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Commercial Change in Toronto's West-Central Neighbourhoods

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Executive Summary

The literature on gentrification has focused predominantly on housing dynamics. To the extent that it has addressed the commercial dimension of gentrification, the emphasis has generally been on the characteristics of consumers as gentrifiers. With a few exceptions, what is absent from the literature on commercial change is an analysis of the types, motivations, and experiences of commercial establishments in gentrifying neighbourhoods—especially those at risk of displacement—or strategies for retaining those businesses serving the needs of low-income and ethnically mixed residents. A fundamental premise of this research is that retaining such businesses is crucial to preserving the affordability of neighbourhoods and creating urban spaces where people can encounter one another and recognize common interests across social differences.

This study of commercial change in Toronto's downtown West-Central neighbourhoods explores how commercial change contributes to wider processes of exclusion and gentrification, as well as the strategies and resources available to counter this pervasive trend. Specifically, the study has the following objectives:

- to document patterns of commercial change in West Downtown, concentrating specifically on the characteristics of three commercial strips in different “stages” of commercial gentrification;
- to identify challenges and opportunities that businesses face, particularly those serving low-income residents, for the purpose of identifying key themes in commercial gentrification;
- to recommend ways to support long-time businesses in the study area through policy change and community organizing.

“Commercial gentrification” refers to the processes by which long-established businesses providing products and services affordable to low-income people are leaving downtown Toronto neighbourhoods and being replaced by establishments catering to more affluent consumers. While we adopted the politically neutral language of “commercial change” in our interview questions, we use the term “gentrification” explicitly in this report to underscore our analytical emphasis on the exclusions, struggles, and displacements associated with the production of commercial space for progressively more affluent users.

We selected three commercial strips to represent different characteristics and stages of commercial gentrification, based on a combination of anecdotal evidence and data on rates of land value change. We conducted semi-structured interviews with 10 business owners or managers on each strip and a representative of the local Business Improvement Area. The businesses were selected to represent both a range of ownership structures and a combination of businesses that serve low-income residents and those that reflect the changing character of gentrifying neighbourhoods.

Finally, we assessed patterns of commercial change over time in the context of the commercial structure on the three strips by examining the “activity code” assigned by the City of Toronto to each individual business on the strips. We conducted statistical tests to identify whether

changes in activity codes on the strips between the years 2000 and 2005 were statistically significant, and compared this information with qualitative interview data on the changes taking place.

Our findings and analysis are presented in two subsections. The first presents key characteristics of the commercial strips that we have identified as “rapidly gentrifying,” “gentrifying,” and “not-gentrified.” What is clear from these descriptions is that gentrification is not a straightforward process in which the three commercial strips represent fixed positions along a stable and predictable trajectory. Understanding gentrification requires an appreciation of local social histories, and how those social histories articulate wider-scale capital flows and shape the opportunities and constraints faced by businesses in any given location.

Our classifications are useful in comparing types and states of neighbourhood change, but the goal is not to generalize about commercial strips. Rather we want to identify themes for discussion that might inform a critical understanding of the complexity of commercial gentrification processes and potential areas of policy intervention and advocacy to support long-time local businesses serving the needs of low-income and ethnoculturally diverse residents.

The second section is devoted to exploring those themes. It takes up the issues of ownership structure in relation to local investment and perceptions of community; transnationality in relation to the commodification of ethnocultural difference, the politics of strip “branding,” and the role of immigrant-owned businesses in building social cohesion; the role of BIAs in both promoting local development and fragmenting the urban landscape; networks of local retailers, consumers and labour that form clusters of agglomeration; the multiple forms and actors in the community economy; and the challenges and opportunities for business finance.

The report concludes with some recommendations for policy and community organizing in the areas of providing education about the social costs of commercial gentrification, developing strategies to retain businesses that provide affordable goods and services, supporting BIAs in local asset building and inclusionary practices, and countering fragmentation through comprehensive planning measures.

Author

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1. Introduction

Objectives

This pilot study of commercial change in Toronto's downtown West-Central neighbourhoods explores how commercial change contributes to wider processes of exclusion and gentrification, as well as strategies and resources available to counter this pervasive trend. The study has the following objectives:

1. To document patterns of commercial change in the Downtown West, concentrating specifically on the characteristics of three commercial strips selected for their different "stages" in processes of commercial gentrification.
2. To describe the challenges and opportunities that businesses face, particularly those in sectors serving low-income residents (e.g., food retail, hardware, financial services, dollar stores) as a way to identify key themes in commercial gentrification. Businesses were disaggregated by ownership structure (independent, franchise, corporate chain) to highlight the particular needs of independent businesses.
3. To recommend ways to support to long-time businesses in the study area through policy change and community organizing.

Rationale

The literature on gentrification has focused predominantly on housing dynamics—the erosion of affordable housing and the occupation of formerly working-class neighbourhoods by an upwardly mobile class of highly educated, highly skilled, and highly paid residents (Hackworth and Smith, 2001; Lees, 2000 and 2007; Lees et al., 2007; Slater, 2004 and 2006). Geographic perspectives have contributed in particular an interpretation of gentrification as “the leading edge of neoliberal urbanism” (Smith, 2002) and identified the way in which real estate capital seeks out the surplus to be gleaned from the inner-city rent gap and forces a revalorization of “underdeveloped” urban space (Smith, 1996). More culturalist approaches have emphasized the role of the post-industrial service class in attributing inner-city living with new sets of cultural mean-

ing as it seeks out particular urban amenities and lifestyles (Bridge, 2006; Hamnett, 1991; Ley, 1986). From a normative and policy perspective, the most important work in this field has been concerned with documenting patterns of displacement and exclusion (e.g., Slater, 2004) and a critique of discourses of revitalization, regeneration, social mix, diversity, and other positive interpretations of gentrification that obscure its social costs and class dynamics (Lees, 2007; Peck, 2005; Robson and Butler, 2001; Thrift, 1987).

To the extent that the literature has addressed the commercial dimension of gentrification, the emphasis has generally been on the characteristics of gentrifiers—the ways in which artists produce a surfeit of meaning that attracts economic capital (Ley, 2003); the dynamic agglomerations of small producers on gentrified strips (Crewe et al., 2003; Zukin and Kosta, 2004); or the role of upscale retailers in place-making and the construction of identity (Bridge and Dowling, 2001; Crewe and Lowe, 1995; Dowling, 1993; Ley, 1997; Zukin, 1998).

This research has been effective at establishing the significance of commercial dimensions of gentrification, but has had limited policy or political relevance for marshalling arguments and strategies against it. It has also enriched academic understandings of the culture-economy nexus, by pointing to the role of commercial strips in producing the cultural identifications and social networks that make gentrifying neighbourhoods attractive to young, upwardly mobile “service” classes. Yet for the most part (and in spite of the frequent references to the work of Pierre Bourdieu), a critical analysis of the role of consumption and cultural ascription/distinction in the production of urban space for progressively more affluent users is lacking (cf. Bridge and Dowling, 2001; Bridge, 2001; Ley, 1997; Peck, 2005). Some research even appears to celebrate these processes as a form of innovation or resistance to suburbanization and the uniformity of corporate retail (Zukin, 1998; Zukin and Kosta, 2006; see Slater 2006 for a forceful critique along these lines) or a natural progression whereby established groups move “up” a vacancy chain, leaving room for new entrants into business (Kloosterman and Van Der Leun 1999).

With a small number of notable exceptions (e.g., Curran and Hanson 2005) what is starkly absent from the nascent literature on commercial change is any analysis of the types, motivations, and experiences of commercial establishments leaving gentrifying neighbourhoods (except, in popular media, accounts of artists’ displacement) or strategies for retaining businesses that serve low-income and ethnically diverse residents.

Municipal policy on the governance of commercial strips is implicated here as well. This study thus examines the relationship between city-promoted business improvement areas (BIAs, known elsewhere as business improvement districts) and processes of commercial change, with an emphasis on class-based forms of displacement and exclusion (Mallet, 1994; Schaller and Modan, 2005; Ward, 2007).

A fundamental premise of this study is that retaining businesses that serve low-income and ethnically diverse residents is a crucial dimension of preserving the affordability of downtown neighbourhoods and for retaining spaces in downtown neighbourhoods where people can encounter one another and recognize common interests across social differences (Clough and Vanderbeck, 2006; Low and Smith, 2006; Young, 1990; Zukin, 1998). In this sense, commercial strips may be recognized as public spaces that must be protected from exclusionary practices commonly associated with rising property values. This analysis of patterns of commercial

change, then, is concerned primarily with the processes by which commercial space is produced for progressively more affluent users (Hackworth, 2002), a phenomenon identified in this report as “commercial gentrification.”

Methods

Strip selection

Three commercial strips were selected to represent different characteristics of the gentrification process, distinguished by average land value increases that are below, slightly above, and considerably above the average in downtown West-Central Toronto.

The first step was to consult with research staff at the social service agency, St. Christopher House, who have anecdotal knowledge of the downtown West-Central neighbourhoods and were able to isolate several neighbourhoods that roughly conform to a typology of different “stages” of commercial gentrification:

- not-gentrified/lagging-average-property-value-changes (Bloordale),
- rapidly gentrifying/leading-average-property-value-changes (West Queen West),
- gentrifying /keeping-close-to-average-property-value-changes (Roncesvalles).

These categories were selected to reflect common perceptions (both in scholarship and public discourse) of the “natural” stages of gentrification, while serving as a basis for critiquing this formulation and imagining alternative trajectories of neighbourhood change.

We then sought quantitative corroboration for the selection by examining rates of land value change between 2001 and 2005 (the period for which data was available) to determine whether the three study areas had experienced increases in land value that deviated significantly from the rest of downtown West-Central Toronto. The average change in land value for the whole of the study area is +\$94,272 over the five-year period. Bloordale’s land value change falls well below this at \$64,565, and is only 68% of the average change for downtown West-Central Toronto as a whole. In terms of commercial land value, this area is “lagging” behind the rest of the study area. At the other end of the range is West Queen [Street] West, which has an average land value change of +\$128,825, or 36% higher than the area average. The area is therefore “leading” increases in the area. Roncesvalles falls somewhere in between the others, with an average change of \$112,201, or 19% above the West-Central Toronto average.¹

The category of “keeping up” designates ongoing increases above the average, but not in a leading position. Roncesvalles and Bloordale conform to Business Improvement Area designations.² For West Queen West, we selected the section west of Ossington for two

1 The total CURA area has a population of 107,000, and is comprised of seven neighbourhoods, including Dufferin Grove, Little Portugal, Palmerston, Roncesvalles, South Parkdale and Trinity Bellwoods.

2 The Toronto Association of Business Improvement Areas (TABIA) describes BIAs as “an association of property owners and tenants within a specified district, who join together with official approval of the city, in a self-help program aimed at stimulating business” (TABIA, 2003). The main purposes of a BIA are to develop or maintain a dynamic neighbourhood and “to promote the area as a business or shopping destination.” In short, they are to “encourage both local residents and others to spend their shopping dollars within the local commercial district”

reasons: the Ossington-Gladstone section of West Queen West is roughly the same size as the other two strips in the study; and it is in this section that the most rapid commercial change is currently taking place.³ The three strips selected for this study are shown in Table 1 and on Figure 1.

Table 1: Selection of commercial strips

Name	Stage	Land value change	Probability	Boundaries
West Queen West	Rapidly gentrifying/leading	\$128,825	99.90%	Ossington-Gladstone
Roncesvalles	Gentrifying/keeping up	\$112,201	98.80%	Galley-Hewitt
Bloordale	Not gentrified/lagging	\$64,565	99.60%	Lansdowne-Dufferin

Interviews

We conducted semi-structured interviews between September and December 2006 with BIA representatives and 10 businesses on each strip.⁴ The businesses were selected to represent a range of ownership structures, conforming to the extent possible with the following distribution: 6 independent, 2 franchise, 2 chain. They were also targeted to reflect a combination of sectors serving low-income residents (e.g., food retail, hardware, financial services, dollar stores) and sectors that, according to the literature on gentrification, purportedly reflect the changing character of gentrifying neighbourhoods (e.g., clothing boutiques, restaurants, art and design stores). The interview protocol included a consistent set of questions, and, while allowing for open-ended discussion, was designed to help us classify responses into the following set of categories (see Appendix B for interview protocols):

- perceived changes to the strip;
- ownership structure of enterprise;
- duration of ownership or management and place of residence;
- challenges to operating business in this location;
- opportunities presented by this location;
- experience financing the business or extending financial support to others;
- participation in the community economy;
- participation in and views about the local BIA;
- ideas about support for long-time businesses and local economic development.

(TABIA, 2003). BIAs are established through City legislation, after which all businesses within the delimited area of the strip become members. Activities are funded through annual levies of the membership and contributions from the City.

3 As discussed below, analysis of changing business activity through City of Toronto Business Activity Codes used the whole of West Queen West BIA.

4 On West Queen West the team conducted nine interviews

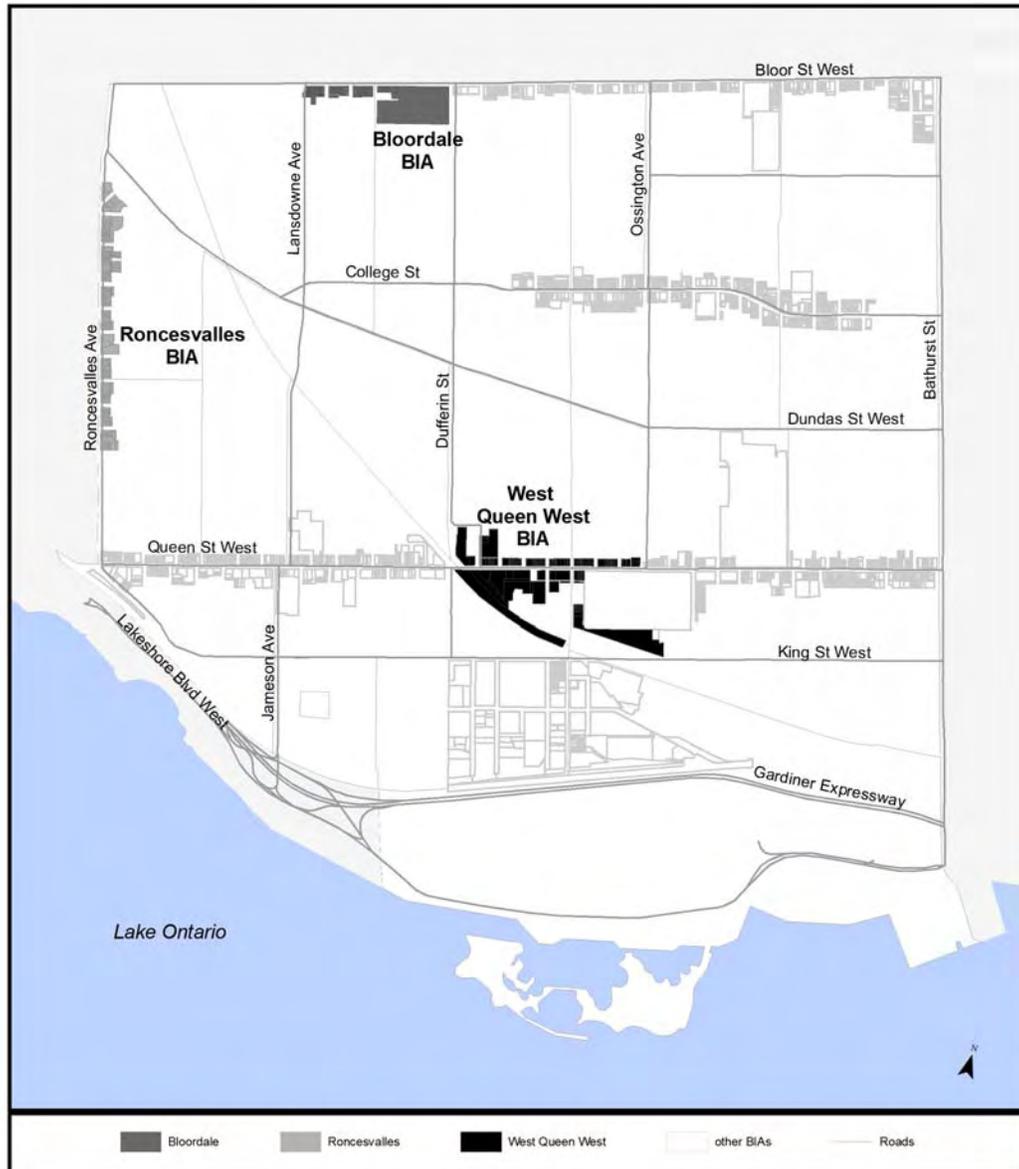


Figure 1: Business Improvement Area locations in this study

Each interview was attended by a team of two researchers, to facilitate an iterative process of data collection, recording and analysis.⁵ When permission was given, interviews were recorded on digital recorder; transcripts were generated on the basis of interview notes and transcriptions of digital recordings of particularly salient sections of the interviews.

⁵ An attempt was made to involve also community researchers with linguistic capacities in the mother tongue of interviewees and familiarity with the selected commercial strips, but scheduling difficulties precluded them attending any interviews. A graduate student at University of Toronto, Limin Fang, was hired to assist in interviewing Mandarin-speaking respondents; research assistant Justin Ngan participated in one interview requiring a Cantonese speaker on the interview team.

Quantitative analysis

Finally, we assessed patterns of commercial change over time in the context of the commercial structure on the three strips. This was done by examining the “activity code” (see assigned by the City of Toronto to each individual business on the strips. We conducted statistical tests to identify whether changes in activity codes on the strips between the years 2000 and 2005 were statistically significant, and then attempted to identify more qualitative changes that had taken place within the activity codes by drawing on interview data.

The short time-series with which we worked imposes a number of limitations on drawing conclusive observations from the quantitative data. What is more significant is the differences between the three strips, with one qualification. We were using one subsection of the West Queen West commercial strip (West of Ossington) as the unit of analysis in the qualitative assessment. Although we were able to obtain commercial land value data for this subset, we were not able to obtain business activity data for it. Therefore, all quantitative analysis in this report, including the information in Appendix A, deals with the West Queen West strip as a whole (from Bathurst to Gladstone Street). This discrepancy makes quantitative comparisons between the strips questionable, and quantitative analysis of change within West Queen West over time difficult. Rather than remove this analysis, however, we decided to retain it in order to elucidate some general trends.

Presentation of findings

Findings and analysis are presented in two subsections. The first identifies key characteristics of the commercial strips that we have classified as rapidly gentrifying/leading, gentrifying/keeping-up and not-gentrified/lagging. The goal here is not to generalize to a wider population (of commercial strips) or to suggest a rigid trajectory of commercial change. Rather, we hope to identify themes that might inform a critical understanding of the complexity of commercial gentrification processes and potential areas of policy intervention and advocacy to support long-time local businesses serving the needs of low-income and ethnically diverse residents.

The second section explores those themes. Given the limitations of the quantitative data, the discussion here is driven primarily by our qualitative data. Observations are substantiated where possible with direct quotes or tallies of respondents' responses.

2. Characteristics of commercial strips at different stages in commercial gentrification

All of the strips in our sample conform to the accessibility measures commonly identified in the scholarship on gentrification (Ley 1986). All are well served by public transit; are roughly equidistant from (and close to) the downtown core and its concentration of white-collar, service-sector jobs; and have ample public amenities such as schools, libraries, and medical facilities. None of the strips are egregiously blighted by empty storefronts or building decay and defacement.

Nevertheless, there is considerable disparity in property values and in the targeted clientele of commercial establishments among the strips that warrants more careful thinking about the causes and effects of commercial gentrification—defined here as the processes by which long-time businesses providing products and services affordable to low-income people are leaving downtown Toronto neighbourhoods and being replaced by establishments catering to a higher-end consumer market. The strips are also characterized by different kinds of “anchor” establishments, that is, stable institutions that draw and retain particular demographic groups.

Few of those we interviewed actually used the word *gentrification*, nor did we use the word in our interview questions, adopting instead the more politically neutral language of “commercial change” and “neighbourhood change.” Indeed, many of our respondents, representing a range of business sectors and ownership structures, view rising property values and associated demographic change positively; even if they have not benefited directly, they are optimistic that they can eventually capitalize on the increased patronage by more affluent consumers. We use the term *gentrification* explicitly in this report, however, to underscore the analytical emphasis on the exclusions, struggles and displacements associated with commercial change processes. The points raised in this section are summarized in Table 2.

