

## **Report to Committee**

To:

General Purposes Committee

Date: June 26, 2020

From:

Andrew Nazareth

File:

08-4150-01/2020-Vol

General Manager, Finance and Corporate

Services

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Re:

Update on City of Richmond COVID-19 Economic Response and Recovery

Measures

#### Staff Recommendation

That the staff report titled "Update on City of Richmond COVID-19 Economic Response and Recovery Measures", dated June 26, 2020, be received for information.

Andrew Nazareth

General Manager, Finance and Corporate Services

(604-276-4095)

REPORT CONCURRENCE	
SENIOR STAFF REPORT REVIEW	INITIALS:
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APPROVED BY CAS	

#### Staff Report

## Origin

COVID-19 was declared a global pandemic by the World Health Organization on March 11, 2020. This has had a dramatic impact on local, national and international economies as orders and recommendations necessary to mitigate risks to public health have forced businesses to close and people to stay at home.

Unprecedented financial relief programs have been introduced by all levels of government to address immediate liquidity challenges resulting from the sudden closure of businesses and related income and employment losses.

The City of Richmond (the "City") has also undertaken measures to address the significant impact on local businesses, residents and workers. This report discusses the impacts on the local economy and outlines some of the actions taken, underway or planned to help mitigate the permanent loss of businesses and jobs in Richmond, and to support economic recovery. It will be distributed broadly to ensure that key stakeholders, local businesses, and the community are aware of the important measures taken and planned by the City.

### **Analysis**

#### Economic Impacts

According to the Canadian Survey on Business Conditions undertaken jointly by Statistics Canada and the Canadian Chamber of Commerce from April 3 to April 24, 2020, nearly three-quarters of businesses reported being negatively affected by physical distancing measures, and over half of all businesses reported a decline in revenue greater than 20 per cent. Over one-quarter of businesses requested credit from financial institutions to cover operating costs due to revenue shortfalls, and many were forced to lay off staff either temporarily or permanently.

The Statistics Canada Labour Force Survey showed that from February to April more than three million Canadians lost their jobs due to COVID-19, and an additional two and a half million were working substantially reduced hours. In May as the country's economy gradually began to re-open some temporary layoffs were reversed but the national unemployment rate climbed to 13.7 per cent as some people also re-entered the labour force looking for work.

In its May B.C. Economic Forecast, Central 1 Credit Union forecasted a 6.8 per cent contraction to B.C.'s GDP in 2020 followed by a gradual rebound as governments balance the risk to public health with economic recovery and growth. Some sectors including tourism and customer-facing service sectors are expected to experience longer lasting challenges.

## Local Economic Impacts

In Richmond, impacts to some sectors have been more severe than others. This includes those that were ordered to close such as personal care services and dine-in restaurants, as well as those

reliant on cross-border travel such as film. The tourism sector has also been particularly hard hit due to orders and guidelines restricting travel and major events. A 2017 study showed that the tourism sector, excluding Vancouver International Airport (YVR), directly accounted for an estimated 12 per cent of all jobs in Richmond and was responsible for nearly \$2 billion in direct spending by visitors<sup>1</sup>. Hotels that have remained open are operating at record low occupancy rates. Many other tourism-related businesses such as tour and transportation operators, event organizers, cruise and airline suppliers, equipment rental companies and restaurants have lost a significant amount, if not all, of their revenue.

The airport itself is a major economic driver. Normally 30,000 people are employed on Sea Island, and another 126,000 jobs throughout other areas of Richmond and B.C. are directly related to airport activities such as airline catering, aircraft maintenance, security and transportation. Passenger volumes at YVR for March and April 2020 decreased by 80 per cent over the same period last year as travel restrictions became widespread and the airline industry was grounded. The Vancouver Airport Authority is forecasting only eight to 15 million annual passengers for the next three years, compared to a record breaking 26.4 million passengers in 2019<sup>2</sup>. Airport operations have been downsized as a result of these projections, which will impact many additional jobs on Sea Island, in Richmond, and throughout B.C.

