

NO: **R071**

COUNCIL DATE: **May 4, 2020**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **April 30, 2020**

FROM: **City Manager
General Manager, Investment &
Intergovernmental Relations
General Manager, Planning & Development**

FILE: **0550-20-06
(May 4, 2020 RCPH)
6750-01**

SUBJECT: **Surrey Economic Action and Recovery Plan from the COVID-19 Pandemic**

RECOMMENDATION

The City Manager, the Investment & Intergovernmental Relations Department, and the Planning & Development Department recommends that Council:

1. Receive this report for information; and
2. Approve the Surrey Economic Action and Recovery Plan and its related actions, as shown in Appendix “I” and as set out in this report.

INTENT

The intent of this report is to provide Council a proposed Surrey Economic Action and Recovery Plan, which is centered on encouraging and supporting residents, businesses, investments, and job creation opportunities in the City in order to proactively recover as soon as possible from the COVID-19 pandemic and to obtain Council approval to implement the measures required to enact the proposed Surrey Economic Action and Recovery Plan.

BACKGROUND

The COVID-19 pandemic introduced dramatic measures related to the world’s health and safety and caused the declaration of a Provincial State of Emergency in order to control the spread of the novel coronavirus. It has had a substantial impact on portions of the economy in the country, the Province, and the City.

The proposed Surrey Economic Action and Recovery Plan (the “Plan”) is proposing a series of strategies that together will help create a positive investment climate in the City which, in turn, will help its local economy in supporting local businesses and focus on supporting its residents through health and wellness opportunities.

Specifically, the Plan includes several strategies that are centered around the following three main themes:

1. Surrey's Residents

Supporting the City's population while they recover from the effects related to COVID-19 social distancing, quarantine requirements, and economic impacts with actions centered around the health and wellness of residents.

2. Surrey's Businesses

Supporting the City's businesses by utilizing the recently launched Investment & Innovation Impact Committee ("I3C"), chaired by the Mayor, to foster discussion and implement actions related to economic recovery for Surrey businesses.

3. Surrey's Development Sector

Supporting the City's development sector through the introduction of financial incentives to the development industry in order to help the implementation of larger scale projects that are generating many jobs and important investments in the City that will be of benefit to Surrey's residents and businesses.

DISCUSSION

In order to help Surrey's economy move towards a faster recovery, a series of initiatives are proposed to be brought forward immediately, while additional measures will be coming forward subsequently as the economic impact of the COVID-19 pandemic is better understood. The actions are going to be centered around the proposed three themes as above, in areas where Council can have the greatest positive impact.

Surrey Economic Action and Recovery Plan

Surrey's Residents

From the onset of the COVID-19 pandemic, the City's Emergency Operations Centre ("EOC") has been focused on safety first while being able to continue most of the services offered by the City, with adjustments as necessary in order to meet the requirements of social distancing and self isolation as prescribed by the Provincial Health Officer for British Columbia. Public outdoor open spaces and parks have remained opened, with some exceptions where social distancing is not possible to be achieved.

Economic Support

Financial relief has already been provided to annual water and sewer rate payers through the extension of the due date for annual utilities by 90 days. In addition, staff are requesting Council support to invoke the alternative municipal tax collection scheme for this fiscal year. If approved, this alternative municipal tax collection scheme will enable the City to change the penalty effective date to October 1, 2020 for all property classes. This change in late penalty dates provides a 90-day extension for taxpayers to pay taxes without late penalties.

Supporting Homeless People

Surrey's homeless population, both people who are unhoused and those living in crowded shelters, have been a focus of the EOC during the COVID-19 pandemic. Going forward, the focus will be toward increasing the supply of appropriate and affordable housing available for people who are homeless or at-risk of homelessness. This includes the projects that are currently in process, including the five modular housing projects that will provide 250 housing units and the transitional housing facility at Green Timbers that will accommodate 130 people.

Health and Wellness

Health and well-being services will be offered to residents through programming offered by Parks, Recreation & Culture and by Surrey Libraries. The goal of these programs is to help residents that have been impacted by quarantine restrictions or social distancing requirements as outlined by the Provincial Health Officer for British Columbia. Some of the highlighted programs include:

Supporting Vulnerable Populations

The Surrey Libraries will partner with settlement agencies to deliver skills building programs for immigrants and refugees, leveraging their interpreters to offer instruction in first language.

In partnership with seniors' organizations, the Surrey Libraries will procure Chromebooks to distribute to isolated seniors, offering instructions on accessing free resources such as eBooks, eAudio, and how to connect online with family and friends.

Supporting Job Seekers

Many residents will be re-entering the workforce. In collaboration with partners, the Surrey Libraries will:

- Host virtual job fairs to connect employers with Surrey job seekers;
- Facilitate online learning circles for resume/cover letter preparation; and
- Host webinars using tools such as Lynda.com to enhance skills for job readiness.