What is clear from the descriptions below is that gentrification is not a unilinear process, in which the three strips represent fixed positions along a stable and predictable trajectory. By representing West Queen West as the most rapidly gentrifying of the strips, for example, we do not mean to suggest a uniform trajectory of change or an end state toward which the other strips are converging. Rather, understanding gentrification requires an appreciation of the

Table 2: Characteristics of commercial strips

	Rapidly gentrifying/ leading	Gentrifying/keeping up	Not gentrified/lagging
	West Queen West	Roncesvalles Village	Bloordale Village
Overall character	<p>Leading property value increases</p> <p>Art/culture-driven gentrification; corporate retail chains and high-end condo developments locating on strip, driving up property values and pricing artists out of the market.</p> <p>Anchors: two high-end boutique hotels and two social service agencies (Centre for Addictions and Mental Health and St. Christopher House), which serve low-income and at-risk populations.</p>	<p>Close to area average in property value increases</p> <p>Significant presence of Polish business establishments and institutions catering to Polish and Eastern European clientele, many of whom are former residents of the area.</p> <p>New residential population of “young urban professional families” drawn by the “village” feel.</p> <p>Anchors: Significant Polish cultural institutions such as St. Casimir’s Roman Catholic Church, St. Stanislaus-St. Casimir’s Credit Union, many public amenities</p>	<p>Below area average in property value increases</p> <p>Ethnically mixed.</p> <p>Visibly depressed: run-down store fronts, suboptimal municipal servicing, poorly maintained sidewalks and planters.</p> <p>Anchors: Strip clubs</p>
Business type and strip identity	<p>Art and Design designation</p> <p>Stock of architecturally interesting buildings</p> <p>Recent emergence of boutique shops, restaurants/clubs and art galleries</p> <p>BIA seeks to lure tourists, “creatives,” and leisure shoppers</p> <p>BIA’s recent initiative to include representation from residents’ associations on Board of Management indicates a trend toward more integrated community development</p>	<p>Polish village designation</p> <p>Stock of architecturally interesting buildings</p> <p>Boutique shops and restaurants/clubs, some recent, some 10-15 years on strip. Franchises and chains also appearing in high-end retail.</p> <p>BIA seeks to lure tourists, leisure shoppers, and emigrated Polish population. Stages Polish festival.</p> <p>Controversy surrounding BIA’s role in promoting Polish village designation.</p> <p>BIA is working closely with residents’ association to promote community economic development.</p>	<p>No affirmative designation; reputation for crime, drugs, prostitution, other illicit trade</p> <p>No stock of architecturally interesting buildings</p> <p>Most businesses are small, independent stores catering to basic needs of local residents. Some ethnically-identified restaurants/groceries attract clients from outside area. Rapid turnover. Chains and franchises target low-income consumers, e.g. Coffee Time, Money Mart</p> <p>BIA focuses on clean-up, crime prevention, lighting</p>
Gentrification processes	<p>Displacement of businesses providing affordable services to low-income people</p> <p>Displacement of artists by condo developers and rising rents.</p> <p>NIMBY organizing by newly formed residents’ association</p> <p>Social tectonics—along class lines</p>	<p>Polish businesses and residents relocating to Mississauga by attrition, not displacement, and retaining ownership of buildings.</p> <p>Franchise label offers security to long-time businesses</p> <p>Social tectonics—along ethno-cultural lines</p>	<p>Factors keeping property values and rent relatively low: crime, drugs, etc; requirements for environmental remediation; lack of interesting architecture</p> <p>Expectations and hopes of future gentrification</p>

particularities of local social histories, how they articulate wider-scale capital flows, and how they shape the opportunities and constraints faced by businesses in any given location.

The terms “rapidly gentrifying/leading,” “gentrifying/keeping-up,” and “not gentrified/lagging” are useful in comparing types and states of neighbourhood change, but the descriptions below reveal the distinctiveness of gentrification processes in each area. From a policy perspective, the challenge is to identify how documenting and charting relationships among diverse gentrification processes can provide a foundation for critical analysis and feasible alternatives.

Gentrifying/leading strip: West Queen West

The rapidly gentrifying strip that is leading in terms of absolute property values and increases in property value between 2000 and 2005 conforms in many ways to the “classic” artist-driven gentrification scenario: artists move into an area of the city with low property values, amenable zoning designation, and affordable warehouse spaces and convert those warehouses to live/work studio spaces. Once the artists are established in suitable densities, the area attracts the attention of middle-class consumers and homebuyers/tenants because of the trendy atmosphere created by artists. The homebuyers and tenants move into the neighbourhood while house prices are still accessible.

Meanwhile, key commercial anchors locate on the strip and set the stage for rapid commercial gentrification. On West Queen West, the anchors are the Drake Hotel (which features boutique-style rooms, fine dining, art exhibitions, and a packed schedule of nightly entertainment) and the Gladstone Hotel (which markets an experience of “local creative culture” with artist-designed guest rooms and art-related events).

Finally, commercial chains (in this case, Starbucks) and condominium developers begin to invest in the strip, further commodifying its art and design designation, fuelling property value increases, and gradually pricing artists out of the neighbourhood. In doing so, they diminish the substantive artistic content of the neighbourhood, even as they exploit it in their marketing campaigns.

Business types and strip identity

The West Queen West strip is characterized by the recent emergence of boutique shops, restaurants, clubs and art galleries targeting leisure shoppers, tourists, and other consumers of “creative culture.” While many of these changes are not captured in the sectoral data on establishment counts (because they reflect a scaling up within previously existing sectors), Figure 3 suggests that retail in the area clothing retail in particular has been increasing.⁶ West Queen West has many architecturally interesting buildings with pleasing facades, and many of these have been renovated inside to reflect a modernist aesthetic. Several interviewees commented that the increasing presence of bars and restaurants has resulted in increased night-time commercial activity, while day-time traffic remains sluggish. The art galleries help, but their business is confined largely to weekend traffic.

6 See Appendix A. The data in Figure 3 reflect establishment counts for the whole West Queen West BIA, not just the smaller area that was the focus of our qualitative research.

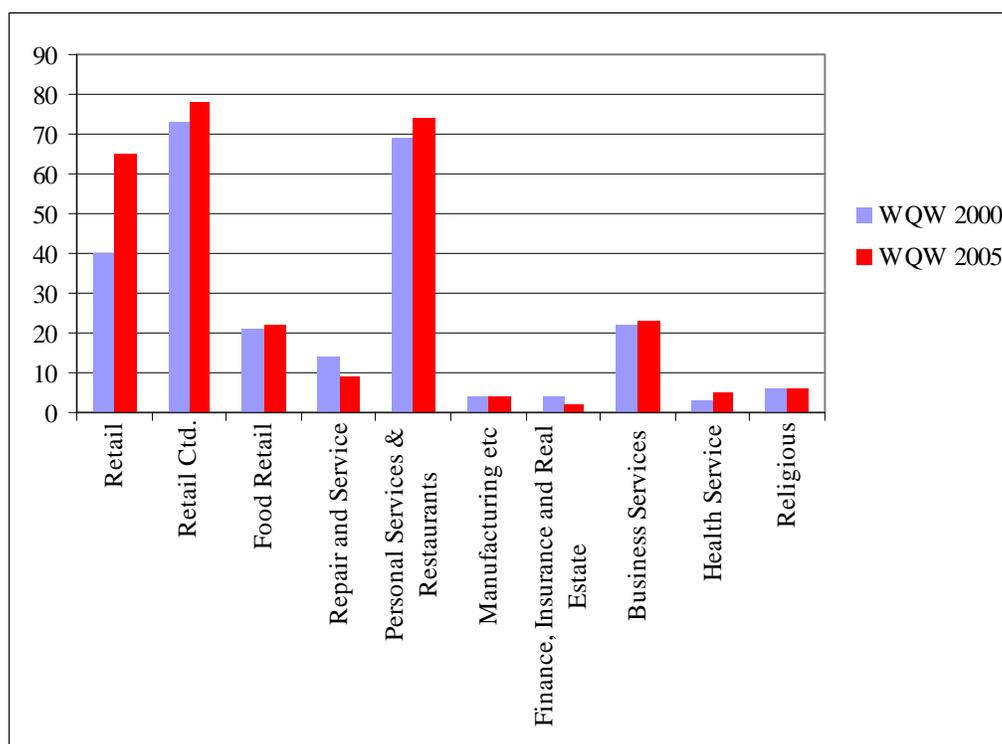


Figure 2: Business activities in West Queen West, 2000 and 2005⁷

In 2005 the West Queen West Business Improvement Area (BIA) was formed to consolidate the designation of the strip as the Art and Design District, as indicated in the statement on the BIA's website:

Established in 2005, West Queen West is an eclectic retail area specializing in fashion, design and style. It houses a variety of boutiques, interior design shops, antique and vintage stores, a selection of distinctive and enticing restaurants, and is home to the largest concentration of galleries in the city. Located on Queen Street West, between Bathurst Street and Gladstone Avenue, the area has over 400 businesses. With restoration of major landmarks like the Drake Hotel and Gladstone Hotel, West Queen West is currently experiencing an infusion of new activity and investment, creating one of the most vibrant commercial areas in the City.

There are three key points to note about the role of the BIA in commercial gentrification here. First, the BIA followed rather than led recent processes of rapid commercial change. It was only after the emergence of the major anchors of commercial gentrification and the spin-off effects of the proliferation of boutique retailers and corporate capital that a formal association of businesses was established to promote the strip's cultural identity. This finding contradicts a common assumption in much of the BIA literature that BIAs are key *drivers* of commercial change (Hoyt and Gopal-Agge, 2007).

⁷ See Appendix A, Table 7, for an elaboration of the kinds of business included in each activity designation.

Second, the objective of the BIA has been to market the “art and design” designation so that the strip becomes a destination for people coming from outside the neighbourhood, as the following comments of a BIA staff member suggest:

WB1/2: We have some ideas of different ways to integrate the artist community with our business improvement association. And that is something the BIA is always working strongly to maintain *because it is what draws people to the area*.... A lot of the time it is the reason that people who are not from this neighbourhood will come down here.... I mean it is the Art and Design District ... it's unlike any other region in Canada for that reason alone, so it's important for us to keep it in mind in everything that we do: using local artists when we do things like murals, anything that has to do with art and design, our logo, our website.... We've worked with concierges at hotels, making sure that they are promoting the area as an alternative ... kind of like Soho, to visitors who are looking for something like Soho to come to.

This interview was conducted in the early stages of the pilot study. Since then, the BIA has increasingly sought to balance tourism promotion with an orientation toward serving the local community.

Third, and to this end, the BIA has recently expanded its board to include residents' associations; likewise, the BIA “project coordinator” sits on the boards of local community organizations to “open the lines of communication” with a wider range of community groups.

Gentrification processes

The emergence of boutiques and a Business Improvement Association that promotes the so-called “creative culture” of the strip, correlates with the displacement of businesses providing affordable services to low-income people—second-hand furniture and appliance stores, clothing stores, pawn shops, repair shops, inexpensive coffee shops and restaurants. This trend is represented quantitatively by the evident decline in establishments that repair and sell (second-hand) household appliances—sectors that are not readily upgraded in gentrification processes (see Figure 2). As one proprietor of a long-time independent business serving low-income people put it:

Regular small restaurants have closed down, small coffee shops have closed down. There is no regular stuff here anymore.... It's tough. The new [image of the] area brings new business, brings new people, new clientele. So the old kind of businesses do not have the right type of business to cater to the new people that are moving in. Say a burger place, most of the people here, the arts community, they don't take a quick lunch. They like to sit around in a nice restaurant and have a two-hour “proper” lunch. So if you open a regular burger place here, I am not sure you would survive... A lot of people complain if they want some regular coffee they have to go West to get the same feel, the same friendly small community, good feel. Out here, if you don't look a part, and you don't act a part, they [the newcomers] won't talk to you.

Another long-time business owner commented that one of the two gentrification anchors is trying to buy other properties on the strip. Although she has refused to sell her property, the only way she has been able to keep her business going has been to

keep changing the menu and creating new items.... There are lots of new art galleries, more bars and coffee shops... If you don't renovate to attract new customers, you have to shut down—this is why the older coffee shops have closed.

In other words, she has raised her prices to compete for the new higher-end consumers. Thus it is not necessarily the *sector* of retail that is changing (there are still many restaurants, coffee shops, clothing stores, and so on), but the targeted clientele and the cost of goods and services have changed.

Another distinctive feature of West Queen West is the nearby location of two important institutions that have long served a low-income population in the area: the Centre for Addiction and Mental Health (which since the de-institutionalization of psychiatric patients in the 1980s has drawn a population of outpatients who frequent the strip) and St. Christopher House (a community centre providing support services to low-income people and immigrants).

As other gentrification researchers have discovered, however, “demographic social mix” does not mean social mixing among the long-time, low-income users of the established social services and the “creatives” who have recently moved into or begun frequenting the neighbourhood. On the contrary, the relationship may be more aptly characterized by the notion of “social tectonics”—groups living alongside one another, but not engaging with one another substantively (Robson and Butler, 2001 in Slater, 2004). As the proprietor cited above put it:

If you are new in this area, you would be afraid to see the low-income group—they look different. Conversation-wise, the low income group would be a little bit more day-to-day, like, where is my food coming from, rather than, what do you think about this book or that art?

One boutique owner noted that new shops opening on the strip—including his own and Starbucks—have been the targets of vandalism expressing the class tensions caused by gentrification. Further, after the murder of a resident who denied cash to a panhandler, a newly formed residents' association began organizing against homeless people, panhandlers, squeegee kids, drug dealers, and petty criminals.⁸ The BIA recently sought to play a role in defusing such tensions by renaming its “police liaison” committee as a “community liaison” committee; to shift away from an emphasis on safety and security to a focus on community-building that would achieve security through citizen engagement over the long term.

Gentrifying/keeping up: Roncesvalles Village

The gentrifying strip that is keeping pace with rising property value—that is, values are increasing at a rate higher than the average for the area, but not that much higher—reveals different patterns of commercial change. Roncesvalles Village has been associated with a more “advanced” stage of gentrification, given the longer-term prevalence of businesses serving middle-class consumers. There is a significant presence of Polish establishments—bakeries, delis, restaurants, and others—catering to Polish and other Eastern European clientele who emigrated to the area following the Second World War.

8 See J. Gersen. (2007). “Queen West ‘rapidly declining’; Police and politicians ignore escalating crime, aggressive panhandling, residents, merchants say.” *Toronto Star*, August 15.

Many important institutions for the Toronto Polish population—including St. Casimir's Roman Catholic Church, the St. Stanislaus-St. Casimir's Credit Union, and two large historical monuments—are located here. The recent migration of many Polish households to the suburbs (primarily Mississauga) through attrition, not displacement, has led to the arrival of a more diverse population. Many informants interviewed for this report referred to the new arrivals as “young professionals” or simply “young families,” who have renovated the old houses on the side streets.

The newcomers are drawn by the neighbourhood's “village” feel and numerous amenities—there are four national banks, a library, several churches, schools, clinics and alternative health facilities, and real estate agents on the street, as well as a hospital (St. Joseph's) and several large parks nearby. These young professionals are catered to by a high-end chain grocery store (Sobey's), several franchises (coffee shops, paint store, hardware), a cluster of boutique establishment promoting “local” products and “alternative” lifestyles, restaurants, and several vegetable and fruit markets, formerly Polish, now run by Asian proprietors. Of these, food retail is the sector that is best reflected in the quantitative data, with the number of establishments increasing from 17 to 22 in the 2000-2005 year period (see Figure 3).

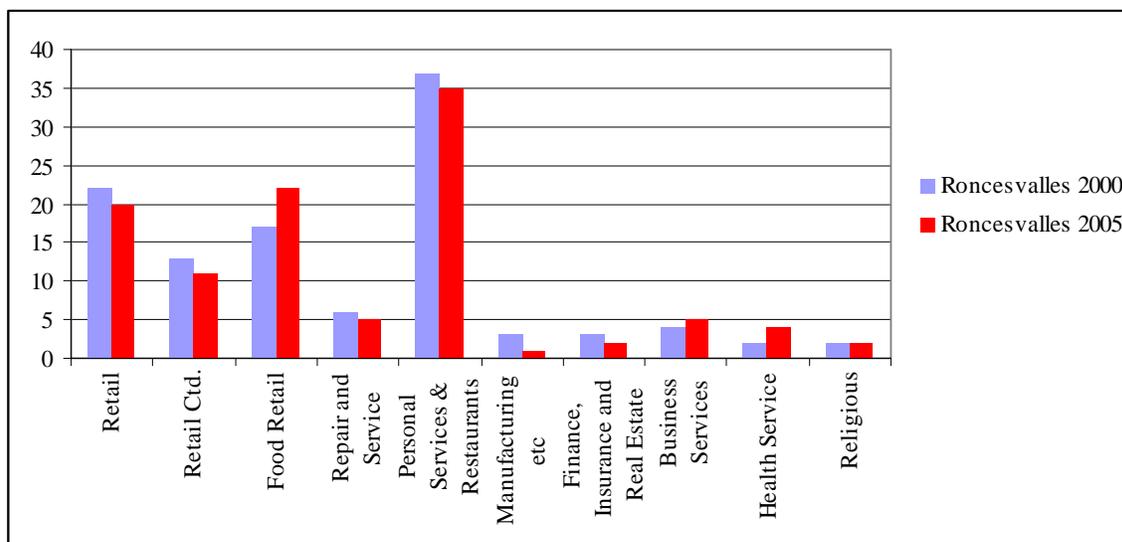


Figure 3: Business activities in Roncesvalles, 2000 and 2005

Business types and strip identity

There are franchises and chains in the neighbourhood (including Timothy's, Second Cup and most recently Starbucks; as well as Home Hardware, Sobey's, Benjamin Moore Paints), but small independent businesses—both old and new—still predominate. Many businesses have been able to take advantage of the City's storefront revitalization program, which provides financing for BIA members who contribute to a matching fund. Several interviewees mentioned that the cleaner, more attractive streetscape has contributed to a reduction in crime.

Increasingly the targeted demographic is the young families that have recently moved to the area—as evidenced by the addition of stores carrying toys, pet supplies, children's clothing, and coffee shops that cater to a daytime clientele of parents caring for babies and young children. Several business proprietors suggested that most of their sales comes from walk-in business during the daytime.

Much of what attracts both residents and businesses to the neighbourhood is the traditional European village ambience, which is actively promoted by the Roncesvalles BIA. Formed in 1991 through the amalgamation of two separate BIAs established in 1986, the BIA offers the following description on its webpage:

You'll find an enduring Old World atmosphere much in evidence in Roncesvalles Village, with a decidedly Polish accent. Tree-lined streets, the tantalizing aroma of fresh-baked goods and traditional smokehouses as well as trendy fashion shops are just a few of the attractions that keep former residents of the neighbourhood and so many others coming back again and again to visit, to shop, to browse or simply to catch up on what's happening.

The relationship between newcomers and the former Polish population is however, complicated and somewhat contradictory. On the one hand, the "Polish village" marketing effort has been successful in promoting the neighbourhood to middle-class homebuyers looking for the experience of community with the amenities of a big city. On the other hand, some newer businesses feel excluded when the neighbourhood is too narrowly defined as Polish. Several said that they feel like outsiders, and slightly resentful that the "old guard" continues to promote the Polish image, even though the ethnic composition of the neighbourhood is clearly changing.

Particularly contentious was the BIA's renaming of the local harvest festival as the "Polish festival," and inviting Polish businesses from outside the area to set up tents that clogged the streets and took business away from local stores that were not identified as Polish. Moreover, because Polish businesses depend on the patronage of Polish clients who have moved out of the area but return on weekends to shop, they advocate neighbourhood development strategies—such as upgrading parking facilities—that are at odds with the "village" designation of the strip, and have even opposed devoting BIA resources to sidewalk upgrades aimed at improving the pedestrian experience.

Businesses that do not identify as Polish are also quick to criticize Polish-identified stores for not keeping up with changes in the neighbourhood. A manager of the high-end grocery chain that had opened on the strip eight months before our interview commented:

if you go into some of these stores, you see that a lot of them have been around a long, long time. They use a lot of their shelf space for giftwares that do not sell and they make very poor use of their own space and do not market.... They want to do the business that they do, and that's it. The dollar store down the street is so cluttered with stuff, you wouldn't believe. The health food store looks like they've been here forever.

Others were more concerned about what they perceived to be a dismissive or even discriminatory attitude to non-Polish ethno-cultural groups, as the following comment of one independent boutique owner suggests:

They tend to have that kind of cranky, grumpy kind of thing going on and unfortunately I just think that's not good. People just don't respond well to that... Especially if they are South Indian or Jamaican they give you a cold shoulder...I actually stopped going to [one Polish business] after he turned a guy away because of colour, race. It was specific. I had to leave.

Here, then, the BIA is playing an integral role in processes of commercial change, but it is also fomenting a complicated politics of ethno-cultural identification in reaction to the notions of culture, tradition, and locality that it uses to promote the strip.

The BIA, however, changed considerably during the course of this research. Like the West Queen West BIA, it has increasingly involved residents on its board and has appointed a staff person to deal with residents' concerns. According to the chair, "the BIA becomes a lot more powerful when the community is united behind a common goal; it has never been so strong as now, because the residents' associations are BIA members." The strategy is to blend economic and community development in a way that heightens the visibility of the area to attract outsiders, while strengthening the existing community. So, for example, a subcommittee of the BIA has recently spun off to form a new organization, Roncesvalles Renewed, charged with involving community stakeholders in the upcoming redevelopment of the strip.

