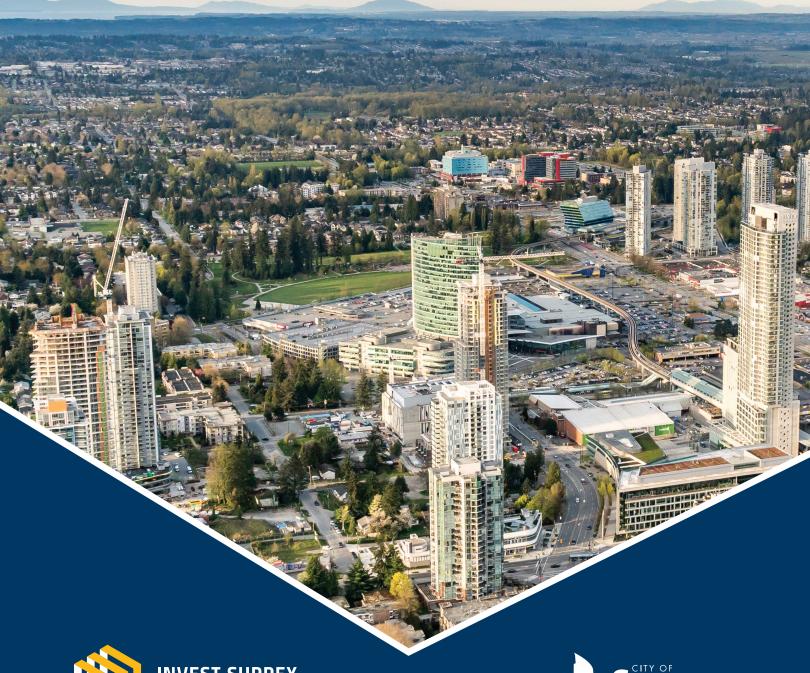
# 2020

# INVESTMENT & INNOVATION IMPACT COMMITTEE (I3C) ANNUAL REPORT







# Letter from the Mayor



Growth and innovation have been a cornerstone of the City of Surrey's transformation story and, for this reason, I am very pleased to have formed the Investment and Innovation Impact Committee (I3C) early in 2020.

The I3C's purpose is to generate, incubate and accelerate ideas into action related to economic development, investment attraction and innovation in the City. I3C will focus on generating high value local jobs, building Surrey City Centre, optimizing the innovation ecosystem and strategic investments.

Despite the COVID-19 pandemic, we continue to make tremendous strides in realizing this vision. Having convened nine times in 2020, I3C has discussed many initiatives that not only provide immediate support to Surrey businesses during these challenging times, but also position them for increased resilience as we move toward a post pandemic period. This annual report reflects the many actions that I3C has instructed staff to pursue and the impact of those actions.

