

## For Information Only

### Director's Report - Economic Development Business Support and Recovery Efforts

Presented To:	City Council
Presented:	Tuesday, Jun 23, 2020
Report Date	Wednesday, Jun 10, 2020
Type:	Managers' Reports

#### Resolution

For Information Only

#### Relationship to the Strategic Plan / Health Impact Assessment

The information included in the Director's Report aligns with Council's Strategic Objectives including *Business Attraction, Development and Retention* as well as *Economic Capacity and Investment Readiness*.

#### Report Summary

The attached Director's Report was presented to the Greater Sudbury Development Corporation (GSDC) Board of Directors at their regular meeting of June 10, 2020. It is being shared here with Council as an Information Item, and includes information pertinent to current COVID context and ongoing economic development and recovery efforts in the community.

This type of information is included each month in the GSDC Board agenda package, and includes a number of items that have also been shared previously with Council as part of regular updates. In the interest of communication and collaboration between the GSDC Board, the Economic Development division and Council, this report may be provided to Council on an ongoing basis.

Finally, the report also includes a number of web links to the Economic Support & Recovery page on the City's website as well as to the Council Updates page that is maintained on the Economic Development InvestSudbury.ca website. Together with the Business Support Hotline, these are available as tools to the local business community, as well as to Council.

#### Financial Implications

There are no financial implications associated with this report.

#### Signed By

**Report Prepared By**

Meredith Armstrong  
Acting Director of Economic  
Development  
*Digitally Signed Jun 10, 20*

**Financial Implications**

Steve Facey  
Manager of Financial Planning &  
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*Digitally Signed Jun 11, 20*

**Recommended by the C.A.O.**

Ed Archer  
Chief Administrative Officer  
*Digitally Signed Jun 11, 20*

## **Director's Report**

### **Economic Development Business Support and Recovery Efforts**

Updated as of Friday, June 5

*\*Regular updates are also posted on <https://investsudbury.ca/updates/>*

*\*Business Resources available and updated on*

*<https://www.greatersudbury.ca/live/covid-19-coronavirus/economic-support-recovery/>*

*\*The Business Support Hotline is available Monday to Friday, 8:30-4:30 at 705-690-9937.*

#### **BUSINESS CONTINUITY**

##### **Digital Mainstreet ShopHERE Initiative**

ShopHERE provides independent small businesses and artists with a quick, easy and no-cost way to get selling online right away. The program is being developed by Digital Main Street in collaboration with Google, Shopify, Mastercard and Microsoft to build and optimize online stores for small independent businesses and artists in a very short period of time - often in days.

Through the program, smaller independent businesses and artists can get a new e-commerce capable website free of charge, and the web development and e-commerce work is completed by a combination of students and volunteer developers from the private sector. Downtown Sudbury BIA had previously worked with Digital Main Street to assist downtown businesses to take advantage of DMS to get grants toward new websites. Economic Development staff will be working with Digital Main Street, the BIA and Business Continuity partners as well as directly with small businesses to assist entrepreneurs to take advantage of this program and to get as many small businesses online as possible in the coming weeks. More information is available at <https://digitalmainstreet.ca/shophere/>.

##### **Business Support Hotline**

The Business Support Hotline has received 39 calls since its inception on March 25th, 2020. Most recently, information has been shared in response to inquiries related to funding opportunities for both profit and not-for-profit entities; of particular interest is the Regional Relief & Recovery Fund, the criteria to apply for outdoor patio permits, instruction as to how to re-open businesses in compliance with safety guidelines. Accessibility to commercial rent relief continues to be problematic for commercial tenants since the program requires applications from landlords.

