

# MEMORANDUM



**DATE** : December 10<sup>th</sup>, 2018

**TO** : Mayor and Council

**FROM** : Chief Administrative Officer

**SUBJECT** : Economic Recovery Initiative

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## BACKGROUND

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On May 10, 2018 the Kettle and Granby Rivers peaked following a widespread rain-on-snow melt event. The flows in both rivers exceeded previous high levels and caused catastrophic flooding across the community. The downtown core and industrial areas of North Ruckle were significantly impacted with flooding affecting many businesses to this day. Existing businesses were affected by the floods, whether that was physical damage, loss of revenue, decreased customers and disposal income, delay in permitting, insurance and labour issues.



The City has been working very closely with the Province and currently strives to understand the pace to which we should be expecting support from the Province. It is now time for the City to consider where we can best support the community moving forward.

Ongoing business supports, and programs need to be developed to assist businesses in their recovery efforts (similar to what has been occurring on the housing side). The partnership with the Province has resulted in the City receiving recent grant money from the Rural Dividend Fund- Special Circumstances in the amount of \$359K to assist in business recovery. The intent of the grant is to hire an events/marketing coordinator as well as funding for a regional marketing strategy, a downtown revitalization contractor, seed money for events and promotional materials over the course of two years. The hope is that there will be a measurable success that both the City of Grand Forks and the Regional District of Kootenay Boundary would consider extending support for this initiative beyond the two years.

Additionally, Community Futures Boundary was successful in their Rural Dividend Fund application for an Economic Development Officer for the region in the approximate amount of 305K.

The British Columbia Economic Development Association as part of the Economic Disaster Recovery Program (EDRP) was engaged by Community Futures Boundary to complete an economic assessment and prepare recommendations to support economic recovery as well. The goal of the EDRP is to provide the community of Grand Forks and surrounding area (the community) with relevant information and additional resources to help restore the economy in the short and longer-term. The recommendations from the Economic Disaster Recovery Program report have been categorized into five key priorities illustrated and summarized below.

Communication and engagement – More experienced expertise be engaged to develop a long-term communications strategy and engagement plan for the community.

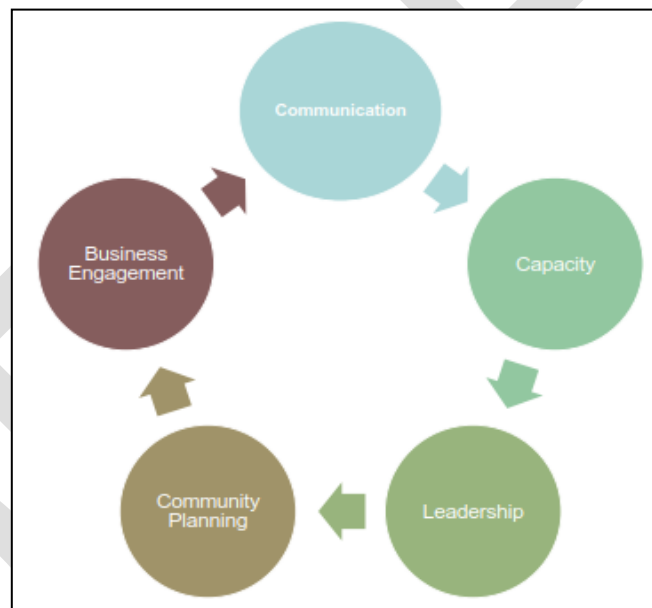
Economic Development Capacity – Leverage existing community resources and create (and fund) positions to promote, advocate and support economic and tourist development initiatives.

Leadership – Create a solid foundation for economic recovery through priority setting, visioning and building a team of leaders to catalyze economic development in Grand Forks and the region.

Community Planning – The City can play a key role in the economic recovery through adjustments to its strategic priorities, land-use plans, financial and capital plans, emergency preparedness plans, bylaws and policies to reflect economic development principles and endorsing an “open for business” mindset.

Business Engagement – The City and key leaders partner with the business community to address

the needs of businesses, workers and communities to promote long-term economic stability and growth.



These key priorities and recommendations in the Economic Disaster Recovery Program final report have been developed to provide the framework to support the re-build a healthy and resilient community.

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## ECONOMIC RECOVERY INITIATIVE

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Based on initial conversations with new Council immediately after the 2018 election, economic recovery is a high priority for all members of council.

Using the Economic Disaster Recovery Program report and subsequent meetings with Community Futures, the Boundary Regional Chamber of Commerce, and the Downtown Business Association, the following plan has been developed to help build a healthy, strong, resilient and vibrant community.