Gentrification process

The St. Stanislaus–St. Casimir's Credit Union played a pivotal role in establishing a wide range of Polish-owned businesses serving a predominantly Polish community in the 1960s and 1970s. With financing in place and a stable demand for their services, these businesses were able to flourish. Those that have left the neighbourhood recently have not been displaced, but have chosen to move to suburban areas, along with many Polish residents of the neighbourhood. Many have retained ownership of their commercial properties on Roncesvalles Avenue in order to capitalize on rising rents.

At the same time, our sample includes several owners who have lived and managed businesses in the neighbourhood for a long time—six in our sample have been in the area for over 10 years (35, 25, 20, 19, 14 and 10 years). Some are Polish-owned and others are owned by Anglo-Canadians who moved into the neighbourhood when it was still affordable. The BIA chair reports a high level of owner-occupied commercial properties.

Common strategies engaged by those who have successfully survived demographic and economic change in the neighbourhood include taking on a franchise label, renovating, or changing their stock to keep up with the shifting tastes of local consumers. For example, the (14-year) owner of a paint store that has been in the neighbourhood for 55 years explained how the franchise label has helped ensure stability through processes of gentrification:

Times are changing and for me it was the best move to do that, to have the [franchise name] label. I still have my store name, but now it's under the [franchise name] label. People like it. Branding is very important for me... There are a lot of people who don't know the store...when the sign [with franchise name] is there, it makes a big difference...

Not gentrified/lagging: Bloordale Village

This strip is characterized by the lowest property values of the three strips and property value increases between 2000 and 2005 that are below the average for downtown West Central Toronto. It is an ethnically mixed community, in which previous concentrations of Portuguese and Italian families are being replaced by Indian, Burmese, Vietnamese, African and West Indian households (among others), many of whom are first-generation immigrants attracted by the low rents.

There are no significant “anchoring” commercial establishments on this strip, other than two strip clubs. A very large Value Village outlet is located half a block west of the strip. The only significant community amenity is the public high school on the eastern end, although several non-profit organizations supporting new immigrants and homeless people are located on or near the strip. The strip is visibly depressed, with rundown store fronts, some defaced with graffiti; poorly maintained street planters; and inadequate municipal servicing, as evidenced by littered sidewalks and complaints about smelly sewers.

Business types and strip identity

The ethnocultural diversity of the area is reflected in the preponderance of ethnic-identified businesses. Most businesses are small, independent stores, catering to basic needs—dollar/variety stores, coin laundries, thrift stores, pawn shops, a used appliance centre, check cashing services. Several ethnic-identified restaurants, bars and grocery stores attract consumers from outside the area, because they sell specialty ethnic foods, but for the most part, establishments on the strip indicate that most of their business is transacted with local residents. The trends shown in Figure 4 suggest that the most growth has occurred in the area of personal services and restaurants, but in general change in the commercial structure of the strip from 2000-2005 is not statistically significant (see Appendix A).

The strip club draws outsiders, and several restaurant owners said that they get some business from outsiders coming to the area for drugs or prostitution. The franchises on the strip all cater to a low-income clientele (Coffee Time, rather than Starbucks or Second Cup) and the two in our sample explicitly stated that they rely heavily on making home deliveries outside the strip to make their businesses viable.

For many of those we interviewed, the overall identity of the strip is that it is a rough neighbourhood where drugs, crime, and prostitution predominate.⁹ With the exception of the two franchise operators, all of our interviewees, including the BIA chair, mentioned drugs and crime. Most believe that the drug dealers come from outside the neighbourhood and that everyone recognizes them and knows who they are. As one independent variety store proprietor put it, “It’s a tough area with many rough-looking people from outside the area selling drugs. It creates crime. We are all suffering here.” Prostitution was also mentioned, along with the two strip clubs and a homeless shelter.

9 We did not interview the sex workers, drug addicts, and others whose livelihood is tied to the immigrant services, homeless shelters, and illicit trades, and who might offer different views about the strip.

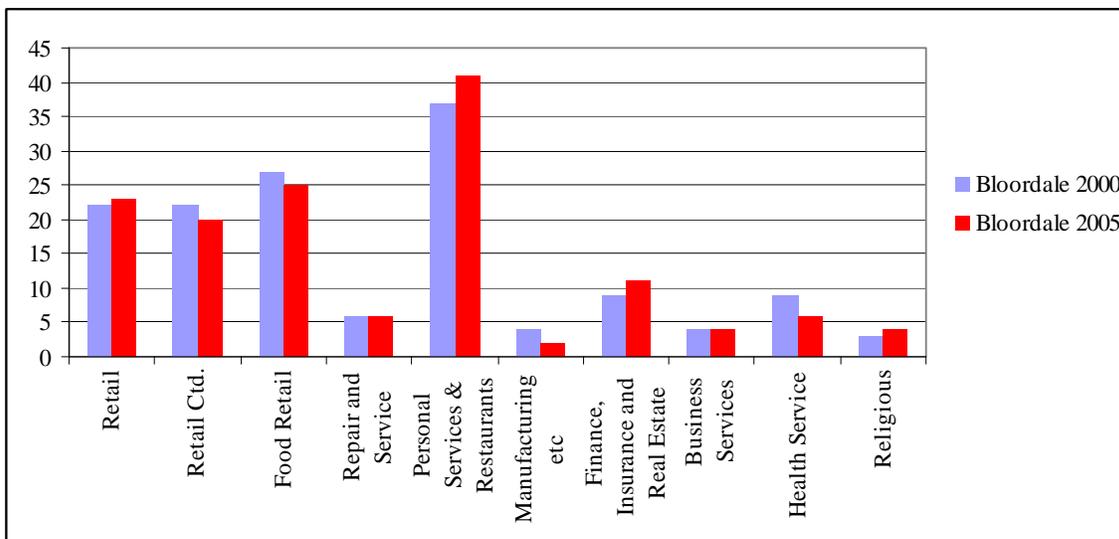


Figure 4: Business activities in Bloordale, 2000 and 2005

One interviewee talked about the “alternative economy” of the neighbourhood, which includes illicit trade, drug dealing, kickbacks, chop shops that break down stolen automobiles, and shops that trade in stolen machine and equipment parts. The prevalence of illicit trade creates a climate of fear that was palpable in our interviews. The variety store proprietor described witnessing the theft of money from a money-changing machine in the laundromat across the street, but “I could not go out and face [the thief], because it would put my business at risk.” He talked about giving money or discounts to panhandlers and homeless people who loiter outside his shop, lest they disturb his clients:

I give them discounts or even if they are out of money, I can help them. You can do your stuff, but don't bother the nice people on the street who are doing their shopping around. Don't make them nervous. So now they understand me.

The proprietor of an ethnic-identified restaurant likewise acknowledges the presence of drug dealers, but does not allow them to eat in the restaurant:

The area has become much more dangerous. Businesses are closing down and I do not feel safe in the neighbourhood. The drug dealers are out all day, and you get to know who the drug dealers are. When the drug dealers come into the restaurant to eat, I will sell them food, but won't let them eat it in here. They have to order take-out, otherwise they will try to sell their drugs out of the restaurant. Late at night, people come looking for dealers and want to score in the restaurant.

These strategies notwithstanding, the drug activity and other illicit trade in the area are clearly harming local business. Businesses turn over rapidly (seven of 10 interviewees had been in business for less than five years); profit margins are low (the operator of one franchise told us that the owner subsidizes the Bloordale establishment with earnings from two other store locations); and financing is hard to obtain, especially for independent enterprises. The latter, many of whom are immigrant entrepreneurs, commonly engage family members to work in the

business, and expressed a determination to keep working harder and harder in the face of these challenging conditions.¹⁰

Describing her husband's role in the business as purchasing food and other supplies, handling equipment repairs and other kinds of work involving travel outside the store, the proprietor of an ethnic-identified restaurant commented, "My husband he is working like a poor person; he is running all the time." And the proprietor of an ethnic-identified grocery acknowledged the potential unsustainability of her and her family's efforts:

With business, it is all about determination. You have to be determined and say that you are going to do this and try and work very hard. But one should know that there is a difference between running a business and making money.

The BIA on this strip is the second-oldest BIA in the city (founded in 1976). Membership on its Board of Management is limited primarily to a few long-term businesses (the chair is the owner of one of the strip clubs). Proprietors of the fragile independent businesses for the most part are unaware of BIA activities, are highly sceptical of its capacity for or interest in supporting them, or consider that it contributes to the problems of the strip through selective inclusion of the owners of long-term businesses on the its Board of Management.

One owner of an ethnic-identified restaurant believed the BIA helped only the franchises on the strip, which are easy to promote because of widespread name recognition. Certainly the limited BIA membership reflects the lack of capacity among the newer, mostly ethnic-identified businesses to contribute to any kind of formal business association. The one interviewee in our sample who had both the capacity and the interest in community organizing around questions of community economic development explicitly criticized the BIA for not supporting the fragile, new businesses:

There are a lot of businesses closing down in this neighbourhood. You have to be able to protect those businesses... the BIA has to step up and say, "You know what? We will represent the new businesses." The ones that have been here for 10 to 15 years, they already have customers. For the new businesses, it is really hard to survive in this area.

The BIA on this strip has been relatively inactive and focused narrowly on controlling crime and cleaning up the neighbourhood's bad image. According to the BIA chair, recent planning by the BIA to engage a private security agency (like the Yonge-Dundas BIA), was met by increased City police patrols and a commitment to make the area a focus of police surveillance. (The City's Department of Economic Development did not approve the BIA's proposal to spend its resources on private security.)

The BIA has attempted to revitalize the street by putting up new lighting in the image of the strip's logo, but has not developed an attractive identity comparable to the "art and design" or "Polish village" designations of the gentrified strips. Most local businesses do not have enough money to participate in the façade improvement programs offered by the City through BIAs.

10 This is similar to the peasant economy famously observed by Alexander Chayanov in the Soviet Union of the 1920s—Chayanov noted that the family economy depended on the labour of family members and that members worked only to survive, not to make a profit, in a form of self-exploitation (Chayanov, 1966). Thanks to Jim Delaney for drawing attention to this parallel.

Like the other two BIAs, however, during the course of this research, the Bloordale BIA admitted a representative of the local residents' association onto its board. This affiliation fostered the BIA's support of a community-organized festival called Big on Bloor, spanning the Bloordale strip and that of the neighbouring BIA.

Gentrification processes

This strip is lagging with respect to property value increases and other indicators of gentrification, not only because of crime and illicit trade, but also because former industrial uses require that the land be subject to environmental remediation before it can be redeveloped. Also, the strip lacks architecturally interesting or significant buildings.

Many interviewees claimed that nearby Dufferin Mall contributed to the strip's commercial troubles. It is too far away to create positive spin-offs like increased pedestrian traffic—most patrons either drive or take TTC to the mall—but it is close enough that the big-box retailers in the mall compete with local mom-and-pop shops, especially the furniture and convenience stores, which have a high rate of failure on the Bloordale strip.

Even so, its prime location near the downtown, on a major East-West thoroughfare, its excellent access to public transit (the strip runs between the Lansdowne and Dufferin subway stops) and growing interest in the area on the part of franchises and chains suggest that it will not be long before the strip undergoes commercial change. Several interviewees view the recent opening of franchised establishments and corporate chains as positive developments because, as the proprietor of one ethnic-identified variety store put it, they are

... nice clean businesses that provide quality food and give people in the neighbourhood somewhere to go. This area is starting, you know. Don't worry, another four-five years, maybe dreams are going to come true here.

Since the inception of this research, one art gallery has relocated to Bloordale from West Queen West and two others have plans to do so soon. The experience of West Queen West suggests that it is important to anticipate the potential for rapid commercial gentrification on Bloordale and take precautions against the widespread displacement of the area's low-income residents and commercial tenants.

4. Themes in Commercial Gentrification

This section summarizes policy implications arising from the strip typology and themes in commercial gentrification.

Ownership structure

The literature on community development emphasizes the significance of local ownership for local investment (e.g., Miller-Adams, 2002). Indeed, one interviewee on the lagging strip noted that some storefronts remain vacant as absentee landowners wait for gentrification processes that might attract higher-rent tenants such as Starbucks. At the same time, we encountered some interesting exceptions to the widespread expectation that the scale of ownership correlates with the extent or nature of investment in the local community.

As we saw in the “gentrifying/keeping up” strip (Roncesvalles Village), franchises may be long-time businesses seeking to find stability and name recognition during periods of commercial change—marked, in this case, by the influx of young urban professionals setting up family homes. The proprietor of the paint store cited above commented that with new people moving into the neighbourhood, “...there are also a lot of people who don’t know the store [which has been there for 55 years]...when the sign [of the franchise] is there its makes a big difference...I still get people who say, ‘I didn’t know you were here.’... The sign has made a lot of difference.” The franchise designation also helps owners to secure bank financing for renovation and expansion, and provides protection against competition (since individual companies limit the density of their franchise contracts in an area).

Many of the franchise owners in our sample expressed a strong sense of connection to the neighbourhood and local strip. While commenting that the franchise label helps to attract customers, another owner emphasized that it does not diminish his commitment to providing high-quality, personal service. Fearing that people in the neighbourhood view his business as an impersonal chain, he insisted, “I think that they lose sight of the fact that I am heavily dependent on their patronage and I go out of my way to provide a great service.” He extends this understanding of mutual dependence to a vision of his business as socially networked and locally embedded:

What I would ideally like to do is get deeper into the community with respect to the artisans in the area. There are a lot of artisans, be it musicians, writers, or painters, digital artists, whatever. I would really like to find a way to connect with them....I would like to be able to offer wall space for local artists to show their wares. I would like to be able to have open mike or jazz nights.

Expressions of local identity by franchise owners were also reflected in assertions of autonomy from the corporate chain. The same franchise owner cited above remarked, "If I am a left-leaning liberal and want pro-choice signs here, [the corporate chain] may disagree, but it is who I am.... My store is a reflection of the community and a reflection of who I am."

Chains and franchises often have corporate policy specifying types and levels of donations that branches and franchise owners are authorized to make, and most of those in our sample—in all three neighbourhoods—were active in corporate philanthropy, usually in the form of in-kind contributions to local festivals, sports teams, fundraisers, and other local events. We also encountered instances of franchise owners giving donations to local initiatives out of their own pocket, beyond company policy. On the not gentrified/lagging strip, one manager of a chain restaurant talked about the challenges of weighing his desire to support local institutions and events against his very limited capacity:

I am in some way involved [in the local community]. If they come by and ask for money, I donate some money, up to \$10. If they come by for supporting an event, I give them a large pizza. This is just all that I can do. There are a few different types of people who ask for donations. One is elementary students, who usually carry a sign. They are very cute. I normally give them \$2 or \$3 because they really don't expect much at all. Another type is the charity organizations from churches. I often donate about \$10 because I really don't have much. Sometimes it is the community centre that comes by and asks for support for certain events. I either give out money or a large pizza. How does this benefit my own business? Not much. Occasionally the school or the community centres will order pizza from me, but really not often. None of this type of donation receives any support from the head office. I donate out of my own pocket. The head office only cares about how much I earn.

These findings defy expectations that only independent businesses are concerned about investing in the local community, and that chains and franchises are oriented exclusively toward a wider-scale market. Chains and franchises reflect corporate policy in terms of location decisions, corporate charitable giving, purchasing, financing, and so on, but individual owners and operators exercise some discretion in developing local social networks and distributing private surplus.

Among the proprietors of independent businesses, perceptions of franchises and chains and their role in economic development varied and correlate loosely with the status of the strip in relation to processes of commercial change. In lagging/not gentrifying areas, chains and franchises are viewed positively as bringing stability to the strip, as the following comments suggest:

Independent dollar store owner: Some new [franchise/chain] businesses are coming here and investing, like Pizza Pizza. Finally they put some more money here, so people can have good-quality food and quality people. They are making some renovations in the buildings, maybe the City is financing them. Slowly it is getting better.

Independent furniture store owner: Coffee Time, Subway, Pizza Pizza. These are nice clean businesses. They provide quality food. And now people who live in the neighbourhood feel good. Now we have somewhere to go.

In gentrifying areas, chains and franchises are commonly viewed as diminishing the distinctive character of the “local” and displacing small, locally owned businesses. On the gentrifying/keeping-up strip, the BIA chair expressed concern that the arrival of too many big franchises or chains would disrupt the village-like feel of the strip. Certainly, as one franchise owner herself put it,

Franchises have taken notice of the area. There are people here with disposable income. It was previously underserved; now they think it's a good area... The parent company has a model of what works: corner location, patio, foot traffic, close to the subway, density, average incomes. They were seeking an opportunity in the Roncesvalles area. The fear is always that the single-owner, mom-and-pop shops will be the hardest affected.

An independent café owner similarly commented, “Franchises and chains have taken notice of the changing structure of the neighbourhood. Independent stores have their own little niche.... The fear is if franchises come in, people might not want to shop in those independent stores.” And one of the few remaining Polish proprietors (of a bakery), said: “2007 will be a bad year for local small business in this area because a lot of big franchises and chains are coming in.”

An independent clothing boutique owner noted, “There was a bit of an outcry when Starbucks were considering opening. People were very concerned. What about Alternative Grounds [an independent café]?” Store owners and residents mounted some resistance to the Starbucks bid, which resulted only in a deferral of its opening until April 2007. On the rapidly gentrifying/leading strip, several respondents mentioned vandalism—graffiti on storefront and smashed windows—against Starbucks when it first moved into West Queen West.

There appears to be no correlation between either ownership structure or business sector and type of strip; differentiation occurs rather with respect to characteristics of targeted clientele. There are franchises, chains, and independently owned businesses on all three strips, but they are differentiated by their prices and the targeted class demographic of the clientele (e.g., Starbucks and Second Cup on the gentrifying strips and Coffee Time on the disinvested strip). Likewise, on the gentrifying strips, the independent businesses are increasingly boutiques targeting high-end consumers, although some Polish businesses remain on Roncesvalles and there is still a pawn shop on West Queen West. On Bloordale, the independent businesses are more typically dollar/variety stores, ethnic-identified restaurants, small grocery stores, and other businesses targeting low-income consumers.

As Table 3 indicates, the three strips have a similar representation of different sectors and, with the exception of the notable increase in retail establishments and decline in “repair and services” on West Queen West, they have not witnessed much flux in the sectoral distribution of establishments in the 2000-2005 period,¹¹ but differentiation occurs according to which group

11 See Appendix A for further discussion of the quantitative data and its analysis. Note that the relatively high establishment counts in West Queen West reflect the larger geographic area represented in the data for this strip.

of customers are targeted. For example, financial institutions on Roncesvalles take the form of banks and credit unions, while on Bloordale, check-cashing franchises predominate.

Table 3: Changing Establishment Counts by Activity Class Codes on three strips

Sector	Roncesvalles 2000	Roncesvalles 2005	West Queen West 2000	West Queen West 2005	Bloordale 2000	Bloordale 2005
Retail	22	20	40	65	22	23
Retail Cont.	13	11	73	78	22	20
Food Retail	17	22	21	22	27	25
Repair and Service	6	5	14	9	6	6
Personal Services & Restaurants	37	35	69	74	37	41
Manufacturing, etc.	3	1	4	4	4	2
Finance, Insurance and Real Estate	3	2	4	2	9	11
Business Services	4	5	22	23	4	4
Health Service	2	4	3	5	9	6
Religious	2	2	6	6	3	4

Transnationalism

Commercial strips are transnational spaces encompassing processes of immigration, cross-cultural encounter, and the commodification of ethno-cultural difference. The notion of transnational space derives from recent research in the subfield of cultural geography that has sought to challenge the sociological notion of “ethnic enclaves” and liberal food-and-festival visions of multiculturalism that prevail in Canada (e.g., Crang and Dwyer, 2004; Goonewardena and Kipfer, 2005; Jackson, 2002). The emphasis on space expands an understanding of the politics of difference beyond the conventional view of discrete ethnic communities having particular traditions, cuisines, and links to their countries of origin, to a focus on how the interaction of diverse cultures shapes the local economies of Toronto's neighbourhoods and how these interactions are connected to wider-scale capital and cultural flows. The emphasis is on exploring the many different forms of transnational experiences and the relations among all those engaged in transnational cultures in a particular place, whether as producers or consumers—not just racialization, tension, and displacement, but also negotiations across difference and hybrid formations.

In Roncesvalles, for example, the BIA packages the strip as ethnically Polish. Hackworth and Rekers (2005) have argued that such ethnic packaging is not a reflection of a nearby ethnic residential enclave, as urban theory has conventionally argued, but has on the contrary *produced* nearby residential gentrification. The branding of the strip as an “Old World village” has occurred at the same time that many of the traditional Polish shops have been moving to Mississauga, while boutique retailers and up-scale franchises and chains are setting up shop. Many of the old Polish groceries, moreover, have been taken over by East and Southeast Asian entrepreneurs so that the commercial strip has become ethnically quite mixed, and is no longer predominantly Polish.