##### **Business Outreach Calls**

With the declaration of a province-wide State of Emergency, many businesses were forced to close, with many more still experiencing a significant impact as a result of the global pandemic. Due to this unprecedented situation, in mid-March Economic Development staff turned their focus to business outreach, and began a corporate calling program to assess the impact of COVID-19 on local businesses while also sharing information and resources to help them mitigate the situation. From mid-March through the end of May, staff spoke to 276 businesses across all of the sectors that make up Greater Sudbury's economy. In the second round of business impact calls, staff spoke to 123 businesses (out of the total 276 cited above). Of these businesses:

- The sector breakdown of businesses engaged are as follows: 2.4% Finance & Insurance; 3.3% Real Estate, Rental and Leasing; 5.7% Professional, Scientific & Technical Services; 0.8% Administrative & Support, Waste Management & Remediation Services; 0.8% Educational Services; 3.3% Healthcare & Social Assistance; 16.3% Mining Services; 4.9% Manufacturing; 13.8% Accommodations & Food Services; 18.7% Retail Trade; 14.6% Arts, Entertainment & Recreation; 3.3% Information & Cultural Industries; 0.8% Construction; 2.4% Wholesale Trade; 0.8% Agriculture, Forestry, Fishing & Hunting; 8.1% Other.
- Of those engaged, 32% are still operating; 51.6% are still operating but with reduced hours/capacity; and 16.4% have closed their doors temporarily.
- 53.4% have had to temporarily lay off staff
- 44.9% have not had any staffing changes
- 0.8% have hired additional staff
- 0.8% have had to lay off staff permanently
- Of the businesses who have taken measures to adapt to the pandemic:
  - 48.3% are working remotely
  - 29.9% have transitioned to online ordering
  - 39.1% are offering curbside pickup
  - 2.3% are offering virtual experiences
  - 29.9% have implemented other measures such as, COVID specific work and operating by appointment only
- 62.2% believe their business will benefit from the programs announced by government; 40% don't believe their business will benefit from these programs

Some of the biggest concerns expressed by businesses were the ability to meet immediate cash flow requirements such as rent and payroll. One of the positive findings discovered through these outreach efforts was the fact that most companies in the mining and mining supply sectors are still operating (mining was designated an essential industry) and most have retained their entire workforces while acquiring more PPE and adopting measures to accommodate physical distancing.

With the economy beginning to reopen, as of June 1<sup>st</sup> Economic Development staff are continuing to call businesses to better understand the economic recovery underway. The aim of these calls is to ascertain whether businesses are reopening and recalling staff as well as learning what new challenges they face and sharing the necessary information and resources to assist them through this process.

### **Business Survey Results**

Business Impact Survey results for April are now in. Over 300 local businesses responded to the survey which assesses the impact COVID-19 is having on their business, their workforce, and the economy. In partnership with the City of Greater Sudbury, Greater Sudbury Chamber of Commerce and Workforce Planning, the survey was conducted between April 27 to May 4, 2020 to get a pulse on what is happening in our community. The next monthly survey was circulated starting May 25, 2020 and those results are currently being tallied and should be released by mid-June. Results for the April survey are available here: <https://bit.ly/2zCJ26t>

## **INVESTMENT & BUSINESS DEVELOPMENT**

### **Employment Land Strategy**

The firm of Cushman and Wakefield has been selected as the successful proponent to undertake the City of Greater Sudbury's Employment Land Strategy, which is being completed with funding contributed by the GSDC. Cushman & Wakefield provides market and land asset strategies to Canada's leading public and private sector institutions and corporations, combining robust economic and financial analytics with a current understanding of market realities to deliver achievable strategies and solutions. The consultant team's experience includes the development of an Employment Land Strategy for the City of Thunder Bay, Municipal Comprehensive Review of Employment Lands for the City of Mississauga and the Niagara Gateway Economic Zone and Centre Employment Lands Strategy. The project is scheduled to begin on June 16th and will take approximately 12 months to complete. The GSDC Board will be invited to provide input as part of the stakeholder engagement components, and will receive regular updates on progress.

