



## MEMORANDUM

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**TO:** Mayor Bonnette and Members of Council

**FROM:** Graham Lowe, Senior Economic Development Officer

**DATE:** August 11, 2021

**MEMO NO.:** ADMIN-2021-0011

**SUBJECT:** Economic Recovery and Resiliency Plan

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### **PURPOSE OF THE MEMORANDUM:**

The purpose of this Memorandum is to provide Council with an overview of the Economic Recovery and Resiliency Plan (ERRP) being implemented by the Town, led by the Economic Development, Innovation and Culture division, as part of continued response to the COVID-19 pandemic.

### **BACKGROUND:**

Since the onset of COVID-19, the Town has taken early, decisive and coordinated action to respond to the pandemic and support the local business community. Throughout 2020 and into 2021, the pandemic has impacted both the global and local economies in unprecedented ways. Through cross-departmental collaboration, the Town implemented over 25 new and modified initiatives in 2020 related to business supports.

The Town's new five-year Economic Development and Tourism Strategy was approved by Council in February 2021. Work then began on the development of the Economic Recovery and Resiliency Plan (ERRP) to address business needs and supports required as a result of the pandemic, including reopening safely and staying in business while increasing business resiliency over the longer term. The ERRP complements the Economic Development and Tourism Strategy, Foreign Direct Investment (FDI) Attraction Strategy, and the general objectives of the Business Concierge, and Business Retention and Expansion programs.

Building on actions taken to date, the ERRP provides a practical, tailored, responsive and effective framework for current and future business supports as the economy moves through the recovery phase, while recognizing that uncertainty remains and COVID-19 impacts persist. ERRP implementation will draw on collaboration with key stakeholders, including the Acton and Georgetown Business Improvement Areas, and the Halton Hills Chamber of Commerce.

## **COMMENTS:**

### **1. Overview of Research Undertaken**

A number of sources were consulted in the development of the ERRP. They helped confirm key trends and findings, and identify areas where the Town may be able to assist. Research included a mix of international, national, provincial, regional and local sources, including:

- Halton Hills Business Impact Surveys – Town of Halton Hills (2020);
- Halton Region Business Impact Survey – Halton Region (2020);
- Halton Region Employment Survey – Halton Region (2020);
- Planning for Change: An Analysis of COVID-19's Acceleration of Economic Trends in Halton Region – StrategyCorp (2021); and
- Ontario Tourism Economic Recovery Ministerial Task Force Report – Province of Ontario (2021).
- Community Toolkit for Economic Recovery and Resiliency – Economic Developers Alberta (2019);
- Canadian Economic Development Organizations Survey – Mellor Murray (2020);

Staff also completed an environmental scan of municipal recovery plans and frameworks from across Southern Ontario, as well as a review of existing programs and supports offered by upper levels of government. A key objective of this environmental scan was to avoid duplication. Doing so also helped ensure that the ERRP is focused on areas where the Town is best able to provide assistance, while recognizing available staff and financial resources at the local level, and the Town's jurisdiction.

### **2. Trends and Key Findings**

COVID-19 continues to have significant implications, including as to where people choose to live, work and invest. Some of these factors are temporary, whereas others are expected to have a lasting impact. Five key trends emerged based on the research undertaken, specifically:

### *2.1 Uneven Impacts Across Sectors*

- Small businesses have been disproportionately impacted by pandemic closures, with the accommodation and food services sectors being amongst those hardest hit.
- The Canadian Federation of Independent Businesses reported that, as of February 2021, the average Canadian small business has taken on \$170,000 of unplanned debt during the pandemic. Further, 58,000 Canadian small businesses became inactive in 2020, and 1/6 of remaining businesses indicated they are at severe risk of closing permanently.

### *2.2 Changing Nature of Work*

- A number of businesses have decentralized from large downtown office space in favour of having employees work from home or smaller, suburban offices that facilitate co-working and provide access to outdoor open spaces. The likely evolution of the Work From Home trend is a state of “flex work”, where employees can work in an office setting, from home, or from an in-between location such as a co-working space.
- Automation is rising and is now extending into mid-skilled work. Evidence of this reduction in mid-skilled work can be seen in the fact that job losses in Canada during the pandemic were predominantly among people earning less than \$27.81/hour. High-wage earning jobs (more than \$41.73/hour) increased by 350,000 across Canada in 2020.

### *2.3 Digital Adoption and Changes to Retail Business Models*

- At the onset of the pandemic, while total retail sales decreased significantly, retail e-commerce sales nearly doubled. Moving forward, given the propensity for online shopping, retail companies may opt for smaller storefronts and kiosk-type models intended for display purposes only.
- Changes to retail models are also increasing the demand for warehousing space.