Supporting Families and Children

The Surrey Libraries will host virtual social spaces for residents to connect and enhance social interactions through expanded programs, such as coffee chats, book clubs, and technology help. To support over-burdened parents, online homework help will be offered, as well as virtual presentations from parenting experts.

Stay Active – Online Series

Pre-recorded modules offered to adults and children with various fun physical literacy activities residents can do at home with no equipment needed, like the Fitness Modules developed during the pandemic and currently being offered.

Youth Engagement Program

Weekly virtual youth groups (with a specific girls group for vulnerable girls) hosted through Microsoft Teams as an opportunity for social engagement, sharing resources, homework help, debriefing solutions, job searching skills, peer mentoring opportunities, and remaining connected to peers and youth engagement staff. Youth continue to have voice into what is happening in their community and to inform our engagement strategies.

Virtual Parent Engagement

Weekly coffee corner with parents to support them during this time of home-schooling, with tips on child development, self-care, and project ideas that support children's development.

Respite with Online Performing Arts Experiences

Providing upbeat entertainment, Surrey Civic Theatres is programming a series of pre-recorded and live-streamed performances featuring local musicians and a series of radio plays produced in partnership with local theatre companies. With Council's approval, special events, such as Canada Day, will likely be celebrated online and feature community contributions that assist in maintaining a sense of community solidarity.

Respite with Creative Arts and Learning Online

Encouraging adults and children to engage their imaginations and create artwork, as well as learn from artists of various cultures, Surrey Art Gallery is offering a series of online artmaking video lessons and artist talks, virtual exhibitions, and tours featuring local artists and artworks from the permanent collection. New content is added weekly.

Supporting families home-schooling to learn about Surrey's heritage

Museum of Surrey has produced virtual exhibition tours, scavenger hunts, and downloadable curriculum resources to support learning together about Surrey's development and local urban Indigenous residents and the Katzie, Kwantlen, and Semiahmoo First Nations.

Historic Stewart Farm's popular heritage programs are now available online and range from baking tutorials, to a family activity exploring immigration, to downloadable self-guided heritage driving tours of South Surrey and Whalley. New content is offered weekly.

Inter-agency Collaboration

In addition to the initiatives above, it is important to note that City staff continue to collaborate with the Province, with BC Housing, and with other service providers in order to support the City's vulnerable populations.

Parking

The waiver of parking fees for City-operated parking spaces adjacent to Surrey Memorial Hospital was temporarily expanded to include new on-street areas to the north of Surrey Memorial, in order to offer overflow capacity for health care workers, commuters, and hospital visitors. Further, on-street pay parking around City Hall was suspended, providing support for patrons of City Hall and municipal employees providing essential services.

Surrey's Businesses

Investment & Innovation Impact Committee

The Investment & Innovation Impact Committee ("I3C") will meet on an accelerated schedule to ensure quick and meaningful action is taken to help vitalize the local economy. The I3C will serve as a connector with business, industry, academia, the Metro Vancouver Regional Economic Prosperity Service, Surrey-based business associations and chambers of commerce, the Surrey Board of Trade, and other entities related to economic development. The I3C will provide advice and recommendations to Council on actions the City could take to stimulate investment, support the local business community, and encourage sustainable job growth.

Current economic development priorities include understanding the extent of the economic impact of COVID-19, preserving Surrey's business base and increasing local employment opportunities. Actions already initiated by the City include the 'Surrey Makes PPE' program, which encourages and supports Surrey-based manufacturers to produce critical personal protective equipment and helps to identify buyers for their products. Companies are already benefiting from orders from other levels of government and private businesses.

Store to Door Campaign

In addition, the City launched the 'Store to Door' program in March. This program assists local businesses to move to an on-line sales and delivery model and promotes the businesses by providing heightened profile through the City-hosted Store to Door website. This program has been well received by local businesses. To date 166 companies have signed up to the program and over 30,000 online connections have resulted.

Working with our Local Business Associations

The City will continue to engage with our local business associations to provide updates on City actions and solicit feedback from their membership on ways we can collaboratively prepare for reopening our economy.

Unpaid Commercial Property Tax

The Province recently announced postponement of late payment penalties on unpaid property tax on commercial properties (Classes 4, 5, 6, 7, and 8) to October 1, 2020. This will represent a 90-day delay in penalties for these commercial classes from the current late payment penalties effective date of July 3, 2020.

Business License Late Penalty Fee

The City provided financial relief to businesses by deferring late business licence penalty dates. Currently, late penalty fees are charged if business licence fees are outstanding 30 days after their due date. Due to COVID-19, the late penalty fees will be applied 30 days after the day on which the Provincial State of Emergency comes to an end. This provides relief to businesses that are late in paying their business licence fees due to the financial impact of COVID-19.

