



INFORMATION ONLY COUNCIL REPORT

To: Paul Gipps, CAO

Date: September 29, 2020

From: John Perrott, Economic Development & Tourism
Manager

File No: 6750-30

Subject: **COVID-19 Economic Development & Tourism Update #2**

EXECUTIVE SUMMARY

The purpose of this report is to provide Council with an economic overview and activity update as a result of COVID-19 for the following areas:

- Regional and community economic indicators
- City's Economic Development and Tourism office response activities
- Council's Economic Development Committee
- Regional response activities including the Central Okanagan Economic Development Commission and the Regional Economic Recovery Taskforce

STRATEGIC AREA(S) OF FOCUS

Economic Growth and Prosperity – to advance opportunities to expand our economy, increase employment, and develop a community in ways that contribute towards prosperity for all.

BACKGROUND

The support that the Economic Development and Tourism office has been providing is:

- Managing inbound inquiries by new businesses and investors who are looking to invest in the community,
- Sourcing information and data to help support investment decisions,
- Help existing community businesses to access City services or departments,
- Support existing businesses, where possible, to address their operating challenges - this may include connection to other businesses for support services (e.g. accounting, human resources, etc.), referral to regional or provincial support organizations, site selection supports, etc.
- Providing business-to-business referrals to identify potential cooperation opportunities between businesses – working as a business community connector

- Building and maintaining relationships with business community stakeholders and regional business support organizations
- Building and maintaining destination marketing & management activities.

On May 5, 2020, Council received the COVID-19 Economic Development and Tourism Response Update #1, which outlined the framework and approach of the City's Economic Development and Tourism Department in response to the impacts experienced by local businesses due to COVID-19. Within that report, there were four stages for communities experiencing economic disruptions: preparedness, response, recovery, and mitigation. Due to the prolonged nature of the pandemic, the current status is estimated to be within a managed response phase as the immediate impacts some local businesses experienced in March and April and been addressed through modified business practices and/or financial support programs available through the provincial and federal governments. Examples of business supports and resources provided by each level of government include:

Government of Canada	Direct financial supports for businesses impacted by COVID-19 like the Canada Emergency Business Account Loan, Canada Emergency Wage Subsidy program, Canada Emergency Commercial Rent Assistance loans, and Canada Emergency Response Benefit. Deferring remittances of taxes collected.
Province of British Columbia	Canada Commercial Rent Assistance (partnership with Federal Government); Rental relief for Commercial Property Owners & Tenants; deferral of tax and Employer Health Tax deadlines; flexible payment plans with ICBC, BC Hydro, FortisBC, WorkSafeBC, etc; Health Guidelines for business operations; sector supports through industry groups and associations; relaxing of regulations for greater business operation flexibility (e.g. allowing restaurants to expand patio, sell and deliver alcohol, etc).
Local Government & Regional District	Property Tax deferment, reducing operating regulations for business, online resource portals, direct one-on-one support with business owners by staff members.

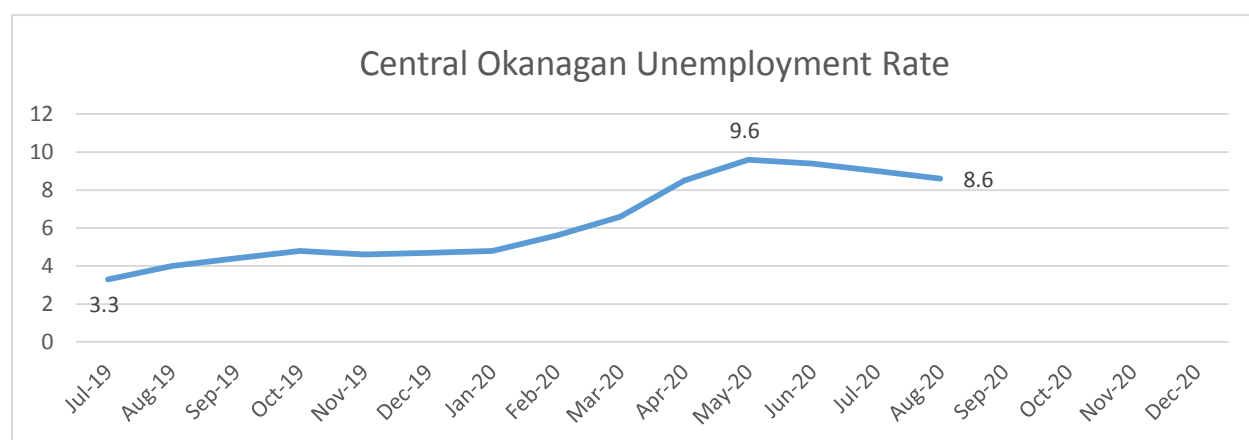
The combination of direct and indirect supports offered by all levels of government are intended to help businesses to weather the economic disruptions caused by COVID-19 to date.