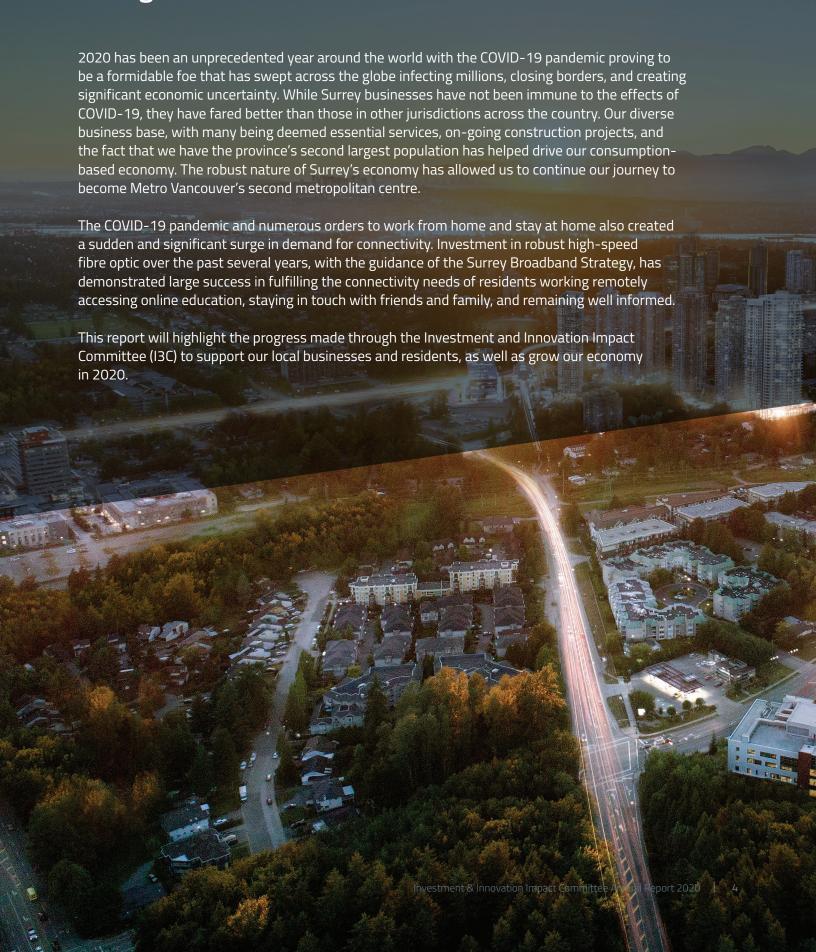
Mayor Doug McCallum City of Surrey

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# Background



# Surrey's 10-year Economic Plan & Smart Surrey Strategy

In 2017, Council approved both the City's 10-year economic plan and Smart Surrey Broadband Strategy, which has been further supported by the I3C in 2020 and has now successfully completed its third full year of execution. These plans were designed to support the City in achieving its economic vision to become a regional nexus for commerce and a nationally recognized centre for innovation by 2027, as well as deploying international best practices in using technological advances and innovation to enhance life and work within Surrey.

The 10-year economic plan was designed to look beyond individual economic events and focuses on providing a long-term strategy for securing Surrey's position as North America's next metropolitan centre and an economic engine for the Metro Vancouver region. During the COVID-19 pandemic, Surrey businesses proved not only to be essential to our provincial economy, but critical to the manufacturing of highly sought-after products and solutions such as PPE, electronic components for medical devices, and COVID-19 test kits which are being exported to markets around the world.

The Smart Surrey Strategy fosters sustainable economic development and high quality of life by leveraging innovation and technological advancements in decision making, and strategies and investment to improve services and increase the effectiveness of city resources amongst rapid growth and increasing demands. With the guidance of the Smart Surrey Strategy pillars, service delivery innovation and social engagement & connectivity, the City has already been digitizing for many years. Success was largely predicated by investment decisions made early on to leverage Cloud based services, supported by staff training commencing in 2019. These factors have allowed the City to pivot quickly and meet the dramatic shift of citizens and businesses relying upon online services and online information. The City was able to quickly enable staff to work from home and provide residents and businesses with access to a comprehensive choice of online services, while keeping everyone well informed. The City's desire is to continue the momentum of digital transformation into the "new normal" post COVID-19.

Now more-so than ever, the visions set out in these strategies are important and relevant as municipalities around the world compete for coveted investment dollars to support their COVID-19 economic recovery plans and create well-paying employment opportunities for residents. Businesses and residents are increasingly reliant on broadband connectivity to access online services. Surrey is well positioned in this competitive race and, with careful planning and execution, the COVID-19 pandemic has the opportunity to help accelerate Surrey's transformation into the next metropolitan centre.

# Surrey 2020 macroeconomic trends & analysis

While 2020 proved to be a difficult year around the world, Surrey has thus far been spared from some of the most significant impacts of the crisis that have plagued some of our neighbouring jurisdictions. While there has undoubtedly been an impact on our economy relative to previous years, economic activity in Surrey has continued to operate near business-as-usual levels. The City remains cautiously optimistic with positive sentiments of returning to pre-COVID normal conditions once the vaccine is widely available to the general population.



Similar Surrey business growth in 2020 as in 2019, with 2,354 new business licences as of Nov 18th, 2020.

There has been no significant change in business growth in Surrey despite COVID-19. Known business closures primarily in the retail sector have mostly been replaced by new businesses. Unlike other Metro Vancouver jurisdictions, commercial leases remain competitive in the Surrey market, allowing small businesses to continue operating through the pandemic.