### **Northern Ontario Export Assistance Program Launch**

Economic Development staff are pleased to announce a re-start of the popular Export Marketing Assistance (EMA) Program for Northern Ontario-Based SMEs and organizations. As part of the Northern Ontario Exports Program run by Ontario's North Economic Development Corporation, this program is run by The City of Greater Sudbury through the Economic Development department and provides funding support for export marketing initiatives to companies. The previous round of the program included a \$30,000 contribution from the GSDC toward a total \$3.9M Pan-Northern program including enticed private sector spending of \$1.4M. More than 50 Sudbury area companies took advantage of the EMA Program between 2016 and early 2019 with total funds disbursed of \$409k leveraging total local company spending on export initiatives of \$1.04M. Given the current challenges companies are facing with COVID 19, the EMA program will provide valuable support for our local economy as we emerge from the crisis.

### **Conference Board of Canada**

Conference Board of Canada has released their updated Metropolitan Housing Starts. According to their findings, nearly 60 percent of Canadian metropolitan areas have negative short-term and long-term expectations. Greater Sudbury is one of only six municipalities out of 28 cities with positive trend expectations for both the short and long terms, as Greater Sudbury is occupying the best position on the Up-Up quadrant in the Expectation Matrix. That shows positive prospects for both short- and long-term growth. Year-over-year analysis shows an increase of 23 per cent of Housing Starts in Greater Sudbury in April 2020. To view the full report please click [here](#).

## **TOURISM & CULTURE**

Tourism & Culture staff are participating in a number regional and provincial calls/webinars to track and report impacts of COVID19 on the sector (16 sector calls and 10 webinars tracked in May). Staff are communicating concerns from the sector via our Business Continuity partnership to share on these calls, and collecting information and resources from the webinars to communicate with stakeholders directly or through our weekly newsletter.

## **Tourism Industry Association of Ontario (TIAO) Survey 5.0 Results**

The data collected from Survey 5.0 indicates that the greatest risks to tourism operations are:

- Uncertainty around when and how they will be able to re-open
- Lack of information and clarity around the re-opening of borders
- Lack of access to the Ontario-Canadian Emergency Commercial Rent Assistance
- Temporary closures becoming permanent
- Ineligibility for existing government aid
- Insurmountable debt levels and severe disruptions to cash flow
- Risk of bankruptcy
- Government aid not sufficient to ensure the viability of some tourism businesses

Top line data:

- More than 65% of tourism businesses are temporarily closed
- 37% of seasonal tourism businesses will be unable to open for the summer season
- 53% of tourism businesses report that the current forms of government aid are not enough to ensure their business remains viable throughout the COVID-19 pandemic.

Problems with the Ontario-Canadian Emergency Commercial Rent Assistance (OCERCA):

- Less than 4% of tourism businesses report that their landlords have applied for OCERCA

## **Meetings & Events Sector**

Staff are closely monitoring the meetings & events industry in Canada and the ongoing efforts to obtain relevant and up to date information in regards to re-opening this sector. As of mid-April, Destination Canada estimates that

- The losses to the sector are 1,732 events, 733,984 delegates, \$636.84M in direct spending nationally
- Compared to 2019, this represents a loss of 65% of the events, 52% of the delegates and 54% of the direct spending. The events planned for the rest of the year are still at risk of being cancelled or rebooked.
- Recent survey for the future of conferences conducted by Schafer Marketing Solutions states more than 90 percent of the respondents included “vaccination” or some sort of effective medical therapy in their response when asked what would be required for them to feel comfortable attending conferences now.

## **Tourism Development Fund**

Staff are completing the planning for the launch of the Tourism Development Fund on Tuesday, June 9th. Information and the application will be available at [investsudbury.ca/tdf/](https://investsudbury.ca/tdf/).

## **Film & Television**

Minister Lisa MacLeod's COVID-19 Film and Television Workforce Development Sub-Committee has submitted their final report of responses to the Ministry of Heritage, Sport, Tourism and Culture Industries. Economic Development staff participated in these discussions as part of the Subcommittee itself. As a result of COVID-19, estimates show that the province of Ontario will see a loss of 13,500 full-time equivalent jobs, \$713M in lost direct spending, and

an average of 45,000 workers out of work each month. The sector is currently working together to develop health and safety protocols that will ensure a safe working environment when it is safe to return to work. The sub-committee is also seeking government support in a variety of new proposed initiatives.