Regional Economic Indicators

Labour force data is collected by Statistics Canada and reported out on a monthly basis at federal, provincial, and regional levels - data for West Kelowna is included as part of the Central Okanagan reporting region. Looking back to last summer, the Central

Okanagan businesses faced a low unemployment rate of just 3.3% that created challenges for businesses at the time as they were constantly describing the challenge of finding employees to serve their customers.

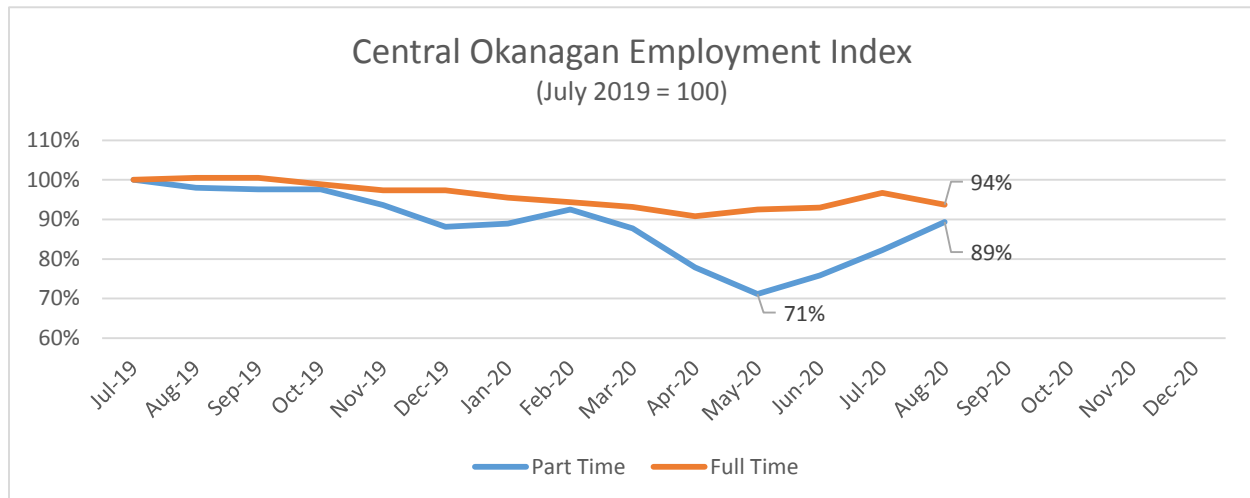
Because of COVID-19, unemployment rose to a peak of 9.6% in May 2020¹ due to layoffs in various business sectors. It should be noted that this recent peak of 9.6% is not the highest rate of unemployment experienced in the Central Okanagan region in the last twenty years – previous records of 12% and 11.7% were seen in January 2001 and May 2002 respectively. By August, as businesses continued to recall previously laid-off employees, the unemployment rate had steadily improved with three consecutive months of declining unemployment to 8.6% in August.