3,638 full-time and 236 parttime job openings in Surrey as of mid-November 2020 (from WorkBC)

Employment opportunities are still available across the City with a healthy mix of professional, retail, transportation logistics, and construction jobs. Most of these jobs are in essential services which continue to operate throughout the pandemic. Professional services and tech companies are among those who have adapted their operations to remote work.



Surrey's industrial presence continues to grow, namely in Campbell Heights, which saw an 8% increase in the number of businesses over 2019, up from 319

Industrial businesses and properties continue to see record level growth in Surrey including the establishment of Amazon's distribution centre, as well as the planned expansion of Hardbite Chips, both in Campbell Heights. Accommodating this growth, Surrey activated 2.06 million sq ft of new industrial supply in 2020, the largest amount in Metro Vancouver.



Strong economic confidence in Surrey, as the City records \$1.46 billion in building permit values in 2020, surpassing the 10-year annual average of \$1.43 billion.

Despite a brief dip in construction when the pandemic first hit, investment rapidly bounced back, showing the confidence in Surrey as a prime destination for new businesses and residents. Record low interest rates will likely continue into 2023, providing an optimal environment for projects to move forward.



The initial COVID lockdown resulted in many brick and mortar stores temporarily closing, with only 6.1% of surveyed businesses having an online presence to continue generating revenue.

The COVID pandemic rapidly accelerated digital technology adoption amongst Surrey businesses. By May 20, 23.8% of surveyed businesses had created an online presence to build resiliency into their operations.



Over 3,000 m of city-owned fibre infrastructure conduit has been placed leading towards the Campbell Heights industrial business park area.

In addition to telecommunication carriers' fibre optic infrastructure, the City has installed over 3,000 m of fibre infrastructure in order to spur on future fibre optic cable access to Campbell Heights.

# Actions to preserve and grow Surrey's economy and innovation through the COVID-19 pandemic

Despite programmatic changes as a result of the pandemic, the objectives of our 10-year economic plan lay out clear metrics for economic impact to continue positioning Surrey's economy optimally for success including:

- Attracting new investment to diversify our business base,
- Facilitating new business growth and expansion,
- Creating jobs and fostering our talent,
- Fostering a culture of innovation within the City, and
- Driving metropolitan transformation.

To deliver the above economic impact and continue pursuing innovation, staff have been effective in supporting the local economy through this pandemic by deploying these actions:



#### **ACTION 1**

Encouraging local residents and our South of the Fraser neighbours to Shop Local, Shop Surrey



#### **ACTION 5**

Continuing to invest in data analytics to support business growth in Surrey



#### **ACTION 2**

Unlocking emerging economic opportunities from the COVID-19 pandemic for the local economy



#### **ACTION 6**

Providing essential services to local and regional businesses and liaising with the local business associations



#### **ACTION 3**

Identifying and providing capacity building opportunities for local businesses



#### **ACTION 7**

Increasing broadband access across the city & exploring emerging technologies



#### **ACTION 4**

Continuing to attract investments from domestic and international investors



#### **ACTION 8**

Enhancing municipal digital services



**Encouraging residents and our** South of the Fraser neighbours to Shop Local, Shop Surrey

With a population close to 600,000 residents, Surrey is not only a fast-growing municipality, but also a lucrative market for consumption-based businesses.

As a result, City staff have prioritized activities that match our local businesses with residents, as well as encouraging our neighbouring jurisdictions to shop Surrey.

#### LAUNCHED THE SURREYSTORETODOOR.CA PROGRAM

- This program is the region's first municipal buy local campaign to promote over 520 local retail, restaurants, business services, and health & wellness businesses with e-commerce and curbside pickup capabilities.
- The campaign has resulted in over 41,300 shoppers visiting the City's online shopping hub, with over 66,400 clickthroughs to local Surrey business websites.
- Over 90% of Store to Door businesses who responded to the City's Business Impact Survey indicated that they considered the buy local initiative helpful to their business.



