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Date: 4/3/2020 5:50:23 PM

Subject: FW: VEC Weekly Economic Report - April 4, 2020

Attachments: ATT78911

2020 04 03 - VEC COVID-19 Response Weekly Summary - FINAL.pdf

Good Evening

Please find attached the VEC weekly economic report.

Best

Sadhu

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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the Musqueam, Squamish, and Tsleil-Waututh peoples.

Vancouver Economic Commission

COVID-19 Economic Update to City of Vancouver and VEC Staff

April 4, 2020

Updated 3:00pm PDT – 04-Apr-2020

This document is a weekly round-up of the impacts of COVID-19 on the Vancouver Economy for City of Vancouver Leadership and staff at the Vancouver Economic Commission.

Purpose

1. Summarise the impact of COVID-19 on the Vancouver economy
2. Escalate the outstanding priority industry asks of all levels of government
3. Provide key insights by sector including innovations and evolving economic recovery plans

Disclaimer

1. The information contained in this report is updated using continually evolving data from a number of reputable sources
2. All effort has been undertaken to capture the best available data and intelligence, but the findings may not be fully representative of all businesses and sectors.
3. Key assumptions have been made to develop the most accurate metrics at a point in time. These metrics and assumptions are under continuous review.

Further Information:

For the latest Government support and resources to businesses and individuals, please go VEC's COVID-19 webpages:

<https://www.vancouvereconomic.com/covid-19-business-resources/>

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1. Week at a Glance

Key Government Announcements Impacting the Business Community ([Appendix A](#)):

There were significant announcements by all levels of government this week to mitigate the economic impacts of COVID-19. Various levels of government are also moving their attention to economic recovery planning and scenario analysis. Key government measures including:

- Federal Government:
 - a. *Canada's Plan to Mobilize Industry to fight COVID-19* with \$2B to support diagnostic testing and purchase personal protective equipment
 - b. Canada's *Emergency Wage Subsidy* and Federal Essential Services and Functions
- Provincial:
 - a. *Economic Recovery Task Force appointed by Premier*: Includes industry associations and non-profit representatives invited to inform the government's long-term economic response to the COVID-19 crisis. Municipalities and their economic development leaders are not included on the task force.
 - b. BC Hydro and Province of BC: Three months of *utility bill relief* for those affected by COVID-19
 - c. BC Minister of Social Development and Poverty: Higher accessibility to *Canada Emergency Response Benefit* (CERB) programs, and additional funding for those who do not qualify
 - d. BC Health Minister reiterated there is no expectation that provincial orders will be changed before the end of May or in the immediate weeks after May.
 - e. Online *COVID-19 Supply Hub* Launched in partnership with the Business Council of B.C. and the Digital Technology Supercluster, the Ministry of Public Safety. To coordinate, source and expedite the distribution of medical supplies to provincial health authorities.
 - f. Efforts Underway to Get Children of First Responders Back Into Classrooms
 - g. \$3 Million to Support Arts and Culture Organizations
- City of Vancouver:
 - a. *Stay Home, Stay Put* campaign to encourage Vancouverites to stay home and continue to flatten the curve.

COVID-19: Impact on The Vancouver Economy

- b. *Give a Hand Vancouver*, asking for businesses and organizations to donate/provide low-cost products and services to help support the response work.
- c. *COVID-19 Business Communications and Support Office*, to assist local businesses in connecting with COV services and accessing non-COV resources

B.C. Economy

- The Index of Consumer Confidence fell 32.0 points in March, the largest month recorded to decline.
- Restaurants Canada estimates that all establishments will lose \$2.9 billion and between 70,000 to 100,000 jobs over the next three months and anticipates.
- Real Estate Board of Greater Vancouver states that new residential real estate has fallen by 37% and sales are down 20% from this time last year
- The British Columbia Real Estate Association estimates that the BC GDP is showing a 22% decrease from December 2019 to January 2020, indicating the true economic impact data of COVID-19 will start to be reflected in March and April.

BC Chamber of Commerce Business Impact survey: Summarized Requests for Government Support

The first BC Chamber of Commerce survey (March 18, 2020) received over 8,000 responses from organisations across BC. Summary results included:

- 92% of businesses surveyed have been impacted by COVID-19
- 77% of businesses impacted are reporting a significant negative impact
- 73% expect their revenues will drop by 50% or more

Top Requests for Government Support and industry with the highest percentage of requests:

- Consider a bigger economic stimulus package – Agriculture, Forestry & Fishing
- Work with financial institutions to offer zero-interest loans – Transportation and Warehousing
- More flexibility around timeline for tax remittances – Management and Enterprises
- Enhanced EI access or wage replacement for employees – Retail and Construction
- City of Vancouver to delay property taxes further – Real Estate Rental and Leasing
- City of Vancouver for more tax credits and cuts – Management Companies and Enterprises

The second survey closed April 1, 2020 and key findings from the 1,900 businesses surveyed include (source Greater Vancouver Board of Trade Pulse Survey April 1, 2020):

- 50% businesses surveyed have experienced revenue decreases of 75% or more, while two-thirds have seen revenues drop by 50% or more
- Nearly one-third are planning to cancel or have had contracts or tenders cancelled, while a quarter will defer or cancel capital projects in the next two weeks.
- Among those laying off staff, on average, organizations have laid off 43 employees. As B.C. businesses tend to be skewed to smaller businesses (less than 20 employees), the median or mid-point is much lower, at five employees. The GVBOT member numbers are higher, which on average lay-offs of 87 employees.
- More than 50% of businesses are concerned they will be insolvent or not have the fiscal capacity to restart their business.
- Businesses are trying to pivot with 23% increasing efforts towards online, digital, or e-commerce options.
- Businesses tend to expect the economic rebound in their market will be slow (55% versus 14% fast) but a sizable group is unsure (31%).