For context, when reviewing the data regarding unemployment in the region in the last year, part-time employees within the region were the most affected, with as many as 30% of part time workers out of work in May 2020² compared to July 2019. The decline in part-time jobs compared to full-time jobs can likely be attributed to the impacts faced by those retail, restaurant and services sectors who rely on part-time workers and whose business operations were curtailed due to the direction set forth by the Provincial Public Health Officer in March. As those business sectors were able to reopen under new safe operating measures in May and June, and as they brought back their employees, part-time employment began to rebound with approximately 89% of part time employees back at work.

¹ Source: Statistics Canada Table: 14-10-0095-01 (September 2020)

² Source: Statistics Canada Table: 14-10-0095-01 (September 2020)

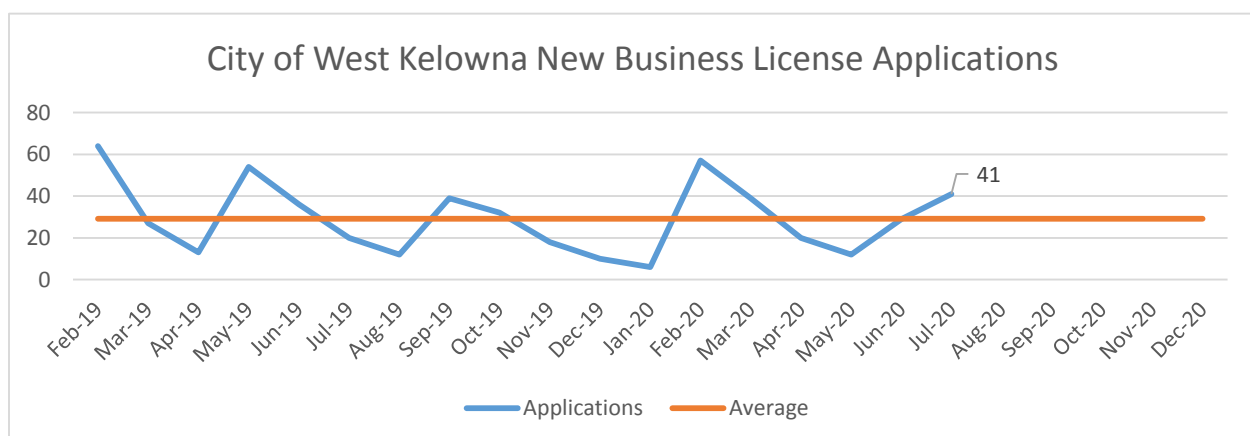


West Kelowna Economic Indicators

Measuring the direct impact of COVID-19 on the local economy is difficult as data collected by the other levels of government is not available at a community level. As a result, data from within the municipality and through British Columbia's Data BC portal was used to create some community-level economic indicators for the purposes of this report to gauge the impacts of COVID-19 on the local economy.