### COLLABORATING WITH LOCAL AND MULTI-NATIONAL ONLINE FOOD **DELIVERY ENTERPRISES TO PRIORITIZE** AND EXPEDITE LOCAL EATERIES JOINING THEIR PLATFORMS

Over 500 Surrey restaurants are currently registered on DoorDash, Uber Eats and Dishpal as part of the City's support for local restauranteurs seeking new business opportunities to mitigate the impact of COVID-19.

#### PROMOTING LOCAL BUSINESSES AND SECTORS THROUGH SURREY'S SOCIAL MEDIA AND DIGITAL ASSETS

- On a weekly basis, the City promotes local businesses within a certain sector as part of its support local business campaign.
- Over 30 local businesses have been profiled through ongoing blog posts, social media, and newsletters. These profiles boosted the awareness of local companies during the pandemic and contributed to increased engagement and sales for these companies.



#### **SURREY STORE TO DOOR BUSINESS SPOTLIGHT:** STUDIO 73

Situated in the heart of Newton Town Centre, Studio 73 is one of the Surreybased businesses that were hit hard by the COVID-19 pandemic. On top of selling glass art pieces, they typically offer glass classes, drop in opportunities, and team building sessions. During the pandemic, they shifted much of their operations online and became one of the over 520 businesses who participated in the Surrey Store to Door initiative.

"We are extremely appreciative for the City of Surrey Store to Door initiative. It has provided an opportunity for businesses to connect with others, bringing awareness to the community and helpful us gain new customers that we may otherwise not have acquired,"

- Jodi, Community Living Society Coordinator of Studio 73



Unlocking emerging economic opportunities from the COVID-19 pandemic for local economy

The British Henry Jackson society in a recent report has indicated that most western countries were unprepared for the COVID-19 pandemic and outlined a series of market opportunities for countries to increase their economic self-reliance.

City staff have identified opportunities, especially in the Personal Protective Equipment (PPE), medical devices, agri-food processing, and manufacturing sectors as opportunity areas, for our local companies.

These opportunities include:

#### ESTABLISHING THE AWARD-WINNING SURREY MAKES PPE PROGRAM TO SUPPORT LOCAL PRODUCTION OF PPE

- This program has supported over 25 Surrey-based companies to generate over \$12 million in total PPE sales, over \$5 million in private capital equipment investment and property improvements, as well as 55,000 sq ft in new industrial space activation across the city.
- Over 145 jobs were attracted, retained, and created as a direct result of this program, allowing for many existing manufacturers to continue operating despite the negative impacts of the pandemic.
- The program was recognized by municipalities across BC and earned the UBCM Excellence in Service Delivery Award.



#### DEVELOPING A POST-COVID-19 MARKET OPPORTUNITY STUDY

City of Surrey, with funding support from Global Affairs Canada's CanExport Community Initiatives program, has commissioned a sector development study to be completed by the end of Q4 2020 to explore at least five niche and emerging market opportunities that could be attracted to Surrey, as well as for local businesses to participate.

### PARTNERING WITH BC INFRASTRUCTURE BENEFITS (BCIB) TO PROVIDE EMPLOYMENT OPPORTUNITIES TO SURREY RESIDENTS THROUGH A BUILD PATTULLO CAMPAIGN.

The campaign resulted in 293 job applications submitted for the Pattullo Bridge Infrastructure Project, with 40% of Surrey applicants self-identifying as part of equity groups such as indigenous, women, people with disabilities, visible minorities, or LGBTQS2+.

#### INITIATED WEEKLY EMERGENCY E-NEWSLETTER COMMUNICATIONS WITH LOCAL BUSINESSES DURING THE FIRST WAVE OF COVID-19

Over 11,000 businesses and individuals continue to receive regular updates updates on support programs available to them from all levels of government. This regular communication with business has restarted upon the announcement of BC entering the second wave of infection.



Identifying and providing capacity building opportunities for local businesses

Initial surveys showed that under 150 small and medium enterprises had e-commerce capabilities at the beginning of the pandemic. Over the summer months, Surrey now is home to over 500 businesses capable of conducting businesses online.

However, as the pandemic continues, much effort is required to ensure businesses continue to pivot and take advantage of new market opportunities, while remaining relevant in a crowded out online marketplace.