When asked what actions the federal government could take to further support business, respondents pointed to the following measures:

- Provide direct payments to affected businesses (56%).
- Immediately reduce rates for EI, company taxes, personal tax, GST, other government imposed levies or charges (42%).
- Ensure that critical supply chains are able to function (32%).
- Ensure that credit markets and the financial system continue to function (33%).

Top recommendations to the B.C. government include:

- Further reduce tax rates and defer payments facing B.C. businesses and households (57%).
- Consider remedies for businesses not able to pay rent in collaboration with property owners and tenants (42%).
- Provide direct support to B.C. industry sectors that are being particularly affected by the pandemic crisis (46%).

VEC is awaiting the Vancouver specific core data and will analyse the Vancouver sector specific data in conjunction with other sources of data, including business licenses, EI applications, CRA data and more.

Industry, regional and national strategic forums:

Several sectors and industry groups have continued to form strategic forums, taskforces and Cabinets to be more efficient in collecting and sharing data, advocating to every level of government and moving towards developing coordinated economic recovery plans across industries and municipal borders.

There has been a notable move to commence recovery scenario planning, more targeted advocacy to senior levels of government and sharing of intelligence and leading practice to support business leaders in managing through crisis and building resilience.

A summary of the key forums established, known to VEC, are included in [Appendix B](#).

VEC is partnering with key partners, including COV, to establish the following Vancouver centric strategic forums:

1. Vancouver Small Businesses COVID-19 Economic Taskforce: VEC-led forum for small businesses, licensed in Vancouver with under 50 employees. Excludes businesses in the creative, technology, clean-tech and tourism sectors which have separate sector specific forums.
2. Vancouver Creative Sector COVID-19 Economic Taskforce: COV and VEC co-lead a forum for Vancouver based businesses in the creative sector. Likely to include representatives for profit, not-for-profit and charities organisations.

Industry-led innovations and mitigations

Businesses and industry associations are moving quickly to identify innovations to the economic impacts of COVID-19. VEC is working to support in connecting sectors that wouldn't normally collaborate and support in their advocacy to all levels of government. Some examples include:

- **Film and TV**: Organizations such as Portable Electric are deploying portable power stations usually for events and filming, to BC Health for use in remote testing centres and other medical facilities
- **Manufacturing businesses** are exploring the possibility of using their certified heat treatment ovens to sterilize N95 masks

- **Animikki, an Indigenous-owned digital agency** has shared their digital toolbox they are using to work from home with their community, and have offered to help those community members their assistance in transitioning to a digital workforce
- **VEC** is planning to launch the next round of their Technology Deployment Network, supporting Cleantech organisations in getting investment ready. The timeframe for the curriculum would mean VEC would be supporting clean tech companies in approaching investors in the fall, which is when we anticipate investor confidence returning.

2. Industry's Priority Asks for Government

Industry feedback has been collected through key VEC stakeholder channels with respect to current Government stimulus packages and outstanding need.

Overall industry view of current Government stimulus packages

There have been a mixed response to government announcements this week:

- Limitations to the Federal Announcements for emergency wages. Some sectors are unable to demonstrate a loss in revenues (based on sales/services) as businesses are funded through investment and credit lines and not through sales. Sectors which do not appear to benefit include those in the tech sector, start-ups and more.
- A desire for more clarification around the aid programs, how to access them, and who qualifies for them
- Confusion around the definition of essential services
- Very much appreciated, though continued sentiment that more will be required to keep people employed, businesses sustainable and to be able to expedite economic recovery.
- Most organisations are still collecting data and assessing the impact the new mitigation packages will have to their business and their workforce. More formal responses and additional asks are anticipated

Aspects identified as most beneficial / having the most positive impact

- Increase wage subsidy to 75% so employees can continue to get paid and stay on payroll, with further clarification around qualification. However some sectors, creative, technology, are not eligible

COVID-19: Impact on The Vancouver Economy

- Help with cash flow and deferrals for all government and utility related costs including payroll taxes, income taxes, property taxes and water/sewer taxes.

Top outstanding asks to Government

- Ask to Federal government for clearer understanding of requirements around 75% wage subsidy and expansion of eligible businesses and revenue types
- Rental and lease support, highest need in the SME community
- Harsher fines for businesses still not adhering to the COVID-19 Business Regulations, from the BC Construction Association
- Ask for more direction and explanation for the standards and regulations during COVID-19, to minimize the amount of interpretation. Many businesses are hearing different interpretations of people in roles of enforcement such as: police, health authorities, building inspectors, fire departments, WorkSafe Inspectors and local bylaw officers.

