

**Mayor Valérie Plante**  
Ville de Montréal

September 30, 2019

Dear Mayor Plante:

**Re: Empty Storefronts - CBC Report of Sep 29, 2019**

I read with a great deal of interest the CBC report on your request to the Economic and Urban Development Commission to look into the high vacancy rates of the City's empty storefronts. As discouraging as it is to learn that a great city like Montreal is facing the same dilemma as other cities across North America, I am encouraged that you want to take on this scourge.

Of course the root of the problem is change in the retail industry and in the shopping habits of the public. It took decades for this problem to evolve and it will take a long time to resolve it, but we can. There is no reason to think that traditional retailing is no longer viable. We will always need strong downtowns and strong neighbourhoods and retailing is an essential function in both. That is where we must begin.

You will of course want to fill those empty storefronts and, I hope, with new retail shops and services. Which leads me to the most important consideration.

**Business Confidence**

Without business confidence in a retail location as a place of business, property owners and developers can't commit to new investment. Without business confidence in those locations as places for viable and stable businesses, retailers won't lease the many vacant premises that are the blight that we face today. Without business confidence in the mostly independent retailers who are considering those locations, banks won't lend financing to those prospective businesses.

Business confidence cannot be created by property owners, business owners or business improvement associations. It is city policy that determines the distribution, scale and form of commercial development. It grants monopolies to large land owners who can then bring an entire shopping complex on line at one time, complete with a critical mass of stores, a well balanced retail mix, shopping continuity, glamour, architectural excitement, advertising and on-site coordination. These tremendous advantages are given for sites that also have excellent accessibility, high density

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housing and/or employment, and are often in newly developing areas, with young families in their peak purchasing years and with high levels of disposable income to make those purchases. They are given to corporations that have professional management, and can command periodic store renovations.

Older retail areas have none of these advantages and must compete on a so called level playing field. There is no level playing field. Every aspect of older retail locations is more expensive, more difficult and less convenient. City planning needs to take the conditions of old versus new retail locations into consideration. It needs to clarify the functions of each retail area in ways that support specific types of retailing and maintain adequate market support for such businesses. It needs to require that new development replace obsolete development and not simply leapfrog over it to new cheaper, easier and more profitable sites.

In short, city planning needs to re-examine how it plans for commercial development and adopt a new approach that will lead to business confidence in those older areas of empty storefronts.

### **Downtown and Mainstreet Shopping Areas**

Notwithstanding the power of bulk purchasing, internet shopping and parcel delivery services, we will always need downtown and neighbourhood shopping areas. As social animals we will always need our downtowns to function as the social, cultural, economic and symbolic hearts of our cities. As our millennials are demonstrating so clearly there is a growing demand not for suburban isolation but for urban engagement in our cities. As global warming demonstrates so vividly there is no future for the extent of private transportation and development sprawl that we are used to today. Mainstreet shopping needs to become once again the core of our neighbourhoods.

While suburban locations may continue to be needed for mass market items and bulk goods that require SUV's there is a growing need for specialty shopping based on local products, small quantities and an increasingly wide range of tastes and preferences. This speciality shopping is a critical component of downtowns in order to serve the needs of downtown workers, leaders, professionals, tourists and out-of-town visitors. It is also essential in mainstream shopping areas to meet the increasingly diverse needs of our neighbourhoods.

### **Authentic and Memorable Shopping Experiences**

In a rapidly evolving and super-competitive world of shopping malls, power centres and online shopping, retailers everywhere are seeking to provide memorable experiences and authenticity. To be memorable, experiences have to be out of the norm, beyond expectations, engaging and distinctive. To be authentic, goods and services have to be genuine and real. While these two approaches may seem to be similar and complementary there are differences. An experience can be memorable but completely fake. An authentic experience may be real without being memorable.

Retail chains can do memorable but have difficulty maintaining authenticity throughout the chain. Shopping centres are built around a core of retail chains and have difficulty being either memorable or authentic. Online shopping can tap into unique goods and services but has difficulty making the experience memorable.

Memorable and authentic experiences are the ideal strategy for downtown and mainstream shopping areas. Every downtown is built on its own unique heritage. It is the ideal location for offering memorable experiences that can be appealing in their distinctiveness and retained for a lifetime. Local merchants are inherently different from chains and have the ability to provide hand crafted, artisan products that are made from local materials put together with exceptional skill or made for local tastes or style or joie de vive. Independent merchants are much more able to engage with their customers and offer heart-felt, personalized service. Montreal is better positioned than any other city in North America to capitalize on these advantages. With a spirit that exemplifies 'this is our way, this is what we love' the city doesn't need to emulate others, it attracts others.

## **Independent Businesses**

To maintain a strong economy a city needs to retain wealth within the city as long as possible. Chains stores recirculate about 17% of sales within the local economy while the rest is sent out of the city at the speed of the internet. Independent stores recirculate about 47% of sales with the local economy by purchasing more local goods and services such as: legal and accounting services, marketing, advertising, shipping, packaging, design and renovation. Independent businesses can be stimulated by planning for viable and stable conditions for retailing in the city's downtown and mainstream shopping areas.

## **Conclusion**

Conventional planning policy does not consider any of these three critical issues. That is why a new approach to commercial development planning is needed. It won't be easy. But don't take no for an answer. I hope this helps.

Yours sincerely,

Jack Dougan RPP

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