Longer term local economic impacts to these and other sectors will be monitored and will vary depending on the duration of the pandemic and the impact of targeted policy support.

### Economic Response (Immediate and Ongoing Actions)

In addition to ensuring public health and community safety, supporting local businesses and economic recovery is a top priority for the City. On March 23, 2020 the Richmond COVID-19 Community Task Force was struck to facilitate information sharing, collaboration and a coordinated community response. Co-chaired by the Mayor and the Chair of the Richmond Chamber of Commerce, it includes representatives from all levels of government and key stakeholders.

The City established a virtual Business Support Centre to provide a centralized source of information and resources for local businesses impacted by the pandemic. Additional communication and engagement methods including regular electronic COVID-19 Business Bulletins and daily social media posts have been used to connect local businesses to City services and initiatives described in this report and outlined in greater detail in Attachment 1.

## Support for Local Businesses and Workers

Many businesses have faced significant challenges unique to their operation or their industry. During the response phase, the City provided businesses with immediate support and resources, while connecting them to new opportunities. Many of these actions are ongoing and include:

• Undertaking a 'support local' social media campaign.

<sup>&</sup>lt;sup>1</sup> Tourism Richmond 2017 Economic Impact Assessment

<sup>&</sup>lt;sup>2</sup> Source: Vancouver Airport Authority public statement from May 11, 2020

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- Connecting local suppliers and manufacturers with government procurement opportunities.
- Curating a list of alternate distribution channels for local goods.
- Sharing current job opportunities with displaced workers.
- Expanding the Richmond Food Recovery Network program to connect more surplus food to social agencies.

#### Financial Relief Measures

Financial aid programs have been introduced by all levels of government to help households and firms withstand the significant economic shock caused by necessary public health measures and the resulting loss of income. These programs include wage subsidies, business credit accounts, rent relief, and many others which have been communicated to businesses through the City's Business Support Center. Specific financial relief measures undertaken by the City are as follows:

- Reduced the municipal tax increase from 4.98% to 2.97%. The Province also reduced the school tax rate by 50% in 2020 for all commercial properties.
- Extended the property tax penalty due date to after September 30, 2020.
- Extended the payment due dates for flat rate, metered utility and district energy utility payments.
- Allowed delay of business licence renewal fee payment for businesses that temporarily closed.

### Public Health and Community Safety

Ensuring the health and safety of the community, which includes local businesses, continues to be the top priority in the City's COVID-19 response. Actions include the following:

- Enhanced police patrol throughout the City, in particular on Sea Island, in the City Centre
  and in business parks, and launched a new mobile app which includes an Online Crime
  Reporting Tool.
- Acting as a second line of defence against the COVID-19 pandemic as mandated by the Province by monitoring and enforcing public health orders, and providing public education on maintaining physical distance in parks and open spaces by a team of roving Community Ambassadors.
- Prioritized fire and life safety inspections for businesses that were expected to open in the near future.
- Reintroduced Tower Crane inspections in May to allow new construction to begin.
- Introduced temporary on-street walking and cycling on the south side of Bayview Street to allow for distancing in the Steveston Village.
- Communicating orders, notices and guidance from the Provincial Health Officer to local businesses.

## Economic Recovery (Medium and Longer Term Actions)

While many actions taken during the economic response phase are still relevant and underway, the economy has been gradually re-opening in line with the Province of BC's Restart Plan. The City is undertaking the following actions in support of local economic recovery:

#### Business Retention and Resilience

The economic recovery phase in the City's COVID-19 response presents the most significant opportunity to mitigate the number of permanent business and job losses in the community. The following actions have been taken or planned by the City to help businesses successfully return to operations and adapt to their new environment.

- Tracking of temporary business closures and streamlining the business licensing process when they are ready to safely re-open.
- Using the City's Business Support Center to help local businesses prepare their COVID-19 safety plans by communicating operating guidelines developed by WorkSafeBC and industry associations.
- Introduction of an Expedited Temporary Patio Program for restaurants, cafes and pubs to quickly expand their outdoor seating area.
- Launch of the Richmond Business Resilience Program to provide local entrepreneurs with free training and guidance from experts to help adapt and strengthen their businesses, and withstand future economic shocks.
- Implementation of the MyBusiness online business services portal to streamline the business licence process targeted for fall 2020.