Sector Quick Links

1. [Academia and Education](#)
2. [Accommodation and Food](#)
3. [Agriculture](#)
4. [Creative Industry](#)
5. [Finance and Insurance](#)
6. [Healthcare and Life Sciences](#)
7. [Manufacturing, Supply Chain and Wholesale](#)
8. [Natural Resources](#)
9. [Real Estate and Construction](#)
10. [Retail \(Large\)](#)
11. [Tech Industry](#)
12. [Tourism and Recreation](#)
13. [Transportation and Warehousing](#)
14. [Utilities](#)

Priority Cross-Sectoral Organizations Quick Links

1. [First Nations / Urban Indigenous Groups](#)
2. [SMEs and BIAs](#)

3. Sector Summaries

Academia and Education

| Sector Profile | |
|---|---|
| Strategic Forum | To be confirmed |
| GDP | To be confirmed |
| Employed | >30,000 employees (TBC) in Vancouver region |
| Activity | Higher education; e-courses; language schools |
| COVID-19 | Significant impact to academic and research for both 2019-20 and 2021-21 school years |
| Economic Impacts | |
| <ul style="list-style-type: none"> • 34% or ~ 354 businesses are temp/perm closed • ~ 2,800 associated workers • 36% or ~368 businesses expecting closure • ~3,000 expected near-term layoffs • Summer registrations (starting now) effectively stopped • Classes moved online where possible (SFU, Langara, UBC) and summer registrations (starting now) effectively stopped • BCIT and other Trades schools, the Provincial government is considering ways to ensure trades students and others requiring hands-on learning will get the training needed to enter the workforce. • International students significantly impacted as have returned to their home countries | |
| Primary Asks to Government and Government Response | |
| <ul style="list-style-type: none"> • Direct subsidy or grant to English Languages Schools towards fixed operational costs (leases on space). Approximately 50% of fixed costs are for commercial leases (most schools are located in central high-cost locations). • VEC continuing to reach out to Academic institutes to better understand other priority asks. | |
| Innovations and Recovery Planning | |
| <ul style="list-style-type: none"> • UBC Labs are working on a number of initiatives with varies partners to conduct COVID-19 research, trials, develop proto-types PPE and bringing local manufacturers to begin production. • SMRT English is assisting language schools across Canada to shift learning to a digital environment and train teachers | |

- The BC Ministry of Education has secured licences for Zoom as a tool for education that provides video and audio chatting, and online meetings, for all K-12 public and independent schools.
-

Accommodation and Food Services

| Sector Profile | |
|------------------------|--|
| Strategic Forum | Tourism Response and Recovery Taskforce |
| GDP | To be confirmed |
| Employed | ~tbc employees in Vancouver region [per business licensing database] (2019 actual and 2020 projection TBD) |
| Activity | Hotelier; other accommodation; restaurants; bars; other food services |
| COVID-19 | Significant impact to accommodation and hospitality services experiencing unprecedented low capacity levels and full closure with exception on delivery services |

Economic Impacts

- **15** hotels closed in Metro Vancouver this week – *Tvan Impact Assessment Group, 30-MAR-2020*
- **35%** of BC hotels have temporarily closed, *ISED, 2-Apr-2020*
- **70,000 – 100,000** jobs lost in the B.C. Food Service Industry
- **90%** or **~60,000** layoffs in the B.C. hotel industry alone in the last two weeks, *ISED, 2-Apr-2020*
- Occupancy levels in Canada below 10% (Hotel Association of Canada, 2-APR-2020)
- Whistler is at a 1% occupancy rate and more properties are closing everyday – *Tourism Whistler, 30-MAR-2020*
- Food businesses are feeling immense pressure from their landlords to open, to create revenue, which is in contradiction from public health guidelines and puts them at risk of City fines
- Restaurants Canada estimates that BC food services sales for Q2 will be down more than \$3 B *GAC 2-APR-2020*

Primary Asks to Government and Government Response

-

Innovations and Recovery Planning

- BC Restaurant and Food Services Association has been promoting the #TuesdayTakeOut initiative to show the importance of supporting local businesses during this time
- Food industry pivoting to online orders and delivery services, breweries creating alcohol for sanitisers and restaurants supporting vulnerable communities and foodbank

Agriculture

Sector Profile

| | |
|------------------------|--|
| Strategic Forum | To be confirmed |
| GDP | To be confirmed |
| Employed | ~tbc employees in Vancouver region [per business licensing database] (2019 actual and 2020 projection TBD) |
| Activity | Primary agriculture and aquaculture and related businesses |
| COVID-19 | Impact to be determined |

Economic Impacts

Economic impact metrics under development

- Agriculture included on Included in BC essential services list
- BC Food service industry is expecting to lose 70,000-100,000 jobs, and \$2.9B in revenue over the next 3 months – BC JEDC 25-Mar-2020
- Restaurant and hospitality closures have caused a huge shift in the market, market share is now 10% food service and 90% retail, compared to prior at 40% food service and 60% retail – ISED, 2-APR-2020
- Sourcing inputs remain a concern such as maintaining access to imported seed and fertilizer – ISED, 2-APR-2020

Primary Asks to Government and Government Response

- Logistical ask to Federal government to help with the arrival of Temporary Foreign Workers (TFW) due to closed airspace and lack of flights. Products such as apples and cherries are at the highest risk as they are predominantly hand picked, as every year 7,000 – 10,000 TFWs are brought to BC. ISED, 2-APR-2020

Innovations and Recovery Planning

- Food delivery services increased including supermarkets, farm shops and breweries
- Ministry of Agriculture is working to create an online platform for Farmer's Markets
- Novobind, a BC livestock health company, has formed a coalition with four other organizations to foster an "open source biology" model around their nano body work to support finding a vaccine for COVID-19
- Fewer Temporary Foreign Workers (TFW) may want to come to Canada, due to COVID-19 concerns, resulting in an ongoing labour shortage. The AAFC is working with industry to identify what the TFW needs are of priority sectors and to what extent some vacancies could be filled by domestic workers