### ■ WHAT CAN THE CITY DO LEGISLATIVELY?

Local governments, specifically the City of Grand Forks, can play a critical role in economic development for the Grand Forks area. For example, the City can initiate community economic planning efforts, building on their critical role in shaping community growth and determining land use. The tools at their disposal include planning and zoning, taxation, supporting local businesses (as our City's legislation allows), and working collaboratively with surrounding communities and the larger region for coordinated development and planning.

The benefits from these activities range from a business-friendly atmosphere that encourages job growth, retention, and stable, well-paying jobs for residents to improving the quality of life for residents by providing improved services, environmental and recreational areas, as well as cultural and social activities.

Based on the *Community Charter* and the *Local Government Act*, some specific activities that local governments can do to promote economic development include:

- actively promote the development of all economic sectors in the region.
- encourage sustainable business practices.
- develop, implement and promote business retention strategies – Business Improvement Areas.
- identify and actively market the community's assets - Economic Profile
- communicate internally and externally on projects that support and promote economic development.
- act as first point of call for investment enquiries, providing accurate information, encouragement and support.
- champion existing economic development plans, ensuring they are assessed, reviewed and updated as required.
- lead in the creation of a plan, if one does not already exist, including initiating a discussion

- on the possible structure and support of an economic development organization.
- assist in identifying key members for boards and assignments.
- support economic development officers to accomplish goals.
- communicate to the public that economic development is a long-term process and success must be measured over time.

According to the Economic Disaster Recovery Program, full economic recovery from the 2018 flood is expected to be a long-term process and may take several years to achieve our ultimate desired outcome. However, business and the community are looking to the City to help restore the economy in the short term.

**AS SUCH, IN ORDER TO PUT THE COMMUNITY FIRST, WE ARE PROPOSING TO FURTHER EVOLVE OUR FOCUS OF SERVICE DELIVERY TOWARDS ENSURING ECONOMIC RECOVERY. THE PROPOSED ECONOMIC RECOVERY INITIATIVE OUTLINED BELOW CONTAINS BOTH QUICK WINS AND INITIAL ACTIONS AS WELL AS ACTIONS TO FACILITATE LONG-TERM ECONOMIC RECOVERY AS WELL TO INDICATE QUICK WINS COMPLETED TO DATE!**

In the first six months following the flood event, the Economic Disaster Recovery Program and Community Futures worked with the business community to help meet their immediate needs. Some of the actions included:

- payment relief and additional loan funds
- short term funding from GoFundMe (~\$130,000)
- assistance with the Insurance Bureau of Canada
- career counselling and support for displaced workers
- business loans
- preparation of a grant application support to the Rural Dividend Fund

The immediate response from Community Futures and Economic Disaster Recovery Program was a crucial first step in supporting the business community. This response has created a solid foundation for short and long-term economic recovery to be undertaken.

The next step in the recovery process is additional support and leadership from the City of Grand Forks where legislatively possible. The following (short and long term) actions have been identified for Council's consideration.

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## ECONOMIC RECOVERY INITIATIVE ACTION PLAN

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### 1. Priority (*capacity*): Bolster Economic Development and Business Supports in the City

**Desired Outcome:** Increase investment in Grand Forks to grow a sustainable base for development, business and employment opportunities

**Funding Source:** Rural Dividend Fund – Economic Development Officer (CFB)  
- Marketing and Events Coordinator (City)

**Specific Actions:**

- ✓ Increased business supports with Community Futures Boundary (CFB) and the City; Economic Development for the City's aspect, has recently been undertaken by the Chief Administrative Officer, and given the recent funding announcements by the Rural Dividend Fund, the City can now provide additional support. The Economic Development Officer would operate under the umbrella of Community Futures and work closely with the City. The Events/Marketing Coordinator would report to an Economic Development Operational Stakeholder Group comprised of Community Futures Boundary, Downtown Business Association, Boundary Country Chamber of Commerce and the City.
- ✓ Development of an attraction and retention strategy will be one of the first steps undertaken by the Economic Development Officer specifically to include a "shop local" mandate as well as a combination of a marketing strategy with the Event Coordinator.
- ✓ Review capacity of our office space at City Hall and consider dedicating office space for the Economic Development role to have increased access to and integration with our development planning & engineering team, Chief Administrative Officer and Mayor.
- ✓ Bring back the "open for business" campaign including regular interface meetings between City (mayor) and the business community
- ✓ Increase the vibrancy of our local tourism portfolio and build on the outstanding events already occurring in Grand Forks, the events and marketing co-ordinator will bolster and support tourist attraction. One of the intents of the Rural

Dividend Fund for the events coordinator is the creation of new events (localized in the downtown core) to support the City and Area D.