The politics of naming in this case, however, is more complex than an account of its gentrifying effects might suggest. The impetus for naming comes from the Polish constituency, for whom cultural recognition of the strip, and not merely its commercial success, remains important. The BIA is widely perceived to be dominated by the remaining Polish constituency in the neighbourhood—the chair is Polish and the St. Stanislaus–St. Casimir's Credit Union is an active member. The former Polish residents appear to have a stake in the strip retaining its Polish identity, given the continuing importance of Polish institutions such as the credit union and the church. Many interviewees suggested that the renaming of the local festival from "Harvest" to "Polish" was aimed at retaining Polish consumers in the neighbourhood. The point is that the Polish designation of the strip is not merely a strategy to gain competitive advantage, but also reflects a strong cultural stake in the strip harboured by a Polish constituency comprising both residents and, increasingly, emigrants from the neighbourhood.

In spite of the obvious commercial benefits, several local proprietors objected to the Polish designation, on grounds that it does not reflect the demographics and identification of existing commercial establishments:

Independent clothing boutique: There was a big outcry when they changed the name of the Polish Festival from the Harvest Festival. People asked, "What about us? We live here too!"

Independent bakery: Why label the festival *Kabasha* (Polish) when many stores aren't Polish? *Kabasha* is a pork sausage, which is ridiculous... Why would a bookstore benefit from a *Kabasha* festival?... I think that Polish day, Polish weekend, or whatever it is, is too specific when you have a diversity of faces and cultures now coming up in your businesses and your community. For us down here, I think there is a feeling that the BIA is predominantly being run by a white Polish man and a white Polish woman.

Objection seems to focus particularly on the provision of commercial space in the street for Polish vendors from outside the area, who are perceived to take business away from the permanent businesses and clog traffic:

Independent café owner: The BIA doesn't represent new change. It has lost touch with what is going on in the neighbourhood. In the Polish festival, the organizers invited a lot of stores that were not local to participate in the festival, instead of promoting the local businesses. Also the labelling of the festival as Polish itself was an issue, given that there is a significant presence of businesses that are not local, like some Greek restaurants.

Independent clothing boutique owner: During the festival there are a lot of non-local stores that set up in the street to do business; this is good, but there has to be some way to allow the local stores to function on festival days, and the temporary vendors tend to clog traffic.

Some vendors in fact, suggested that the tensions run deeper than issues of representation and identification, citing a history of discrimination against non-Poles by Poles:

Independent clothing boutique owner: When I first opened [20 years ago] they [Polish residents] would come in and say: "Are you Polish?" And I'd say, "No." And they would go like that [slaps hand] and out the door.

Thus, the Roncesvalles strip is a transnational space in which a formerly demographically predominant immigrant group retains a strong cultural stake in the identification of the strip as an ethnoculturally identified village. At the same time, the politics of branding here is implicated in a process of gentrification involving the movement of Polish residents and commercial establishments to a suburban location, and the influx of a new residential and commercial population of young urban professionals drawn by the “Old World village” identification of the strip, as well as a more ethnoculturally diverse range of commercial vendors, especially in the food retail sector. Among businesses, ethnocultural diversity has not resulted in mixing or hybridity, but rather in a kind of “social tectonics,” whereby different groups remain socially isolated and harbour resentment toward one another—even as the strip as a whole appears to be benefiting economically from its branding as Polish.

In Bloordale Village, the dynamics among immigrant and ethnocultural groups is different. Many businesses are run by recent immigrants of diverse non-European origin. These individuals, moreover, tend to be quite “worldly” (certainly more so than most Anglo-Canadians), in the sense of having lived in many parts of the world before coming to Canada. The owner of an ethnic-identified restaurant, for example, had lived in India, Sri Lanka, Fiji, and Singapore; one of the variety store proprietors had travelled the world as a soldier in the army of his country of origin; another restaurant owner had lived in both China and in Hong Kong prior to the 1997 handover.

While some ethnic-identified groceries cater to a particular ethnic market sector (serving many patrons coming in from outside the area), most respondents on this strip exhibited a social embeddedness—in the sense of community engagement and inter-dependence—that is not limited to ethnocultural lines. They are explicit about the wide range of customers they attract, as illustrated in the comments of the proprietor of an ethnic-identified restaurant:

We have mostly young people, students, you know. And they love our food. Mostly Canadians (white people), and Chinese people, French people. Sometimes you can't imagine, I am thinking they are simple people. But when I ask them they are saying: I am lawyer, I am doctor, I am student ... all different kinds of people coming here.

Some invoked the notions of “family” and “home” when talking about their clients and their business. The restaurant owner cited above repeatedly referred to the meals she serves as “home cooked food,” “without the use of chemicals.” Another restaurant proprietor referred to her customers as “family” and “friends.” Explaining why she will let long-time customers run a tab, she commented, “It's not just about doing business, but also about developing friendship with new people here.” In spite of the challenges of drugs and prostitution in the neighbourhood, she does not want to move, because she would have to “start from scratch. Here I have my own customers, they are family.”

These immigrant entrepreneurs are a source of social cohesion and stability in the neighbourhood, but are economically too fragile to participate in more institutionalized forms of community organizing and economic revitalization, like BIAs. They commonly employ family labour and operate on narrow profit margins. As the director of a local community organization observed:

Business owners are focused on day-to-day activities. They are resourceful and resilient, but don't have time or ability to step out of their stores or think out of the box. I see

them at the Food Terminal at 5 a.m. They start their days early and end late. They don't have an analysis [of commercial change or economic revitalization].

In this case, then, transnational space is characterized by more social mixing and less explicit commodification of ethnocultural difference. Individual establishments identify as retailers of "ethnic" products, but do not or cannot participate in larger branding efforts involving the commodification of ethnocultural identity (or, in this case, diversity) for the strip as a whole. Yet the ethnographic diversity that characterizes the strip involves considerable social mixing in day-to-day practice that has contributed to the viability of the strip in the face of severe economic constraints.

Business Improvement Areas (BIAs)

BIAs emerged in Toronto as a response to the competition for retail shopping posed in the 1970s by suburban shopping malls, made newly accessible by the completion of the Toronto subway system (TABIA, 2007; Ward, 2007). The idea was to create opportunities for downtown commercial strips to gain preferential access to municipal capital improvement funds and to organize self-governing structures that would help businesses promote local retail shopping (Hoyt and Gopal-Agge, 2007). BIAs were to provide public goods at the sub-municipal scale, in the form of place-marketing, capital improvements, sanitation, and security (Hoyt and Gopal-Agge, 2007). In this reconfiguration of state-market relations, local governance would thus be devolved to local businesses with a stake in improving their commercial areas and an organizational structure conducive to democratic participation.

Critics have duly noted how BIAs work within the context of neoliberal development agendas—insofar as they promote inter-urban competition, reflect a shift from state-led to market-led approaches, promote the commodification of urban space, and exacerbate existing class-based relations of power (Schaller and Modan, 2005; Ward, 2007). Our findings contribute to the understanding of these groups by documenting both their exclusionary practices and fragmenting effects, and their potential to undertake integrated community development.

As the Roncesvalles "keeping up" case illustrates, ethnic packaging is one form that BIA place-marketing can take. This phenomenon cannot simply be reduced to a process of commodification, as the "Polish" designation retains cultural significance for the large constituency of Polish former residents who have moved out of the area, but return regularly for shopping and cultural events. As the tensions surrounding the strip's designation as an "Old World village" reveal, however, the politics of naming can be divisive and contradictory, suggesting that the policy challenge within a BIA framework centres on issues of participation and representation—who is included and who is excluded and who is speaking on whose behalf (see also Schaller and Modan, 2005).

At the same time, the Roncesvalles case also illustrates the possibilities for community-scale collaboration and innovation within the BIA framework. By inviting a residents' association representative onto its board and promoting a community development initiative in the form of Roncesvalles Renewed, the BIA has extended the BIA mandate to an integrated community development initiative aimed at involving a wide range of stakeholders in an upcoming municipal redevelopment project.

Crucially, both the Roncesvalles and West Queen West BIAs (the latter is now exhibiting a similar pattern of integrating community and economic development) are populated by residents and business owners who command significant resources—in the form of professional careers in fields such as architecture, art and advertising; strong social networks with other professionals and businesses; and economic resources—necessary to support their volunteerism for community development. In both Roncesvalles and West Queen West, the BIA strategy hinges on branding and capitalizing on local distinctiveness (through ethnic packaging and the “art and design” designation, respectively), by promoting arbitrary neighbourhood boundaries and emphasizing the local as the ideal scale of economic development. Thus the politics of area packaging reflects the role of BIAs in promoting fragmentation of the urban landscape and repudiation of comprehensive approaches to issues of resource distribution at the municipal scale of governance.

The inadequacy of the BIA model to address intraurban inequality becomes starkly apparent in the experience of the not-gentrified/lagging strip. Here the independent businesses have no excess capacity—in terms of either labour time or financial resources—to participate in promotional events such as festivals or to take advantage of the City’s façade improvement program. These are small, family-owned businesses that are the main source of precarious household incomes. Turnover rates are high (the owners we interviewed had been in business for only two to six years), because businesses that do stabilize typically move out of the area at the first opportunity. Although the Bloordale BIA is one of the oldest in Toronto, levels of participation are extremely low (none of our interviewees were active and many were not informed of its activities); the BIA chair is a proprietor of one of the few long-term businesses on the strip with an established client base.

The strategy pursued by the Bloordale BIA was not one of neighbourhood or cultural packaging that would demarcate Bloordale as a distinctive, “local” space of consumption. The objective here is rather to integrate with the wider urban landscape through a strategy of fighting crime, cleaning up litter and graffiti, and improving lighting. However, because police crackdowns in one area generally displace illicit activity to other areas, this is a flawed strategy of urban integration—hinging on a flawed understanding of disinvestment as deriving from the actions of criminals. At the same time, the strategy is a perfectly understandable response by a group of local businesses in a disinvested commercial area to a model that pushes responsibility for economic development down to the neighbourhood scale. The fragmenting effect of the BIA model itself precludes a structural analysis of poverty and unequal opportunity that would require more comprehensive planning approaches at a wider scale of intervention.

Agglomeration

To the extent that BIAs are intended to encourage consumers to spend their money locally—in restaurants or shops, or at festivals promoting local distinctiveness—they may be construed as an import-substituting approach to economic development. That is, if local businesses are successfully promoted, then people may be encouraged to buy locally rather than import goods and services from outside the area. In gentrifying strips, import-substitution also occurs in a less institutionalized manner, in the form of small retailers who depend on networks of local suppliers and well-educated, socially conscious consumers.

On Roncesvalles in particular, the independent retailers and the three franchise owners we interviewed conduct much of their business locally, including explicit practices of hiring local staff with strong social networks, and purchasing supplies from other local retailers. The owner of a new boutique café, for example, purchases organic fruits, vegetables, and dry goods from a local grocer; oil from the health products store next door; and cookies from a local company. On West Queen West, this commitment takes the form specifically of a desire to support local artists by displaying their work. One long-time business owner on Roncesvalles who had taken on a franchise label talked about the importance of “keeping business in this area”:

What we do is try to keep the business in this area...anything we don't have, we don't send [customers] to Home Depot or we don't send them anywhere out of the area. If people want keys or some products we don't have, we send them to the hardware store a couple of blocks down...we want to keep them in the area...This helps everyone, and [other businesses] do that for us as well... We are all friends. There is not competition—at least, I don't see it that way.

Having an educated and socially conscious clientele who are local yet cosmopolitan helps stabilize businesses seeking to project an aesthetic distinction and local identification, as the comments of one independent proprietor suggest:

You have a real conscious community here as well. Smart: they don't want to throw their money away. They want to support local artists big time... people are coming in and asking for local products and checking tags. Some people are concerned about things being made in China and India.....

Others noted the significance of local institutions such as schools, in developing the social networks that underpin a positive moral valuation of local spending and the creation of a consumption space that provides, as Sharon Zukin and Ervin Kosta (2004) put it, “the distinction of diversity.” When queried about the possibility of formalizing these kinds of relationships through the BIA or other business association, respondents were sceptical, noting that such institutionalization would “put a strain on relations among neighbours.”

The point here is that gentrification on Roncesvalles (and to some extent on West Queen West) has occurred at least in part through an informal process of import substitution, whereby producers, suppliers, and consumers are linked in networks of mutually beneficial relations. In a study of a concentration of designer stores in New York City, Zukin and Costa (2004) distinguished such agglomerations from commercial gentrification, insofar as they constitute a “territory of innovation in the urban economy, producing both a marketable and a sociable neighbourhood node.” Despite the progressive possibilities in the clustering of commercial spaces, we interpret these processes as one path to gentrification involving the recognition and positive valuation of local assets. The capacity to capitalize on existing local assets depends to a considerable extent on social and economic positioning.

Community Economy

Businesses of all types—in terms of ownership structure, market sector and strip location—engage in alternative forms of exchange, markets, paid labour, surplus appropriation, or enterprise. Understanding the ways in which businesses participate in the “community economy” in these ways may offer possibilities for developing an anti-gentrification approach to

policy intervention (Gibson-Graham 2006). At the very least, it suggests that even on the most disinvested strips, economically fragile local businesses can help stabilize a neighbourhood economy, and should be supported in this capacity by public policies.

Participation in the community economy typically takes the form of redistributing some surplus through donations to local schools, charities, festivals, or other institutions and events. In all cases, businesses make donations on a strictly voluntary basis on top of an already onerous property and income tax. Among chains and franchises, charitable donations are usually a function of corporate policy, justified in terms of marketing advantages, as the following comments suggest:

Manager of corporate grocery chain: These activities [making donations to local school events and festivals] are good advertising. You kind of get known around the community for doing certain things.

Paint franchise: Donations are important, we do it a lot, it's a good way to get your name out.

As noted previously, franchises with a long-time stake in a neighbourhood may act more like independently owned businesses in this regard.

Independent businesses also make in-kind contributions, particularly those on the gentrifying strips. These are usually explained in terms not only of marketing (e.g., "supporting local events helped my business take off the first year"—café), but also of social citizenship (e.g., "Well, this is where I live!"—clothing boutique). Thus making donations is viewed as one instance in a chain of local interdependencies expressing a sense of local citizenship. Similarly, many independent businesses in our sample indicated that they hire staff from the neighbourhood as a means of deepening their social embeddedness and the economic payoffs that it brings. Purchasing supplies locally and referring clients to other local businesses are further examples of the interplay of social embeddedness with business strategy. These social ties manifest themselves through cooperation between businesses. Several businesses on the gentrifying/keeping-up strip had formed mutually supporting business clusters that supply and refer business to one another.

Another kind of community-economy engagement typical of more precarious mom-and-pop operations on the not-gentrified/lagging strip involves providing support to individual customers in various forms: for example, allowing them to run a tab and giving donations to at-risk, street-involved poor individuals. Respondents described these activities in terms both of the costs of running a business in a neighbourhood where the spending capacity of consumers is often precarious and unpredictable, and of the obligations of social citizenship.

Respondents emphasized the importance of maintaining relationships with customers through this kind of informal trust-building and recognition. The owner of an ethnic-identified restaurant explained that most of her customers are repeat customers; she knows most of them by name. She does not advertise, but believes that if she works hard, people will come back and will recommend her store to others. She has been told that people advertise her restaurant through listservs and chatrooms on her behalf. In view of these relationships, she feels that some flexibility on payment is reasonable; if a customer does not happen to have enough cash on hand, they can pay later. Similarly, an ethnic-identified variety store proprietor commented,

I offer shopping on credit to my regular customers. Sometimes they might not have cash. Or a guy has only five dollars but he buys seven dollars of stuff. I don't worry, because I know their face, because they live in the neighbourhood. Business is not everything. Business is helping the community... this is the main idea. To help people... It's very hard to say no when you see someone every day.

Credit cards, of course, serve the same financial function for businesses and clients on more gentrified strips; but on Bloor-dale, where few enterprises accept credit cards, credit assumes a more informal form underwritten by social networks and obligations in lieu of the guarantee of a credit card company. Likewise, store proprietors give away food or other goods to street-involved people partly to protect their businesses and prevent clients from being frightened away by panhandlers. Our interviews suggest that they do so not merely for reasons of business strategy, but that they are also motivated by a desire to help the less fortunate.

The ethnic-identified restaurant owner cited above, for example, commented, "Sometimes poor people come here asking for food ... and sometimes drug people come here and are looking really bad; sometimes they have no money, so I help them." At the same time, of course, their own economic instability and long hours of work preclude most businesses from participating in local associations—whether formal, like the BIA, or informal, like the networks on Roncesvalles or Active 18 on West Queen West (see below).

Although assistance to individual customers through credit and free goods was especially evident on the "lagging" strip, similar strategies could be seen on the others. The boutique grocery store owner on the "leading" strip notes his concern for making his products accessible to low-income users of the strip:

We get a lot of hospital patients and we never turn them away. For the most part, everyone who comes here, if they find it to be a little too expensive, we give it to them. That way they can experience why organic food is so much healthier. I sacrifice a little bit of profit.

Likewise, the owner of a long-time, renovated, ethnic-identified restaurant explained that she gives food to CAMH patients: "I am helping six people from the mental hospital; they order food like I am their mother."

A few enterprises in our sample either have an explicitly social mission or have institutionalized social objectives into their business plan; these businesses are located on the two gentrifying strips. The circumstances surrounding the purchase and renovation of the Gladstone Hotel by the present owner were much publicized and highly controversial. The hotel had served as the long-time residence of several low-income, former psychiatric patients who were displaced when the Gladstone was turned into a high-end boutique hotel. Its bar had also been a popular local institution among clients in the neighbourhood before its transformation. The hotel sought to deflect public criticism surrounding these displacements and the hotel's central role in the gentrification of West Queen West by helping some former hotel residents find alternative accommodation in community living situations and by introducing a tiered pricing policy, so that the bar and entertainment services could be affordable for everyone. As the manager put it,

We strive for a mix of customers from different incomes and different ethnic groups. We ensure that everyone is able to use our services through tiered pricing for renting space... We often host community events, sometimes at no cost or at very low cost.

While such steps have been met with cynicism in the local papers (such as *NOW*) and anti-poverty groups, the Gladstone Hotel has emerged as a leader on West Queen West in organizing community awareness of and resistance to ongoing gentrification processes. Its owners played a leading role in convening Active 18, a coalition of residents, business owners and other stakeholders that puts pressure on developers and the City to ensure that development is appropriate for the existing community.¹²

Active 18 runs a listserv informing community members of key development and policy issues and organizing strategies for grassroots intervention. It contested several recent proposals for controversial highrise condominium developments—and when these were approved by the Ontario Municipal Board, Active 18 offered alternative renderings of a plan for the neighbourhood that would accommodate the development but also protect the historic scale of the street. Among other outreach initiatives, it has organized public meetings, design charrettes, and a Yes-In-My-Backyard (YIMBY) festival of neighbourhood groups and citizens' organizations to coordinate a voice for "positive" neighbourhood change.

The emphasis in these initiatives has been on promoting appropriately scaled urban design and keeping the neighbourhood affordable to the artists who have given it the cultural distinctiveness that is now fostering intensive gentrification. Unlike conventional associations of this sort, the agenda is not anti-development. Active 18 advocates a YIMBY rather than a NIMBY (Not in My Backyard) stance. Its concern is rather to ensure that development does not compromise "liveability" or the creative culture with which the strip is identified.

The association has posed the problem of gentrification specifically in terms of the threat of displacing the artists with whom the neighbourhood—and its businesses—have been so closely identified. Other low-income groups typically served by CAMH and St. Christopher House have not been the focus of such initiatives.

A similar initiative is under way in Roncesvalles, where residents and business proprietors have organized a campaign to revive the local Review Cinema in the form of a non-profit, community-run movie theatre by raising local donations. The initiative is expressed in terms of retaining the local character of the strip.

One restaurant on the gentrifying/keeping-up strip is a non-profit business with a mission to run year-long skills-training programs for at-risk and homeless youth.¹³ The youth are offered training positions in the restaurant or an affiliated downtown manufacturer of furniture, the Wood Shop, with the goal of eventually helping them secure long-term employment.

An art store on West Queen West plans to establish a foundation which, in collaboration with a local university, will develop an art museum and artist incubator on space currently occupied by the store. At a more modest scale of investment, but nonetheless reflecting a commitment to local economic development and quality of life, a vegetarian restaurant on West Queen West has a staff bursary program to promote the creative interests of its staff. Applicants apply for a small fund to pursue a creative project and are granted up to a week's leave to carry out the project.

¹² The organization maintains a website: see <http://active18.org>.

¹³ See <http://www.torontothebetter.net/2river.htm>

Financing

It is difficult for small-scale independent businesses in any location to get business loans from banks. Most are self-financed or financed through informal sources—friends, family, pawn shops. Many interviews with small independent business owners yielded comments such as “Banks are useless” (clothing boutique owner/Roncesvalles) or “Going to a bank [for a business loan] is a waste of time; staff are totally unresponsive and do not return requests for basic information about business loans” (café owner, Bloordale). According to the manager of the Gladstone Hotel, many artists living on West Queen West do not even have a bank account and conduct all transactions in cash. Small business owners who do obtain bank financing for their business usually use personal loans, often in the form of credit card debt or unsecured personal line of credit, characterized by high interest rates.

