

# *Investment, Innovation and Business Committee Minutes*

2E - Community Room B  
City Hall  
13450 - 104 Avenue  
Surrey, B.C.  
**WEDNESDAY, SEPTEMBER 6, 2023**  
Time: 6:00 p.m.

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**Present:**

Councillor Bains, Chair  
Mayor Locke, Vice Chair  
A. Huberman  
A. Parker  
D. Barbour  
E. Michielsen  
J. Curry  
R. Helsley  
R. Khanna

**Absent:**

P. Poulain  
P. Smailes

**Staff Present:**

R. Costanzo, Acting City Manager  
S. Wu, Manager, Economic Development  
S. Simpson, Chief Information Officer, Corporate Services  
C. Chiu, Business Relationship Specialist, Investment & Intergovernmental Relations  
S. Lee, Administrative Assistant

**Guest:**

A. Ramlo, VP Advisory, Rennie and Executive Director, The Urban Futures Institute

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**A. ADOPTIONS****1. Adoption of the Agenda**

It was

Moved by D. Barbour  
Seconded by R. Khanna  
That:

1. The agenda of the Investment, Innovation and Business Committee meeting of September 6, 2023 be amended by adding Item D.1: Revise 2023 Committee Meeting Schedule under Other Business.

2. The agenda be adopted as amended.

Carried

**2. Adoption of the Minutes – June 29, 2023**

It was

Moved by J. Curry  
Seconded D. Barbour  
That the minutes of the Investment, Innovation  
and Business Committee meeting held on June 29, 2023, be adopted.

Carried

**B. DELEGATIONS****1. Andrew Ramlo, VP Advisory, Rennie and Executive Director, The Urban Futures Institute**

The delegation provided an overview of the context for growth and change in the Lower Mainland. The following information was highlighted:

- Labour markets and consumer spending have proven remarkably resilient to higher borrowing costs. To get inflation under control, the Bank of Canada increased the overnight lending rate in July 2023 by 25 basis points to 5%, the highest in 22 years. The Canadian economy shed jobs in July 2023 while the unemployment rate ticked higher for the third straight month, providing further evidence that the economy is losing momentum in the face of higher interest rates.
- Canada has generally recovered well from what will go down in history as the greatest economic challenge since the Great Depression. BC led the rest of Canada in terms of their initial responses to COVID-19 and this has been reflected in the pace and direction of the economic recovery. However, tight labour markets, accumulated household savings, pent-up demand for services, government spending, and strong population growth from higher levels of immigration are all factors contributing to the strength of household spending. As a result, Central Banks around the world are trying to bring economic growth to a standstill and suppress spending to reduce inflationary pressures.
- In 2023, Canada aims to welcome 465,000 permanent residents, increasing to 485,000 in 2024 and 500,000 in 2025. This shift is in response to a changing population structure, with a decreasing ratio of working-age individuals to senior citizens, posing challenges for essential services like healthcare. In response, Canada began increasing the numbers of immigrants and non-permanent residents significantly since 2017 to counterbalance the aging population and ensure service sustainability. Temporary immigration programs, unlike permanent resident programs with set targets, are driven by demand and do not have a set cap. Since these programs were not originally designed for such explosive expansion in a short period, their growth has created pressure on housing markets and costs.
- Recent data demonstrates that BC, and the Lower Mainland in particular, is attracting a significant share of international students, surpassing its proportional representation based on population and economic factors. There is also a substantial shift in the immigration landscape for BC and the Lower Mainland, with a much higher influx of new immigrants compared to historical patterns. After nearly a decade of experiencing net growth from interprovincial migration, BC has witnessed a decline in the last three quarters, primarily due to movement between BC and Alberta. This shift may be linked to Alberta's stabilizing and growing economy, political stability, and relatively lower housing costs and availability.

- The Lower Mainland region is expected to experience even more significant population growth in the coming decades compared to recent years. This growth is seen as an opportunity for economic development due to the increase in the labour force. Models suggest that to effectively accommodate the projected population growth, the region should be completing nearly 40,000 net new homes annually, which is substantially higher than the current completion rates. This calculation does not address any pre-existing unmet housing demand within the regional housing system. To tackle both existing affordability and livability issues and prepare for future challenges, the region should aim for housing startups or completions in the range of 40,000 to 50,000 units per year to support the growing labour force and help address housing-related concerns in the region.
- BC Stats projected that Surrey's current population of approximately 633,000 is expected to grow to just over a million people by 2046, indicating nearly a 60% growth with 367,000 net new residents. The pace of change is likely to be more significant than initially expected, and this trend is not limited to Surrey. It is a broader phenomenon affecting municipalities across the region.
- Demographically, Surrey is expected to undergo significant changes in its age composition which represent both opportunities and challenges for Surrey. While the city can benefit from the expansion of its workforce and a youthful population, it will also need to adapt to the evolving age composition, including the increasing number of seniors. This may involve addressing healthcare, housing, and social service needs, among other considerations, to ensure the well-being of all demographic segments in the city.
- The projections from BC Stats indicates a gap between the projected demand and the actual housing completions in Surrey, which can lead to housing challenges. Many municipalities are facing similar gaps in housing supply. These challenges can impact housing affordability and availability throughout the region. In response, some residents, particularly young adults, may consider seeking opportunities in other cities with more affordable housing, even if it means leaving Surrey. Despite these challenges, Surrey's demographic composition is evolving, with significant growth in the younger workforce-age population. This demographic shift offers opportunities for business and economic development in the city. Surrey should consider these demographic changes and their implications for housing as they plan for future development and growth to ensure a balanced and sustainable future for the city.