## Support for the Visitor Economy

Tourism has become a significant economic driver in Richmond under a successful partnership model between the City, the Richmond Hotel Association and Tourism Richmond where hotel tax revenue is used to fund destination marketing and development. Many tourism related businesses have been severely impacted by widespread restrictions on travel and plummeting consumer demand. The City and its partners are committed to supporting these businesses and the visitor economy. Actions taken or planned by the City include:

- Working closely with Tourism Richmond and the Richmond Chamber of Commerce to develop and maintain the WeAreRichmondBC microsite, an online hub showcasing local businesses and virtual experiences, and fostering community pride of place.
- Rescheduling of sporting events that have been postponed, notably the 2020 CARHA Hockey World Cup which is expected to generate \$12-\$15 million in economic impact for Richmond.
- Building local capacity in key areas including food tourism i.e. by working with local food producers to inform them of signage options and digital marketing opportunities, and exploring the development of a Richmond Berry Trail.
- Participating on the Metro Vancouver Tourism and Hospitality Industry Response and Recovery Task Force to represent Richmond in regional tourism recovery efforts.

#### Infrastructure and Capital Projects

Moving forward with major projects and capital works ensures that the necessary infrastructure is in place to support residents and businesses, and can stimulate economic activity by creating local employment. Some highlights of projects underway or planned include:

- Continuing with the Council-endorsed Engineering and Public Works capital program worth \$82.7 million for 2020 including both design and construction related costs.
- Working with agencies including the Province of BC and TransLink to advance key transportation projects including the George Massey Crossing Replacement and the Capstan Canada Line Station.
- Assessing specific City projects that could leverage federal infrastructure stimulus funding opportunities in anticipation of program details from the Federal Government's Infrastructure Minister.
- Seeking new funding opportunities that could accelerate the implementation of large infrastructure projects such as the construction of new energy plants and the addition of new low carbon energy sources. Currently, Lulu Island Energy Company has plans to invest \$20 million on infrastructure projects over the next five years estimated to create approximately 50 full-time local construction jobs.

### Planning, Building and Development

Recognizing the importance of the construction industry's role in the economy, the City has adjusted its application review and permitting processes to ensure that building and development projects continue to move along expeditiously. Specific measures include the following:

- Receiving and reviewing plan submissions electronically and working on further enhancements including digital permit issuance.
- Ensuring ongoing dialogue between the City and the development industry including a special liaison committee meeting with the Urban Development Institute.
- Making proactive adjustments to building permit reviews in consultation with industry, professional organizations and other building departments within the region to provide a level of service comparable to pre-pandemic time.
- Continuing to provide building permit inspections by using remote techniques including photographs, real time videos, and professional field reviews as validity for code compliance.
- Restructuring advisory committee meetings to a remote format to ensure applications
  continue to benefit from independent advice as part of the typical application review
  process.
- Advancing the Industrial Land Intensification Initiative to recommend policy and bylaw changes that would facilitate increased economic activity on a limited industrial land base.
- Proceeding with the planned upgrade to the City's AMANDA property records, permitting and licensing system to streamline the processing of applications.

#### Financial Impact

None.