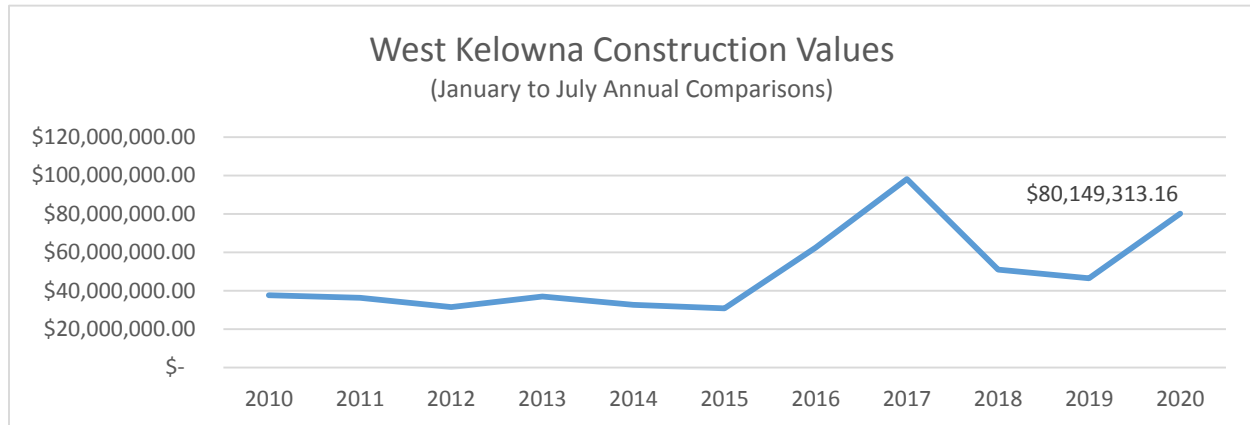
New Business License Applications

In the last 18 months, the City of West Kelowna received an average of 29 business license applications from prospective entrepreneurs seeking to open their business in the community. Applications appear to be seasonal in nature as new business license applications increase in anticipation of being open for key periods of the year (e.g. summer, back to school, Christmas, etc.). Compared to 2019, the normal April/May increase in applications appears to have been pushed back until June and July due to COVID-19. Overall, in the first half of 2020, the City had 204 new applications compared to 239 in the same period in 2019.



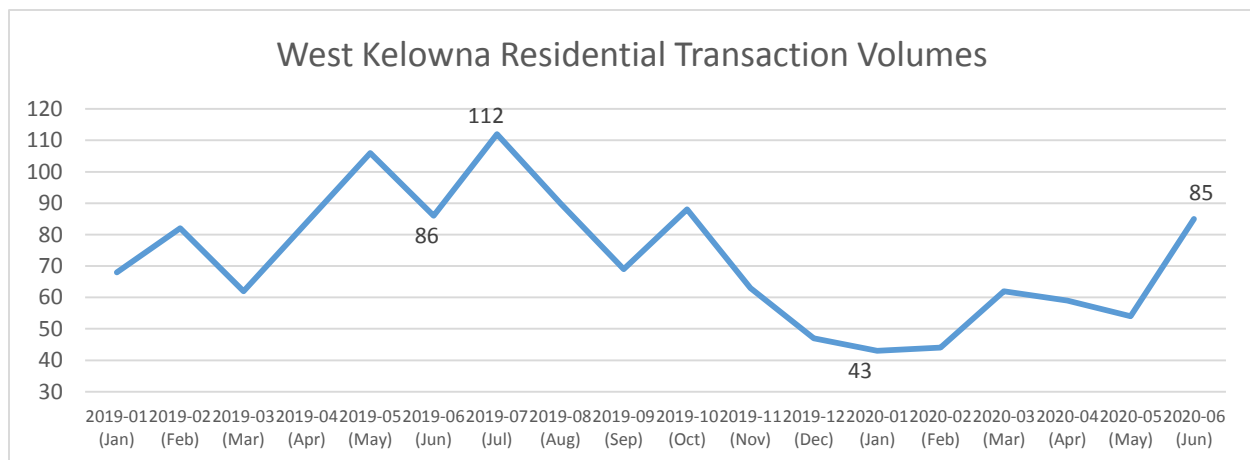
Real Estate Development and Sales

Construction in West Kelowna remained robust in the first six months of 2020 with just over \$80 million in projects³. When comparing construction values of the first six months in each year since 2010, 2020 is the second highest year for construction value.



Projects contributing to this amount include multi-family, industrial, commercial, and agricultural projects throughout the community.

Residential real estate transaction activity in West Kelowna started the year below the monthly average of 72 transactions per month, but was trending upward just as COVID-19 hit in March. Following a small decrease in April and May, transaction activity noticeably increased to 85 transactions reported in June 2020⁴. Anecdotal information from local real estate agents in the community indicated that the trend of increased transaction volumes continued well into July and August.



³ Source: City of West Kelowna Development Services Monthly Development Statistics

⁴ Source: Data BC

City Economic Development & Tourism Office

Since reporting to Council in May, the Economic Development and Tourism Office has experienced a reduction in COVID-19 related support requests for financial and safe-operating guideline referrals from West Kelowna businesses compared the initial weeks of the pandemic starting in mid-March. This is consistent with what other Economic Development offices in neighbouring communities have experienced as businesses began to adapt to new operating procedures and/or had successfully accessed financial support programs.

