

COUNCIL MEMBER'S MOTION

3. **Retail Revolution: Bringing Digital Main Street to Vancouver to Support Brick and Mortar Neighbourhood Small Business**

Submitted by: Councillor Kirby-Yung

WHEREAS

1. The COVID-19 pandemic has inflicted significant negative economic impact with many Vancouver businesses forced to close or severely limit operations due to health and physical distancing restrictions;
2. According to Statistics Canada, retail sales fell 26.4 percent to \$34.7 billion in April from March, leaving them down 33.6 percent since physical distancing measures were implemented in mid-March. StatsCan says about one-third of retailers were closed because of the pandemic. On average, economists had expected a lower drop in April of 15.1 percent according to financial markets data firm Refinitiv;
3. While essential services like grocery stores remained open, most retailers did not offer in-store shopping in April due to public health restrictions. Online sales surged to a record high, representing 9.5 percent of the total retail market. Many businesses started or expanded their online presence and curbside pick-up services in response to closures. However, many small businesses have not had the knowledge or resources to effectively expand online;
4. Vancouver has many retail-commercial districts across the city, with 22 Business Improvement Areas (BIAs) and roughly 15,000 small and medium-sized enterprises (SMEs) within them;
5. 98 percent of Vancouver businesses are SMEs with fewer than 50 employees. These businesses have a significant impact on Vancouver's local economy generating significant jobs and tax revenue. 34 percent of Provincial Gross Domestic Product is attributable to the small business sector;
6. BIAs across Vancouver cited that up to 90% of businesses in their districts closed – either voluntarily or due to mandatory orders – since the implementation of restrictions to support physical distancing. Many businesses are now reopening and struggling to adapt to the 'new normal';
7. Despite the easing of restrictions, small business and retail survival post-COVID-19 is uncertain due to continued health restrictions, increased safety and sanitation costs, economic recession, diminished consumer confidence, and increased preference and adaptation to the convenience and safety of shopping online;
8. A recent survey conducted by the BC Chamber of Commerce of 8,000 businesses in BC, showed 73 percent of businesses expect their revenues will drop by 50 percent or more, with nearly a quarter saying revenues will drop by 100 percent, as a result of current restrictions;

9. Permanent closure of storefronts in Vancouver would have significant negative impact on local employment and the vibrancy of neighbourhoods diminishing complete communities, local feel, and social connection;
10. Digital Main Street (DMS) was developed to support small 'bricks and mortar' businesses to be more competitive in online retail through digital transformation. DMS assists small businesses with building online presence and sales capacity through online resources and training and one-on-one coaching;
11. Digital Main Street was created by the City of Toronto and the Toronto Association of Business Improvement Areas (TABIA) in 2016. Funding from the Province of Ontario followed shortly after;
12. Small business retailers and operators still face high rents while struggling with lower customer counts. Online commerce and initiatives like DMS to augment physical location sales will be key to small business survival;
13. The idea of bringing DMS to Vancouver and to BC led by Small Business BC is supported by the Vancouver BIA Partnership, BIA BC as well as the Vancouver Economic Commission and City staff;
14. Vancouver City Council and the City have a key role to play in championing and supporting economic recovery.
15. Initiatives like room to queue and room to load that have been implemented as a pandemic response, should be examined as a means to support a new type of retail anticipating increased pickup activity for orders placed online;
16. If Vancouver loses our small business, we lose the strength of our local economy. A LOCO BC survey found that spending at a local business equals 4.6X more impact with \$63 of every \$100 recirculating back into the local economy vs \$14 from spending at multinationals;
17. With many small businesses on the verge of collapse, online commerce will help the sector survive, recover and create economic resilience for future crises. DMS is one great initiative that will need to be rolled into a larger recalibration that recognizes the wholesale shift in retail. Supports needed for our main streets span from taxation changes to placemaking and adjacent housing.

THEREFORE BE IT RESOLVED

THAT the Mayor on behalf of Council write to the Minister of Economic Development and Official Languages and the Minister of Small Business, Export Promotion for the Government of Canada and the Minister of Jobs, Economic Development and Competitiveness for the Province of BC stating Council's support for bringing the Digital Main Street Program to Vancouver and to BC, and for Small Business BC to lead this initiative working in collaboration with Business Improvement Associations.

FURTHER THAT the above-mentioned letter be shared with Small Business BC, the Vancouver BIA Partnership, BIA BC and the Vancouver Economic Commission.

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