### *2.4 Increased Importance of Livable Communities*

- There has been a noticeable increase in the number of people moving from large cities to nearby communities in search of more affordable, larger, ground-oriented dwellings with easy access to outdoor open space.
- This does not represent the “Death of the Office” but rather the transformation of it. Proximity to work has always been a necessary condition to where people could live. However, workers will now have a greater choice in determining which location works best for their individual circumstances and their families - prioritizing things like access to schools,

childcare services, relatively more affordable housing, restaurants and entertainment venues.

### *2.5 Widening Skills Gap and Inequality*

- Workforce development surveys from across Ontario indicate that, despite higher unemployment rates, pre-pandemic worker shortages have continued and/or heightened – particularly in frontline and lower wage jobs.
- There has also been an increase in businesses adopting digital-enabled services and platforms. This is creating a greater demand for workers with strong digital skillsets.
- Looking forward, it will be important to ensure that workers do not permanently fall behind by focusing on re-training and upskilling.

## **3. Key ERRP Elements**

The ERRP is organized around three pillars:

- Information, Awareness and Engagement
- Business Resilience and Growth
- Continued Advocacy on Key Issues

As illustrated in Appendix 1, actions under each of the three pillars include:

### *3.1 Information, Awareness and Engagement*

- Launch a new Invest Halton Hills website ([investhaltonhills.com](http://investhaltonhills.com))
- Host Economic Recovery Roundtable events
- Implement a Comprehensive Economic Development Communications Plan
- Launch 'Discover the Hills' - Visit Halton Hills Blogs and Story Maps
- Hold Arts and Culture Meet-ups

### *3.2 Business Resilience and Growth*

- Offer the AI Fresco in the Hills Patio Program
- Update the Community Improvement Plan (CIP)
- Launch a Digital Toolkit for Small Businesses
- Join and collaborate with the Ontario Culinary Tourism Alliance
- Launch a second Digital Main Street Program
- Launch and expanded Shop Local Campaign
- Implement a Wayfinding and Signage Plan

- Develop and install new Halton Hills' Tourism Maps
- Support BIA street beautification improvements
- Explore the feasibility of establishing a local Coworking/Flex/Innovation Space
- Continue to support the Arts and Culture sector:
  - 'The Artist Next Door' – commissioning program for local artists
  - 'Artrepreneur' – business and entrepreneurship training program
  - Culture Days – annual month-long festival of community-led arts and culture activities
  - Opportunities for Local Artists to sell their work
  - Utility Box Mural Public Art Project – training artists in muralism, then painting local utility boxes in the future
  - Under Wraps – wrapping Town-owned utility boxes with works from local artists

### *3.3 Continued Advocacy on Key Issues*

- Continue to advocate to other levels of government on issues of importance to the local business community, including matters related to:
  - Further government support for safe reopening
  - Enhanced small business debt relief
  - Extension of existing support programs
  - Additional small business and start-up programming
  - Sector-specific assistance and support
  - Support for entrepreneurship and innovation

The ERRP is a mix of new and pre-existing actions, and those actions that have been modified in response to COVID-19. It is also a mix of actions that will be implemented over the short, mid and long-term.

To supplement the ERRP, staff will continue to implement key existing strategies and complementary programs to drive long-term economic recovery, resiliency and diversification, and non-residential assessment growth, including:

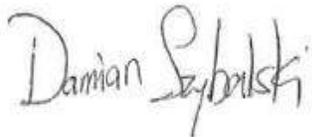
- Economic Development and Tourism Strategy;
- Foreign Direct Investment (FDI) Attraction Strategy;
- Business Concierge Program; and
- Business Retention & Expansion (BR&E) Program.

## **CONCLUSION:**

The pandemic has caused unprecedented shocks to the economy. As the pandemic has evolved, so too has the Town's response. Building on actions taken to date, the Economic Recovery and Resiliency Plan will continue to support the local business community through a variety of initiatives.

Economic prosperity and the success of Halton Hills' businesses is key to the Town's ability to deliver the services that residents and businesses rely on. Staff will continue to assess the most current economic data, and continue to take proactive, decisive and coordinated action to respond to COVID-19.

Reviewed and approved by,

A handwritten signature in black ink that reads "Damian Szybalski". The signature is written in a cursive style with a large initial 'D'.

Damian Szybalski, Director of Economic Development, Innovation & Culture

A handwritten signature in black ink that reads "Chris Mills". The signature is written in a cursive style with a large initial 'C'.

Chris Mills, Acting Chief Administrative Officer