Since then, businesses and business groups in the community requested support on a variety of operating related issues as they worked their way through adjusting to safe operations and meeting the changing expectations of their customers due to COVID-19. Highlights of how the Economic Development and Tourism Office have supported local businesses have included:

- Providing referrals for businesses in the community on where to source local safe operating essentials like acrylic barriers, floor stickers & posters, cleaners, etc.
- Designing floor stickers for members of the Westside Wine Trail to use at their wineries to help socially distance guests free of charge.
- Designing floor stickers for the West Kelowna Visitor Center and offering the designs to local hotels to use in their properties free of charge.
- Sourcing and coordinating acrylic barriers for the service counters at the West Kelowna Visitor Centre.
- Developing & coordinating the installation of additional directional signage for visitors attending the wineries along Glencoe Road.
- Initiating a Wine Trail sign review throughout the community in collaboration with members of the Westside Wine Trail to help improve circulation of wine-related guests to the community, including examining signage improvements along Highway 97 with the Ministry of Transportation and Infrastructure.
- Supporting the Greater Westside Board of Trade's Board of Directors to help provide regional connections on programs, supports and information.



As the BC Restart Plan moved into Phase 3 in June that encouraged intra-provincial tourism and travel, local tourism businesses adjusted their operating procedures based on the guidelines set forth by WorkSafe BC and the Provincial Health Officer to manage their operations and welcome guests. The City's Economic Development and Tourism Office re-engaged its Visit Westside marketing program after taking a hiatus while the Provincial Health Officer did not recommend travel in the period of mid-March to early June. Marketing and promotional efforts returned slowly with a focus on inspiring residents to explore their own backyard in a safe and responsible manner. Highlights of those COVID-19 related tourism promotional efforts included:

- Social media posts across on Visit Westside Facebook, Instagram, and Twitter channels highlighting local tourism businesses, their safe operating activities, and events.



- Development and distribution of six “Fresh Sheets” highlighting events and special activities occurring on the Westside. With limited capacity for attendees, businesses sought to promote their events through our channels in an effort to ensure that guests could get information and tickets in advance as spaces generally filled up quickly.

FRESH SHEET

Remember, new protocols are in place at many businesses. Plan, call ahead & enjoy!

VISIT WESTSIDE
west kelowna • westbank first nation
visitwestside.com

<p>Live Music @ Off the Grid</p> <p>AUG 20 - Reserve a picnic table for live music on Thursdays. Book your table online @ offthegridorganicwinery.com 5-7pm 3623 Glencoe Rd</p>	<p>Creative Art Series</p> <p>AUG 22 – Unleash your creative artist with a guided painting workshop. Louise Lambert will guide you and the focus is on Monet. Tickets include supplies, glass of wine & tasty bites. 11am – 1:30 pm 2550 Boucherie Rd</p>	<p>Westbank Farmer's Market</p> <p>AUG 22 -Fresh produce, fruit, baked goods and vendors each Saturday. 9am – 1 pm Corner of Elliott & Main (Hwy 97)</p>
<p>Live Music @ Annie's (Frind Estate Winery)</p> <p>AUG 20 – Enjoy live music on the lakeside patio while enjoying wines & shared plates. Limited seating, so arrive early. Tickets not required. Artist: Derek Joel 5-7pm 3725 Boucherie Rd</p>	<p>Rise & Vine Yoga</p> <p>AUG 22 – Start your day by centering your mind and body in an outdoor lakefront yoga class. \$20 pp. 10-11 am Frind Winery 3725 Boucherie</p>	<p>Saturday Happy Hour Live Music – The Jazz Tex Trio</p> <p>AUG 22 – Enjoy a glass of wine, food truck fare & live music in the outdoor courtyard. General admission free or reserve a picnic spot. 4-6pm Grizzli Winery 2550 Boucherie Rd</p>