- According to the 2021 census data, Surrey has been an attractive destination for a significant number of migrants in the past five years, especially for people from within BC, due to factors such as housing affordability and accessibility. Surrey's growth as a job center and an education hub also plays a role in attracting migrants. The city's dynamic and diverse community is not limited to international immigration; it also draws people from various backgrounds and regions. The city should consider the factors contributing to its growth and its role as a destination for a diverse range of migrants when planning for the future.
- Demographically, Surrey is entering a period reminiscent of the 1980s and 1990s when the Post War Boom came of age and entered the family and labour force formation stages of the lifecycle. It was also a period characterized by high household formation. The future of demographics and economics is not merely an extrapolation of past trends, whether influenced by COVID-19 or the pre-pandemic era. Given the accelerated rate of change, it is crucial for the City to have a solid understanding of the data to discern the magnitude and direction of changes in economic and demographic landscapes.

In response to questions from the Committee, the delegation provided the following information:

- The delegation's approach involves modeling household formation rates over the last three decades based on structure types and a 10-year basis. The analysis includes patterns and changes in household formation rates and aligns these findings with actual housing construction. Despite a strong preference for ground-oriented accommodation, the housing market may not be meeting this demand. To address this issue, a dual-pronged approach is used, emphasizing the need for significant change in the traditional single-detached housing model. The housing focus has shifted towards multifamily options, including high-rises, with recognition of the demand for ground-oriented housing with green spaces. The transformation of existing communities to accommodate these housing needs is also considered.
- Job growth primarily involved repatriation and the recovery of lost jobs, initially in manufacturing and later in the service sector as restrictions eased. Net new job growth varies by location, with differences between urban cores like the City of Vancouver, where service and high-tech jobs are added, and suburban areas where manufacturing sees growth. Quantitative data for job growth is challenging due to limitations in census data, with the 2021 census showing a misleading decline in jobs in Vancouver due to remote work. Since census data may not provide an accurate picture of job growth, alternative data sources, such as business licenses, should be explored to better understand local job trends. The consideration of creative methods to gather more accurate data on job movement and growth is ongoing, including the exploration of internal data sources and collaborations with organizations such as Stan Tech.

- Productivity and slow economic growth are significant concerns. There is a demographic challenge ahead due to the aging population, which typically results in lower productivity as individuals move into retirement. In the pre COVID-19 era, the expectation was for slower and longer-term economic growth, influenced by demographic challenges. COVID-19 introduced further uncertainty, and the changes in immigration targets may impact long-term economic growth.
- The delegation's labour model utilizes age-specific participation rates, allowing people to participate in the labour force up to the age of 85. Long-term data tracking is conducted for labour force participation rates over the past few decades, accounting for both male and female participation based on age and gender. Anticipated trends include a continued trend of delayed retirement due to increasing life expectancies. The median age of retirement in Canada is approximately 67, representing the age at which 50% of the population or workforce retires. Despite a long tail of labour force participation, most individuals tend to leave the workforce in their mid to late 60s.
- Surrey has a significant opportunity to leverage its universities and private educational institutions to align industry needs with curriculum development. This can be particularly effective in areas such as manufacturing, health tech, and clean energy. By mobilizing an economic plan that focuses on these opportunities and effectively communicates them, Surrey can enhance its economic prospects and benefit the broader region. The projection that Surrey will become the most populous municipality in the Lower Mainland by 2041, surpassing the City of Vancouver, is a significant economic driver. This demographic shift brings a young and vibrant population into the area, offering unique possibilities. On a national level, there is a need to collaborate more closely with post-secondary institutions to ensure the provision of adequate student housing. This presents another opportunity for Surrey, especially in developing the educational sector within Surrey City Centre.
- Housing is crucial, but a city's infrastructure, including schools, hospitals, and transportation, is equally vital for building a community. Merely constructing houses does not create thriving cities, and Surrey faces challenges in this regard. The current education system and approvals for new schools need modernization and streamlining. Advocating for resources from the BC Premier and others is essential to address infrastructure and transportation issues. The strategic placement of housing is of paramount importance.