Creative Industry

Sector Profile

| | |
|------------------------|---|
| Strategic Forum | Canadian Film & TV Industry Taskforce, Vancouver Film, TV Animation and VFX Taskforce. New VEC/COV led forum under development. |
| GDP | To be determined |
| Employed | ~ 19,900 employees in Vancouver regions [per licensing database, 2019 actual and 2020 projection TBD] |
| Activity | Film and TV; BC Arts and Culture |
| COVID-19 | Significant impact with widespread venue closures and production cessation |

Economic Impacts

- 27% or ~230 businesses temp / perm closed
- ~5,400 associated workers
- 31% or ~260 businesses expecting closure
- 45% or ~8,900 expected near term layoffs
- Many artists have had to cease operations due to loss of access to exhibitions and gallery closures
- Creative sector at a near-halt
- \$10s millions loss per week
- Greater Vancouver Professional Theatre Alliance Survey revealed \$21m economic impact to BC Arts and Culture workforce

Primary Asks to Government and Government Response

- Ask to City of Vancouver for specific arts and culture grants, as many artists do not have access to current funding and may have to close their doors
- Ask to Provincial and Federal governments for targeted support to the Creative sector
- Expand access to and payment of amounts for EI
- Increase rent and mortgage relief

Innovations and Recovery Planning

- VEC supporting key industry groups to increase home bandwidth service for remote working
- Netflix has created a \$100 M global fund to further support production staff
- Vancouver Art Gallery launched a Art Connects online series for people to access their collection and art experts from home
- Portable Electric are deploying power stations usually for events and filming to BC Health for use in remote testing centres and other medical facilities

Finance and Insurance

Sector Profile

| | |
|------------------------|--|
| Strategic Forum | To be confirmed |
| GDP | To be confirmed |
| Employed | ~ tbc employees in Vancouver regions [per licensing database, 2019 actual and 2020 projection TBD] |
| Activity | Finance, Insurance and related business |
| COVID-19 | Impact to be determined |

Economic Impacts

- 31% or ~90 insurances businesses temp / perm closed
- ~1,400 associated insurance workers
- 44% or ~130 insurance businesses expecting closure
- 24% or ~1,000 expected near term insurance layoffs
- Businesses undertaking their own scenario and recovery planning
- Interest rates weigh heavily on the entire insurance industry, especially on life insurance and annuity sectors
- Canada's ten largest pension funds have lost an estimated \$104 billion – according to Mercer, this means that all Canadian pensions are currently underfunded (88% of liabilities are currently met)

Primary Asks to Government and Government Response

- Lower Bank Mortgage Rates – bank borrowing/mortgage rates are increasing when the Bank of Canada has lowered its rate. Banks/Credit Unions need to help ensure that this sector of the economy helps Canada recover; therefore, they should be doing more to help home buyers

Innovations and Recovery Planning

- Many life annuity insurers have already been recalibrating to address exposure, and some have modified products often lowering guarantee rates
- Bank of Montreal, CIBC, National Bank of Canada, RBC Royal Bank, Scotiabank and TD Bank have made a commitment to work with personal and small business banking customers on a case-by-case basis to provide flexible solutions to help them manage through challenges such as pay disruption due to COVID-19; childcare disruption due to school closures; or those facing illness from COVID-19

Healthcare and Life Sciences

Sector Profile

| | |
|------------------------|--|
| Strategic Forum | To be confirmed |
| GDP | To be confirmed |
| Employed | ~ tbc employees in Vancouver regions [per licensing database, 2019 actual and 2020 projection TBD] |
| Activity | Healthcare and social services; scientific R&D |
| COVID-19 | Impact to be determined |

Economic Impacts

Economic impact metrics under development

Primary Asks to Government and Government Response

Innovations and Recovery Planning

- Life Sciences BC is currently coordinating the identification of all biotech labs, companies and digital/medical manufactures to generate an inventory of PPE and medical equipment/supplies available on short notice. This initiative will work to create a supply chain that is a fluid and up-to-date inventory of medical source materials that could be provided rapidly to provincial hospitals.
- AbCellera and Eli Lilly have entered into an agreement to co-develop antibody therapeutics for the treatment and prevention of COVID-19.
- The Province has partnered with the Digital Technology Supercluster and BCBC to create the COVID-19 Supply Hub, an online platform to coordinate, source and expedite personal protective equipment for frontline healthcare workers
- Foundry, a Province wide network of integrated health and social services for young people 12 - 24, is addressing issues related to mental health, addictions and disorders, especially important during COVID-19. There are currently nine centres, eights are being set up, with the hope of having 60 across the province.

Manufacturing, Supply Chain and Wholesale

Sector Profile

| | |
|------------------------|--|
| Strategic Forum | BC Open Source COVID-19 Medical Supplies |
| GDP | To be confirmed |
| Employed | ~ tbc employees in Vancouver regions [per licensing database, 2019 actual and 2020 projection TBD] |
| Activity | Manufacturing; supply chain; wholesale |
| COVID-19 | Medium Impact |

Economic Impacts

- 19% or ~3,800 businesses temp / perm closed
- ~45,700 associated workers
- 35% or ~7,100 businesses expecting closure
- 23% or ~57,700 expected near-term layoffs
- Most impacted in the wood products industry are value-added SME manufacturers selling to the retail market – *ISED, 2-APR-2020*

Primary Asks to Government and Government Response

- Expedite and issue requests for proposal through BC Bid for medical and essential supplies, and make public the exact list of products, quantity and other specifications. Supply chain departments within health authorities are providing the Ministry of Health and Ministry of Jobs with their exact supply needs – this information is not being shared with industry.