Economic development continues to support businesses by offering a series of capacity building opportunities including:

#### DEVELOPED A COVID-19 BUSINESS RESOURCE WEBSITE

- A COVID-19 resource site was developed within 48 hours of the provincial state of emergency being declared. This resource acted as a one-stop shop for program updates from all levels of government. This site has received over 27,000 pageviews since it was created.
- A COVID-19 job board and links to skills training was also provided on the site.



#### DELIVERED BUSINESS MODEL INNOVATION WORKSHOPS TO LOCAL SMALL BUSINESSES

- Economic Development Division partnered with Simon Fraser University to launch a 'Pivoting Your Business Towards Success Workshop Series' to provide step-by-step support for business model innovation in order to build business resiliency through COVID-19 and beyond.
- Thirty businesses have participated for this initial cohort, with recordings to be shared online for all businesses to view for free.

#### FACILITATED INDUSTRY ROUNDTABLES TO SUPPORT IDEA SHARING AND BUSINESS GROWTH

- City staff hosted and facilitated seven industry roundtables, including four related to N95 production and advanced manufacturing in the last two quarters of 2020.
- Additionally, City staff connected with 38 retail, 24 restaurants and 11 tech companies directly through phone calls and surveys to understand their business challenges and connect them to capacity-building opportunities.



Continue to attract investments from domestic and international investors

Surrey remains a top destination for investors in the Metro Vancouver region due to our large land availability, as well as commitments by the City and senior levels of government to major infrastructure investments over the next decade.

This includes the Surrey Langley SkyTrain project. Furthermore, the Province has committed to supporting the City in growing into the region's second metropolitan centre through commitments such as a new hospital in Cloverdale, as well as new academic investments for Simon Fraser University (SFU). City staff continue to promote these developments to domestic and international markets through our network.

#### SEEKING OUT AND ATTRACTING NEW INVESTMENTS FROM DOMESTIC AND INTERNATIONAL INVESTORS

- Thirty-three leads and inquiries were managed by City staff with seven leads successfully locating or expanding their presence in Surrey to date in 2020. Sixteen active leads continue to be pursued into 2021 as the impacts of COVID-19 ease.
- Twenty-five new companies are being contacted on a weekly basis to ascertain their growth and expansion needs and potentially recruit them to relocate to Surrey.
- City staff continue to work closely with the BC Trade Representatives and Global Affairs Canada to identify new investment opportunities suitable for Surrey.



# EXPLORING INVESTMENT ATTRACTION OPPORTUNITIES WITHIN THE CASCADIA INNOVATION CORRIDOR

- In February 2020, prior to the COVID-19 lockdowns, the Economic Development Division and Planning Department conducted an exploratory mission to the Greater Seattle Area, visiting the City of Seattle, City of Redmond, City of Bellevue, Economic Alliance of Snohomish County, BC Trade & Investment and Codeproof Technologies in order to gain insight on how they can support the growth of tech-based businesses.
- City staff continue to stay in regular contact with these organizations and look forward to restarting in-person outreach as soon as possible.

#### SUPPORTING THE ESTABLISHMENT OF THE METRO VANCOUVER REGIONAL PROSPERITY SERVICE

- City staff continue to support the establishment of the Regional Prosperity Service by working closely with Metro Vancouver staff and contractors to define the scope and opportunities for the new organization, as well as promoting Surrey's value proposition.
- In addition to sitting as Chair of the Regional Economic Prosperity Advisory Committee, Surrey's Manager of Economic Development will also attend the Management Board meetings as City staff support.



#### SURREY MAKES PPE STARTUP LAUNCHES N95 MASKS PRODUCTION

When the Surrey Makes PPE program launched in April 2020, it attracted the attention of Jeffrey Wang, a local entrepreneur who then launched Eternity Medical Equipment, one of the first companies established in BC to produce 95PFE (the Canadian N95 mask equivalent) masks for distribution.

"Back in early April, we watched the news and saw how hard it was for our frontline workers to get N95 and surgical masks from overseas. Thanks to Surrey Makes PPE, we were able to spearhead this initiative to get them made on Canadian soil, right here in Surrey."

- Jeffrey Wang, co-founder of Eternity Medical Equipment

The new 13,000 square foot facility can produce up to 2.5 million masks monthly when operating at full capacity.