In fact, just as with home mortgages, bank underwriting of business loans has become more centralized, involving a “credit scoring” process that considers only formal underwriting criteria such as the size of the loan, prior years’ financial statements, liquidity ratios, cash-flow ratios, and so on. Local branch managers have limited (if any) lending limits to approve business loans at the branch level. Business loans are unlike personal loans—for example, assessment ratios are different and more legal documentation is required. Most local bank staff simply do not know how to process a business loan.¹⁴ Indeed, several interviewees noted the loss of personal intermediation once characteristic of “relationship banking,” when credit decisions were made at the branch level and underpinned by the personal relationships between bank staff and their clients. As a café owner on Roncesvalles put it, “In dealing with banks, the human touch has disappeared. It’s all about web pages, e-mail, and touchtone phones now.”

It is easier for franchises to obtain business loans from banks. The manager of a pizza franchise on Bloordale explained how he combined personal and business loans:

I didn’t experience difficulties in taking out loans from the banks at all. The loan with the bank which offers me low interest rate is a personal loan, not a business loan. As long as I have a good credit reading, they are good with me. With TD Bank, the loan is a small business loan. They didn’t give me a hard time in borrowing. You know, the bank basically just looks at the type of your business. My business is a pizza store. It doesn’t carry too much risk – not much profit if successful, not much loss if it fails either. Of course, the name of the franchise (the chain) helps a bit too. The bank sees you with a big franchise with a long history (since 1976). They feel it is secure to make loans to you. The interest rate with TD is high, but reasonable. I can still afford it.

A café franchise on Roncesvalles pointed out that TD Bank had been seeking to expand its business loan portfolio and viewed it as a solid franchise. In fact, the bank approached the café owner with a financing deal through which the owner-operator was offered a competitive interest rate.

The St. Stanislaus-St. Casimir’s Credit Union historically played a significant role in establishing Polish businesses on Roncesvalles. Started by a Polish Catholic priest, it is the largest Catholic credit union in the world, with 22 branches and 35,000 members; the Roncesvalles branch is one of the largest. It opened 20 years ago to help Polish immigrants who could not afford to buy

14 Thanks to Justin Ngan for insights in this regard.

homes. The credit union provided mortgages and homeowners would pool their resources to make payments. It soon began to finance local Polish businesses, including one in our sample, because the owner did not qualify for business loans from the local banks. Eighty-percent of the credit union's client base is still Polish. Even though many Polish residents and stores have left the area, they still come back to do their banking.

Pawn shops play a similar role for new immigrant businesses. Sixty percent of the business of one pawn shop owner interviewed for this research comprises the conventional practice of pawning valuable goods from those in need of immediate cash. As the owner put it, "These are low-income people typically receiving government cheques [welfare payments], but that money is gone in two to three days. They are stuck in a cycle where they have to take loans for their basic necessities; they do not reinvest." But another 40 percent of the pawn shop's business derives from immigrant entrepreneurs—"East Indians," who cannot get loans from banks, but do have some assets. This is the more lucrative part of the business, although it accounts for only 20 percent of the owner's clients. The pawn shop takes gold as collateral and uses bank financing (a personal line of credit tied to the owner's mortgage) to lend to the "fringe" of the financial system:

The law requires me to hold the gold for one year. It's good, because the value doesn't drop, like with pawned electronic goods. Banks don't take chances. They don't lend you money until you've been in business for two to three years. Now it's easy to borrow, because I own the house and can use that as a mortgage. I have a rolling line of credit. They call my business "fringe financing"—I lend to those the bank won't. But I can't do business without the bank. It's difficult for new businesses; they have to be ready to lose money at first. It took ten years for my business to be comfortable.

Perceptions of Gentrification

One of the biggest challenges in anti-gentrification work is the lack of a constituency that opposes neighbourhood upscaling, especially in relation to commercial gentrification. On all three strips, we found very little evidence of opposition. The majority of our respondents either embraced commercial gentrification outright as a positive development, or saw it as a natural market process that must be accepted as part of living in an economically vibrant city.

On the gentrifying strips, one theme that emerged in our interviews was the view of upscale boutique retailers as preferable to the big-box retailers that have moved into other downtown neighbourhoods and have undermined the intimate, "grassroots" feel of the area. Respondents on West Queen West frequently mentioned the strip on Queen West east of Spadina, which has many very large chain stores, as having "lost its soul."

This assessment is reflected in some of the critical literature on gentrification, which similarly identifies boutique retailers as a source of "diversity" and "innovation" that counter the trend toward homogenization by chains (e.g., Caulfield, 2004; Zukin and Kosta 2004; see also Slater, 2006, for a critique of this literature). The entrepreneurs behind the "anchor gentrifiers" on West Queen West (the Drake and Gladstone Hotels) were commonly depicted as pioneers who had assumed considerable risk by moving into a "gritty" neighbourhood and whose success had benefited other proprietors on the strip. As the owner of an organic food boutique put it:

This is a fine neighbourhood. It has attracted a lot of people.... The change wouldn't have been possible if it had not been for the Drake Hotel. I think it has brought some liveliness to this neighbourhood ... People are thinking this area is becoming the best area on Queen. I think it's the Drake that started doing what they did. It takes a lot of guts to do what they did ... to renovate a hotel. In this neighbourhood, a lot of people wouldn't take that chance. That's a big risk

The owners of nearby restaurants, even those that have been on the strip for a long time and have had to upscale their service and décor in response to the higher-class clientele, characterize their relationship with the anchor hotels as mutually beneficial—the hotels bring potential customers onto the strip, and the restaurants offer a variety of local dining opportunities for hotel guests. Likewise, artists and art galleries are perceived favourably as an asset to the neighbourhood, creating a “buzz” and luring outsiders who patronize local businesses or even move to the area. Other respondents noted the role of new, more upscale proprietors in “cleaning up the image” of the strip, increasing the “confidence” of banks in the strip's businesses, enhancing “diversity,” and “appealing to tourists.”

On the not-gentrified/lagging strip, many business proprietors alluded to the benefits of franchises moving onto the strip because they have a “clean image” and signify greater investment in the area. Several spoke hopefully of the possibilities for commercial change. One café owner recently moved to the area because he wanted to “experience the change that is taking place along Bloor,” even though Bloordale now is “one of the roughest areas in Toronto.”

On the gentrifying strips, many respondents said that they are resigned to gentrification as a natural process subject to market forces, as the following comments by proprietors on West Queen West indicate:

Restaurant franchise: Naturally, if the area is changing, like Yonge Street—and getting more expensive—the “local” businesses will be moving out of this area.

Ethnic-identified well-established restaurant: Change is inevitable.

Vegetarian restaurant: Some of the mom-and-pops have closed down, because the customership of the street itself has undergone change

Organic grocery: Some people may be moving out because property taxes have increased. I don't know. A lot of art galleries have moved in [and] a Starbucks, *Fresh* opened, and *Get Real*, which is good for neighbourhood. Fast-food places, burger joints, regular coffee shops might decrease because of these changes. The neighbourhood is changing. People should accept it and evolve in order to survive.

A manager of the Gladstone Hotel, which has played such a prominent role in organizing a collective response to the pace and scale of proposed condominium developments on West Queen West, expressed a similar resignation to and complicity in gentrification, pointing out that there is a natural generational change at play with the closure of older businesses and the establishment of new ones. Very few small businesses make it past the first generation or two, and new and younger generations come in with new ideas.¹⁵ She notes that the hotel wants to “play a positive role in the gentrification process,” for example by bringing new people into the neighbourhood.

15 These comments are paraphrased from interview notes.

Of course, our findings are skewed by the fact that we could not interview business proprietors who have been displaced by rising rents and property values and who might be more likely to articulate a class-based critique of gentrification. We know that in Roncesvalles Village, some Polish business owners who moved out of the area were not displaced, but elected to emigrate to Mississauga, while retaining ownership of their commercial properties on Roncesvalles and thus benefiting from commercial gentrification.

However, we did encounter some critique among existing proprietors on the three strips. These largely centred on a suspicion that the municipal government actively promotes gentrification and differential treatment of businesses, and/or has a stake in the continued disinvestment of lagging strips, as the following comments suggest:

Long-term business on West Queen West: [The art galleries] are certainly displacing our businesses, meaning that regular businesses aren't be able to get in [to retail space]. I am suspecting they must be getting government loans and subsidies, or how could they make money? They don't charge people for entrance [to the galleries] and I don't see them selling much art. In order to pay rent they must have grants from the government!

Ethnic-identified restaurant on West Queen West: During Nuit Blanche [a night-long state-sponsored arts and culture festival in September], they allowed the Drake to sell liquor until 4:00 a.m., but didn't allow me to.

Ethnic-identified grocery on Bloordeale: The government has a stake in keeping this area as it is. You don't want to close down the tobacco business because you want someone to die of cancer—that gets some ambulance guy a job, that way grave-diggers also get a job. The masses need jobs. There is a strip-club in this area, now the government wants to renew its licence. There are always druggies and junkies around the strip club so cops always have to be in this area to do their job. Cops need to jail someone, lawyers need to bail someone, prison staff need to keep their jobs. It is all about ripping somebody off to keep earning a living.

While these sentiments did not take the form of collective, overt resistance to gentrification, several comments made about vandalism against establishments perceived as gentrifying, such as the Starbucks on West Queen West, suggest more covert, individual opposition.

Successful Business Strategy

Some interesting themes also emerged in our interviews about strategies that individual businesses pursue to weather the changes associated with commercial gentrification and neighbourhood upscaling. We have attempted here to identify strategies that could be supported through public policy and need not depend entirely on initial capital endowments of any form (i.e., economic, political, social).

An obvious strategy that is nonetheless rare in our sample is ownership of one's own commercial property. Ownership protects a business from increases in property values and rents associated with gentrification (although not from increases in property taxes),¹⁶ while

16 We expected that the issued of property taxes would arise regularly in our interviews, but, surprisingly, only two businesses mentioned property taxes as a "constraint" to doing business. Since property tax is an issue that the

enabling a business to accrue equity. One ethnic-identified restaurant on West Queen West reported how owning her building protected her from the attempt by one of the anchor gentrifiers on the strip to buy up all the properties on her block (and, implicitly, raise rents to a level that would likely displace existing businesses).

Another strategy is the willingness to vary one's stock, décor, and service to customers in order to reflect a changing clientele. As one proprietor of a gift/specialty boutique put it, this need not require enormous capital investment:

[Among the Polish businesses still operating on Roncesvalles, the successful ones are those that can] change the orientation of the business very slightly. Believe me it's super slight, but I think it's all they needed to keep people like me coming. I eat meat and a lot of people in the neighbourhood eat meat... I wouldn't buy meat from Loblaws and I resent buying it from Bloor West meat market [expensive]. I'd much rather go to [a local Polish business] and get its cleaner, fresher meat... The change is by sort of knowing how to speak to the customers, not putting up the wall like most of the Eastern European businesses do. They tend to be cold with non-European people.

It is possible that this comment reflects a veiled racism. At the same time, it is also the case that proprietors shun cross-cultural engagement in ethnoculturally diversifying neighbourhoods such as Roncesvalles at their own peril (Wise and Velayutham, 2001).

Owners of long-term businesses that have weathered rapid commercial change on strips like West Queen West reflected on the significance of adapting to change:

[The anchor business] has bought up too many properties in the neighbourhood, so competition is rising. Now you have to keep changing the menu and creating new items. There are lots of new art galleries; more bars and coffee shops. If you don't renovate to attract new customers you have to shut down—this is why older coffee shops closed.

Business owners also acknowledged the way in which two long-term businesses (now franchises) on Roncesvalles had added new product lines to reflect the trend of home renovations associated with a new (young professional) residents.

Thus, profits generated by the increased patronage associated with commercial change must be sufficient to allow investment in products, services, and amenities that draw upscale consumers if a business wishes to survive the gentrification process. The owner of one boutique on Roncesvalles, cited here, illustrates how this sort of responsive inventorying and marketing might work, even on a small scale. This proprietor has run a business in the neighbourhood for 20 years; she rented a storefront for the first 10 years, after which she was able to buy the building next door, where she has now run her business for 10 more years:

I've been able to survive because in this neighbourhood I've been everything. I started with discount items, then things began changing a bit, plus the big manufacturers couldn't supply products at that price any more because they were going out of business. So I had to change. I went into gifts; I went into my own line from Indonesia when that whole thing was going on. I did, like, housewares. And then a housewares place opened up and so I changed again. Then I had a child and I began to sell lots of baby

Toronto Association of Business Improvement Areas has vigorously taken up, we decided not to make it a focus of our policy recommendations.

stuff. But then a baby store opened up, so then I changed that. And now a lot more men are coming in and buying and there's nowhere for them to go, so now I do a lot more men's clothing. I've been able to change so many times.... Because I live here, my son is here, I'm kind of the market that's living here. So we've kind of just grown together, and it's great. Whenever I found I needed something [and it wasn't available locally] – socks, pyjamas, whatever, I was able to start going into business [and fill a niche].

These comments reflect the principles of strategic market niches that now prevail in the literature on (and practice of) the post-Fordist service-based economy, applied here at the neighbourhood scale with modest levels of investment. The challenge from a policy point of view would be to devise mechanisms for ensuring that gentrifying strips retain products and services affordable to low-income people.

Summary

The key themes that emerge from the analysis of commercial strips, along with implications for policy and community organizing discussed in Section 5, are summarized in Table 4.

Table 4: Themes in commercial gentrification

Theme	Findings	Policy and organizing implications
Ownership structure	<p>No direct correlation between the scale of ownership and investment in local community</p> <p>Perceptions of franchises and chains among proprietors of independent businesses correlate loosely with the status of the strip in relation to processes of commercial change</p> <p>No apparent correlation between either ownership structure or business sector and type of strip; differentiation occurs rather with respect to characteristics of targeted clientele</p>	<p>Policy supports for businesses should be available on the basis of affordability of basic services—not business sector or duration of service.</p> <p>Proprietors of franchises and managers of chains should not be overlooked as resources for community investment.</p> <p>There is a close correlation between commercial and residential gentrification. Policy must clearly address both.</p>
Transnational space	<p>Commercial strips are transnational spaces encompassing processes of immigration, cross-cultural encounter and the commodification of ethno-cultural difference</p> <p>Strip naming and branding are contested and political processes entailing not only the commodification of ethnic difference, but also competing interpretations over the use and meaning of commercial space.</p> <p>Immigrant-owned businesses are a source of social cohesion within neighbourhoods as well as within ethnically-identified diasporic groups</p>	<p>Retaining economically fragile, ethno-culturally diverse small businesses on non-gentrified strips may require direct modes of municipal-scale support.</p>
Agglomeration	<p>Networks of retailers, suppliers, local labour pools, and educated, socially conscious consumers represent an opportunity for import substitution.</p> <p>These opportunities are most readily realized in gentrifying neighbourhoods with ample stocks of economic, social and cultural capital.</p>	<p>Unevenness in capacity for agglomeration across neighbourhoods can be remedied only by comprehensive planning at the municipal scale.</p>

Theme	Findings	Policy and organizing implications
BIAs	<p>BIAs foster a fragmentation of the urban landscape, insofar as neighbourhoods with existing stocks of economic, social, and cultural capital have greater capacity for self-organizing and public-private financing schemes.</p> <p>Economically marginal businesses lack the capacity to participate in BIA management or financial opportunities such as the Façade Improvement Program.</p> <p>BIAs are increasingly admitting local residents onto their Boards of Management, and becoming involved in integrated community development processes.</p> <p>BIAs on affluent strips seek a spatial strategy of distinction; BIAs on depressed strips seek a spatial strategy of integration.</p>	<p>If a neighbourhood-scale approach to local economic development is to be employed, it must be complemented by comprehensive planning</p> <p>Processes must be in place to ensure that within the BIA model, diverse constituencies can participate—including the proprietors of businesses that are economically precarious and members of under-represented ethno-cultural groups.</p> <p>Economic development is closely linked to community development. The ability of BIAs to generate import-substituting effects is enhanced when residents and other stakeholders are represented on its Board of Management and when the BIA itself contributes to local community development initiatives.</p>
Community economy	<p>Businesses of all types engage in alternative forms of exchange, markets, paid labour, surplus appropriation, and/or enterprise.</p> <p>Redistributing surplus as charity is common</p> <p>For more marginal businesses, running a tab, in-kind gifts to individuals is typical</p> <p>Active 18 is an example of a resident/business/citizen association seeking to manage gentrification</p> <p>Some businesses have an explicit social mission and represent an alternative to surplus appropriation</p>	<p>Community economic activity is a significant element of the asset base of commercial strips. The contributions of individual businesses could be coordinated for broader community development initiatives through collective decision-making processes.</p> <p>Local planning knowledge is a source for innovation in municipal planning</p> <p>Local assets are no substitute for comprehensive urban planning aimed at distributing resources and opportunities fairly across the urban region</p>
Financing	<p>Small businesses have difficulty obtaining financing</p> <p>Polish credit union and pawn shops help support immigrant-owned businesses</p>	<p>There is a niche for financing new immigrant businesses</p> <p>New financial institutions are needed to finance small businesses in low-income areas—there are many precedents</p> <p>Financial regulation of banks should promote investing in communities</p>
Perceptions of gentrification	<p>Constituents on all strips view gentrification positively</p> <p>Most view gentrification as a “natural” (inevitable) process</p> <p>There is some critique coming from business owners serving low-income clients</p>	<p>The common understanding of market as a “natural” phenomenon can be contested</p> <p>Researchers should document the views of those who have been displaced</p>
Business strategy	<p>Owning own building helps businesses survive</p> <p>Renovating and upgrading allows businesses to adapt to changing circumstances</p>	<p>Local businesses need help with marketing, product development</p> <p>Facilitating property ownership could help stabilize lagging commercial strips</p>

5. Policy and Community Organizing

Connections between residential and commercial gentrification

Clearly there is a close relationship between commercial and residential gentrification. Both the “art and design” and “Polish Village” designations on West Queen West and Roncesvalles, for example, are cultural representations that have lured progressively more affluent residents to these areas. The increased demand for housing by young affluent professionals pushes housing prices up, and exerts pressure indirectly on commercial rents. Those with low or fixed incomes are confronted with the problem not only of higher rents or property taxes, but also of a declining availability of affordable commercial services, as the businesses that once provided them are priced out of the neighbourhood (or, as in Roncesvalles Village, some commercial property occupant/owners choose to relocate and rent out their properties to high-end commercial tenants). Maintaining affordability in the residential sector—the typical focus of initiatives to control gentrification—must therefore be accompanied by a strategy to retain businesses that provide affordable goods and services.

The trend among BIAs toward working closely with residents’ associations and incorporating their representatives on BIA Boards of Management suggests that stakeholders themselves recognize this relationship and are seeking to manage it. The policy and organizing challenge is to encourage these new collaborations to develop critical insight into the social costs of gentrification at the municipal scale, even if many constituents stand to benefit at the neighbourhood scale.

Education has an important role to play here, as does designing participatory processes that respond specifically to the needs of economically and culturally marginalized stakeholders. Groups such as BIAs working to revitalize their neighbourhoods may not anticipate the long-term challenges posed by rapidly increasing property values, and both community organizations and the City’s Economic Development Office can play a role in introducing these issues—such as by disseminating research in an accessible manner or hosting informational events in neighbourhoods. They can also help ensure that stakeholders from marginalized social groups are included in such events, for example, by providing child care and translation services or by holding meetings at times suitable to under-represented constituencies.

Support for individual businesses

One role for policy and community organizing with respect to commercial gentrification lies in support for individual businesses that provide services affordable to low-income people. The conventional expectation is that long-term, independently owned businesses are most likely to provide these services because they operated in the neighbourhood before gentrification and the arrival of higher-income consumers, franchises, and chains. Our research identified two exceptions to this assumption.

First, in Roncesvalles Village, where the demographic change associated with gentrification has reflected a shift in the ethnocultural composition of the strip and class-based transitions have been less dramatic, several key long-term businesses that provide basic services have bought into a franchise. In this way, they have taken on the marketing and brand support of the parent company as a strategy for managing demographic change in the neighbourhood. The franchise label affords ready access to financing as well as a standard line of products demanded by young, upwardly mobile households. Because franchises already have adequate support, they should not be viewed as a priority in policy supports and community organizing for local businesses.

At the same time, these independent-to-franchise conversions should not be overlooked as resources for community investment, as the businesses may participate in local agglomeration economies (hiring locally, promoting locally owned businesses through storefront and interior displays) and community economies (donating to local events and institutions). Such businesses may be a significant component of a strip's local asset base.

Second, on disinvested strips, turnover rates may be high, so limiting a policy orientation to "long-term" businesses would overlook the significant role played by new businesses (often owned by recent immigrants) in providing services to local residents and other immigrant consumers seeking specialty products from their country of origin. Because these businesses tend to rely extensively on social networks and personal relationships and cannot afford advertising or contracts with credit card companies, they may contribute significantly to social cohesion in their neighbourhoods. Contrary to theories of ethnic enclaves that prevail in the literature on new-immigrant businesses (see Kaplan, 2006, for a critique), they are uniquely positioned to facilitate cross-cultural encounters within the transnational space of the commercial strip.

