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## **MEMORANDUM**

**ED 9-2020**

**Subject:** COVID-19 Response and Business Continuity in Economic Development  
**Date:** July 15, 2020  
**To:** Planning and Economic Development Committee  
**From:** Valerie Kuhns, Acting Director, Economic Development

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### ***Economic Development***

#### **Current Status of Operations**

This report is the economic development division's monthly update on our response to COVID-19 and business continuity. Niagara Economic Development continues to focus its work on supporting local businesses through new initiatives developed in collaboration with the other Economic Development offices in the region as the Economic Rapid Response Team (ERRT). The majority of our team are working from home and are starting to consider doing so on a longer term basis. We hold regular team meetings through Zoom to provide more formal updates but are in constant contact through video conferencing, email and cell phone calls. The level of productivity is high and it is impressive that the team has been able to adapt to the change in work focus and working environment.

#### **Service/Operational Changes**

We are now beginning to look longer term and exploring how new tools and processes can be developed to continue with our regular work in a modified way. Despite not actively being engaged in lead generation we continue to receive investment inquiries and respond to them. Going forward into the fall, we are looking into holding virtual FDI meetings and virtual site tours.

#### **Significant Initiatives or Actions Taken**

The COVID-19 webpage continues to provide up to date information on provincial and federal announcements, new funding programs, and local support. The link to the

website is [errt.niagararegion.ca](http://errt.niagararegion.ca). In the last 30 days, the website has had 712 page views and 249 were unique visits.

The dedicated ERRT email remains available for businesses to contact to ask questions. The emails are triaged and sent to the appropriate municipal Economic Development office or organization to respond immediately. The email address is [ERRT@niagararegion.ca](mailto:ERRT@niagararegion.ca)

The ERRT is promoting a Niagara PPE list that is continually updated by the Niagara Industrial Association. The list includes members and non-member companies from Niagara who produce different types of PPE or have pivoted to produce PPE. The directory has been built and is hosted on our website at <https://niagaracanada.com/covid-19/ppe/>

The first COVID-19 Business Impact Survey report was released in May and the results widely circulated to upper levels of government as well as FCM, AMO, FedDev etc. and the results also informed our recovery planning conversations.

The second COVID-19 Business Impact Survey closed on June 1<sup>st</sup> and a report has been circulated to all economic development offices and an extensive list of key business stakeholders and supporters in the region. A government relations plan was also executed that disseminated the information to the appropriate contacts in upper levels of government as well as FCM, AMO and FedDev.

This survey was focused on recovery, with questions that addressed the funding programs that businesses accessed, the areas where they require further assistance, the largest barriers to re-opening, etc. The survey yielded responses from 1,382 business across all 12 municipalities in Niagara. The full survey analysis report was circulated to Regional Council in the Weekly Correspondence but is also attached to this report as Appendix A.

Key highlights contained in the Part 2 Survey Results include:

- 1,103 businesses accessed the various federal/provincial relief programs, while 229 respondents had not accessed any programs at all.
- The most popular government programs were the Canada Emergency Wage Subsidy, Canada Emergency Business, and the Canada Emergency Response Benefit.

- Estimated total lost revenue is \$7.8 billion across the economy, which can be largely attributed to Niagara's higher concentration of tourism-oriented industry sectors.
- Jobs losses are expected to be significantly higher than what was reported in the Labour Force Survey (35,200+).
- Many businesses are not able to meet their monthly financial obligations o 36% reported the ability to only pay up to 50 percent of fixed expenses, i.e. rent, insurance, payroll, etc., and 22% reported only being able to cover up to 25% of fixed expenses.
- 35% of businesses surveyed reported they are either at risk of permanent closure or vulnerable to closure, which disproportionately affects accommodation and food services; arts, entertainment and recreation, retail trade, and other personal services.