- Sponsored content on KelownaNow.com: "[15 reasons to travel the Westside Wine Trail](#)" on June 26th. The article below was placed in partnership with the Westside Wine Trail Association to promote members of the Wine Trail and what visitors could expect during their visits to the wineries:





FOOD & DRINK	BIZ+TECH	TRAVEL & LIFESTYLE	ARTS & CULTURE	NEWS & CITY INFO	FIREWATCH	SHOP LOCAL	ADV
BIG WHITE SKI RESORT	REAL ESTATE	CONTESTS	BEST OF THE CITY	MORE	SUBSCRIBE	NEARBY	COVID-19 UPDATES

Sponsored posted Jun 26, 2020 @ 03:45pm by Jorden Puzzella

15 reasons to travel the Westside Wine Trail










Listen to this article now
18:48 Powered by [Trinity Audio](#)

The Westside Wine Trail Wineries are open and that means that you've got 15 reasons to travel the Trail.

"From all of us along the Westside Wine Trail, thank you so much for your continued support over the past few months! As we enter this new phase, let's keep that local love going and support our community's tourism businesses, which can help us reconnect to the places where we live and discover new ways of exploring and enjoying our own backyards."

As member tasting rooms reopen, each winery wants to ensure that their families, staff and customers have a safe, comfortable and welcoming experience, so they've prepared a few things to keep in mind as we navigate this new normal together.

- *Please be patient as we are all learning together*
- *Maintain social distance of 6' (or 6 wine bottles)*
- *Note that many tasting rooms have plexiglass partitions for the tasting bar and staff will be wearing masks*
- *Sanitize your hands before and after your experiences*
- *Please stay home if you feel unwell at all*
- *Please follow all regulations of the establishment you are in*
- *Stay safe and have fun!*

Enjoy this alphabetical scroll through the Westside Wine Trail and know that along with the list below, the City of West Kelowna has a lot to experience, including hiking and biking trails, beaches and parks, restaurants and more Westside fun. To add to your Westside Wine Trail adventure, you can find new ideas for a great summer #stacation online at [visitwestside.com](#) and [thewestsidewinetrail.com](#).

This article was read more than 2,800 times, garnered 521 social media engagements, and reached more than 13,000 individuals via associated social media posts on the KelownaNow social media pages.

In preparation for the fall season and beyond, the Economic Development and Tourism Office also initiated the filming of a video in partnership with Westbank First Nation featuring Mayor Milsom and Chief Derickson to welcome visitors to the Greater Westside. At the time of this report, video editing has been finalized and discussions are underway regarding scheduling to air the video digitally as well as through the Canadian Radio-television and Telecommunications Commission's Public Service Announcement program. This program provides free airings across traditional television networks for approved not-for-profit and community organizations, like the City of West Kelowna. The video is anticipated to be aired exclusively in British Columbia this fall and then re-aired next spring within the province and potentially other provinces based on travel recommendations put forward by the Provincial Health Officer.



In addition to the supports provided through the Economic Development & Tourism Office, City staff in other departments have supported local businesses by:

- Providing blanket support to the British Columbia Liquor & Cannabis Regulation Branch (LCRB) to allow local wineries to expand their patio areas within their properties to provide the necessary space to maintain recommended social distancing guidelines. Through this blanket approval, it reduced the application period for any business in West Kelowna to apply for an expanded serving area with the LCRB.
- Providing commercial and industrial landowners with the opportunity to defer their annual property tax payments until the end of September 2020 without penalty.

Further information is located on the City's economic development webpage at www.investwestkelowna.ca.

City's Economic Development Committee Activity

On May 12, 2020 Council re-appointed all of the members of the Economic Development Committee to continue to serve until October, 2022 to provide continuity and leverage Committee member expertise through the pandemic. Since their reappointment, members of the committee have met virtually in June, July, and August where members have provided the Economic Development and Tourism Manager with community observations and experiences on how COVID-19 has affected businesses within their networks. Specifically, members of the committee who provide financial-related services for their jobs, have been able to comment specifically on how the businesses they serve have been managing through the pandemic. This information has been valuable in understanding where the challenge points have been for businesses.