Staff are participating on a Municipal Impacts for Film Committee, led by Ontario Creates. The group is working to protect and support the sector as it returns post COVID -19. Ontario's productions are comprised of 50% domestic projects, and sector projections indicate that US productions that may have gone overseas previously will instead seek to stay in North America. This is expected to yield increased opportunities for Ontario. Staff participate on weekly scouting calls to understand the opportunities for Ontario and how best to position the North.

### **Arts & Culture Grants**

Staff worked with both the Operating and Project Jury to allocate the grant funds for 2020. Staff have reached out to all 39 (16 operating and 23 project) proponents and are reviewing feedback and allocations with impacts of COVID 19 in mind.

## **REGIONAL BUSINESS CENTRE**

Despite current challenges, the Regional Business Centre continues to support entrepreneurs to start or grow their business. During the month of May, staff received 220 inquiries on a variety of non-COVID related topics including start-up regulations, business plan development, marketing research and funding. The Regional Business Centre also provided in-depth consultations to 33 new business start-ups and 36 existing businesses.

With everything rapidly moving online, the Regional Business Centre has pivoted its seminars and outreach activities to cater to a virtual audience. A webinar on Commercial Leases & COVID-19 was hosted on May 20th in partnership with Conroy Scott LLP. A total of 14 people participated in the webinar which facilitated discussion on topics such as understanding the rights and obligations of landlords and tenants in commercial leases, the impacts of Covid-19 on tenants and landlords and the Ontario-Canada Emergency Commercial Rent Assistance program.

Virtual "coffee chats" are the newest initiative launched by the Regional Business Centre. The weekly series features local entrepreneurs who share their experience as business owners as well as invites subject matter experts who provide information to support businesses navigate the challenges brought on by the Covid-19 pandemic. A total of 37 participants logged onto the first 3 coffee chats facilitated by the following engaging entrepreneurs:

- Greater Sudbury Plumbing and Heating - May 12th
- Kadence Music Therapy - May 19th
- Boss Supplements - May 26th

Coffee chats will continue to be hosted weekly through to the end of July. To view the upcoming coffee chat and webinar schedule, click [here](#).

As a result of new provincial funding, the Regional Business Centre has strengthened its existing partnership with la Société économique de l'Ontario (SÉO) to provide learning, training and networking opportunities for Francophone entrepreneurs in Greater Sudbury. The organizations will collaboratively host monthly francophone on-line Coffee Chats, organize six webinars and conduct a survey of the Francophone business landscape. The partners successfully hosted the first Francophone Coffee Chat on June 2 which featured Linda Audette, owner of The Plus Factor, and attracted 18 participants.

## **IMMIGRATION**

### **Rural & Northern Immigration Pilot**

On May 22nd, two draws were conducted for the Rural and Northern Immigration Pilot Program (RNIP) and candidates were issued an invitation to apply for a community recommendation. A total of 12 invitations were issued: 10 candidates were invited from the general stream, with a minimum score of 235. An additional two were invited through the Employer Stream, with a minimum score of 136 points. Candidates will provide supporting documents and undergo additional screening before their application is brought forward to the GSDC RNIP Community Selection Committee for consideration. To date, one of the 100 permitted recommendations for Year 1 (ending October 31st 2020) have been issued.

### **Local Immigration Partnership**

The Sudbury Local Immigration Partnership is excited to start delivering a number of activities funded and approved by the Federal Government. These activities will support the proper settlement and retention rates of newcomers in our community and will include cross-cultural training initiatives, anti-racism activities, development of messages to the community regarding the importance of immigration and diversity with many partners including Indigenous communities. The Board of Directors of the LIP is working closely with Enrique Paraco as Coordinator on the proper implementation of this plan in order to increase its impact to the newcomer community.