hoped that it has captured some of the nuance between the external and local forces that appear to be shaping retail outcomes along Vancouver's Main Street. Furthermore, it is hoped that it has also clearly communicated both why it matters and what possibly can be done.

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Table 9 Newly Built Spaces Data 2016 - With Tenant Notes¹⁰³

Address	New Spaces	Vacant	Business	Chain	Ind	Types of Businesses
188 Keefer St	2	1	2	1	1	BMO Bank Branch, Juke Chicken
189 Keefer St	3	1	2	1	1	Starbucks Coffee Chain, Juniper Lounge (Upscale casual dining)
633 Main St	3	3	0	0	0	No
718 Main St	1	0	1	0	1	Office
1010 Main St	4	4	0	0	0	N/A
1601 Main St	3	2	1	1	0	Restaurant Group Pub, Government Office
1577-1615 Main St	3	1	2	1	2	Dental Office, Brews abd Bites Coffee Chain
1701-1715 Main St	2	0	2	1	1	Shop/Task Inline Skating Store, Yyoung Medicine Mart
2541 Main St	3	1	2	2	0	Geneis nutrition, Waves/My Coffee
2828 Main St	5	0	5	3	2	Salons, personal care and beauty, UPS courier
3333 Main St	2	0	2	2	0	Shoppers Drugmart Drugstore Chain, TD Bank Chain
3891 Main Street	1	1	0	0	0	N/A
4050-4000 Main St	3	0	2	2	0	Café Artigiano Chain, Sleep Country Canada
4425 Main St	2	0	2	1	1	Government liquor store chain and East is East restaurant
4435 Main St	3	0	3	2	1	McDonald's, Nesters Market, Main St. Insurance
4819 Main St	3	0	3	1	2	Moja Coffee, Train on Main, Physio
4885 Main St	1	0	1	1	0	Rexall Drug Chain
2800 Blk Main St	7	1	6	5	1	Hakim Optical, Flight Centre, Subway, Golidlocks, St. Patrick's Church and Community Centre
2511 Main St	4	0	4	2	2	Rosemary Rock Salt, Baguette and Co, Muira, Noodle Box
2016 TOTALS	55	15	40	26	15	

¹⁰³ Keefer St Addresses are 500 and 600 Block of Main Street