The City's next Economic Development Committee meeting is scheduled for October 14th where members will discuss the current state of the West Kelowna economy and potential economic development and tourism activities for 2021, including activities to aid businesses in the anticipated recovery phase.

Regional Participation

The City's Economic Development and Tourism Manager has continued to participate in regional roundtables and working groups since the beginning of the pandemic in March. These working groups and relationships have provided significant opportunity to remain up to date with emerging programs and services to available to West Kelowna businesses. Some of the working groups include the regional tourism roundtables coordinated by the Thompson Okanagan Tourism Association and Tourism Kelowna as well as a member of the Central Okanagan Economic Development Commission's Response Action Team to discuss priorities, share what businesses were/are experiencing and address gaps to meet the immediate needs of our region's business community.

Regional Economic Development Response

As a member community of the Regional District of the Central Okanagan, West Kelowna is also served by the Central Okanagan Economic Development Commission (COEDC) to provide additional regional economic development support. COEDC programs and services are designed to complement economic development services offered at the community level. The current mixed-model of regional and local government economic development services here in the Central Okanagan has been considered nationally as an ideal model as it provides the opportunity for the greatest continuum of service to support businesses in a region. During COVID-19, the COEDC has provided the following supports in addition to the actions of its member communities:

- Provide an online directory of available resources for businesses.
- [Conducting industry roundtables](#) to understand local economic impacts experienced by each industry and identify industry recovery needs and sharing this information with local government partners.
- Coordinating the COEDC Response Action Team to facilitate information sharing amongst participating members.
- Promoting local business initiatives and businesses who are providing services and products to support others during the pandemic.
- Providing one-on-one service requests to businesses seeking support and access to services.

The [Regional Economic Recovery Taskforce](#), comprised of Central Okanagan Mayors, Westbank First Nation Chief, and Regional District Chair, formed on April 14, 2020 is focused on the following priorities for the Central Okanagan region:

- Provide Central Okanagan communities a forum for identifying economic recovery needs.

- Position and advocate for anticipated stimulus program funding for the Central Okanagan businesses and their employees.
- At a political level, communicate Central Okanagan needs using a 'one voice' approach through advocacy to other levels of government.
- Identify available areas for collaborative projects to support economic recovery.

Looking ahead into 2021 and beyond, potential challenges facing businesses in West Kelowna will also be faced by businesses in the other communities throughout the Central Okanagan. As such, it is anticipated that continued blend of community and regional response delivery of services will be beneficial in ensuring that the Central Okanagan businesses can successfully manage through the challenges posed by COVID-19. The Economic Development and Tourism Office will remain engaged in regional support activities and information sharing to help serve West Kelowna businesses.

Next Steps

- Continued monitoring of local economic conditions to identify and provide support to West Kelowna businesses.
- Continued participation in regional economic response efforts including the Central Okanagan Economic Development Commission's Response Action Team and other regional groups.
- Provide a year-end report to Council highlighting Economic Development and Tourism activities and milestones in December 2020.
- Develop the 2021 Economic Development and Tourism Operational Plan and present it to members of Council in the first quarter of 2021.

FINANCIAL IMPLICATIONS

To date, the existing 2020 Economic Development and Tourism budget has covered costs associated with initiatives focused on responding to the impacts of COVID-19 through reallocating funds earmarked for projects within the existing budget. The City has been successful in obtaining an additional Destination BC grant for \$1,000 to help cover COVID-19 safety barriers and floor stickers required for operating the West Kelowna Visitor Centre.

COUNCIL REPORT / RESOLUTION HISTORY

Date	Report Topic / Resolution	Resolution No.
May 12, 2020	COVID-19 Economic Development and Tourism Response Update #1	

REVIEWED BY

Sandy Webster, Director of Corporate Initiatives

APPROVED FOR THE AGENDA BY

Paul Gipps, CAO

PowerPoint: Yes ☒ No ☐