

Ready, Resilient and Resourceful Committee Report

DATE: Tuesday, June 23, 2020

WARD(S): ALL

TITLE: VAUGHAN BUSINESS RESILIENCE PLAN

FROM:

Mary Reali, Acting City Manager

ACTION: FOR INFORMATION

Purpose

This report presents two items. It provides Council with an update on the Economic and Cultural Development (ECD) Department's actions, inclusive of the Tourism Vaughan Corporation (TVC), taken in response to the global novel coronavirus (COVID-19) pandemic. Second, it presents the Vaughan Business Resilience Plan to build readiness, resourcefulness, and resilience into Vaughan's business community as an addendum to ECD's existing business plan.

Report Highlights

- The COVID-19 pandemic has had far-reaching impact on local businesses and the economy. It continues to change how business works and the economy functions: a new normal is emerging
- ECD, inclusive of TVC, has helped Vaughan's businesses adapt to the new normal, responding to more than one thousand business requests, and launching programs accessed by thousands to help businesses pivot operations and keep Vaughan's culture active
- ECD is presenting the Vaughan Business Resilience Plan: an immediate and long-term plan to build capacity to adapt to the post-COVID world. ECD will:
 - help businesses and the economy build resilience;
 - build resilience into key economic opportunities and strategic sectors like healthcare, supply-chain and manufacturing, and tourism;
 - share Vaughan's reimagined public spaces within social distancing and invite the community to experience Vaughan's culture and arts

Recommendations

1. THAT the Vaughan Business Resilience Plan (attachment 1) be received as an addendum to the Economic and Cultural Development Business Plan, 2020-23.

Background

On March 11, 2020, the World Health Organization (WHO) declared a global pandemic in response to the rapid spread of the Novel Coronavirus (COVID-19). Economic and Cultural Development (ECD), as part of the broader City of Vaughan effort to monitor COVID-19, had been monitoring the impact of public health closures on the economy in other jurisdictions. ECD had also been assessing the actions and roles of economic development departments in other crises.

Preparation allowed ECD to quickly gather information on COVID-19 and to deploy several response measures within days of the declaration of the pandemic.

- a) COVID and the Business Community

The global COVID-19 pandemic has had far reaching and negative impacts on our economy.

Before the pandemic was declared on March 11, 2020, the Canadian economy was facing significant headwinds. The International Monetary Fund (IMF), for example, pointed to several factors as recently as January 2020, including an aging workforce and a need to increase trade, to justify a Canadian economic outlook that predicted a flat growth rate in 2020 and 2021.¹

The implementation of emergency orders and the necessary resulting temporary closures of businesses to protect public safety has had a significant impact on the

¹ See: "World Economic Outlook, January 2020", January 2020 <https://www.imf.org/en/Publications/WEO/Issues/2020/01/20/weo-update-january2020> (accessed May 17, 2020); and, "Six Charts on Canada's Economic Outlook for 2019", June 2019 <https://www.imf.org/en/News/Articles/2019/06/20/NA062919-Six-Charts-on-Canadas-Economic-Outlook-for-2019> (accessed May 15, 2020).

economy. In the first quarter of 2020, Canada's real GDP fell 2.1%.² This meant a 5.2% rise in Canada's unemployment rate from March to April to 13%.³

COVID-19's impact on the economy is uneven with sectors relying on people gathering being most affected, while other sectors, for example digital services and medical manufacturing, are seeing growth.

With travel bans and border closures around the world, and local advisories to limit movement, Vaughan's accommodations reported a less than ten percent occupancy rate in early May and some properties had temporarily closed their doors in the wake of the declaration of a global pandemic. Across Canada, this local trend is mirrored by a national trend that saw output from the accommodation and food services sector decline by almost forty percent from February to March.⁴

Similarly, storefront businesses have been heavily affected by the Covid-19 pandemic. Dan Kelly, the President of the Canadian Federation of Independent Businesses (CFIB) reported that a quarter of small businesses would not survive beyond one month if their revenues dropped by half or more.⁵ Furthermore, Statistics Canada (StatCan) reported that the Retail Sector's output dropped nearly ten percent from March to April.⁶ In Vaughan, the retail and service sector contributes more than ten percent of the City's employment.