#### Conclusion

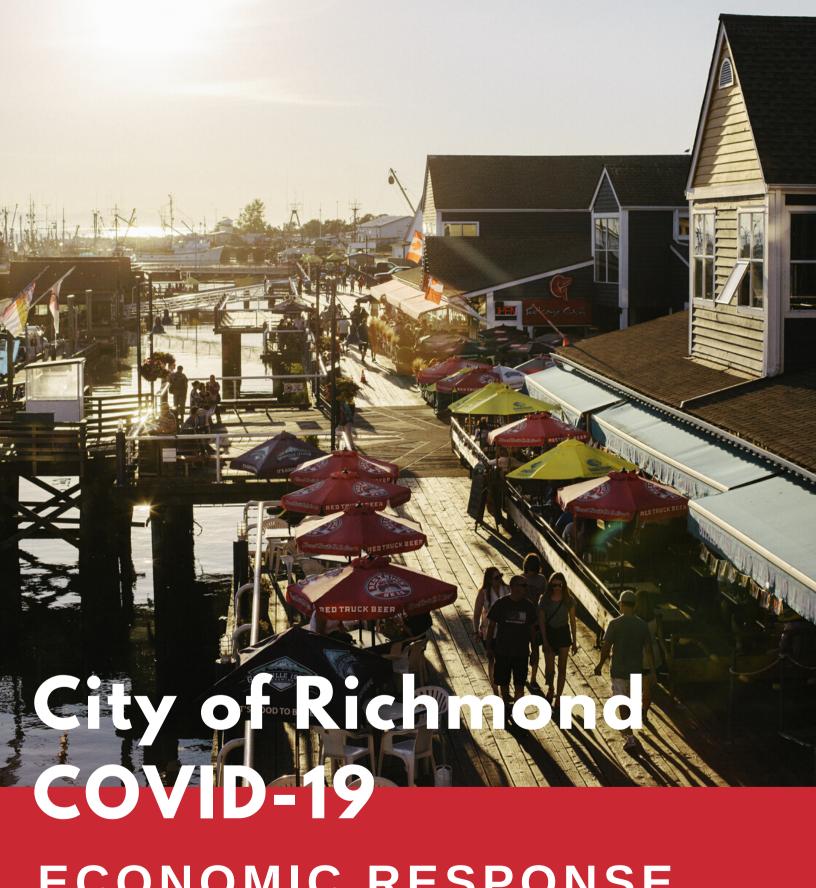
The COVID-19 pandemic has had a dramatic impact on local, national and international economies as orders and recommendations necessary to mitigate risks to public health have forced businesses to close and people to stay at home. Unprecedented financial relief programs have been introduced by all levels of government to support individuals and businesses. The City of Richmond has also undertaken measures to address the significant impact on local businesses, residents and workers, and to support economic recovery.

Katie Ferland

Manager, Economic Development

(604-247-4923)

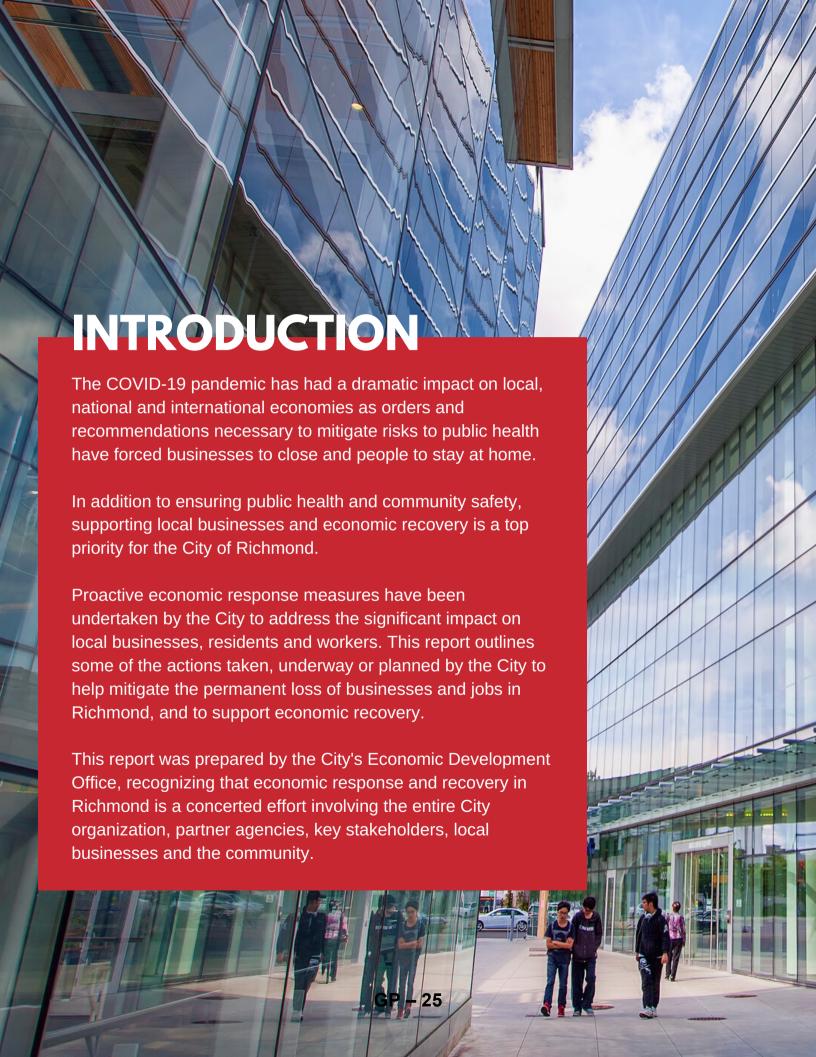
Att. (1): City of Richmond COVID-19 Economic Response & Recovery Report