Innovations and Recovery Planning

- Canada's Advanced Manufacturing Supercluster announced \$50 M in funding to support manufacturers rapidly responding to the COVID-19 crisis
- Pyrotek Aerospace is exploring the possibility of using their certified heat treatment ovens to sterilize N95 masks
- Creation of a taskforce for BC Hardware Engineering and Manufacturing, already has 500 members, called Open Source COVID-19 Medical Supply Group
- Tinkerine, a design and manufacturer company of 3-D printers, has pivoted their business to making protective face shield masks for medical staff and shipping to hospitals across Canada

Natural Resources

Sector Profile

| | |
|------------------------|--|
| Strategic Forum | To be confirmed |
| GDP | To be confirmed |
| Employed | ~ tbc employees in Vancouver regions [per licensing database, 2019 actual and 2020 projection TBD] |
| Activity | Natural resources-related industries including energy, mineral, forestry |
| COVID-19 | Impact to be determined |

Economic Impacts

Economic impact metrics under development

- TECK Resources has temporarily slowed operations and reduced its crew by up to 50% at its steelmaking and Highland Valley Copper operations – *ISED, 2-APR-2020*
- Interfor announced a 60% reduction in timber production and a US \$140 M in cuts to capital expenditures for the remainder of 2020 – *GAC, 2-APR-2020*
- Though there may be high demand for pulp mills and paper-based medical supplies, the BC Forestry community has incredibly low financial resilience at the time and they were just in the stages of recovering from a major forestry downturn – *ISED, 2-APR-2020*

Primary Asks to Government and Government Response

Innovations and Recovery Planning

- Harmac Pacific Pulp Mill is working overtime to meet the demand from the U.S. for raw materials that are used to create medical supplies such as masks and gowns

Real Estate and Construction

Sector Profile

| | |
|------------------------|---|
| Strategic Forum | BC Council of Construction Associations COVID19 Cabinet |
| GDP | Construction – Circa \$12.2 billion Real Estate - TBC |
| Employed | ~ 19,400 employees in Vancouver region [per business licensing database, 2019 actual and 2020 projection TBD] |
| Activity | Real estate; construction; housing |
| COVID-19 | Impact to be determined |

Economic Impacts

- 25% or ~5,900 businesses temp / perm closed
- ~4,800 associated workers
- 41% or ~9,700 businesses expecting closure
- 20% or ~3,900 expected near-term layoffs
- \$252 M worth of regional municipal infrastructure projects are facing delays, 9 projects within Vancouver and 38 projects across the region are facing delays – *ConstructCanada, 30-MAR-2020*

Primary Asks to Government and Government Response

- Ask to Federal government for \$500 M investment in green building training during COVID-19. Due to self-isolation workers are ideally positioned to increase their human capital and advance Canada's climate goals
- Ask for funding for Consumer Virtual Home Energy Assessment, homeowners are in a position while self isolating to use online tools to evaluate their home's performance, a potential investment when economy recovery is provided to consumers
- Plan a National Building Efficiency Strategy as part of an economic recovery
- Ask to Provincial and City of Vancouver for clarification around Lien timeframes considering the Emergency Order
- Infrastructure planning and design should take place as soon as possible, ideally during quarantine, so the lag time for shovels in the ground is as short as possible

Innovations and Recovery Planning

- British Columbia Construction Association's employee benefits plan has introduced a Crisis Relief

Plan to help the plan participants better maintain benefits during this period, the plan includes rate reductions such as 40% on extended care and 75% on dental care

- BC Real Estate Association has created a new provincial real estate industry impacts dashboard, as well as a virtual showing tool to help realtors show homes without breaking social distancing

Retail (large)

Sector Profile

| | |
|------------------------|---|
| Strategic Forum | To be confirmed |
| GDP | To be confirmed |
| Employed | ~ 37,000 employees in Vancouver region [per business licensing database, 2019 actual and 2020 projection TBD] |
| Activity | Large retail and related organisations |
| COVID-19 | Impact to be determined |

Economic Impacts

- 21% or ~950 businesses temp / perm closed
- ~7,800 associated workers
- 32% or ~1,500 businesses expecting closure
- 38% or ~14,000 expected near term layoffs
- Several retailers have closed their store operations until further notice or have limited opening hours including Aritzia, Lululemon, LUSH, Indigo, Nordstrom, Hudson's Bay, Purdy's and Sport Chek
- Reitmans clothing store has laid off 90% of their 7,000 employees – *ISED, 2-APR-2020*
- MEC has laid off 1,300 employees - *ISED, 2-APR-2020*
- Indigo has laid off 5,200 of its 7,000 employees - *ISED, 2-APR-2020*

Primary Asks to Government and Government Response

- Ask to all levels of government, that as social distancing regulations are lifted to ensure businesses begin to thrive, to continue aid programming for the rest of 2020 and into 2021
- Ask to Federal government to ensure loans for large enterprises are also guaranteed and interest-free.
- Ask to Federal and Provincial government for secure supply chains across Canada for domestic transportation of goods.