**2. Robert Helsley, Associate Provost, University of British Columbia at Surrey**

The delegation provided a presentation on University of British Columbia (UBC) at Surrey. The following information was highlighted:

- Surrey is expected to have the largest diverse, young, and multicultural population. There is strong community support for expansion of UBC's campus to Surrey for the youth population to access medical education. Data has shown that doctors tend to practice where they are trained; the extensive education and practicum in Surrey will retain talents locally. UBC will obtain input from students, alumni, staff, and community this year for the Surrey campus development.

- UBC acquired 5.5 acres of land in Surrey intended for academic and mixed-use developments that will be built over a decade. The campus location was chosen for its proximity to public transportation and Surrey Memorial Hospital. The site has 2.4 million square feet of space, including 380,000 square feet of academic space, in a mixed-use development with four residential towers. A walking path is intended to lead from Surrey Memorial Hospital, through the campus complex and end at King George Skytrain Station. UBC is looking to incorporate academic programs, industry partners, administrative functions, community amenities, and housing together in one location. The site will bring access to higher education, housing, and expand health education and medical care.
- UBC Faculty of Medicine has a long history of medical education in Fraser Health with 5,500 students and 1,600 faculty and staff reside in Fraser Valley as of 2022. There is already significant UBC presence in Surrey. There are approximately \$4 million in research grants approved annually that are connected to the Surrey community, mainly in the fields of medicine, applied science, science, and forestry.
- There are many UBC Medical programs that are intertwined with Surrey and Fraser Health, such as the Vancouver Fraser Medical Program, Fraser Medical Cohort, Post Graduate Medical Education, and UBC Health professional program clinical and field placements. UBC students are engaged in practicum placements in social work, pharmacy, dentistry, and nursing in Surrey, with nursing expected to double its practicum program. As there is already a large existing partnership of UBC students with Surrey Memorial Hospital, the new development will serve to boost student engagement and better integrate students into Fraser Health.
- The development will provide a fast infusion of graduate level medical training to Surrey without government support, whereas undergraduate programs require provincial government support and take more time to initiate. With provincial support, UBC plans to pilot the Science One strategy which provides science education to first year undergraduate students at UBC Surrey campus, and the students can later branch out to other specialized UBC campuses.
- The campus complex will serve as a hub of inter-professional health education and research that combines with existing medical, therapy, and dental programs. The goal is to group related programs in one location, which allows team-based, multi-tiered health care that can better treat patients with complex issues. The complex will host peripheral programs such as computer data science that are specialized to work with Fraser Health.

In response to questions from the Committee, the delegation provided the following information:

- UBC's primary goals are research and education. The institution will provide information but will not direct local policies.
- UBC is not building the Chan Centre for the Performing Arts in Surrey as it is not financially viable, but they will consider doing something at the site for the community.
- UBC did not have conversations with other Surrey hospitals except Surrey Memorial Hospital on how they might connect to the new site. However, the clinical placements of the medical school are connected to all the hospitals in the region.

The Committee noted that the long-term vision should be for the UBC Vancouver and Okanagan campuses to ladder up to the UBC Surrey campus. There is a need for full service universities in Surrey since the youth and the future live here, and UBC Vancouver campus is expensive and difficult for Surrey students to reach.

**3. Anita Huberman, President and CEO, Surrey Board of Trade (SBOT), Dean Barbour, Executive Director, Fleetwood Business Improvement Association (BIA), and Ritu Khanna, Executive Director, South Surrey and White Rock Chamber of Commerce**

The delegation provided a presentation on business challenges and opportunities for Surrey. The following information was highlighted:

- Surrey has one SBOT, four BIAs and three Chambers of Commerce that are willing to work together and with the City. Surrey has approximately 20,000 licensed businesses which is considered proportionally low compared to other municipalities. Possible causes are brain drain, lack of transportation, and lack of entrepreneurial attraction.
- Transportation is a major concern for small businesses. Restaurants are unable to open when staff cannot reach the location or find transportation. Some Surrey communities do not have bus service to commercial areas or schools. Due to this strong need, Surrey business organizations are willing to advocate to various levels of government to obtain results.
- The City needs an arts and culture sector, such as a convention space. South Surrey has two border crossings that could make it an ideal location as the center of tourism, arts, events, and culture.