On the other hand, certain segments of the business community have pivoted operations and are seeing growth. Unsurprisingly, digital service providers that help businesses with e-commerce, for example, have seen significant growth. Shopify, the Ottawa-based provider of online retail stores is just one example, as the online commerce company saw its first quarter revenues rise nearly 50% in 2020.⁷ Closer to home, certain Vaughan-based manufacturers of medical devices have pivoted to provide Personal Protective Equipment (PPE). A variety of companies have worked with ECD and ventureLAB to access federal government funding and hire additional staff.

² "Gross domestic product, income and expenditure, first quarter 2020", May 29, 2020. <https://www150.statcan.gc.ca/n1/daily-quotidien/200529/dq200529a-eng.htm?HPA=1> (accessed May 29, 2020).

³ "Exceptional times continue in the labour market" May 8, 2020. <https://www150.statcan.gc.ca/n1/daily-quotidien/200508/dq200508a-eng.htm> (accessed May 8, 2020).

⁴ "Gross domestic product, income and expenditure, first quarter 2020".

⁵ See: newswire.ca, <https://www.newswire.ca/news-releases/half-of-small-firms-report-a-drop-in-sales-due-to-covid-19-a-quarter-say-they-won-t-survive-a-month-with-a-big-drop-in-income-805746251.html>. Accessed March 17, 2020.

⁶ "Gross domestic product, income and expenditure, first quarter 2020".

⁷ "Shopify Announces First-Quarter 2020 Financial Results", May 6, 2020. <https://www.businesswire.com/news/home/20200506005253/en/Shopify-Announces-First-Quarter-2020-Financial-Results> (accessed May 11, 2020).

Vaughan's diverse and growing pre-COVID economy was well-positioned in relative terms to respond to the global pandemic.

Before COVID-19, Vaughan had one of the country's fastest growing business communities with an annual average of more than 3% growth in both GDP and employment.

Vaughan's economy has proven itself resilient and diverse. Since 2010, more than 60,000 jobs have been created in Vaughan, driven by the development of key centers like the Vaughan Metropolitan Centre (VMC), and industries like manufacturing, supply-chain and logistics, and professional services. Vaughan is also a hub for entrepreneurship, with small business making up more than eighty percent of the firms in the City.

The resilience of Vaughan's business community has been on display during the COVID-19 pandemic. Dozens of companies have worked with the City to donate PPEs or food to front line workers, pivot their production to supply PPEs, or raise funds for local causes. Similarly, companies have been working with ECD to engage in programs like Ontario Together or York Region's PPE supply chain database.

Similarly, the business and investment community continue to show incredible confidence in Vaughan. During the first quarter of 2020, the City of Vaughan issued 656 permits valued at over \$128 million. More than 12,300 inspections have taken place over the past three months – well exceeding 2019, 2018 and 2017 outputs.

b) Economic and Cultural Development's Response to the Crisis

ECD has conducted extensive qualitative and quantitative research that points to common key challenges facing our business sectors. These include: help adapting to a new normal; accessing information; and pivoting operations.

The VBAP called on ECD to prepare a long-term economic development response to the consequences of COVID-19 on our business community. Staff immediately developed a draft project matrix and engaged with stakeholders on how to best support local businesses.

Before the end of May 2020 forty stakeholder consultations with businesses and business associations had been conducted by staff. Stakeholders have cited challenges

like cashflow, access to information, access to policy decisionmakers at other levels of government, and increased uncertainty.