Innovations and Recovery Planning

- Aritzia is donating proceeds from current sales to a relief fund to assist staff, the fund is presently at \$3 M
- Vessey has donated 1,000 pairs of shoes to frontline healthcare workers
- Grocery store labor have increased salaries of over 250,000 employees between 5 – 15%

Tech Industry

Sector Profile

| | |
|------------------------|---|
| Strategic Forum | To be confirmed – founding members UBC, SFU, Venturelabs, Innovate BC, BC Tech and VEC |
| GDP | To be confirmed |
| Employed | ~ 29,700 employees in Vancouver region [per business licensing database, 2019 actual and 2020 projection TBD] |
| Activity | Technology and related business |
| COVID-19 | Impact to be determined |

Economic Impacts

- 22% or ~331 businesses temp / perm closed
- ~6,000 associated workers
- 26% or ~380 businesses expecting closure
- 23% or ~6,900 expected near term layoffs
- 75% of cleantech companies are requesting additional payroll relief – National Cleantech Survey, 30-MAR-2020
- A vast number of pre-revenue start-ups are in risk of failure, as they are not eligible for the 75% wage subsidy – Foresight, 1-APR-2020

Primary Asks to Government and Government Response

- Ask to Federal government to increase liquidity through one-time grants or small business loans to help bridge the period of slow revenue and/or collapse of planned financing options
- Ask to Federal government to account for SME innovators that are pre-revenue. These companies do not meet the sales revenue or payroll expenses; however, they still have expenses for labs and research facilities.

Innovations and Recovery Planning

- Google has created a \$800 M fund to support small businesses and crisis response
- Lighthouse Labs is pledging \$500,000 in scholarships to qualifying applicants to provide individuals with the opportunity to change careers and skill-up
- Traction on Demand has led the efforts to develop the COVID-19 Supply Hub and have created

an app for 26 Vancouver area medical facilities that can track staff and resources in real-time

- D-Wave Systems is providing free access to its Leap hybrid quantum cloud service to anyone who's working in response to COVID-19

Tourism and Recreation

Sector Profile

| | |
|------------------------|--|
| Strategic Forum | Tourism Response and Recovery Taskforce |
| GDP | To be confirmed |
| Employed | ~ tbc employees in Vancouver region [per business licensing database, 2019 actual and 2020 projection TBD] |
| Activity | Tourism; conferencing; event spaces; recreation and sporting organisations and centres |
| COVID-19 | Significant impact to tourism and recreation services with sector effectively at a standstill |

Economic Impacts

Economic impact metrics under development

- Preliminary results show that travel booking between BC and China is down 61.5% compared to last year
- The Vancouver Aquarium has laid off 60%, 343 people, of their staff and are down \$3.2 M for the month in revenue
- All events, conference spaces, tourism, sporting and recreation and closed

Primary Asks to Government and Government Response

- Ask to Federal and Provincial government for support to the Vancouver Aquarium and other charities looking after animals who are experiencing a major financial challenge
- TIABC has submitted a brief to the Province with 7 overarching recommendations:
 - broad industry endorsement
 - Emergency fund for tourism businesses
 - Tax deferrals to assist with cash flow
 - Top up on the federal wage subsidy
 - Deferral of park tenure fees for adventure tourism companies
 - Health benefits for laid off employees
 - Marketing funding

- Province
 - Developing package for tourism, arts/culture
 - Developing Metro-specific briefing note for BC/Canada
 - Province is reviewing all of their event programs and grants – looking to maintain support even where events cancelled and keep money flowing.

Innovations and Recovery Planning

- Closed hotels, convention centres and empty commercial spaces are being identified across BC has potential emergency medical facilities should the pandemic worsen beyond hospital capabilities
- Provincial task force with business/labour to build recovery plan - tourism seeking involvement
- Event sector evaluating two scenarios – 1) lose summer season; 2) lose summer/fall seasons. Many conferences/events now reconsidering plans for fall.

Transportation and Warehousing

| Sector Profile | |
|------------------------|--|
| Strategic Forum | To be confirmed |
| GDP | To be confirmed |
| Employed | ~ tbc employees in Vancouver region [per business licensing database, 2019 actual and 2020 projection TBD] |
| Activity | Transportation; warehousing and storage; Postal service |
| COVID-19 | Impact to be determined |

| Economic Impacts | |
|---|---|
| <p>Economic impact metrics under development</p> | <ul style="list-style-type: none"> • Air Canada has let go of 16,500 employees – GAC, 2-APR-2020 • Harbour Air has ceased all scheduled service flight operations and currently plan to start flying again on May 4, 2020 • Port of Metro Vancouver reported a softened commodity demand with 7,000 outbound railcars, compared to the average 9,600 (though not all COVID-19 related) • Translink is turning their focus to revenue losses, they need \$90 M monthly to continue operations – WD, 2-APR-2020 |

| Primary Asks to Government and Government Response | |
|--|---|
| | <ul style="list-style-type: none"> • Ask to City of Vancouver from the BC Trucking Association to use PNE as a truck parking facility as it is near to designated truck routes • Ask to Federal government for a stimulus package to 119 transit operators for lost revenue from public transit fare, valued at approximately \$400 M, letter submitted to Federal Minister of Transportation |

| Innovations and Recovery Planning | |
|-----------------------------------|---|
| | <ul style="list-style-type: none"> • Air Canada has announced Cargo-Only Flight opportunities to help keep the supply chain moving between key global cities in which they operate • Helijet has announced it will provide rides in between Vancouver and Vancouver Island terminals, at no cost, for health care responders travelling for business and urgent medical needs |

Utilities

| Sector Profile | |
|------------------------|--|
| Strategic Forum | To be confirmed |
| GDP | To be confirmed |
| Employed | ~ tbc employees in Vancouver region [per business licensing database, 2019 actual and 2020 projection TBD] |
| Activity | Electric power; natural gas; water, sewage and other systems |
| COVID-19 | Impact to be determined |