Continuing to invest in data analytics to support business growth in Surrey

Businesses, more than ever, are requiring not just data but insights to help them make strategic investment decisions and reach the right customer.

The City continues to invest in data initiatives that allow investors to better understand Surrey's value proposition and existing businesses to gain valuable market intelligence on future target markets.

#### DEVELOPING A COMPREHENSIVE ECONOMIC DATA FRAMEWORK AND DATABASE TO SUPPORT ADVANCED INVESTMENT DECISION MAKING

- Development has begun on a data delivery and analysis platform that contains over 300 unique datasets from more than 60 sources. This platform will allow users to rapidly assess the City's economic performance through 29 Key Performance Indicators (KPIs) created in collaboration with industry experts from SFU.
- Data will be available in areas critical to economic success, including innovation, talent & workforce, movement of people & goods, livability, and the overall business ecosystem.





Providing essential services to local and regional businesses and liaising with the local business associations

While Economic Development's workplan was impacted significantly by COVID-19, all key essential services being delivered to the local business community continued.

These include:

#### PERFORMING BUSINESS ENGAGEMENT THROUGH OUR (VIRTUAL) SPARKBIZ BUSINESS VISITATION PROGRAM

Since January 2020, over 420 businesses (258% above our annual departmental target) have been contacted as part of our outreach program to understand the impact of COVID-19 on our local business community and to help prepare them for recovery.

#### LIAISING AND RESPONDING TO PUBLIC INQUIRIES AROUND BUSINESS AND ECONOMIC DEVELOPMENT

- Responded to over 190 telephone, email and in-person inquiries from Surrey citizens and business owners around issues pertaining to doing business in Surrey.
- Provided over thirty updates on economic development activities and programs to all local chambers of commerce and business improvement associations through virtual meetings and conference calls.





Increasing broadband access across the city & exploring emerging technologies

As Surrey grows, so does the demand for city hall services to be digital and our residents and businesses are increasingly accessing essential services online.

Obtaining digital services online has also risen and the City has committed to continuously adding more services online for our citizens. Additionally, the City continues to work closely with our telecom partners to advance the deployment of fibre optic cabling, as well as 5G technology across our City. This will ensure our residents and businesses have access to some of the most modern connectivity infrastructure in the world.

EXPANDING DARK FIBRE CONNECTIVITY, AND LEASE/EXCHANGE EXCESS CAPACITY TO ENABLE IMPROVED HIGH-SPEED BROADBAND SERVICES TO CITIZENS AND BUSINESSES.

Telecommunication providers are progressing with their assessment for their extensive Surrey network build plans with decisions to be made in 2021. COVID-19 related challenges have shifted priorities and resulted in several deferred investments into 2021.



#### ADVANCING SMART TRANSPORTATION

- Exploring partnership opportunity with major telecom and third parties for an open Smart City Platform that gives the City the ability to advance its smart mobility initiatives, support the Vision Zero strategy, and develop the City's Intelligent Transportation Systems Strategy.
- Engaged with industry experts to assist with the development of the City's Intelligent Transportation Systems Strategy to be implemented to achieve the City's mobility and road safety goals in areas including traffic management, safe mobility, new mobility, parking management, streetlight maintenance and management, and data collection and management.
- Progressed with road safety initiatives such as fully-protected left turns, leading pedestrian intervals and high collision intersection safety improvements.

#### RESEARCHING EMERGING TECHNOLOGIES

- Conducting research/review on emerging technologies and trends including, Connected and Automated Vehicles (CAV), Internet of Things (IoT), Artificial Intelligence (AI) and Machine Learning, Communication systems including Fibre Optics, Dedicated Short-Range Communication (DSRC) and 5G, Data Warehousing and Analytics, Crowd-Sourced traffic data, Big Data, Open Data and Predictive Technology and identify applicable technologies in Surrey's context.
- Researching use of drones in emerging areas, including bylaw inspections, emergency response, and infrastructure inspections to increasingly provide exceptional services to Surrey citizens and businesses.