Detailed results from the York Region Business Impact Survey, conducted in partnership with the region’s nine municipalities and chambers of commerce, support stakeholder findings and provide guidance on where best to deploy ECD’s resources. To June 8, 2020, 304 Vaughan businesses have responded to the survey, making up nearly thirty-six percent of respondents. Key results so far include:

- Forty-nine percent of respondents say that their revenue has dropped seventy-five percent or more
- Half say that it will take more than six months to return to normal levels of operation after social distancing is lifted.
- About half feel that residual public fear or caution will affect their business in the first year after social distancing is lifted.
- Information on available government financial assistance was cited by nearly sixty percent of respondents as important to help once social distancing has been lifted, followed by visibility, and networking.⁸

To help our economy weather the pandemic, ECD, inclusive of the TVC, has been proactive in assisting Vaughan’s business community, reaching thousands of businesses with programs, marketing, and advisory support.

In response to the COVID-19 crisis, ECD has three objectives:

1. To provide our business community with the most up-to-date, relevant, and reliable information possible concerning the pandemic and the economy
2. To help our business community navigate the various programs provided and decisions taken by other levels of government and business support agencies
3. To understand the impact of the crisis on the business community

To achieve these objectives, ECD has undertaken a series of actions with significant operational results.

Objective	Action	Result
1	Pivot department website landing page to a one-stop information center for all relevant business programs and announcements regarding COVID	15,821 page views on our websites from March to the end of May

⁸ Please note that these are preliminary results. The survey is ongoing. York Region, *COVID-19 Business Impact and Recovery Survey*, June 8, 2020.

	Launch segment focused e-newsletters with targeted relevant information for: small businesses; arts and culture; tourism and hospitality; business development	105 newsletters delivered with a roughly thirty percent open rate
2	Maintain and enhance business inquiry service to provide business with quick access to information	815 inquires handled from March 14 to May 31
	Maintain and enhance business consultation service for support on strategy, relevant connections, and adjusting business models	258 consultations delivered from March 14 to May 31
	Conduct corporate calling to ensure that businesses were aware of available opportunities like Ontario Together or York Region's PPE supply requests	More than seventy companies contacted from March 14 to May 31
3	Conduct business impact survey in partnership with York Region's municipalities and Chambers of Commerce	Survey launched on May 27 with 304 responses to June 8, 2020
	Conduct economic impact assessment in partnership with York Region	Conference Board of Canada secured to deliver a two phased assessment: an economic impact projection in September 2020; and, an economic impact assessment after the World Health Organization (WHO) lifts the pandemic

ECD, inclusive of the TVC, has launched or supported a series of programs to help businesses maintain commerce to the extent possible under public health regulations, and to build resilience into our economy for the long term.

In supplementing response to COVID-19, ECD has used its marketing, program, and research resources to be proactive and achieve four objectives:

1. To provide training and hands-on support to local businesses in pivoting operations to adapt to the new-normal
2. To educate businesses on the challenges and opportunities presented by COVID-19
3. To ease, wherever possible, extraordinary regulatory burdens on business
4. To maintain community arts and cultural connections

From the declaration of the pandemic to the end of May, ECD, inclusive of the TVC, has launched or supported a series of programs to achieve these objectives:

Objective	Action	Result
1	Developed and launched Digital Boost to help main street businesses adopt digital tools	Secured volunteer mentorship from the private sector and received more than 190 applications
	Launched the visitvaughan.ca website to help local attractions maintain visibility	Secured support from Central Counties Tourism (CCT) and launched with all major Vaughan attractions and accommodations
	Supported the Open For Business online directory lead by Licensing and Permit Services	More than one hundred businesses featured on the platform
2	Partnered with local institutions like the Vaughan Public Libraries, the Vaughan Chamber of Commerce, and NiagaraU to deliver webinars and town halls	19 webinars to 2,159 viewers from March 14 to May 31
	Supported the #ShopVaughanLocal Campaign lead by Corporate and Strategic Communications (CSC)	More than one thousand Instagram and twitter uses
3	Launched the Vaughan Business Action Plan	Eased noise restrictions bylaws to support movement of goods; supported hospitality industry by suspending the Municipal Accommodation Tax (MAT) to September 1, 2020
	Supported the extension of the deadline for payment of interim and final installments of property taxes	Deadline extended twice to July 1
	Supported the extension of the business license grace period by Licensing and Permit Services	Businesses granted an extra ninety days to renew expiring business licenses
4	Moved the City's art collection to a virtual platform	Two exhibitions launched
	Delivered the Vaughan InSpirit Festival digitally	Hosted more than 600 participants with more than 24,000 social media impressions

In addition to the response to COVID-19, ECD has continued with city-building as COVID-19 persists.

