

March 2, 2021

Deborah Bryden
Director, Assessment, Tax and Utility Billing
City of Regina
2476 Victoria Avenue, Box 1790
Regina, SK S4P3C8

Re: Pandemic Recovery Support for Regina Downtown Businesses

Dear Ms. Bryden:

The Regina Downtown Business Improvement District appreciates the pandemic recovery supports the City of Regina has made available to businesses to date. Many of our downtown businesses have accessed the Regina Economic Recovery Grant to assist with their transition to the post-pandemic landscape. While this Grant has been helpful to many, there are still many others who continue to struggle. For Downtown Regina to truly recover from the pandemic additional supports are urgently needed.

We are urging the City of Regina to begin development of programs and initiatives focused specifically on providing supports to enable our ground floor retail businesses, including food and beverage businesses, to survive. Attracting, developing, or renovating space for a new business, is much more difficult than providing supports to enable existing businesses to continue operating. Additional effort must be made to support our existing businesses, who have made significant investments in the Regina community.

A large number of downtown businesses have an office worker customer base. With many of our office employers under a work from home directive, foot traffic and the customer base of our downtown businesses has virtually disappeared. In Regina, this situation is unique to the downtown. Prior to the pandemic, Downtown Regina had an average of more than 30,000 people working downtown and supporting downtown businesses on a daily basis – through coffee breaks, lunch meetings, and shopping errands. Currently, office towers are averaging approximately 15% occupancy, which means the customer base of downtown businesses has dropped by a similar amount. The drop from a customer base of 30,000 to 4,500 has been devastating to our retailers.

There is a very real concern that many retailers are on the brink of closure, given that health restrictions and consumer confidence are not likely to improve for some time. Additional closures and vacancies are a serious concern for the Downtown, and they will become increasingly hard to fill, even as we enter recovery. Property owners are already providing as much support as they are able, to their tenants, through rent abatement and/or deferrals; however, these supports are not sustainable for the longer term.

Our membership has been very vocal in advising us that:

- main floor retail has been seriously impacted by the Covid-19 pandemic;
- federal programming has been helpful to main floor retail business , but doesn't compare to a "business-as-usual" scenario;
- landlords have been working hard to provide a considerable amount of aid to their existing tenants;
- significant work needs to be done to address gaps in the existing support programs, rather than in simply "topping up" federal programs (for example, there is very little to no support programs for new businesses);
- property taxes are a direct pass through to the renter in 98% of leases and are therefore a very real fixed cost of doing business.

The projected economic situation of post-pandemic Downtown Regina is extremely serious and worrisome, and it should be an issue of great concern to the City. To protect and revitalize Regina's downtown will take incentives, grants and many layers of government support. If we, as a community want a thriving, vibrant downtown, we must first focus on supporting and protecting our ground floor retail businesses.

RDBID urgently requests that the City of Regina begin development of an economic stimulus program directed to our City Centre Core, as part of our municipal economic recovery strategy. Short term solutions in this stimulus program could include grants to support the redevelopment of vacant spaces, business attraction efforts, and public space enhancements to create safe and appealing environments for visitors and businesses.

As a longer-term solution, the City of Regina should also consider property tax abatement programs directed to Downtown Regina. The City already has property tax abatement programs in place for the downtown development of condominiums and heritage properties. We request that a similar program for main floor commercial, and retail improvements to businesses, be considered for Downtown Regina. These tax abatements (generally over 5 years in other programs) would incent retailers to locate in Downtown Regina and would help to revitalize the City's downtown post pandemic. This grant would be focused on re-developing existing properties, but there could also be consideration for new build. We would also recommend that main floor building improvements be included in the grant program.

As an immediate support to our small businesses, we request the City of Regina implement a program similar to the [City of Calgary Business Improvement Area Relief Program](#). The City of Calgary has allocated over \$4.2 million in provincial and federal COVID-19 recovery funding towards their Business Improvement Areas. There are 15 BIAs located in Calgary and all 6,044 businesses located within the BIAs will have a one-time credit equal to their 2021 BIA tax bill applied to their account. Business owners will be mailed an updated account statement showing the credit applied and their current account balance. This program will reduce costs



on the shop owners, restaurants, and arts and culture organizations that bring vibrancy to the community.

Currently, Regina's downtown has over 65 vacant storefronts (as of September 2020) and this number is growing. Regina Downtown and the City of Regina need to work proactively together to ensure future business closures are minimized, and vacant storefronts are filled. Programs and initiatives are urgently needed to address recovery, long-term viability and attraction of new businesses to the City's Downtown. We urge the City to consider, adopt, and implement all measures, including those proposed in this letter, to enable the long-term viability of the very heart of our City, Downtown Regina.

Should you have further questions, please do not hesitate to contact me at 306.359.7573.

Sincerely,

Judith Veresuk
Executive Director
Regina Downtown Business Improvement District

Cc Mr. Michael MacNaughton, RDBID Chair
Mayor Sandra Masters, City of Regina
Councilor Jason Mancinelli, City of Regina
Ms. Diana Hawryluk, City of Regina