Economic Impacts

Economic impact metrics under development

Primary Asks to Government and Government Response

Innovations and Recovery Planning

- BC Hydro, in partnerships with the Province are offering a three-month credit to residents and businesses who have been affected by COVID-19

4. Priority Cross-Sectoral Organizations

First Nations / Urban Indigenous Groups

| Sector Profile | |
|---|---|
| Strategic Forum | To be confirmed |
| GDP | To be confirmed |
| Employed | |
| Activity | First Nations and Urban Indigenous Group organisations and businesses |
| COVID-19 | Impact to be determined |
| Economic Impacts | |
| <ul style="list-style-type: none"> • 25% or ~12,000 employees will lose their jobs in Indigenous Tourism by June 2020 • \$900 M revenue loss in the Indigenous Tourism sector by June 2020 • Many Indigenous communities self-isolating • Haida Gwaii has closed its “border” to non-island residents. There is a fear of losing elders that are key to passing on traditions and language and concerns that history will repeat itself (small px, Spanish Flu) when they saw their people decimated. | |
| Primary Asks to Government and Government Response | |
| | |
| Innovations and Recovery Planning | |
| | |

SMEs & BIAs

| Sector Profile | |
|------------------------|--|
| Strategic Forum | Small and Medium Businesses and BIAs Taskforce (title TBD) |
| GDP | |
| Employed | |
| Activity | Small (5 – 49) and Medium (50 – 199) businesses and Business Improvement Areas |
| COVID-19 | Impact to be determined |

Economic Impacts

- 55% or ~7,000 businesses temp / perm closed
- ~180,660 associated workers
- 37% or ~121,700 expected near-term layoffs
- Reported from savesmallbusiness.ca research 38% of SMEs will default on April 1 and 70% will default on May 1
- 43% of SMEs say the situation has caused extra costs for their businesses

Primary Asks to Government and Government Response

- Ask to Federal government to suspend commercial rent payments of the first \$10,000 for April, May and June as this shifts the burden from being only on commercial tenants to spreading across the property value chain. Debt-based solutions do not account for the long horizon we anticipate for full economy recovery
- Ask to City of Vancouver to create a moratorium on evictions for non-profit organizations and SMEs.
- Ask to City of Vancouver for a tax deferral until the end of 2020 or forgiveness altogether
- Ask to City of Vancouver to eliminate the empty home, school and speculation taxes to leave as much money in the local economy as possible
- Ask to City of Vancouver for suspension on operating fees collected by the city (dumpster, alarm, patio, and business license)

Innovations and Recovery Planning

- Aisle, who produce organic fabric menstruation products, are donating materials to produce masks in the DTES
- SOLE Footwear have a Buy One Give One campaign for frontline medical staff, beginning April 2

5. Appendices

APPENDIX A - FEDERAL AND PROVINCIAL SUPPORT

FEDERAL

| Support | Description | Link |
|---|--|----------------------|
| Canada Emergency Wage Subsidy | Up to 75% wage subsidy (up to \$847 a week) for qualifying businesses with a reduction in revenue of 30%, for up to 3 months, retroactive to March 15, 2020. | Link |
| Canada's Plan to Mobilize Industry to fight COVID-19 | The Federal government is investing \$2 B to support diagnostic testing and to purchase ventilators and protective personal equipment (masks, face shields, hand sanitizer and gowns). | Link |
| Canada Emergency Business Account | Program will provide up to \$25 B to eligible financial institutions, allowing them to provide interest-free loans to small businesses. | Link |
| Federal Essential Services and Functions | On April 2 the Federal Government released their list of essential services and functions, based on 10 sectors. | Link |

PROVINCIAL

| Support | Description | Link |
|---|--|----------------------|
| Economic Recovery Task Force appointed by Premier | The taskforce will bring together leaders from business, labour, First Nations and non-profits | Link |
| Support for Power Bills | Small business and residential relief for three months of BC Hydro bills. | Link |
| Social Assistance Boosted | BC Minister of Social Development and Poverty announced that those on social assistance and not eligible for emergency assistance will receive \$300 supplement for the next three months. | Link |
| Confirmation from BC Health Minister | Confirmation that physical distancing orders will remain in place through May and potentially weeks after | Link |
| BC Supply Hub | An online platform to allow suppliers and manufacturers to sell or donate materials needed for response. | Link |
| Efforts to get Children of First Responders Back into Classrooms | Minister of Education is working to provide in classroom learning for the children of essential and frontline workers | Link |

| | | |
|--|---|----------------------|
| Grant to Support Arts and Culture Organizations | A \$3 million dollar Arts & Culture Supplement will be administered to BC Arts Council and given in amounts up to \$15,000.00 | Link |
|--|---|----------------------|

MUNICIPAL

| Support | Description | Link |
|--|--|----------------------|
| Stay Home, Stay Put | Stay Home, Stay Put campaign began to help flatten Vancouver's curve, by staying home and limiting outings to essential trips only. | Link |
| Give a Hand Vancouver | Give a Hand Vancouver allows organizations/businesses to donate items to the City to help with the response. | Link |
| COVID-19 Business Communications and Support Office | Vancouver launched a support office for businesses as a point of single contact to gather information about support programs, services offered and make suggestions. | Link |
| Temporary Childcare for Essential Workers | This program is to provide childcare for essential workers with children in their care 0 -12 years old who live in Vancouver. | Link |
| Overdose Crisis During COVID-19 | In Partnership with VCH a dashboard is being created that with monitor the overdose crisis, rates and clusters of overdoses. | Link |