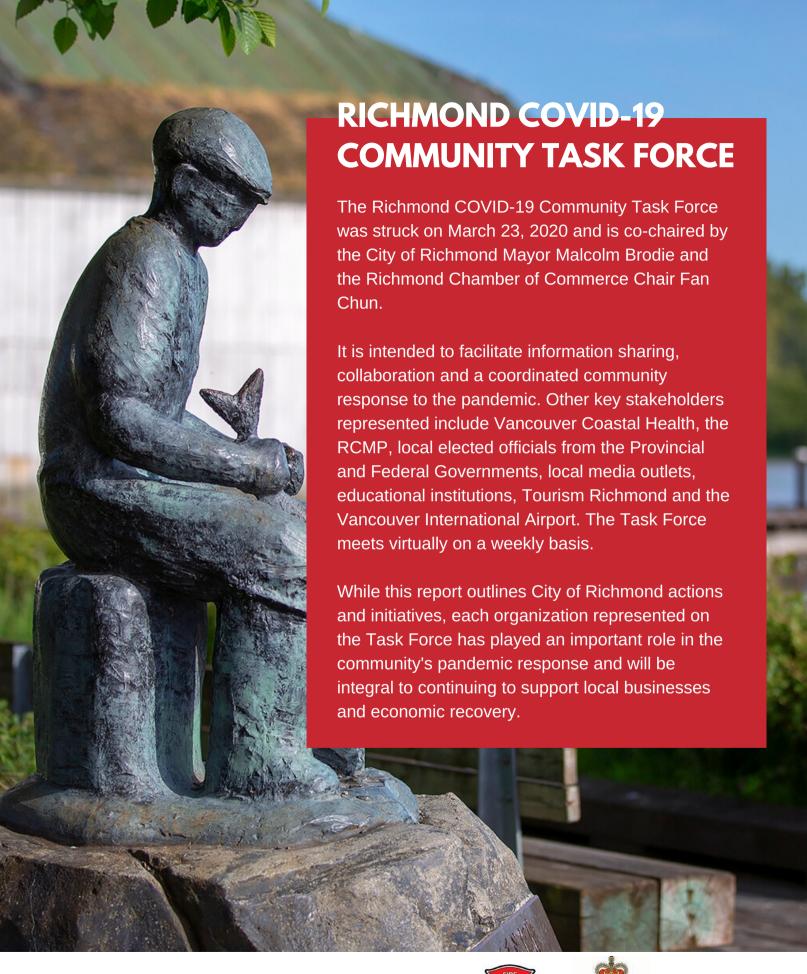


## **ECONOMIC RESPONSE**& RECOVERY REPORT

**JUNE 2020** 



















## JOB OPPORTUNITIES FOR DISPLACED WORKERS

Many local workers lost their jobs either temporarily or permanently due to the sudden economic shock from the pandemic, particularly in the hospitality, aviation and personal service industries. Meanwhile other sectors such as food production, grocery retail and logistics have experiencing a surge in demand. Other businesses in technology and other sectors are also hiring.