The development of the Vaughan Healthcare Centre Precinct (VHCP) continues to be a strategic economic priority for the City of Vaughan. To that end, COVID-19 has not slowed the progress of the study to establish a leading health innovation hub in the City of Vaughan. The VHCP economic development opportunity study remains on track to

be completed by the end of 2020, with the first phase completed on schedule in May 2020.

ECD has delivered the new Council-approved economic development placebrand and microsite, vaughanbusiness.ca. The site has become the go-to place for those interested in all things Vaughan business and economy, including an updated COVID-19 resource page. In the first three days of operation, site views surpassed those to the old website in an average pre-COVID month.

The VMC continues to be celebrated as one of the premier office and neighbourhood destinations in Ontario. At May's VMC Sub-Committee meeting, staff presented on the ongoing marketing efforts and the VMC's first public art installation scheduled for Fall 2020.

c) Advancing Economic Development Best Practices

ECD's response to date has been based on Economic development best practices in crisis response.

Economic development offices play an important role in the short and long term in crisis recovery.

In the short-term, during crises, economic development offices should:

- Conduct marketing and communications regarding business continuity
- Conduct business advisory services and outreach to businesses to help them access programs from other levels of government
- Conduct business impact assessments

In the long term, best practices for economic development offices are to focus on building resilience by:

- Supporting economic diversification
- Re-evaluating our community's value proposition and economic development's business plan
- Continuing entrepreneurship programming and workforce development support
- Conducting ongoing marketing and communications⁹

⁹ Economic Disaster Recovery Project, *The Recovery and Resiliency Roadmap: A Toolkit for Economic Preparedness*. (Economic Developers Alberta and British Columbia Economic Developers Association, 2014). 7-10.

Previous Reports/Authority

[ECONOMIC PROSPERITY TASK FORCE – APPROVAL OF TERMS OF REFERENCE AND APPOINTMENT OF MEMBERS](#), Committee of the Whole (2) Report, May 20, 2020

[EXTENSION OF MUNICIPAL ACCOMMODATION TAX SUSPENSION IN RESPONSE TO COVID-19](#), Committee of the Whole (2) Report, May 20, 2020

[Vaughan Business Action Plan](#)

[York Region Business Recovery Support Partnership](#)

[CITY OF VAUGHAN ECONOMIC MEASURES IN RESPONSE TO THE GLOBAL NOVEL CORONA VIRUS \(COVID-19\) PANDEMIC](#), City of Vaughan Special Council Meeting, March 17, 2020

[TOURISM VAUGHAN CORPORATION \(TVC\) – 2020 BUDGET AND BUSINESS PLAN](#), Committee of the Whole (2) Report, March 9, 2020

[STRATEGIC BUSINESS PLAN FOR ECONOMIC AND CULTURAL DEVELOPMENT, 2020-2023](#), Committee of the Whole Report (2), September 24, 2019

[Economic and Cultural Development Business Plan, 2020-23](#)

[SMALL BUSINESS AND ENTREPRENEURSHIP SERVICES UPDATE](#), Committee of the Whole Report, April 2, 2019

Analysis and Options

ECD's ability to respond quickly and effectively to the COVID-19 pandemic stems from the strength of its existing business plan, 2020-23.

The business plan mandates ECD to pursue four objectives to 2023:

1. Enable a climate for businesses to grow, prosper and create jobs, by listening and responding to the needs of businesses, by promoting Vaughan in domestic and international markets, by making Vaughan an entrepreneurial hub, and by

creating a new economic development brand reflective of Canada’s newest modern City.