- ✓ Community Futures Boundary to work with community partners (such as the Downtown Business Association and Chamber of Commerce) to advocate for Economic Development for Grand Forks and Area D.
- ✓ Updating our community economic profile through the Economic Development Officer. A decision required on whether Council would like to see an exclusive profile for the City only or to have a collaborative profile including Area D (if they so chose).
- ✓ Community Futures Boundary to create a long-term economic & tourism development plan

**Cost:** For Economic Profile = \$25K

## **2. Priority (*communication & business engagement*): Improving Community Communication and Engagement**

**Desired Outcome:** Increase public confidence and reduce uncertainty (doubt) about the wellness of the community while building support for the plan to build a vibrant Grand Forks.

**Funding Source:** Annual Surplus

### **Specific Actions:**

- ✓ Contracting an experienced communications consultant to work with the City to prepare a robust communications and engagement plan
- ✓ Ensure the communications consultant works with communications staff, as necessary
- ✓ Ensure communication is regular and informative even if it is just about the process since no new information is available
- ✓ Through the Rural Dividend Fund, there are provisions for 468 Insider and Web Page Content for marketing and promotions, business support, it is suggested that the City do a website overhaul in alignment with the strategy.



- ✓ Work with community organizations (both business and service) to receive input and feedback – through Rural Dividend Funds – Events Coordinator
- ✓ The Communications strategy should be reviewed after 2 years

**Cost:** City - \$50k Professional communications support

### **3. Priority (leadership & business engagement): Financial and Social Support for Existing and New Businesses**

**Desired Outcome:** Provide support to expediate business recovery and positioning the City for economic recovery

**Funding Source:** Annual Surplus/Slag Legacy Fund/Deferred Capital

#### **Specific Actions:**

- ✓ Freeze 2019 tax rate and utility rates as Business, Industry and the residents of Grand Forks have been significantly impacted financially by the flood. This initiative to be re-visited again for 2020.
- ✓ City attendance at regular business round table discussions to facilitate and support as necessary
- ✓ Create a downtown tax “incentive” zone whereby business can get some relief from taxes and/or
- ✓ Consideration to move forward, a revitalization tax exemption program for business, industry, and high-density residential development and redevelopment. The previous Council had directed staff to begin a public process on this, the process would need to be reviewed and refined with the assistance of Urban Systems.
- ✓ Consideration to suspend the Development Cost Charges bylaw for up to 2 years (there is approximately \$500+K in reserves that could be allocated to growth related projects) this will require the City to obtain Ministry approval and an adjustment to the Reserves Bylaw.
- ✓ Work with Community Futures Boundary to establish a support framework for retention of existing businesses and for new business starts downtown. A major goal would be to establish a frame work for a new business attraction action

plan by 2020 – (this may be part of the strategy that Community Futures Boundary would get from the future Economic Development Officer)

- ✓ Another intent of the Rural Dividend Funds for the Events Coord/Marketing Strategy is to hire a Downtown Revitalization Contractor to review the needs for a vibrant downtown core; the Community Charter provides the authority for a municipality to create a Business Improvement Area by bylaw. Business promotion activities in a business improvement area are financed through a municipal grant and local service property tax scheme. Quite often, recommendations from these Revitalization Contractors are received but often are not backed by the necessary funds. Council may consider setting aside funds that would provide overall improvements to the downtown core. As we are not yet knowledgeable on the requirements, it would be suggested that outcomes would be presented to Council for consideration and funding at that time.
- ✓ Work with Community Futures Boundary and the new Economic Development Officer to ensure Grand Forks actions align with the planning being undertaken with Community Futures Boundary. This would complement the development action plan

**Cost:** In Kind and Plan Outcomes that would be presented for Council consideration and funding as needed

#### **4. Priority (community planning): Adjust Land-use, policy, and bylaws to encourage growth and recovery**

**Desired Outcome:** Provide economic recovery support using the City's legislative tools to bolster the "open for business" initiative while building a better & stronger community

**Funding Source:** Annual Surplus/Deferred Capital

**Specific Actions:**

Planning and policy provide the City with a huge opportunity to become more competitive in attracting business, expanding existing businesses, and encouraging development. This includes the revamping the City's regime of taxes, fees, and



charges; the removal of impediments to private sector investment (I need more information on what this is); and increasing the density of residential development.