# **Enhancing municipal** digital services

#### EXPANDING THE CITY'S ONLINE SERVICE CAPABILITIES TO ENHANCE SERVICE TO CITIZENS AND BUSINESSES.

- A new and re-designed Surrey.ca website with MySurrey Account seamlessly integrated was launched in Q3 2020. This contributed to the 33,079 MySurrey Accounts that were created in 2020 for a total of 65,415 accounts and resulted in 358,119 logins on these accounts.
- Several new and enhanced online services capabilities have been launched: public launch of Single Family Dwelling Building Permit with Accessory Building Permit, Ethics Complaint Submission, Bylaw Enforcement Notice Payment & Dispute, and the improvements to Report a Problem, FIRE Information Request and Online Developer Inquiry services. This has resulted in over 213,800 online requests including reporting problems, large-item pickups, new business licenses and business license renewals.

#### EXPANDING AND UPGRADING THE CITY'S INTERNAL DIGITAL INFRASTRUCTURE TO SUPPORT BUSINESS CONTINUITY

Provided access and training for tools to support online programs, meetings and events, ranging from fitness videos and musical performances to online youth events and online workshops.



### CREATED A DIGITAL CENTRALIZED HUB OF COVID-19 INFORMATION TO KEEP THE PUBLIC INFORMED

- Launched a devoted web presence as the City's information hub for COVID-19 in March 2020, which has received 198,968 pageviews as of December 28, 2020.
- Set up a dedicated COVID-19 email to address public inquiries, offering timely responses within two business days and has responded to 1,638 inquiries as of November 27, 2020.
- The City's GIS team developed the COVID-19 Emergency Food Services Map in collaboration with Social Planning to display food service location and type, such as food banks, hours and how to contact them. The Food Services Map was launched in mid-April 2020 and has been accessed a total of 775 times with an average hit of 2.12 times per day.
- Launched an Affected City Services page in April 2020, which was then upgraded to our rebuilt online services page with all COVID information when the new surrey. ca website was launched in September 2020.



#### **COVID-19 SPURS DEMAND** FOR ONLINE CITY SERVICES

COVID-19 has accelerated the shift of resident & business demand for online City services, as individuals and companies increased their expectation to access City Hall services from anywhere. Of the transactions for which an online option existed in 2020, the City saw 66% of these services completed digitally. Businesses, in particular, showed a large shift in preference as 2020 online business license renewals increased from 51% in 2019 to 71% in 2020. An even larger shift occurred in new business license applications, increasing from 46% in 2019 to 70% in 2020.

# Preparing for recovery in 2021 and beyond

While the challenges of the COVID-19 pandemic are expected to persist through 2021, the Investment and Innovation Impact Committee will be continuing to support local businesses, grow jobs as well as stimulate innovation within the community. To that extent, by order of Council, this committee will expand to focus on three key issues:

#### 1. Economic Development

- Investment Attraction
- Economic Recovery Post COVID-19

#### 2. Information Technology

- Digital Service Enhancement
- Smart Cities

#### 3. Innovative Revenue Generation

2021 will ultimately be a pivotal year with a number of new programs that will be pursued in preparation for our eventual emergence from this pandemic. A sampling of some of the programs that will be brought forward to this committee include the following:

# Preparing shovel-ready economic development programming to position Surrey for post COVID-19 funding opportunities.

- Pilot digital SparkBIZ Academy as a centralized hub for capacity building content to support local businesses succeed in a post-pandemic environment
- Expand on Surrey Makes PPE program to "Surrey Makes X" to unlock new market opportunities for local businesses to pivot and pursue
- Launch Surrey EconomIQ as a platform for business and market insights on the Surrey market to support investment attraction and local businesses understanding the local market

#### Increasing broadband access and connectivity across Surrey.

- Expand telecommunication carrers' fibre optic based wireless infrastructure in preparation for advancing 5G services in Surrey
- Explore expansion of broadband infrastructure for university access for the provisioning of high-speed network services to a new facility location

The City has been widely consulted by other government organizations across Canada on our innovative approach to grow investment opportunities through the pandemic. Continuing on the success of our programs, including Surrey Makes PPE and Surrey Store to Door, 2021 will be focused on scaling up these programs to support our businesses to expand and grow stronger as we emerge from this pandemic.