With these exceptions in mind, and given the inadequacy of the BIA model to support fragile businesses on disinvested strips, we see a role for municipal-scale support to individual businesses that provide basic services affordable to low-income people. Municipalities can:

1. *Encourage owner-occupancy.* As the Hometown Advantage Project of the Institute for Local Self-Reliance notes, "The best way for a local retailer to maintain a stable location at a reasonable price is to buy the building his or her store occupies." Cities and states could encourage ownership through income or property tax incentives (in the same way that many jurisdictions tax owner-occupied apartment buildings at a lower rate than those with absentee landlords), or by providing low-interest loans for this purpose (New Rules, 2002).

2. *Adapt community land trusts (CLTs) to commercial needs.* The CLT model is derived from the US, where HUD Community Development Block Grants have been used to finance community land trusts to secure affordable housing (the model is now being used in some Canadian provinces such as British Columbia; see CMHC, 2005). The Home Advantage Project advocates adapting this model for commercial districts with the requirement that buyers or lessees of community land trust buildings be independent, locally owned businesses. According to Julie Orvis of the Institute for Community Economics, the group that originated the community land trust model, there is no reason the model would not work for the purpose of securing affordable retail space over the long term (New Rules, 2002).
3. *Establish municipal or community-owned retail space.* City-owned properties on commercial strips could be contracted out with the stipulation that space be leased only to local businesses. Rents would be stable and below market levels, reflecting the city's actual costs of owning and maintaining the building with no profit (New Rules, 2002). A proposed "Use It or Lose It" bylaw allowing expropriation of vacant residential buildings and their conversion to social housing could be expanded to encompass buildings on commercial strips that might subsequently be leased at below market rates to local businesses providing basic services (Abandonment Issues, 2007).
4. *Provide technical assistance in marketing.* There is strong evidence both from this study and others (Ram et al., 2000; Kaplan, 2006) that ethnic minority businesses are supported by effective inter- and intra-ethnic networking. However, during times of residential and demographic change, these networks may not be sufficient to keep such businesses going. The City can offer supports in marketing and sourcing to help small businesses reach new markets. Municipal local economic development services should not just work to lure new businesses to the city, but should also help existing businesses adjust their stock, décor, and marketing to appeal to new customers within the shifting demographics of Toronto neighbourhoods. Such a practice could go a long way toward retaining ethnic-identified businesses, as well as the substantive diversity so often promoted as a comparative advantage in Toronto and its neighbourhoods.

Business Improvement Areas

BIAs are widely understood to be a democratic, accountable approach to local economic development, involving the pooling of resources and the harnessing of entrepreneurial innovation. In Canada, they emerged in the 1970s with an explicit orientation toward "halting the power of big box retail" (Hernandez and Jones, 2005; see also Hochleutner, 2003, and Lloyd et al., 2003, for a discussion of this perspective). Their advantage certainly lies in their ability to leverage geographically targeted municipal funding and help businesses work with one another to carry out long-term planning. The achievements of Roncesvalles BIA in particular illustrate such potential.

But the capacity of BIAs to realize their potential is limited in two important respects. First, their conventional emphasis on *place-based marketing* aimed at attracting high-end consumers puts neighbourhoods in competition with one another to attract tourists, leisure shoppers and so on. Second, success in any given neighbourhood depends on the capacities of individual

businesses to pay the requisite taxes and levies and participate in place-based promotion activities—capacities which are not evenly distributed across the urban landscape. Thus this model fosters intra-urban fragmentation and a trickle-down theory of economic development in which the “benefits” of gentrification are expected to spill over to less advantaged neighbourhoods and urban citizens. The model also overlooks associated processes of displacement and uneven development (Peck, 2005, 759). Any initiatives to strengthen the BIA framework must therefore be accompanied by efforts to ensure municipal-scale distributive justice through comprehensive planning measures.

Given the extent to which the BIA model is already entrenched in urban governance in North American cities, it is worth considering some recommendations for building inclusiveness, strengthening local assets, and countering fragmentation within the BIA framework.

Building inclusiveness

The BIA framework has the potential to foster democratic governance at the local scale. But where many of the businesses are too economically marginal to afford participation, stronger businesses can hijack the BIA mechanism to pursue their own visions of economic development (Schaller and Modan, 2005).

At the same time, those without access to public decision-making processes are usually those most vulnerable to increases in property values associated with the revitalization that BIAs seek to achieve. Their participation must be promoted not only to achieve democratic governance, but also to ensure a negotiated economic development process that reflects the visions and requirements of differently positioned groups. BIAs should therefore:

1. *Include diverse business constituencies.* There is a considerable literature in community development and organizational studies that may be of use in developing best practices for engaging and including under-represented groups in BIA decision making (Gittel and Vidal, 1998; Mathie and Cunningham, 2003). BIAs can help overcome institutionalized exclusions, by creating conditions conducive for marginalized groups to occupy spaces of participation—such as by providing child care, polling stakeholders for convenient meeting times, adopting facilitation techniques that actively solicit the views of all participants, even developing mechanisms to compensate businesses for the time involved in participation. The city can play a decisive role here, for example, by insisting that BIA boards reflect the demographic diversity of the business owners in the area and by making municipal funding contingent on following specified inclusionary practices.
2. *Open up decision-making structures to multiple stakeholders.* In Toronto, BIAs can now legally include residents on their boards. Those that have been most proactive in this regard (as well as in seeking representation for the BIA on the boards of other local community organizations) have also been at the forefront of integrating economic development with community building measures. Resident involvement has several advantages: it gives the BIA access to a wider set of social and professional networks that can be mobilized to support its projects; it can help clarify the resources required by community residents so that steps can be taken to draw or retain certain kinds of businesses; and it can build a stronger constituency for buying locally.

Strengthening local assets

Our findings about the agglomeration practices of small businesses (especially in Roncesvalles Village) and their participation in community economies (on all the strips considered for this study) suggest that commercial strips at various stages of gentrification possess considerable assets that could become the basis for local economic development. These may take the form of networks of local suppliers, retailers, and educated and socially conscious consumers, all committed to promoting local small businesses by buying local, directing consumers to other local businesses, and hiring locally to capitalize on local social networks. They may take the form of alternative appropriations and distributions of surplus directed toward articulating and building some form of “commons.”

Local assets may be social as well as financial. Asset-based development works to mobilize these assets to allow for import substitution whereby producers, suppliers, and consumers are linked in networks of mutually beneficial relations. When strengthened by government supports for low-income businesses and comprehensive urban planning, asset-based approaches help neighbourhoods resist fragmentation and the intraurban inequalities associated with place-based marketing. To promote asset-based development, community organizations, municipal governments and BIAs can:

1. *Create an inventory of a strip's asset base.* Community organizing can facilitate the development of an inventory of the asset base of a commercial strip. This role could be played by BIAs or a local community organization. The goal is to document a strip's existing economic, social, natural, and physical assets—such as networks among businesses, or buildings with interesting architectural features, or community organizations that support marginalized people—and catalyze collective thinking about how those assets might be used to promote local economic development. For example, business proprietors could pool their donations and community service to support a collectively identified development initiative, such as a local arts festival or a social purchasing portal (see below). Franchises and chains with a long history on the strip or other incentives for local investment are as likely to contribute to such processes as the small, independent businesses that are typically the focus of community development strategies. Such processes can go a long way toward countering the prevailing view that gentrification proceeds through “naturally” occurring market forces that cannot be controlled.
2. *Coordinate a social purchasing portal.* The Christie-Ossington Neighbourhood Centre, located in a BIA bordering Bloordale, has recently been exploring the possibility of establishing a social purchasing portal. The goal is to mobilize and coordinate local resources and purchasing power through a web-based purchasing portal that includes local businesses, local residents, and community “systems partners” (such as police, schools, churches and other institutions linked to quality of life and the life chances of individuals). Businesses benefit from increased marketing and sales opportunities in exchange for purchasing supplies and hiring staff locally. Individuals and systems partners benefit from local economic spin-offs by committing to focusing their spending locally. Municipal governments can help by providing technical support (e.g., sample purchasing policies) or hosting the web-based portal. Such initiatives facilitate the agglomeration of business activity and promote import

substitution. The initiative has never been effectively deployed in Toronto, because the requisite inclusionary processes have not yet been implemented, but a precedent exists in the Vancouver Social Purchasing Portal (Vancouver Social Purchasing Portal, 2004).

3. *Initiate buy-local campaigns.* In a simpler version of the principle of focused spending, municipal governments, BIAs, and local community organizations can initiate campaigns to encourage consumers to shop at local independently owned stores (or franchises with an established local history). The Hometown Advantage Project of the Institute for Local Self-Reliance has found that such campaigns can demonstrably improve sales at locally owned businesses.¹⁷
4. *Favour local businesses in government purchasing.* Municipal governments can develop practices and policies that encourage purchasing from businesses in disadvantaged neighbourhoods. A recent study commissioned by Local First Arizona reports that a purchasing contract with an independent local supplier recirculates three times as much money in the local economy as the same contract with a national or international firm.¹⁸
5. *Form purchasing cooperatives.* Individual independent retailers can form purchasing cooperatives to counter competition from big-box retailers. The co-op structure helps members reduce costs through joint purchasing and gain access to services and expertise that otherwise would be unaffordable.
6. *Resist corporate capital.* Some neighbourhoods have banned “formula businesses,” or restricted the number that can appear in a given neighbourhood. Salt Lake City has considered such a move and a newly planned residential development at Simon Fraser University in Burnaby, B.C., has passed ordinances restricting the introduction of some businesses. These initiatives are supported by research that suggests that locally owned businesses invest more in their locality than corporate chains.¹⁹ Since the average person spends about \$10,000 a year at retail establishments, shifting a small percentage of spending from local business to chains, or vice versa, can have a significant impact on a local economy.

Countering fragmentation

As the literature on asset-based development and livelihood strategies suggests, a key objective of strengthening local assets is to help people not only improve their livelihoods, but also claim citizenship rights and develop a critique of prevailing mechanisms of resource

17 www.newrules.org/retail/news_archive.php?browseby=slug&slugid=366, accessed 11 February 2008.

18 www.newrules.org/retail/news_slug.php?slugid=367, accessed 11 February 2008.

19 A recent study of a Chicago neighbourhood conducted by Civic Economics, analyzed 10 locally owned restaurants, retail stores, and service providers and compared them with 10 national chains competing in the same categories, and found that spending \$100 at an independent businesses created an additional \$68 in local economic activity. Spending \$100 at a chain produced only \$43 worth of local impact, or \$25 less. The local stores had a larger local payroll, because all their management functions were carried out locally rather than at corporate headquarters. They spent more than twice as much procuring local goods and services from other local businesses. They kept more of their profits local. They donated more to local charities. Civic Economics dubbed this \$25 difference the “local premium.” (www.newrules.org/retail/austinclitalk.pdf, accessed 11 Feb 2008).

distribution (Bebbington, 1999; Mathie and Cunningham, 2003). These approaches emphasize the economic, social, and political relationships that create poverty and an understanding that these relationships are linked to the assets at people's disposal (Bebbington, 1999). An inclusive BIA framework oriented to strengthening local assets thus has the potential to counter interjurisdictional competition. BIAs can:

1. *Cluster promotional events* such as festivals across multiple BIAs to build interjurisdictional cooperation and expand the base of local spending.
2. *Advocate comprehensive planning measures for commercial strips* (see below).

Comprehensive urban planning

Mobilizing community assets can accentuate existing inequalities if it is not complemented by state action to support and promote local capacities across space—for example, progressive taxation, supports to low-income people and small businesses, and regulation of urban form conducive to “liveability” at the neighbourhood scale (McGrath et al., 1999).

The fact that a substantial constituency favours commercial gentrification simply reflects the fact that existing businesses expect to derive benefits from an increase in and upscaling of commercial activity on their strip. It does not mean that gentrification should be viewed uncritically from a policy perspective. On the contrary, it underscores the significance of municipal-scale commitment to distributing resources and opportunities fairly across the urban region, lest strips with greater existing capacity enjoy an unfair advantage. As the experience of West Queen West demonstrates, in the absence of policy controls on commercial gentrification, the benefits of strip development will ultimately fall to corporations with the resources and political networks necessary to take advantage of investment opportunities in rapidly gentrifying areas.

This economic development at the neighbourhood scale, must be complemented by comprehensive planning that includes support for disinvested commercial areas and controls on the colonization of commercial strips by corporate capital. Municipalities can:

1. *Adopt progressive zoning practices.* Zoning commercial strips to encourage specific types of built form or a particular size of business could help businesses that are already rooted in an area. In the case of West Queen West, current condominium developments have proposed changing the zoning in the area from light industrial to residential, which would diminish the range of allowable uses in the area. The community group Active 18 has argued that maintaining the existing combination of zoning for mixed light industrial, commercial, and residential will help preserve the dynamics of the local economy and arts community, in that it will foster the production of contemporary art & new media, as well as galleries and performance spaces (not just conventional living spaces). It has further argued for zoning of the area to encourage mixed-income residential areas through varied size and cost of dwellings (see also Curran 2004).

2. *Source local planning knowledge.* Municipal planners should seek out and work collaboratively with local groups such as Active 18 that are seeking to manage commercial gentrification. These groups can serve as a source of innovation in planning action and their insights could be “scaled up” to inform citywide urban planning.
3. *Target disinvested areas.* Initiatives to promote locally owned small businesses and other supports can be targeted to disinvested areas. Likewise, some capital improvement grant monies can be designated to areas experiencing below-median property value increases, and lacking the capacity to form BIAs.
4. *Locate “anchors” serving marginalized groups throughout the city.* The city can support low-income consumers in all neighbourhoods by ensuring that the institutions that serve their needs (such as CAMH in our study area) are evenly distributed. This will require coordinating with community organizations to counter the NIMBY initiatives of ratepayers’ associations and educating the public about the benefits of mixed-income communities.
5. *Diversify municipal spending on culture.* Municipal spending on culture tends to favour support for large institutions such as museums. Economic geographers have recently advocated a more dispersed approach that could help build networks among local organizations would generate multiplier and import-substitution effects across the city (Markuson, 2006). These could be geared toward BIAs and other local organizations seeking to promote neighbourhood-scale festivals. Christopherson (2004) proposes allocating a portion of visitor “taxes” to local events, for example, in the form of technical assistance.

Financial regulation

Our research reveals two significant findings about the financing of small, locally owned businesses. First, most such businesses find financing difficult to obtain and have noticed a decline in the importance of personal relationships with bank staff in securing business loans. Second, there is a business niche in financing new immigrant businesses that may not meet conventional criteria of creditworthiness, as illustrated by the experience of the Polish Credit Union and one pawn shop in our sample. The federal government and the banks can:

1. *Enforce community investment.* Banks are public institutions that enjoy federal subsidy in the form of deposit insurance and protection in the form of barriers to entry. The federal government could therefore require banks to conduct business throughout the areas in which they are chartered to do business, as well as across income sectors (through regulation comparable to the Community Reinvestment Act in the United States). Community organizations can help build a constituency for such regulation.
2. *Promote community development banks.* The federal government could also facilitate the creation of lending institutions with a specific objective of promoting microenterprises and small businesses in low-income areas—such as through favourable taxation policies, technical assistance, and so on. Access to business loans can help stabilize local economies in non-gentrified commercial strips.

3. *Develop partnerships to offer financial services.* Banks can do more to offer financial services to low-income residents who live near rapidly gentrifying commercial strips. The Royal Bank's *Cash & Save*, an alternative to expensive payday loan services opened in cooperation with St. Christopher House, is one example. The program offers cheque-cashing at lower rates than non-bank cheque-cashing outlets and longer hours of service than banks. Clients do not have to hold bank accounts, but must register with the program by submitting identification and consenting to the bank's retaining their signature and a photograph in a computer file. Community organizations could work with banks to develop similar loan programs that would decentralize loan decisions and recognize unconventional indicators of economic viability, such as welfare payments or home-based businesses.

Summary

Our recommendations for policy and community organizing are summarized in Table 5, and are geared toward providing the educational, organizing and financial supports to businesses serving low-income consumers, supporting BIAs in local asset building and inclusionary practices, and confronting fragmentation through comprehensive planning.

Table 5: Recommendations for policy and community organizing

Theme	Policy recommendations
Connections between residential and commercial gentrification	<ul style="list-style-type: none"> Develop strategies to retain businesses that provide affordable goods and services. Provide education and organizing around the social costs of commercial gentrification.
Support to individual businesses	<ul style="list-style-type: none"> Encourage owner-occupancy of businesses. Adapt commercial land trusts to commercial needs. Establish municipal or community-owned retail space. Provide technical assistance in marketing.
BIAs	<ul style="list-style-type: none"> Include diverse business constituencies. Open up decision-making structures to multiple stakeholders. Challenge intra-urban fragmentation. Promote an asset-based approach to development as discussed below.
Asset-based development	<ul style="list-style-type: none"> Create an inventory of a strip's asset base. Coordinate a social purchasing portal. Initiate buy-local campaigns. Favour local businesses in government purchasing. Form purchasing cooperatives. Resist corporate capital through local legislation and cooperation.
Comprehensive urban development	<ul style="list-style-type: none"> Implement progressive zoning practices. Source local planning knowledge. Target disinvested areas. Locate "anchors" that serve marginalized groups.
Financial regulation	<ul style="list-style-type: none"> Enforce community investment. Promote community development banks. Modify bank underwriting practices. Develop partnerships with banks to offer alternative financial services.

Appendix A: Summary of Quantitative Analysis

Introduction

This appendix summarizes the main findings of our quantitative analysis of commercial land value change and retail structure on the three commercial strips. The quantitative portion of this study informed the selection of commercial strips and their designation as “leading,” “lagging” or “keeping up” average property value increases in the area. It also offered support for the assessments of our qualitative study. While the data are not sufficient to make conclusive statements regarding the effects of gentrification on commercial structure and business activities, the changes that the quantitative data suggest *are* taking place in the three commercial strips do not contradict and in some cases corroborate the interview findings.

The first portion of this appendix examines recent change in commercial land values along the three strips and compares this to the average for the whole of the CURA study area. Drawing on this comparison, we characterized the three BIAs as “leading,” “lagging,” and “keeping up.” West Queen West is “leading,” with high levels of growth in commercial land value. Bloordale, which has seen levels of change significantly below average in the study area, is characterized as “lagging” in commercial gentrification. Roncesvalles is “keeping up,” as it continues to see above-average levels of growth, albeit below that of West Queen West.

The second section reviews changes in the commercial structure in the three commercial strips over the same period. While the changes are small and not highly significant, they do not disprove most of the observations and analysis of the qualitative report.

Data used in this study

Data used in this report were provided by the City of Toronto’s Social Development Finance and Administration Division, Social Policy Analysis and Research Unit. We use two primary datasets. First, land values for the three BIAs and the CURA study from 2000 and 2005 were used to gauge the overall commercial gentrification and provide a typology of the three strips. We used these years as they were the only years available. A longer time series would lead to

a more robust analysis. Because land changes are not normally distributed, the data were converted to logarithmic values to improve the analysis and interpretation.

The second dataset consists of employment and establishments classified by activity as indicated by their “activity code” assigned by the City of Toronto. The City uses three levels of detail for activity classification: a 1-, 2-, and 3-digit identifier. The city provided data at the 2-digit resolution. Employment counts were reviewed but omitted from this summary because they did not reveal any significant differences in patterns of commercial change when compared to establishment counts.

The limited extent of data and their low level of resolution imply some critical limitations. In both cases, our data suffer from a relatively short time span. For this reason, we are hesitant to infer major changes from our analysis. While there do seem to be some small changes over time, these may not be statistically significant.

What is more significant is the differences between the three strips, although our data have one important restriction. The qualitative research took one subsection of the West Queen West commercial strip (west of Ossington) as the unit of analysis. While we were able to obtain commercial land value data for this subset, we could not obtain business activity data for this portion of the strip only. Therefore, Section 2 of this report deals with the West Queen West strip as a whole (from Gladstone to Bathurst Streets)—an area nearly double the size of the Gladstone-Ossington section. This deficiency makes both comparisons between the strips and the analysis of change within West Queen West over time difficult. We believe that the business activities of the portion of the West Queen West BIA where we conducted our interviews is significantly different from those of the strip as a whole, as this western section has been undergoing more rapid commercial change. Therefore, we urge caution in interpreting these numbers in comparing the strips.

Rather than remove this analysis, however, we have decided to retain it to elucidate some general trends that may be happening within the strip.

Commercial land value change

The study of residential gentrification has hinged largely on the role of land values and “rent gaps” in driving patterns of change. For this reason, the pace of change in land value was an important starting point. We took the dates of 2001 and 2005 to examine whether the three study areas had seen increases in land value that deviated in a significant degree from the West Central Toronto study area as a whole.