2. Advance economic opportunities and attract new investment in Vaughan, by advancing new high-impact strategic municipal economic development projects, including: Smart City, Tourism Vaughan Corporation, Municipal Partnerships and Sponsorship, Vaughan Healthcare Centre Precinct and the Vaughan Metropolitan Centre.
3. Enrich Vaughan’s communities and economy through public art and cultural development, by developing creative-cultural amenities through partnership opportunities, by nurturing public engagement, by increasing public art awareness and by developing public art place-making in the Vaughan community.
4. Effectively pursue service excellence in the Economic and Cultural Development Department, by increasing awareness and satisfaction of services and programs, by increasing accountability and controls through strategic planning, and the ongoing development of new policy and procedures, and by achieving a high level of staff engagement and effective use of communication technologies.

a) The Vaughan Business Resilience Plan: Activities and Actions, 2020-23

Resilience is about building capacity and adaptability in Vaughan’s businesses and sectors.

New key activities within the existing ECD Business Plan, 2020-23 make up the Vaughan Business Resilience Plan.

To serve the business community, ECD will continue to achieve the above objectives, with the following additional key activities making up the Vaughan Business Resilience Plan:

Objective	New Key Activity	Actions
1	1.6 Secure Vaughan as the Region’s largest employment center through programs that will help our business owners build resilience into their businesses and adapt to the new normal	1.6.1 Review and support Vaughan’s municipal policy regime to allow for businesses to succeed while protecting public safety 1.6.2 Deliver business development and entrepreneurship programs to help local businesses understand the opportunities available to them in Vaughan in a post-COVID context 1.6.3 Support marketing initiatives that promote local commercial activities

		1.6.4 Understand and share trends that were changing how business was conducted that have been accelerated by COVID-19 like alternative work arrangements, e-commerce, etc. through ongoing research and communications
2	2.6 Build resilience into Vaughan’s key strategic sectors (health, tourism, supply-chain and logistics, and manufacturing) to ensure that economic opportunities continue in Vaughan in a post-COVID world	<p>2.6.1 Understand the impact of COVID-19 on Vaughan’s economy through formal stakeholder engagement via existing partnerships and boards to identify partnership opportunities in a post-COVID world to strengthen respective sectors</p> <p>2.6.2 With government partners, assess, report on, and implement wherever possible available municipal financial tools to support business</p> <p>2.6.3 Prepare emergency regulatory, program, and marketing packages to quickly support key industries in future crises</p> <p>2.6.4 Work inclusive of the TVC to engage with Vaughan’s tourism sector to attract and host safe multi-day cultural festivals, sports events and meetings and conventions in a post-COVID context</p> <p>2.6.5 Work inclusive of the TVC to partner with regional, provincial and federal tourism marketing groups to promote Vaughan as a safe destination for domestic leisure and business travel, staycations and industry investment.</p> <p>2.6.6 Ensure that the Vaughan Mackenzie Healthcare Precinct economic opportunity study is completed and considers the opportunities presented by the COVID pandemic in future-facing healthcare paradigms</p>

		2.6.7 Evaluate the next steps in the Vaughan performing arts center project to consider the potential impacts of COVID, ensuring that future work reflects how social distancing is changing how we consume the arts.
3	3.3 Share Vaughan’s reimagined public spaces within social distancing measures and invite the community to experience the cultural fabric of Vaughan as the COVID-19 pandemic subsides through public art and cultural development and highlight Vaughan as a welcoming community	<p>3.3.1 Support local culture and heritage events and creative amenities through digital public engagement to maintain a sense of community and recognize Vaughan’s culture during times of social distancing, and support the safe transition back to in-person engagements when permitted</p> <p>3.3.2 Leverage public art on digital channels to inspire a sense of place-making and convey Vaughan’s unique identity with the community and welcome people to experience Vaughan’s public spaces when social distancing is lifted.</p>

b) Guiding Principles for the Vaughan Business Resilience Plan

Responding to COVID-19 must not stop the task of city building, and the response to the pandemic must be ongoing.

COVID-19 is fundamentally changing our economy and the way business works in several ways. From alternative work arrangements, to commercial real estate, to supply-chain management, and healthcare, a new normal is emerging.