- ✓ The City can create a culture shift and ensure all future planning efforts are aligned with the goal of being 'open for business', supporting our community and getting to a culture of finding solutions first which involves trade-off's between service levels and risk. The City will engage Urban Systems to assist with the following actions which include:

1. Enhance the development approval process

- Review existing land use bylaws such as the Zoning, Official Community and Development Servicing
- Review building bylaws
- Work collaboratively with Community Futures Boundary to streamline the development process
- Create support tools to help guide the approval process – subdivision, building permit, development permit, etc

2. Create/update bylaws to support economic recovery & emergency communications

- Consideration to develop an emergency measures bylaw (to allow implementation of the Economic Recovery Plan) This would need to work in concert with the Regional District Emergency Management Plan which is currently up for review.
- Establish a downtown revitalization bylaw (in process)
- Consideration of the creation of a business improvement area bylaw
- Include key stakeholders including major industry in emergency response planning

3. Research/Create/ Update policy to reflect the following initiatives:

- Promote Infill Development
- Risk management policy
- Taxation policy
- Economic development policy

**Cost:** \$150K- Funding is for the Consultants to undertake and complete in a timely manner – this will also build capacity internally

**5. Priority (capacity): Provide a sustainable foundation of infrastructure for growth and development**

**Desired Outcome:** Ensure our major infrastructure is adequate to achieve the economic recovery goals of the community

**Funding Source:** Grants/Borrowing Bylaw No. 1950

**Specific Actions:**

- ✓ Continue to update our floodplain mapping to determine a flood construction level Strategic Priorities Fund (SPF) Due for completion early spring 2019
- ✓ Grant funding to support the building of permanent flood protection works Disaster Mitigation Adaptation Fund (DMAF). Application is currently underway and is due for submission January 11, 2019.
- ✓ Work with industry and our consultants to create a plan for temporary flood protection works Strategic Priorities Fund. The Manager of Operations and the Flood Recovery team are currently working on this
- ✓ The development of the Airport Master Plan (Urban Systems-Planning) to establish additional areas of Industrial land opportunities. (work in concert with current stakeholders invested in the airport area. Necessary infrastructure requirements.
- ✓ Continue to move forward with the construction of a new well to improve fire protection (Debt) – Loan Authorization Bylaw is set to expire in 2019; the City will need to implement this in a timely manner and proper notification to be given to the RDKB.
- ✓ Seek opportunities from senior levels of government to fund the Eastside Reservoir replacement from the Investing in Canada Infrastructure Program (ICIP Grant)

**Cost:** \$75K – Airport Master Plan

**6. Priority (capacity): Develop a Sustainable Infrastructure Investment Plan (SIIP) to prioritize infrastructure projects to support growth and development**

**Desired Outcome:** Ensure our linear infrastructure is adequate to facilitate the growth and development of new and infill housing or development projects

**Funding Source:** Operations/Deferred Capital/Reserves

**Specific Actions:**

- ✓ Create a team within the City responsible for the planning and construction of infrastructure to support new growth. Several key aspects of this team include:
  - Review existing land-use and development inquiries to assisting in removing any perceived hurdles and ensure streamlined process
  - Review existing infrastructure to identify deficiencies in the systems and prioritize upgrades to support development
  - Some reorganization of public works and engineering to support planning and construction of projects by the City
  - Provide additional training opportunities for staff
  - Work with our engineering consultant to ensure design and construction of works follows the subdivision and development servicing standards
  - Review service levels and risk to determine which Maintenance tasks can be deferred
  - Work with Community Futures Boundary to align planning and priorities
  - Land acquisition as needed
  - Meetings with specific developers to seek investment
  - Land development meetings with Urban Development Institute (UDI) to align trends industry needs with specific Grand Forks action plans
  - Review Public Works budget and align work force to undertake actions that strategically align with economic action plans
  - Review operational budget that may transfer service levels from specific areas to incorporate infrastructure planning with developable properties

Endorsement by Council of the Sustainable Infrastructure Investment Plan will require a reallocation of resources and services. Several tasks (some could be combined with actions outlined above) include:

1. Overall budget evaluation and review of revenue streams, it is anticipated that revenues would be reallocated from operating (wages) 80% of max 3-4 staff, capital (materials, equip, and engineering) and from grants
2. A review of policies and bylaws would need to be completed in order to determine which need to be temporarily suspended (i.e. Bylaw 2028)
3. Development of an implementation plan between engineering, planning, public works and our engineer of record
4. Creation of a new organization chart and shifting of staff resources across departments
5. Team will be ready to implement projects for construction season in April
6. Review of all projects to determine the best 'team' to deliver

**Cost:** \$1.0M/yr

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## HOW DO WE FUND ALL THIS?