A collection of job boards and job opportunities has been developed to help displaced workers find new opportunities. This resource also includes a listing of the various employee support programs that are available.





## **COVID-19 BUSINESS SUPPORT CENTRE**

The City of Richmond COVID-19 implemented a Business Support Centre to provide a centralized, virtual source of accurate and timely information and resources for local businesses impacted by the pandemic. The Support Centre helps businesses to:

- Get information about support programs and resources for businesses from all levels of government and other agencies.
- Learn about current City of Richmond initiatives for businesses.
- Find out how to access City services for businesses.

## RICHMOND-MADE PPE AND COVID-19 SAFETY SUPPLIES

Canadian governments initiated significant procurement programs for goods and services necessary for the pandemic response including personal protective equipment (PPE). Some local businesses were already suppliers of key medical equipment and supplies and others have been connected to funding and other programs to help them to pivot or retool their operations in order to sell these goods and services to the government and to other businesses.

A list has been compiled of Richmond-made PPE and COVID-19 safety supplies including hand sanitizer, face **Great 3** protective barriers, contact tracing technology, signage, and temperature sensors.





## RICHMOND FOOD RECOVERY NETWORK PROGRAM

Launched in late 2019 by the City, this program is an online marketplace that safely matches unsold food to an online network of charities and businesses, helping reduce waste and feed more. Due to COVID-19, there has been an increased demand for food from local charities and meal programs, as well as an increased desire from local food businesses to participate. This program has acted as a central distribution hub for businesses and charities and has become a key resource for the City and Vancouver Coastal Health. In just five months, the program has nearly met or exceeded all of the one-year deliverables:

- 206,905 kg food rescued (target 225,000 kg)
- **304,413 meals created** (target 300,000)
- 42 network partners joined (target 30)
- \$1.04 million in savings to food brands and charities (target \$1.25)

# 110+ businesses listed

## WEARERICHMONDBC.CA SUPPORT LOCAL INITIATIVE

The City of Richmond, Tourism Richmond and the Richmond Chamber of Commerce have partnered to create an online hub to support local businesses and help bring the community together. The website includes an 'Open for Business' marketplace, a compilation of resources for businesses and residents, and a collection of virtual experiences that people can enjoy from the comfort of their home.

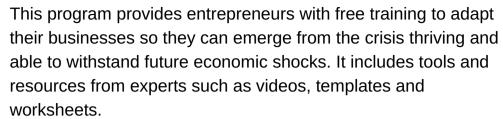
As the economy continues to gradually re-open, the site will include additional features including newly launched customizable 'We're Open - Support Local' signage that businesses can download, print and display.





## **Business Resilience Program**





Users also have access to an online community of local entrepreneurs sharing their best practices and ideas, as well as one-on-one support from the City's Economic Development Office.

## ALTERNATE DISTRIBUTION CHANNELS FOR LOCAL GOODS

Some local businesses are experiencing difficulties accessing their established distribution channels due to the closure of physical retail establishments and the disruption of supply chains. A list of alternative channels have been curated for local businesses including:

- BC Local Root (an online grocery platform for delivery and curbside pick-up of locally made products)
- London Drugs Local Central (free shelf space in center aisles for local products)
- Skipper Otto (a direct-to-consumer community supported fishery model for local seafood)





www.businessinrichmond.ca/resilience

## **EXPEDITED TEMPORARY PATIO PROGRAM**

The City of Richmond has introduced an Expedited Temporary Outdoor Patio program to allow restaurants, cafes and pubs to quickly expand outdoor seating, either by using private property, parking lots or approved space on City sidewalks. There is no cost to apply.