Through work with the members of the Niagara (ERRT), a draft Economic Recovery Plan has been created to address the business needs identified through the second survey. The draft Economic Recovery Plan has been circulated to Economic Development Officers, Chambers of Commerce, academic institutions, sector associations, and additional stakeholders across the region for input. The Plan is organized in three pillars: Research and Information; Advocacy and Resilience and actions are organized into Immediate, Mid-Term and Long-Term timeframes. The most recent draft version of this plan is attached to this report in Appendix B.

The Economic Development division has partnered with Emergency Management and Public Health to facilitate weekly calls with business membership organizations from across the region, including but not limited to Chambers of Commerce, BIAs, etc. The calls focus on relevant safety guidelines and documents that are meant to assist businesses in safely reopening. The attendees provide a channel to inform their members on critical topics such as use of PPE, safe patio expansion, return to work guidelines, etc.

The partnership with Venture Niagara, Community Futures Development Corporation on the Regional Recovery and Relief Fund's (RRRF) administration, loan approvals, and promotion continues to be strong. This program was announced by FedDev at the end of May.

The businesses eligible for loans through the RRRF are those that have not been able to access other Federal Government programs. More specifically, the targeted businesses include sole proprietorships, "Main Street" type businesses and tourism-

based businesses. Approximately 20 businesses have received these loans or approval for financing to date, with new applications being prepared and approved weekly. The amount of money that has been provided to ranges from \$2,500 to \$40,000 which is the maximum amount available under the program.

<https://www.ventureniagara.com/regional-relief-recovery-fund/>

Niagara Economic Development continues to represent the region on weekly GTA Economic Development Alliance meetings. This group is jointly promoting the impact being felt by businesses across the GTA to the provincial and federal governments and serves a resource for discussion on recovery planning best practices. The framework of the Niagara Economic Recovery Plan mirrors the framework being used by the GTA Alliance, to reflect the broader economic implications of the pandemic in our recovery efforts.

### **Operational Outlook**

The operational outlook is dependant on the ongoing situation and impact of COVID-19. At the present time there are still many unknowns, including the possibility of a second wave. Due to these uncertainties, the outlook is flexible and will be revised as necessary.

#### **1 month**

- Economic Recovery Plan completed and implementation ongoing.
- Continued support to local businesses through ERRT initiatives.
- NED's budget reviewed and funds re-allocated to support local business and LAM recovery projects.
- Ongoing collaboration with local Economic Development Offices, Chambers of Commerce, Niagara Workforce Planning Board, Niagara Industrial Association etc.
- Explore new tools to conduct economic development activities virtually.
- Most team members continue to work remotely.

#### **3 months**

- Continued implementation of the Economic Recovery Plan focused on long term actions.

- Monitor the economic indicators to better understand the impact of COVID-19 on the local economy compared to previous years, and determine where resources could best be utilized to maximize ongoing economic development programming.
- Development of the 10 Year Economic Development Strategy starts.
- Virtual Foreign Direct Investment program throughout the fall.
- Ongoing collaboration with local Economic Development Offices, Chambers of Commerce, Niagara Workforce Planning Board, Niagara Industrial Association etc.

#### 6 months

- Economic research and stakeholder consultation for 10 Year Economic Development Strategy completed.
- Review of ERRT initiatives depending on the continued impact of COVID-19.
- Continue to monitor the economic indicators to better understand the impact of COVID-19 on the local economy compared to previous years, and determine where resources could best be utilized to maximize ongoing economic development programming.
- Review work practices depending on Niagara Region recommendations and Public Health.
- Development of an economic emergency communications plan to address possible future emergencies that may impact the regional economy.
- Ongoing collaboration with local Economic Development Offices, Chambers of Commerce, Niagara Workforce Planning Board, Niagara Industrial Association etc.

Respectfully submitted and signed by

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Valerie Kuhns  
Acting Director, Economic Development

#### **Appendices**

Appendix A Niagara COVID-19 Business Impact Survey Report – Part 2

Appendix B Niagara ERRT's Draft Economic Recovery Plan