The new normal is not yet fully understood. As such, ECD continues to monitor several trends to ensure that they are reflected in our programming and city building initiatives.

The race to adapt to COVID-19 is a marathon, not a sprint: the Vaughan Business Resilience Plan will work in the immediate, medium, and long terms.

In the immediate term, ECD has deployed *Ready* measures to mitigate the immediate impact of the Global COVID-19 pandemic on businesses and prepare for support activities post-pandemic. As the economy started to re-open, ECD began looking to the next phase of programming.

In the medium term, ECD began developing measures to support a *Resilient* business community and economy. These immediate post crisis measures aligned available resources to short term impacts of COVID-19 on key Vaughan sectors. ECD will begin to transition completely from these measures when a viable treatment and/or vaccine is found.

In the long-term, ECD will work to make our economy *Resourceful*. Medium and long-range measures to mitigate impacts of future pandemics on the business community will be implemented.

c) The Vaughan Business Resilience Plan and ECD's Existing Operations

This revision to ECD's business plan will mean that the scope of existing business plan actions will change.

To respond to COVID-19, ECD has reallocated, and will continue to reallocate resources from existing initiatives. Nonetheless, the Vaughan Business Resilience Plan will work within ECD's existing resource structure.

To support the implementation of the Vaughan Business Resilience Plan as an addendum to ECD's Business Plan, and understand if actions are leading to meaningful outcomes, the department has improved its access to economic indicators.

ECD has traditionally relied upon the York Region Employment Survey (YRES) – an invaluable business directory for the City of Vaughan – to understand the size and scope of its business community. However, the YRES recently moved to a biennial update with the next survey being done in 2021.

To understand the business community better ECD has supplemented the YRES with the following public sector sources:¹⁰

- *The Conference Board of Canada* (Conference Board), an industry-recognized, Canadian not-for-profit think tank dedicated to researching and analyzing economic trends; and

¹⁰ Please note, ECD has used these sources on an ad hoc basis in the past. However, with the YRES becoming biennial, resources are now available to access other sources on a regular basis.

- Currently requested annually and covers real GDP, employment and key economic indicators
- *Statistics Canada* (StatCan)
 - The Canadian Business Counts are available on a biannual basis, and detail business counts and sizes

The Economic Prosperity Task Force will play an important advisory role in ECD’s business plan, inclusive of the Vaughan Business Resilience Plan.

The experts on the Economic Prosperity Task Force, launching in July 2020 and chaired by Councillor Sandra Yeung Racco and vice chaired by Deputy Mayor and Regional Councillor Mario Ferri, will provide invaluable peer advice on ECD’s actions and approach. Sessions will focus on themes in economic development, which allows the group to review actions across ECD’s business plan, including the Vaughan Business Resilience Plan.

Financial Impact

By adopting the Vaughan Business Resilience Plan, ECD will build flexibility into its operations without impacting budget.

There are no financial impacts to the adoption of the recommendations in this report.

Broader Regional Impacts/Considerations

ECD continues to work with the York Region Business Recovery Support Partnership.

The partnership:

- Conducts ongoing economic impact assessments
- Streamlines business advisory supports

Four sub-groups of the partnership focus on the following areas:

- Crisis response supply chain
- Business advisory services
- Agriculture and agri-food
- Tourism, arts and culture

The Vaughan Business Resilience Plan leverages and compliments the work of the partnership.

Conclusion

The Vaughan Business Resilience Plan is a measured and ambitious response to the global COVID-19 pandemic. It reflects the ongoing need to continue city building, and to respond to COVID-19 in the short, medium, and long term.

Approving the addendum to ECD's business plan, 2020-23 will allow the City of Vaughan to continue to support businesses and the economy adapt to the new normal.

For more information, please contact: Raphael Costa, Acting Director, Economic and Cultural Development, ext. 8891.

Attachments

1. Vaughan Business Resilience Plan project matrix
2. Vaughan Economic and Cultural Development Business Plan, 2019-23
3. Vaughan Business Resilience Plan: Key projects undertaken or in development

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