Council also provided a one-time pre-approval to the BC Liquor and Cannabis Regulation Branch for the temporary expansion of service to outdoor areas for liquor license holders. This will eliminate the need for multi-approvals, further reducing the approval time for businesses.





## ECONOMIC RESPONSE & RECOVERY MEASURES

## SUPPORT FOR LOCAL BUSINESS

- Established a COVID-19 Business Support Centre.
- Introduced an Expedited Temporary Patio Program for restaurants, cafes and pubs to quickly expand their outdoor seating area.
- Expanded the Richmond Food Recovery Network program to connect more surplus food to social agencies and meal programs.
- Undertaking ongoing 'support local' social media campaign.
- Connecting local suppliers and manufacturers with government procurement opportunities.
- Curating a list of alternate distribution channels for local goods.
- Sharing job opportunities with displaced workers.
- Tracking of temporary business closures and streamlining the business licensing process when they are ready to safely re-open.
- Delivering the Richmond Business Resilience Program to help local entrepreneurs adapt and strengthen their businesses, and withstand future economic shocks.
- Implementation of the MyBusiness online business services portal to streamline the business licence process - targeted for fall 2020.

## FINANCIAL RELIEF MEASURES

- Reduced the municipal tax increase from 4.98% to 2.97%.
- Extended the property tax penalty due date to after September 30, 2020.
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## PUBLIC HEALTH AND COMMUNITY SAFETY

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## INFRASTRUCTURE AND CAPITAL PROJECTS

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## PLANNING, BUILDING AND DEVELOPMENT

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Since the announcement of COVID-19 as a worldwide pandemic, communications through the Economic Development Office's online channels have been used to keep the local business community informed of key information, resources and initiatives. Below are statistics for three months from March 15 - June 15, 2020.

**TWITTER FACEBOOK E-NEWSLETTER** 139K Impressions 205 **COVID-19 Business** Posts **Bulletins** 1.5K Impressions/Day 149K Reach 40% Average Open Rate 8% Average Click 1438 Engagements 187K Impressions BUSINESSINRICHMOND.CA 9.9K Engagements **4.7K** Unique Visitors @RichmondEDO 11.3K Page Views @RichmondEDO



## CELEBRATING LOCAL RESILIENCE AND INNOVATION DURING COVID-19

Richmond's economy was not spared the devastating effects of the COVID-19 pandemic. Despite the significant difficulties they faced, many businesses were quick to pivot their everyday 'business as usual' to adapt and respond to the challenge. This is a collection of stories highlighting local resiliency and innovation. These and other stories are shared in weekly 'Feel Good Friday' soffal media posts, and included in the regular COVID-19 Business Bulletins.



Applied Biological Materials (ABM) joined forces with a research lab at Simon Fraser University by supplying the novel RNA Mango dye to help develop COVID-19 testing kits.

FLIR, a global leader in thermal imagining infrared cameras, launched a smart thermal sensor solution for industrial monitoring and elevated skin temperature.

Herbaland, Canada's largest
nutritional gummy
manufacturer, donated 15,000
bottles of their Immune Plus
vitamins to healthcare workers
in the Lower Mainland.

Cascades began supplying recycled plastic for medical visors needed in the fight against COVID-19, with the goal of producing a minimum of 1 million pre-cut visors.





bioLytical Laboratories Inc.
received over \$600k in funding
from the National Research
Council of Canada Industrial
Research Assistance Program to
develop a one-minute
COVID-19 antibody test.

Richmond eatery Goodbowl launched a phone app for consumers to buy food items from restaurant suppliers instead of grocery stores.

Lulu Island Winery has been turning its wine into highly concentrated hand sanitizer for donation and to purchase.

Organic Ocean pivoted from selling to high-end restaurants to refrigerated, contactless, home deliver, at wholesale prices.

The Great Little Box Company teamed up with the University of Saskatchewan to design an innovative sturdy, inexpensive emergency bed made from cardboard that can be used in public health emergencies.



London Drugs has created Local Central, an area within their stores dedicated to selling local small business products.









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economicdev@richmond.ca



www.businessinrichmond.ca