Surrey's Development Sector

Council support is sought for introducing economic incentives for large mixed-use high-density projects located in City Centre (the "City Centre Economic Incentive Policy"). Staff recommends that, beginning immediately, new and in-stream projects that have a construction value of greater than \$25 million benefit from a 50% reduction of many fees relating to the development.

The terms and criteria for the City Centre Economic Incentive Policy are as follows:

- To be eligible, the project must be a construction of a new improvement which is located within "City Centre" as defined in *Surrey Zoning By-law, 1993, No. 12000* (Appendix "I").
- The eligible project must have a "building value" in excess of \$25 million, as determined by the City. "Building value" is defined in *Surrey Building Bylaw, 2012, No. 17850*.
- All fees relating to processing the eligible project must be paid in the normal course as per City bylaws.
- A 50% discount to the following application fees will be provided as a set-off to the Building Permit fees when the Building Permit is issued for the eligible project, if the Building Permit is issued on or between May 5, 2020 and June 1, 2021.
 - Rezoning;
 - Development Permit;
 - Development Variance Permit;
 - Servicing Agreement; and
 - Building Permit.

Concierge service for all eligible projects. This will help to develop a project timeline with key milestones, and will ensure the City will meet the agreed project schedule.

This collaborative approach with the development industry will allow qualifying projects to move quickly through the application and approvals process, thus ensuring these important investments can move towards construction phase rapidly and help the economic recovery.

In addition to the Economic Incentives for City Centre, staff are proposing a series of process improvements that would help the development and construction sectors citywide. Proposed improvements include:

- Streamlining the Road and Right-of-Way and Traffic Obstruction Permit processes;
- Expanding the use of the Surety Bond Pilot from 12 to 20;

- Waiving the requirements for water connection replacements for Tenant Improvement permits and single-family home building permits;
- Streamlining the Tenant Improvement permitting process;
- Implementing fixed timelines for processing of simple permits; and
- Expediting the review and processing of Environmental Development and Erosion Sediment Control Permits.

The City reserves the right to determine the eligibility and final discount amount of any project.

Fiscal Implications

Staff are projecting that the implementation of the aforementioned development sector incentives for the one-year period could result in forgone revenues from application fees; however, this loss of revenue will be more than offset by the positive economic benefits that will be realized by stimulating the local development sector. Staff are expecting the implementation of the incentives to result in notable job creation, advancement in projects – which, upon completion, will increase our taxation base – and to provide direct positive impact to the general construction and related support businesses that are crucial to our local economy. The forgone revenues will be a one-time loss; however, the fiscal benefits of the incentives will carry on in perpetuity. Staff will report on them as it becomes clearer on the uptake of this program.

Legal Services Review

The City's Legal Services Division has reviewed this report and have no concerns.

SUSTAINABILITY CONSIDERATIONS

The work of this project supports the objectives of the City's Sustainability Charter 2.0. In particular, this project relates to Sustainability Charter 2.0 theme of Inclusion, Public Safety, Economic Prosperity and Livelihoods, Education and Culture, and Health and Wellness. Specifically, this project supports the following Desired Outcomes ("DO") and Strategic Direction ("SD"):

- Social Infrastructure and Innovation DO25: Surrey has a culture of collaboration and innovation to solve complex social problems.
- Community Safety and Emergency Services DO5: Surrey is recognized and perceived as a leader in establishing and maintaining collaborative partnerships for community safety and well-being.
- Emergency Preparedness and Prevention SD7: Strengthen and lead in localized emergency planning and response, including updated and development needed recovery plans.
- Economy DO9: Surrey's economy is able to adapt and thrive in response to external forces, such a climate change.
- Innovation DO17: Surrey is a leader in social enterprise and social innovation.
- Health Services and Programs DO5: Services and programs are responsive to shifting health and social needs, and local and external factors.

- Wellness and Recreation DO8: Residents feel a sense of belonging and connectedness, and have opportunities for social interaction in their neighbourhoods and community.

CONCLUSION

In an effort to reduce the social and economic impacts of the COVID-19 pandemic, staff are proposing a series of initiatives that will support faster recovery to local residents, businesses, and the development sector, in addition to those initiatives already undertaken in order to provide continued service excellence to Surrey's residents and customers.

Based on the information outlined above, it is recommended that Council approve the Surrey Economic Action and Recovery Plan.

Original signed by
Vincent Lalonde, P.Eng.
City Manager

Original signed by
Jean Lamontagne
General Manager, Planning & Development

Original signed by
Donna Jones
General Manager, Investment & Intergovernmental Relations

JLL/SB/PH/NA/LC/KG/DJ/SW/DH/SN/ss/ja/ki

Appendix "I" City Centre Economic Incentive Policy Map