- Business districts around Skytrain stations require at least 10,000 people in an 800-meter radius around a station in order to thrive. Planned Skytrain stations in Fleetwood have potential to bring up to forty residential towers to the area because of proximity to City Center, Surrey Memorial Hospital, and schools. The high density and development could make safety and crime a concern for young people and families. Fleetwood BIA is working with Surrey RCMP, Surrey Police Service, and Metro Vancouver Transit Police to make police presence available to reduce the optics of safety concern around Skytrain stations.
- The economic dead zone lies outside of the 800-meter radius around Skytrain stations. It is an opportunity area for job creation, economic development, schools, parks, and affordable housing. There is a need to start planning early to effectively deal with issues such as high density, economic development, public safety, and affordable housing.
- SBOT supports business and brings business into the city. Their business center helps businesses start and scale up. SBOT is opening a second location, the Surrey Technology and Skill Center, to focus on tech innovation and to incubate economic projects including indigenous entrepreneurship center, international trade, creating affordable business connection for local businesses, and ensuring that Surrey is a global city.
- Economic anxiety that has affected businesses can be quickly countered by development and taxation plans. SBOT has been working with the Planning and Development Department to increase housing supply and livability. Residential developers are in crisis because of climate change goals, step code, and lack of communication from the City. The City could improve on development permit approvals, timing, and residential and commercial permit process. Small businesses have indicated that a singular Planning and Development portal to communicate with would be beneficial.
- Having a high tax and unpredictable tax environment could stifle economic growth. The City's renewed economic and jobs plan should work with universities, businesses, and government to leverage opportunities. Businesses have the heaviest taxation burden. A City Budget Business Task Force could allow businesses to provide input into the City's budget. The goal would be to reduce cost of diminishing entrepreneurialism, remove red tape, have predictable taxation, and streamline approaches for business and housing construction.
- The rebranding of Surrey should state that it is open for businesses as a livable and safe city. The future is already here. Livability is about industry targets, education, arts and culture, housing, and safety. The Lower Mainland region and the Province, as part of the economic strategy, should believe Surrey is safe to attract businesses and quality jobs. This will result in consumer spending that comes back to the City.



In response to questions from the Committee, the delegation provided the following information:

- The businesses in Fleetwood should not have issues repaying the loans from the Canadian Emergency Business Account (CEBA) program in December 2023. They are mainly impacted by increased rental costs due to development speculation in the area. Non-essential retail and hospitality sectors suffered during COVID-19, and they are asking the federal government to extend the repayment term or cancel the loan. Repaying the loan will impact the small and medium-sized businesses by compromising their bottom-line productivity. It is estimated that 15% of businesses will not be able to repay their CEBA loans.
- The recovery coalition was created during COVID-19 to be the one voice of all impacted businesses and share available information through existing networks. Surrey business organizations have continued to formalize their cooperation to discuss issues and unify their voices. There is a feeling of a disconnection with the City on certain issues, but there is an opportunity for improvement over time through increased communications such as biweekly or monthly press conference or town halls.

The Committee noted the following comments:

- The public engagement on budget priorities will take place from September 23, 2023 to October 5, 2023 throughout Surrey. It was suggested that the City invite the SBOT, BIAs, and Chambers of Commerce for a round-table discussion.
- It was suggested that SBOT consider inviting the Chief Information Officer from the City to provide an update on some of the innovation and opportunities that the City is leveraging and the assistance they could offer for the Surrey Technology and Skill Centre.
- The City is currently focusing on streamlining the process of issuing development permits for businesses and residential developers. The City will host forums for consultations with the development community in the next two to three months.

**C. NEW BUSINESS****1. 2024 Committee Meeting Schedule**

The Committee reviewed the proposed 2024 meeting schedule. Meetings are proposed to be held in person on the first Wednesday bi-monthly at 6:00 p.m., except for April and June where the meetings are proposed to be held on the second Wednesday.

It was  
Business Committee adopted the 2024 meeting schedule as presented.  
Moved by A. Huberman  
Seconded by R. Khanna  
That the Investment, Innovation and  
Carried

**D. OTHER BUSINESS****1. Revise 2023 Committee Meeting Schedule**

It was  
Committee meeting of November 1, 2023 be rescheduled to November 14, 2023.  
Moved by A. Huberman  
Seconded by D. Barbour  
That the Investment, Innovation and Business  
Carried  
With A. Parker, R. Helsey, and R. Khanna opposed.

**E. NEXT MEETING**

The next meeting of the Investment, Innovation and Business Committee is scheduled for Wednesday, November 14, 2023.

**F. ADJOURNMENT**

It was  
Business Committee meeting be adjourned.  
Moved by E. Michielsen  
Seconded by A. Huberman  
That the Investment, Innovation and  
Carried

The Investment, Innovation and Business Committee adjourned at 7:52 p.m..

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Jennifer Ficocelli, City Clerk

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Councillor Bains, Chairperson