Table 6: Changes in commercial land value

	Roncesvalles	Bloordale	West Queen West	West Central Toronto Study Area
Land value change	\$112,201	\$64,565	\$128,825	\$94,272
Probability	98.80%	99.60%	99.90%	

The characterization of West Queen West as “leading” in commercial gentrification challenged our initial assumption that Roncesvalles was “more” gentrified. Not only has the growth in land

value in West Queen West been faster than that in Roncesvalles, but absolute land value in 2005 was also significantly higher. At the same time, local residents continue to point to Roncesvalles as being “more” gentrified among the commercial strips. This discrepancy points to the challenges of taking commercial land value alone as an indicator of commercial gentrification, and the need for qualitative analysis of the sort that is provided in the full report.

Commercial activities in the BIAs

Table 7 (which also appears as Table 3 in the report) provides an overview of the primary commercial activities in the three BIAs, based on the City of Toronto's “activity codes” and Table 8 provides more detail on the activities within each category.

Table 7: Business counts by Business Activity Codes

Sector	Roncesvalles 2000	Roncesvalles 2005	WQW 2000	WQW 2005	Bloordale 2000	Bloordale 2005
Retail	22	20	40	65	22	23
Retail Continued	13	11	73	78	22	20
Food Retail	17	22	21	22	27	25
Repair and Service	6	5	14	9	6	6
Personal Services & Restaurants	37	35	69	74	37	41
Manufacturing etc	3	1	4	4	4	2
Finance, Insurance and Real Estate	3	2	4	2	9	11
Business Services	4	5	22	23	4	4
Health Service	2	4	3	5	9	6
Religious	2	2	6	6	3	4

Table 8: City of Toronto, Commercial Property Activity Codes

Code	Activity	Subordinate activities
61	Retail shopping	Pharmacies and Drug Stores (Shoppers Drug Mart, Pharma Plus); Clothing Retail (Roots, Gap); Shoe Retailing (Bata, Transit, Footlocker); Furniture, Carpet and Electronics Retail (Leon's, Brick, Best Buy); Hardware (Canadian Tire, Home Depot); Vehicle Products and Parts (Sales and Showrooms); Variety Store Retailing (Dollar Stores); Department Store Retailing (Zellers, Wal-Mart, The Bay); Catalogue Stores
62	Retail shopping, continued	Watches, Jewellery, Cameras, Film Developing and Records; Sporting Goods and Toys; Newspapers, Periodicals, Book, Stationery and Office Supplies; Other Specialty Stores Florists, Stamps, Ticket & Film Booths, Antique Shops, Commercial Art Galleries, Rogers, Bell, Cellular Phone Retailers and Suppliers); Fruit, Vegetable and Tree Nursery Outlets; Lumber Yards; Bulk Retail (Oil Supplies); Other and Retail Ancillary (Open Space, Lockers, Washrooms, Pinball/Video Arcades without Employment, etc.)
63	Food retail shopping	Supermarkets (Dominion, Loblaws); Convenience Food Outlets (Mac's, 7-Eleven, Kitchen Table); Specialty Food Stores (Bake Shop, Butcher, Health Foods, etc.); Liquor, Beer and Wine Retailing (Wineshop, LCBO, The Beer Store); Other
64	Repairing, Cleaning and Servicing Consumer Commodities	Clothing and Textiles (Shoe Repair, Dry Cleaners, Laundromat, etc.); Furniture, Hardware and Household Appliances; Automobile Service and Repair (Gas Station & Car Wash); Automobile Special (Body, Muffler & Transmission Shops, Speedy Auto Glass, Apple Auto Glass, etc.); Welding & Blacksmiths Shop; Other
65	Personal Services	Restaurants (The Keg, Golden Griddle, etc.); Lounge and Bar, Clubs; Coffee Shops (Tim Horton's, Second Cup); Fast Food Outlets (McDonald's, Harvey's, Wendy's, Burger King, Cultures); Cosmetic (Beauty Salon, Barber Shop, Manicures); Refreshment and Entertainment (Caterers, Party Planning, etc.); Burials and Cremations (Cemeteries, Funeral Homes, Crematorium); Animal Boarding Service and Treatment; Other (Massage, Palm Reading, Psychic Reading, etc.)
71	Mining, Manufacturing, Transportation, Utilities, Construction and Resource Production	Mining and Mineral Exploration; Integrated Oil Companies; Manufacturing; Transportation Operations (Airlines, Railways, Bus and Trucking Companies, etc.); Travel Agencies, Airline Reservations; Other Transportation (Shipping and Forwarding Agencies, Brokers, Couriers, etc.); Utilities (Bell Canada, Rogers); Construction (Predominantly Office Workers); Resource Production (Farming, Fishing, and Forestry)
72	Finance, Insurance and Real Estate	Bank and Trust Company Branches; Banks and Trust Companies: Administrative Offices; Investment Services (Investment Dealers, Mutual Funds, Exchanges and Exchange Services); Financing (Consumer and Business Finance, Consumer Loans, Business Finance, Mortgage Brokers); Insurance Companies (Life Insurance, General Insurance, Mixed – Life and General); Other Insurance (Insurance Agencies and Insurance Adjusters); Real Estate Developers (Real Estate Management e.g. Monarch, Minto); Real Estate Agents (Brokers e.g. Remax, Century 21); Miscellaneous (includes Instant Teller on its own, i.e. not located in conjunction with a Bank)
73	Business Services	Law Firms (Legal Services, X-Copper, Ticket Busters); Accountants; Management Consultants (Business Consultants, Market Research, Personal Service, Call Centres); Advertising Services (Advertising Agencies & Reps, Media Space Selling); Public Relations Consultants; Photographers and Graphic Artists (Freelance Artists); Personnel Services (Employment Agency, including Theatrical Agencies); Computer Services (Computer Programming, Computer Consulting, Other EDP Related Offices, Computer Software Manufacturers, Internet Cafes, Internet Providers); Other Business Services (including Investigation Services, Security Guards and Patrol Services)
77	Health Service Offices	Doctors and Physicians; Dentists; Opticians and Optometrists (Hakim Optical, Lenscrafters, Braddock Optical); Other Health Service Practitioners (Chiropractors, Physiotherapists, Nursing/Homecare Agencies, etc.); Laboratories and other related services, (Radiologists, etc.)
84	Religious	Places of Worship

The raw numbers in Table 9, combined with the statistical tests indicated in Tables 10 to 11, show that the changes between 2000 and 2005 in each strip are not statistically significant, even if they point to the early stages of some interesting and important trends. Tables 9 to 11 show the calculations and results of testing for differences in establishment distributions over time in each business improvement area. The tests assumed the null hypothesis that there was no difference between years. P-values > 0.000 support the null hypothesis of no difference.

Table 9. Test results for difference in activity distribution of establishments between 2000-2005 for West Queen West

		61	62	63	64	65	71	72	73	77	84	Total
2000	Observed	40	73	21	14	69	4	4	22	3	6	256
	Expected	49.41	71.06	20.24	10.82	67.29	3.76	2.82	21.18	3.76	5.65	
	Deviation	1.793	0.053	0.029	0.932	0.043	0.015	0.49	0.032	0.155	0.022	
2005	Observed	65	78	22	9	74	4	2	23	5	6	288
	Expected	55.59	79.94	22.76	12.18	75.71	4.24	3.18	23.82	4.24	6.35	
	Deviation	1.594	0.047	0.026	0.829	0.038	0.013	0.436	0.028	0.138	0.02	
	Total	105	151	43	23	143	8	6	45	8	12	544

Chi Sq = 6.733 P-value = 0.665 DF = 9

Table 10. Test results for difference in activity distribution of establishments between 2000-2005 for Roncesvalles

Year		61	62	63	64	65	71	72	73	77	84	Total
2000	Observed	22	13	17	6	37	3	3	4	2	2	109
	Expected	21.19	12.11	19.68	5.55	36.33	2.02	2.52	4.54	3.03	2.02	
	Deviation	0.031	0.065	0.365	0.036	0.012	0.477	0.09	0.065	0.349	0	
2005	Observed	20	11	22	5	35	1	2	5	4	2	107
	Expected	20.81	11.89	19.32	5.45	35.67	1.98	2.48	4.46	2.97	1.98	
	Deviation	0.031	0.066	0.372	0.037	0.012	0.486	0.092	0.066	0.355	0	
	Total	42	24	39	11	72	4	5	9	6	4	216

Chi-Sq = 3.009 P-Value=0.964 DF=9

Table 11. Test results for difference in activity distribution of establishments between 2000-2005 for Bloordale

Year		61	62	63	64	65	71	72	73	77	84	Total
2000	Observed	22	22	27	6	37	4	9	4	9	3	143
	Expected	22.58	21.07	26.09	6.02	39.14	3.01	10.04	4.01	7.53	3.51	
	Deviation	0.015	0.041	0.032	0	0.117	0.325	0.107	0	0.289	0.075	
2005	Observed	23	20	25	6	41	2	11	4	6	4	142
	Expected	22.42	20.93	25.91	5.98	38.86	2.99	9.96	3.99	7.47	3.49	
	Deviation	0.015	0.041	0.032	0	0.117	0.328	0.108	0	0.291	0.075	
	Total	45	42	52	12	78	20	20	8	15	7	285

Chi-Sq = 2.006 P-Value = 0.991 DF=9

While the data show only small changes (and one would not expect drastic change during the five-year period for which information is available), they miss important shifts under way *within* these broad categories. Documenting these more subtle changes was one of the primary objectives of the qualitative aspect of our study.

There are more significant differences among the three strips—notably the higher establishment counts in West Queen West due to the larger population. All BIAs have similarly high proportions of employment in restaurants, bars, clubs, and coffee shops. Given the retail nature of these strips, and their proximity to large residential populations, this is to be expected. Somewhat surprisingly, Bloordale has a high proportion of employment in finance, insurance, and real estate, both when looking at the group as a proportion of the BIA and as in comparison to other strips. This is at first glance surprising, given the paucity of banks on the strip. This data can be corroborated anecdotally by the relatively large number of semi-formal financial institutions operating on the strip.

Conclusion

Taken together, an analysis of changing land values and business activities on the three strips offer a number of lessons.

First, West Queen West and Roncesvalles both show average rates of land value growth that are significantly higher than the average of the West Central Toronto study area as a whole. Our designation of West Queen West as “leading” reverses our initial assumption (based on anecdotal evidence offered by colleagues at St. Christopher House as well as our own assumptions) that Roncesvalles is “more gentrified.” We caution against an understanding of gentrification as a simple unilinear trajectory or as measured only in terms of commercial land values. The latter provide one part of an overall picture of commercial change, the rest of which must be fleshed out with other indicators.

Second, due to the limitations of our dataset, we can draw relatively few conclusions from the study of business activities on the three strips. The lack of significant changes during the five-year period need not indicate a static commercial structure on the three strips. Indeed, change may be taking place over a longer period, and may also be taking place within categories of business activities; for example, through a change in ownership or a change in the kind of retail activities or restaurants being opened. Some of these questions may be answered through the use of higher quality datasets, but we believe that many of these changes are qualitative, and are best observed through forms of qualitative interviewing documented in our main report.

Finally, while quantitative analysis has shown us relatively little about the changes in business activities on the three strips, and therefore does not provide substantial support for our broader findings, it certainly does not disprove the analysis and findings of our qualitative research.

Appendix B: Interview Guide for Business Owners and Managers

Summary: The crucial questions

What changes have you noticed in this commercial strip in the last 10 years? How do you explain these changes? Why they are happening?

Do you own your business? Do you have a partner? Are you a franchise, or part of a chain?

How long have you been the owner/manager?

Do you yourself live near your business?

What challenges do you face as a business operator in this location? For example, competition, rents, taxes, access to financial services?

In accessing financial services to support your business needs, have you faced particular challenges in this area?

In order to serve your customer base, do you provide any financial services, e.g., cheque cashing, running a tab, cash back, etc.? Do you charge for these services?

What opportunities do you see as a business operator in this location?

How do you see your business contributing to the community, beyond just the marketing of your product/service?

What are the main activities of the BIA in your area?

What is your vision for the commercial development of this area?

General-Commercial Strip

What changes have you noticed in this commercial strip in the last 10 years? How do you explain these changes? Why they are happening?

Are you seeing an increase in corporate chains/franchises? What's your sense of why this is happening? What are the drawbacks and benefits of this phenomenon?

What about small, independent businesses? Do you observe any trends that they are decreasing or increasing? Why do you think this is happening?

Are there certain business sectors that are gaining or losing prominence? For example coffee shops moving in, hardware stores closing down. Why?

Individual Business

How long have has your business been serving this neighbourhood?

How long have you been the owner/manager?

Do you target or cater to a particular type of customer, for example: a particular age group, income level, gender or ethnicity? If so, has this group changed in recent years?

Do you do more business on an average weekday or on the weekend? Why?

Why did you choose to operate in this location?

Do you yourself live nearby?

Do you own your business? Do you have a partner? Are you a franchise, or part of a chain?

How many people are employed at this store?

Challenges

What challenges do you face as a business operator in this location? For example, competition, rents, taxes, access to financial services?

Do you have any ideas about how these challenges could be overcome? Is there anything that the government could do to help? How could business work together to overcome these problems?

Opportunities

What opportunities do you see as a business operator in this location?

What ideas do you have about how to deepen/secure these opportunities in the future. What could the government do? How could businesses work together?

Finance

How did you finance your start-up costs, renovations or other major business-related investment?

What role, if any, have local banks had in financing your enterprise?

How well do you feel local banks serve businesses in this location?

Have you had any experience banking with credit unions or other non-bank financial institutions?

Do you accept debit cards? Credit cards?

Do you extend credit to customers and other partners?

Do you offer cash back on debit or credit transaction? Do you provide a cheque-cashing service for your customers? Are these services that you have to charge a fee for?

Do you have any suggestions for how financial services could be made more available to support long-time local businesses? What is the role for government? What is the role for banks?

Community economy

How do you see your business contributing to the community, beyond just the marketing of your product/service?

Are you involved in sponsoring community events? Does your business make donations of equipment, products or money to local organizations, contribute time or expertise to local organizations, or deliver any community services such as special assistance to elderly, etc.?

Do you make an effort to hire local youth or new immigrants?

Does your business have any special purchasing policies, such as buying local produce or using local services?

What do you see as the benefits for your businesses of making these kinds of community contributions?

What are your ideas about how to create incentives for businesses to make community contributions?

Do you have any plans or desires to become more community involved?

Business Improvement Area

What are the main activities of the BIA in your area?

What role have you played in the BIA organization/administration?

Are there any other economic development associations that are active in the area? If so, what services do they provide and what impact do you feel that have had on the strip?

What is your vision for the commercial development of this area?

How do you strike a balance between wanting to serve local clientele and wanting to draw new people to the area? Has access to financial services in particular been an issue for local businesses?

What ideas do you have for how to keep a mix of old and new businesses on this strip? A mix of business sectors?

Do you think it is important to have a commercial strip that caters to people of diverse incomes? Diverse ethnicities?

Appendix C: Strip Overviews

This appendix provides further description of the three strips, for those not familiar with Toronto's downtown West neighbourhoods. The qualitative analysis appears in the report itself.

West Queen West

West Queen West is one of the newest BIAs in Toronto and was created with the specific purpose of promoting the strip's association with fashion, design and style. The following is from the BIA website:

Established in 2005, West Queen West is an eclectic retail area specializing in fashion, design and style. It houses a variety of boutiques, interior design shops, antique and vintage stores, a selection of distinctive and enticing restaurants, and is home to the largest concentration of galleries in the city. Located on Queen Street West, between Bathurst Street and Gladstone Avenue, the area has over 400 businesses. With restoration of major landmarks like the Drake Hotel and Gladstone Hotel, West Queen West is currently experiencing an infusion of new activity and investment, creating one of the most vibrant commercial areas in the City.

It is also one of the longest BIAs, running the length of three subway stops from Bathurst to Gladstone (Dufferin), or about 2.1 km. For this reason, this study focused on a 0.7-km subsection of the strip between Ossington and Gladstone. The choice of this section served not only to reduce the number of establishments being studied, but also to allow us to examine a poorer area of the strip that seemed to be less gentrified. It is important to keep this diversity in mind. The BIA staff person points out that the character of the BIA changes along the strip:

With this particular area, it changes block to block. The business owners that are down here by Bathurst have a whole different idea of what their safety issues are than the businesses that are down near Gladstone. It's a little denser around here. There tends to be a little more...riff raff...at the other end. So they're struggling with—I don't know if it's an image problem, because I'm not really sure what...not outsiders...but visitors to the area. I haven't gotten a good sense of what they think of that corner but it seems as though our pedestrian traffic stops at Bathurst because it appears to be a little more worn down. Just at that corner, because if you come in just a little bit further like right

here, it's relatively safe and vibrant, so some of those business owners do feel that that safety and crime is detracting from their businesses.

Other important features of the strip are that it begins almost in the heart of the downtown area at Queen and Bathurst and that it is home to some major architectural landmarks that are well-suited for renovation and gentrification.

In addition to the hotels, probably the other most significant landmark along the strip is the former Queen Street Mental Hospital, now part of the Centre for Addictions and Mental Health (CAMH), which is undergoing major renovations aimed at better integrating the mental health community into the neighbourhood. Trinity Bellwoods Park is located near the middle of the strip, and is, as the BIA chair says, a “draw for an eco-friendly lifestyle.”

Character and identity of the strip

Interviewees pointed out that the neighbourhood used to be much “grittier” and suffered many of the same problems that Bloordale now faces: drugs, prostitution and empty storefronts: Everybody mentioned the rapidly changing nature of the strip due to the renovations of the Drake and Gladstone Hotels. Property values have been rising quickly, new businesses are opening where once there were empty storefronts and the general sense is that this is now a hub for the arts, including artists, art stores, galleries, and support for the arts by businesses such as restaurants.

Businesses interviewed

Nine businesses were interviewed along the strip: seven were independently owned, one was a franchise and one was part of a chain. We also interviewed the BIA staff person. Those interviewed represented a balance of very new stores that have only been open for a few months; some that have been there for three to four years and several that have been operating for more than 10 years. Two of the long-time business owners were probably the most critical of changes that are occurring. Several businesses mentioned they came to the neighbourhood in part because of the cheaper rents and also because the neighbourhood was “down-to-earth” and “friendly.”

The Gladstone Hotel employs 85 people; some other businesses, such as Woolfitt's art store (28 employees) and the restaurant Fresh (30 employees), also have larger staff numbers. Most of the businesses have a wide variety of customers coming from across the city, who are drawn in by the arts scene. Woolfitt's serves customers from across the country. Unlike the food franchises in Bloordale, which get little walk-in traffic and deal mainly with schoolchildren, the branch of Mr. Submarine in West Queen West has non-stop walk-in traffic and a wide delivery area that covers Bloor to the Lakeshore: “During the day we get office workers and families; at night there's the bar crowds—people coming from the Gladstone.”

The Gladstone Hotel strives for a wide mix of people with different incomes and ethnic groups and had a tiered pricing for renting space. Even the pawn shop has customers who come from as far away as Scarborough for loans (part of the owner's business is what he termed “fringe financing”—lending money to immigrants who cannot access banks.)

The BIA staff person points out that one of the strengths of the strip is a new focus on specialty shops which are obviously able to draw customers from all over:

I did a pie chart for a meeting that I held a couple of weeks ago on the numbers. I think that the biggest slice of the pie was our specialty shops and specialty services. People catering to the really tight niche markets like the Spice Trader...and Dock's Leather. And then there were restaurants, cafés, bars, and restaurants...The third biggest chunk of the pie would be galleries...we are Canada's biggest concentration of galleries, contemporary art galleries. There are about 40 of them between Bathurst and Gladstone... And then a little bit smaller is the fashion and apparel boutiques... I see a little bit more of those kinds of stores coming in.

Commercial change

The neighbourhood is clearly undergoing gentrification. The small independent businesses that catered to a poorer demographic are getting displaced as rents rise and young professional families move into the nearby residential areas. The businesses being displaced are the small coffee shops and restaurants, pawn shops, and cheaper furniture stores, along with the factories, storage depot, and tire shop located on land that is being turned into condos. The stores moving in tend to be more high-end specialty shops—restaurants, clothing and jewellery boutiques, as well as art galleries. There is a sense that survival depends on being chic and trendy. Among those interviewed, there is no consensus about whether or not this change is positive.

There is concern about the number of condominiums going up, and the kinds of stores that may be moving in. The BIA staff person talked about some opposition to big-box stores and several people mentioned the vandalism that occurred over the opening of Starbucks:

Community involvement and the arts

The neighbourhood is known as—or is being marketed as—an artists' community and there is concern that gentrification will make it too expensive for artists. The BIA staff person says:

It's getting expensive here. The rents are going up. I don't know what the figure is, but I mean exponentially. I personally don't know much about what kind of money artists make, but I can only imagine that it is getting more difficult for independent artists to be able to afford to live and work here. Gallery owners may be a little different. But we're trying. We have some ideas of different ways to integrate the artist community with our business improvement association. And that is something that the BIA is always working strongly to maintain, because it's what draws people to the area. It's what has drawn people to this area for decades.