APPENDIX B – STRATEGIC FORUMS

| Forum | Lead Organisation | High-level mandate | Membership |
|--|-------------------------|--|--|
| Established | | | |
| Canadian Film & TV Industry Taskforce | CMPA | Provincial and Municipal representatives and National Funding Agencies. Sharing intelligence and briefing Federal Minister | 50+ orgs from across Canada |
| Consider Canada Cities Alliance | CCCA | Top Canadian City EDOs working with the Minister of Small Business on Recovery Plan | Peers at Vancouver, Calgary, Edmonton, Saskatoon, Winnipeg, Ottawa, Toronto, Hamilton, Waterloo, Montreal, Quebec, Halifax |
| COVID-19 Cabinet | GVBOT, BCBC, BC Chamber | Advocate to all levels of government; Procurement and supply chain needs; Public safety while keeping the economy going | Founding members are BCBC, GVBOT and BC Chamber of Commerce (33 members in total as at March 20) |
| COVID-19 National Think Tank | EY | National Think Tank to engage thought leaders and Municipalities specific to COVID-19 mitigations and recovery plans | Canadian Municipalities and Canadian Thought Leaders – TBC |
| Vancouver Film, TV, Animation and VFX Taskforce | MPPIA & CrBC | Impacts, mitigations and recovery plans across Vancouver's Creative industries | Creative BC, VEC, MMPIA. |
| Tourism Response and Recovery Task Force | Tourism Vancouver | Response and Recovery Task Force for Metro Vancouver's Tourism & Hospitality Industry | |
| Small Medium Businesses and BIAs | BIA Partnership | Coordinate asks to government and recovery plans among Vancouver BIAs | 22 BIAs |
| Marine Ferries | Transport Canada | Daily phone call to act to triage. | Canadian Ferries Association, Seaspan, ...others |
| Vancouver Pathfinders | VEC / NRC | Data sharing platform form cleantech companies. | 15 members |

COVID-19: Impact on The Vancouver Economy

| | | | |
|---|---|---|--|
| Regional Economic Prosperity Management Board | Metro Vancouver | Metro municipal elected officials and industry experts focused on data collection/analysis and metro wide targeted high impact investment strategies | Metro municipal elected officials and industry experts |
| Regional Economic Prosperity Advisory Committee | Metro Vancouver | Metro municipal Ec Dev leaders focused on data collection/analysis and metro wide targeted high impact investment strategies | Metro municipality Ec Dev Leaders |
| BC Open Source COVID-19 Medical Supplies | Consortium of Medical Supply Stakeholders | A primary contact for BC Hardware Engineering and Manufacturing community to communicate with Canadian and US counterparts, governments, local hospitals and Tier 1 medical device manufacturers. | 300+ businesses |
| Building Operators and Managers Association of Canada COVID-19 Taskforce | BOMA Canada | Established to share information and create efficient channels to work towards a coordinated industry response. | BOMA Canada Members |
| Tech Industry COVID-19 Taskforce | UBC/VEC | Bi-weekly meetings to share info on impact on the tech sector and development of mitigation and recovery strategies. | VEC, UBC, Innovate BC, BC Tech, SFU and Digital Supercluster |

Other forums under development / consideration include:

1. CoV COVID-19 Task Force
2. Creative Economy
3. First Nations/Urban Indigenous Groups
4. Insurance Sector
5. Non-Profit organisations
6. Retail (large)
7. Transportation
8. BC Economic Recovery Task Force

APPENDIX C - LEADING PRACTICES

| Task Forces | | | |
|--|--|--|--|
| Seattle: Small Business Recovery Task Force | Toronto: Mayor's Economic Support Recovery Task Force | Singapore: Tourism Recovery Action Task Force | London: Tourism Industry Emergency Response Group |
| Portland: Economic Impact & Intervention Task Force | | | |

| Links to City COVID-19 Response Pages | | | | |
|---------------------------------------|-----------------------------|-------------------------------|-----------------------------|--------------------------|
| Seoul | Minneapolis | Hong Kong | Los Angeles | New York |
| London | Seattle | San Francisco | Singapore | Paris |
| Chicago | Sydney | Madrid | Cleveland | |

Business Support

- **Seattle:** Created an interactive map that allows residents to see which local businesses are open and are set-up for delivery and/or take-out
- **Sydney:** Has a small business grant program to allow businesses to modify their operating model, develop online and e-commerce capabilities, training and capital investment
- **Sydney:** The City is creating a concierge service to provide advice to SMEs and non-profits about accessing different government aid programs
- **Chicago:** \$100 M Chicago Small Business Resiliency Fund
- **Cleveland:** Created a Tourism Industry Resource Kit
- **London:** Residential landlords will be able to claim a three-month mortgage payment holiday if their tenants are experiencing financial hardships due to COVID-19

Employee/Resident Support

- **San Francisco:** The City will reimburse employers who allow employees to take additional sick time, up to one week at US \$15.59 an hour.
- **Paris:** Increased the space available to women's shelters due to the increase in domestic violence during self isolation
- **New York City:** Creation of a Citywide Volunteer Match Program, a network to support seniors and people with disabilities and matching them with volunteers to help them get groceries and medication
- **Madrid:** Offering grocery vouchers to 2,000 of the most vulnerable families

Other Support

- **Chicago:** Creation of a Chicago Community COVID-19 Response Fund to help accessibility to capital for non-profits and ensure they do not close
- **Copenhagen:** Prepared DKK \$350 M in construction to help to restart economy, additionally they have provided their business community with over 100 specific tasks to help keep businesses going during this time