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The plan above has been developed to specifically address short, medium and long term actions to assist the community in the economic recovery efforts. Successful implementation of the plan will require significant funding and bold decisions by Council. The strategy for funding the Economic Recovery Plan involves the integration of the following actions.

1. ***Defer the existing capital plan for 2-3 years:*** The existing capital plan was primarily built from our asset management plan which has a strong focus on keeping our risk of asset failure low by investing heavily in the renewal of infrastructure. Currently the plan calls for \$1.8M annually for investment into asset renewal. The focus of the investment will be on infrastructure to support economic recovery and growth. By having the City's forces complete this work, the works are estimated to be approximately \$1.0M/year. Savings of \$800K for Priorities 2, 3, 4 and 6.
2. ***Review existing finances and policy:*** Review existing financial statements look for areas where services and works can be adjusted and costs re-allocated. Also, review policy related to accumulated surplus and temporarily amend to dedicated surplus funds to the economic recovery plan. Savings of ~\$500K for priorities 2, 3 and 4.
3. ***Grants:*** Continue to work with Community Futures Boundary to seek funding from other agencies as well as working with senior levels of government to fund recovery efforts. Recently the City was successful in securing \$359,000 from the Rural Dividend Fund for the events/marketing coordinator positions, strategies, etc; and gas tax for the flood

plain mapping. There are also opportunities to seek 100% funding from the Investing in Canada Infrastructure Program (Rural Communities Stream) and significant funding >\$48M from the Disaster Mitigation Adaptation Fund (DMAF) to be applied to Priority 5.

4. **Debt Servicing:** Continue to move forward with Borrowing Bylaw No. 1950 to fund the Westside Fire Protection Project (Well #6) - \$900K (priority 5). There are two existing loans that mature in 2019 (Bylaw 1863 and 1498), the annual debt servicing costs (~\$50K) essentially would offset moving forward.
5. **Redirection of operational actions:** By reviewing service levels and taking on more risk (public perception, asset failure) our operating costs can be reduced. number is greater for funding priority 3 and 6.
6. **Seek and Establish partnerships:** Look to establish partnerships with other jurisdictions and agencies. For example, expand the economic development actions to include Area 'D'.

The total revenue from the recommendation from staff for considerations is \$1,300,000.

The balance of the suggested projects would be individually presented to Council in addition to the recommendations for funding sources.

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## RECOMMENDATION

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■ *THE OVERALL RECOMMENDATION IS THAT "THE COMMITTEE OF THE WHOLE RECOMMENDS TO COUNCIL TO ADOPT THE ECONOMIC RECOVERY INITIATIVE AS PRESENTED, AND DETERMINES SAID PLAN AS A PRIORITY WITH THE ALLOCATION OF MUNICIPAL FUNDS TO COME FROM ANNUAL SURPLUS IN RELATION TO THE ECONOMIC PROFILE & COMMUNICATIONS PRIORITIES \$75K; ANNUAL SURPLUS/DEFERRED CAPITAL FOR ADJUSTMENTS AND INTRODUCTIONS OF LAND USE ADJUSTMENTS, POLICIES AND BYLAWS TO ENCOURAGE GROWTH AND RECOVERY - \$150K; DIRECTION TO STAFF FOR THE DEVELOPMENT OF AN AIRPORT MASTER PLAN - \$75K FROM CAPITAL; TO AUTHORIZE STAFF TO MOVE FORWARD WITH THE EXISTING LOAN AUTHORIZATION BYLAW TO ADDRESS THE NEW WELL FOR FIRE FLOW/PROTECTIONS WORKS - \$900K; TO AUTHORIZE STAFF TO SEEK OPPORTUNITIES FROM SENIOR LEVELS OF GOVERNMENT TO FUND THE EASTSIDE RESERVOIR FOR THE ICIP GRANT (100%); AND TO AUTHORIZE STAFF TO DEVELOP A SUSTAINABLE INFRASTRUCTURE INVESTMENT PLAN INTENDING TO PRIORITIZE INFRASTRUCTURE PROJECTS TO SUPPORT GROWTH & DEVELOPMENT - \$1 MIL, WITH FUNDS TO COME FROM OPERATIONS, DEFERRED CAPITAL & RESERVES, AND REFER IT TO THE JANUARY 14, 2019, REGULAR MEETING FOR DECISION.*