To some extent, there is a split between businesses over community involvement and the arts scene. For the newer stores, the two are pretty much the same thing. Even the "socially conscious" businesses tend to view the vulnerable population as the artists who they fear are integral to the strip, but who may be driven out with rising prices. For some of the older stores, it's the hospital patients and local poor who are most vulnerable.

There is some crossover awareness. The Gladstone Hotel staff say they are very involved in the community and see networking as one of their major roles. They host community events at low or no cost. They also played a major role in organizing YIMBY (Yes In My Backyard, a

Toronto-wide festival of community groups) and provide facilities so groups from the city can discuss and strategize. Representatives of the Gladstone Hotel are also involved in Active 18—a local group that pressures developers to ensure appropriate development for the community.

The owner of an artist-run art store plans upon retirement to close the store and donate the land to the City for a university/community-run arts foundation and museum. One restaurant, Fresh, supports local events and provides flyers and posters informing customers about art shows and yoga. Other businesses like Addis Ababa and Organic Boutique help out the patients from CAMH. The franchise and chain stores tend to favour the local sports event and fundraisers:

However, some of the older businesses feel that they are either too small to do much, or that they are on the outside of the new arts approach to the strip (in this regard there is some insider/outsider, old-timer/newcomer tension similar to that in Roncesvalles Village).

BIA activity

Out of the nine businesses interviewed, three said nothing about the BIA, three said that they didn't know what it was, and one wasn't interested in the BIA. Some of the newer businesses have joined the Management Board for the purpose of staying in touch with changes in the area. Because this is such a new BIA, and because it was formed with the goal of promoting "fashion, design and style," it's not surprising that the older, smaller, and general-merchandise stores do not have much of a relationship with the BIA.

Financing business

We gleaned little information on financing from this group of interviews. Businesses financed their stores in different ways, from bank loans to personal financing. Most respondents felt that getting loans is not very difficult if your credit is good. Several mentioned that there are few banks along the strip. The manager of the Gladstone was surprised by the number of (artist) clients who don't have bank accounts.

The most interesting interview on financing was with an owner of a pawn shop, because he provides "fringe financing" to the poorer people in the neighbourhood who cannot use the regular channels, as well as to the members of immigrant communities in outlying areas such as Scarborough.

CAMH and St. Christopher House

Several businesses mentioned that they give free (or cheap) food to the patients of CAMH. These businesses aside, the only ones to discuss the relationship between business and the mental health community were the BIA chair and the manager of the Gladstone Hotel. The latter pointed out that when they occupied the building, they decided to close down and renovate many of the long-term hotel rooms. This required finding new accommodations for many of the long-term residents, a responsibility they took seriously. The new owners actively looked for alternative accommodation, and even found places for three people in community living, which they felt was more appropriate for them.

The BIA staff person said that CAMH and St. Christopher House had been there for so long that it was in everybody's interest to find ways to work together..

Gentrification processes

The manager of the Gladstone Hotel summed up the ethos of West Queen West as a philosophy of the "3Cs": community, culture, and commerce. One useful lesson from the interviews conducted on this strip is the power for change that one or two main developments (i.e., the Drake and Gladstone hotels) can have on an otherwise depressed strip. While there is no doubt that the renovation of the Drake Hotel was probably the biggest motivator of change along the West end of the strip, there are some mixed feelings about its influence.

When asked where the strip would be in ten years the BIA chair said:

I don't really know. I definitely see the intensification moving westward, with what's going on with CAMH [a major renovation], with what's going on where those condos are. I don't know what's going to end up happening with those condos. They're all still at the appeals stage of the OMB. [There's] definitely going to be a bigger population that's actually living in the area as opposed to just coming into the area to just shop and visit. I think that it will become more of a tourist destination. I would love to see it be called a tourist destination by the City, like the Eaton Centre. It makes it so that you can be open on holidays. Some of the business owners have said that they're looking into that at least. I just see improvements over all: safety, cleanliness. Will things get really expensive and end up—like Yorkville, which was sort of like a Bohemian area up until maybe early 80s, maybe 70s? I'm not sure. Now it's the most expensive place to shop in the city. I don't know if I see it happening like that here, because people are so interested in maintaining the status quo that has existed here over time, but sort of updating it and making it relevant to what people are looking for in an alternative neighbourhood. Definitely intensification, and maybe traffic problems depending on what the City does with that kind of infrastructure.

Roncesvalles Village

Roncesvalles Village BIA covers Roncesvalles Avenue from Galley Avenue, a few blocks north of Queen Street, to Hewitt Street, a few blocks south of the intersection of Bloor Street and Dundas Street West, a distance of about 1.1 km. This area was a first site of arrival for Polish immigrants following the Second World War, and has a distinct Polish identity that is actively promoted by the local BIA and other local groups.

The street is the location of many important institutions for the Toronto Polish population, including St. Casimir's Roman Catholic Church, the St. Stanislaus-St. Casimir's Credit Union, and two large historical monuments. The recent migration of older Polish households to the suburbs (primarily Mississauga) has led to the arrival of a more diverse population. Many informants interviewed for this paper referred to the new arrivals as "young professionals" or simply "young families."

Character and identity of the strip

Overall, Roncesvalles Village and BIA give the impression of well-kept homes and businesses. The tree-lined streets are clean and there are few empty storefronts. There are several banks on the strip (TD Canada Trust, Royal Bank, Scotia, CIBC), a library, several churches, schools, clinics and alternative health facilities, real estate agents, and a wide range of shops.

The strip has not always been as well-kept as it is now. A woman who has been in business for 20 years on Roncesvalles says:

I can remember when the older shops had cockroaches crawling over the floor (I shouldn't say that...). But, you know, they did well at the time. You could never do that now, you know, you've got to be clean.

There are some franchises and chains in the neighbourhood (including Timothy's, Second Cup, and Starbucks, as well as Home Hardware, Sobey's, and Benjamin Moore Paints), but the many small independent businesses—both old and new—still predominate. Everyone agrees that the actual number of Polish residents and businesses in the neighbourhood has declined, although there is also an implicit, though contested, understanding that the Polish identity of the “village” is still what makes Roncesvalles unique.

Roncesvalles has excellent access to public transportation, including the Bloor-Danforth subway line to the north, and the King Street, Queen Street, and Dundas Street streetcar lines. There is a hospital nearby (St. Joseph's), and many other services and amenities.

Given the good access to services and the proximity to High Park, recent years have seen an influx of young urban professionals and their families into the area who have renovated older houses. Property values have risen considerably in the past decade. Many businesses have taken advantage of city programs to “beautify” the business area. Several people mentioned that the cleaner streets have helped reduce crime.

In addition to the influx of new families the neighbourhood, the population has become more ethnically diverse. The strip reflects this ethnic diversity and the changes mean that a number of new businesses now cater to a demographic referred to by many store owners as “young families.”

Businesses interviewed

Interviews were conducted with 10 business owners and managers (six were independently owned businesses, one was a cooperative, two were franchises, and one was part of a chain), along with the chair of the BIA. Many of the owners either live in the neighbourhood, or used to, many hire local residents, and many have staff that speak East European languages that are important to residents near the strip (such as Polish and Ukrainian). Many of the businesses have been in operation for a very long time (10 to 35 years). The remaining stores have been in business on the strip from 8 months to 7 years.

In general, the businesses presented a positive view of operating in Roncesvalles and were optimistic about the neighbourhood. However, there was some tension between the old guard

and the newcomers, and between Polish and non-Polish businesses. Newer stores are opening that cater to the new demographic of young professionals and “young families.”

Much of what attracts both residents and business to the neighbourhood is its traditional European village feel; but some newer businesses don't like being excluded when the neighbourhood is narrowly defined as Polish. A number of them mention that they feel a bit like outsiders, and slightly resentful, that the “old guard” are continuing to promote the Polish image, even though the ethnic composition of the neighbourhood is clearly changing. Some of them feel unrepresented by the BIA.

Some store owners complained that during Harvest Festival, the BIA invites Polish businesses from outside the area to participate, rather than promoting local stores. Labelling the festival “Polish” is an issue because there are now many non-Polish stores in the area.

On the other hand, a few of the newer businesses expressed the feeling that the older stores are old-fashioned and not entrepreneurial enough—that they're dragging down the changes (gentrification) happening in the neighbourhood. Some of the Polish stores (such as Granowska's Bakery) expressed concern that the Polish character of the neighbourhood is changing. Many of these businesses have been at the forefront of resistance to gentrification and commercial change along the commercial strip, as evidenced by recent disputes within the BIA regarding street beautification.

Commercial Change

While the overall perspective is positive, there are some fears that smaller independent stores may get pushed out by the large chains. At least one restaurant owner, however, viewed these changes positively.

It seems that one of the reasons that both older and newer stores have survived is their adaptability. One store owner, for example, has been in business in the neighbourhood for 20 years. The first 10 years she rented and then bought the building next door where she has been for 10 years:

The Benjamin Moore paint store has been on the strip for 55 years. The current landlord used to own the store; he sold to the current owner's father-in-law, who sold to the current owner. The current owner put the store under the Benjamin Moore label, drawing on the resources of the franchise operation.

BIA activity

Businesses' reactions to the BIA were mixed. Four [two of them Polish] said they were actively involved with the BIA and the Polish Credit Union stated that it is actually “inside the BIA.” Others felt that the BIA is too concerned with promoting the Polish identity of the neighbourhood and should be more focused on helping out businesses that make up the new identity of Roncesvalles:

The BIA makes money selling business outside community for the Polish festival. It doesn't represent new change. It has lost touch.

I don't have time to go to meetings. The BIA organizes the Polish festival, but that happens further down the street. If I went to BIA meetings I could raise my concerns, but I don't go. Other businesses at the north end are also not happy that the festival is more south. We have complained. It's good that the BIA organizes festivals—they just need to spread out more.

Other businesses, however, were more positive about the BIA:

The BIA has done a lot to improve the strip. They think about the whole street, not just individual business. They have really improved the sidewalk.

They can get things done. They keep me informed about new businesses; they offered me 50% financing to renovate. The BIA is helping small businesses to grow; they put up streetlights. The BIA taxes us for this.

The BIA gives naming rights to businesses to sponsor events: it's about marketing, branding, advertising. This strengthens the community to come together for special occasions. [However] I think Roncesvalles wants to reclaim its Polish roots after the Pope died: it used to be the Harvest festival, but now it's the Polish festival.

One business owner, who has been in business for 20 years, quit the BIA many years ago because she felt they were stagnating and mainly represented the older Polish crowd. But she says that things have changed now and that the BIA has new energy.

There are still divisions but it's more energized now—about half [the members] have opened up and [are] ready to go. [You] can't push the others. We gave out free Christmas lights, but some [businesses] didn't want them. There was a big outcry when the BIA changed the name from the Harvest to the Polish festival. We explained that this helped us to access money. We have since added a local music scene to the festival. The whole street was torn up when we were working with the city to keep it green. People from the neighbourhood work with city; they volunteer a lot to get others involved. We had a big meeting and invited everyone: only about 15 showed up, mostly board members. There was always city involvement, but now it's really intensified: new people with new energy and responsibility. It's like day and night, People just need to show up and find out what's going on. But it's hard to get people to come to city meetings—it's just one more thing to do.

The community economy

Even if they are not involved in the BIA, most of those interviewed said that they are involved in the community through support and donations to schools, fundraisers, the Harvest Festival, Polish events, sports teams, churches, the Red Door shelter, and the daycares. Businesses said this involvement is good because it promotes business, decreases the "outsider" feeling, and is what businesses do when they are part of a community. There is a sense that people here are socially conscious and involved in the neighbourhood. At least half the business owners live in the neighbourhood, hire local residents, and do business locally.

Financing business

The information on financing was mixed and included those who independently financed their businesses; those who get matching funds from the bank; a restaurant that gets funding from the federal government through Human Resources and Development Canada (HRDC) and

independent fund raising; those who get full funding from a bank; and those who use the Polish Credit Union.

The Credit Union is clearly very important to the Roncesvalles strip and indicative of its strong “ethnic” identity. It was started by the Polish Catholic church and is the largest Catholic credit union in the world, with 22 branches and 35,000 members; the Roncesvalles branch is one of the largest. One respondent told us, “Everybody on the street knows what the Credit Union is... We have given loans to many of the local businesses.”

The Credit Union opened 20 years ago to help Polish immigrants who couldn't afford to buy homes. Their first task was to help people get mortgages; homeowners would pool their resources to make payments. The Credit Union originally dealt primarily with the Polish population (80 percent), but increasingly this approach is changing and it has sought to help other groups. The Credit Union has become a full-service bank and is increasingly looking outside the area for members and customers.

Among the franchises, one said that getting a line of credit was easy, because he knew the manager, but he also thinks it's not hard if you have a business plan and good credit. Another pointed out that one major bank was looking to expand small business funding and that they saw the franchise as a solid company; in fact, they approached the franchising company with a financing deal. He thinks they have competitive rates.

Gentrification processes

This neighbourhood is slowly becoming gentrified. The interviews leave the impression that the gentrification has been relatively positive for the neighbourhood, as many of the older residents have chosen to move to the suburbs rather than having been involuntarily displaced. The former residents sold their homes at a profit, and some of them rent local storefronts to new businesses. Furthermore, many of the businesses on this strip have been operating for many years. This longevity provides stability in the community and in the BIA, and has allowed for a strong sense of identity.

The biggest sense of “conflict” in the neighbourhood is probably between the old and new guard around the Polish identity of the strip—rather than around economic issues. There is certainly a sense among the Polish business owners that the more traditional Polish character of the village needs to be protected and promoted, and some newer non-Polish stores feel this too. Finally, there is clearly some concern that if too many big franchises arrive, it will have an impact on smaller businesses and also on the traditional “village” feel of the strip.

Bloordale Village

The Bloordale Village BIA is a short strip running 0.6 km east-west along Bloor Street from Dufferin Street to Lansdowne Street. The following description comes from the Toronto BIA website:

Here is a shining example of how people working together in a common cause can make a real difference. An infectious spirit of revitalization and renewal is much in evidence along Bloor Street West between Dufferin and Lansdowne these days, as com-

munity leaders, merchants and residents have joined together in an ambitious program to make their neighbourhood a better place to live, work, shop and visit. Bloordale Village, founded in 1976, is playing a major role in this endeavour. Restaurants and bicycle shops predominate in this area.

Character and identity of the strip

The overall identity of the strip is of a “rough neighbourhood,” where drugs and crime predominate. With the exception of two franchises and one chain store operator, everyone we interviewed, including the BIA chair, mentioned the drug problem. Most believe that the drug dealers come from outside the neighbourhood and a few mentioned that everyone recognizes them and knows who they are. Prostitution was also mentioned, along with the two strip clubs and the local shelters for the homeless.

This is an ethnically mixed community, where the original Portuguese and Italian population is being replaced by high concentrations of South and East Asians, Africans, and West Indians. According to one interviewee, there are many Muslims in the area because of the mosque on Bloor Street.

Economically, it's a lower-income area with a high turnover in both residents and businesses. Rents are very low, because of the perception that the neighbourhood is dangerous and crime-ridden. Several respondents mentioned that the government and police ignore the area. Many suggested that the neighbourhood was deteriorating, a few thought there was some improvement, and one perceived stagnation.

Businesses interviewed

Along this strip, interviews were conducted with 10 business owners and managers (six were independently owned businesses, two were franchises, and two were chain stores), the chair of the BIA, and a representative of the Christie-Neighbourhood Centre. The businesses had been there between two and six years. Several are run by relatively recent immigrants. These immigrants are well travelled and include one who has lived in India, Sri Lanka, Fiji, and Singapore; one who was a soldier in the Burmese army; and one who left Hong Kong because of fears of what would happen when China took over.

For the most part, these businesses do not have many employees; in some cases, the “employees” are family members. We were told that this is a neighbourhood where immigrants come first, because it's one of the cheapest in downtown—and cheap rent was the main reason given for opening a business in this neighbourhood. Even so, people mentioned the many empty storefronts.

Many of the business owners and managers we interviewed run small independent stores, such as ethnic grocery stores and eateries. In addition to walk-in traffic, some of these attract outside business because they sell specialty ethnic foods. For the food-service industries—the franchises and chains, as well as the Chinese restaurant—a large portion of their business comes from delivery; Pizza Pizza gets 50 percent of its business from delivery and Panzeretto delivers all the way from Ossington to Jane and from St. Clair to the lakeshore. The neighbourhood schools are the other source of customers.

Commercial change

The BIA chair said that 30 years ago, this neighbourhood was “the best,” but the opening of the Dufferin Mall “devastated” the area, because it offered parking and drew customers away. He and the other businesses viewed the increase in franchises on the strip positively, because these businesses draw people to the street; they are also a sign that the neighbourhood is picking up commercially. This view contrast with opinions from the other strips, where franchises are seen as too commercial, mainstream, or as a sign of rents going up.

Invariably people mentioned that many furniture stores had closed and they linked this trend to competition from the Dufferin Mall—especially Wal-Mart. One operator, however, said that his clientele is different from that of the Mall and claimed the closures were due to increases in rent. Others mentioned that convenience stores that once did well have closed since two No Frills stores opened: one in the Dufferin Mall and one on Lansdowne. The convenience stores also face competition from the new “ethnic” grocery stores. Several private restaurants have also closed.

BIA activity

This is a very small BIA. It is only the length of one subway stop (0.6 km) and on a visibly depressed strip. It's also one of the oldest BIAs—founded in 1976 (the first BIA was Bloor West, founded in 1970). But because it is so old, and because the population appears to be transient, it doesn't have a distinguishing identity. This is in contrast to BIAs such as Korea Town, Greek Town, or Roncesvalles Village, which promote specific ethnicities; or like the newly formed West Queen West, which was founded in 2005 to promote fashion, design, and style. Bloordale's lack of identity is clearly a problem.

According to the BIA website, the BIA is thriving and the chair noted that it has 147 members (which would be more than the Roncesvalles BIA, which has 140). The chair admits that his organization is concerned with safety, cleanliness, and graffiti. He also said the BIA wanted to hire a private security force, but that when the police heard about this initiative, they increased their own patrols. He also pointed out that the BIA has put up poles with the neighbourhood symbol and has increasing lighting.

However, most of those we interviewed had a less positive view of the BIA. For the most part, the businesses interviewed didn't seem to be very impressed or involved with the BIA. Six out of ten businesses interviewed said they hadn't heard of the BIA, another two have heard of it, but have little to do with it. The perception is that the BIA does very little in the way of promoting business and is mainly concerned with “crime-prevention” in the area.

The BIA chair made an interesting point: in Europe, being on a subway line is “gold” for businesses and he doesn't know why it doesn't work that way here. He points out that most of the businesses here haven't been able to take advantage of the city's façade improvement program. He suggests the area needs to be rezoned for six-to-ten-storey buildings; the government should lower taxes, close the street on weekends, mount festivals for youth, open recreational centres for young people, and generally educate youth so that the drug problems in the area will decrease. Clearly the problems in this BIA are more social and structural and not something the BIA alone can manage.

Financing business

Financial information from this group was very sparse. A number of respondents didn't want to discuss finances at all. Many implied that their businesses were self-financed or that they had taken small loans from the bank. Most felt that it was possible to get loans if one's credit rating was good. One pointed out that banks like to finance franchises. One pointed out that there is not a single bank within the BIA—although the strip is admittedly fairly small.

Most businesses took either debit cards or credit cards, or both, and several extend small amounts of credit to well-known customers. One interviewee refused to say whether she cashes cheques. This may be because, as one respondent pointed out, cheque-cashing caters to low-income individuals, is very exploitative, and is also linked to money laundering.

Gentrification processes

Some of those interviewed believed that the neighbourhood will soon begin to gentrify. One interviewee came to Bloordale two years ago because he “wanted to experience the change the neighbourhood was going through.” On his own, he created a mural on the side of his building to replace the graffiti, because “graffiti gives the impression that it's dangerous and dirty” whereas the mural makes the place look cared-for. He is also working on a website (bloordalevillage.com) to promote the area. He notes that progressive residents want to develop the area and that business owners should get on board with this idea. One attempt at improvement is the Brockton Initiative—a group that works with the BIA.

One interviewee felt the BIA should encourage new businesses to come and protect them when they do. He pointed out that in this area businesses are either very old—and can survive because they own the building and have a customer base—or very new, and thus can't survive even though rents are only \$1,400 for a 1,500 ft² store. He pointed to Parkdale, which cleaned up because of a joint effort between the BIA and the city. Another interviewee had a more cynical view and felt the government was deliberately keeping the neighbourhood from gentrifying:

The government has a stake in keeping this area as it is. ... There is a strip-club in this area, now the government wants to renew its licence. There are always drug-gies and junkies around the strip club, so cops always have to be in this area to do their job. Cops need to jail someone, lawyers need to bail someone, prison staff need to keep their jobs. It is all about ripping somebody off to keep living.

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