

The Corporation of the City of Kawartha Lakes

Committee of the Whole Report

Report Number ED2019-020

Date: September 10, 2019

Time: 1:00 p.m.

Place: Council Chambers

Ward Community Identifier: All

Title: Kawartha Lakes Innovation Cluster Pilot Project Proposal

Description: The City has received funding to pursue a pilot project with the Innovation Cluster. This report is to provide Council with an overview of the project and seek permission to move forward and sign a contract with the Innovation Cluster to start the Pilot Project

Author and Title: Rebecca Mustard, Manager of Economic Development

Recommendation(s):

That Report ED2019-20, **Kawartha Lakes Innovation Cluster Pilot Project Proposal**, be received;

That the Mayor and Clerk be authorized to execute any documents and agreements required to enter into an agreement with the Innovation Cluster-Peterborough Kawartha to deliver the Kawartha Lakes Innovation Cluster Pilot until December 31, 2020; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Department Head:_____

Financial/Legal/HR/Other:_____

Chief Administrative Officer:_____

Background:

In Ontario, municipalities are able to provide for the establishment of a counselling service to small businesses operating or proposed to operate in the municipality under the Ontario Municipal Act 2006, c.32 Schedule A, s.50.

At the Council Meeting of March 26, 2019, Council adopted the following resolution:

CR2019-227

That Report ED2019-010, **Innovation Cluster Project**, be received;

That Staff be directed to work with the Innovation Cluster on potential opportunities to conduct a pilot program in Kawartha Lakes; and

That Staff be directed to report back to Council with a proposed plan for consideration.

Carried

At the Council meeting of June 18, 2019, Council adopted the following resolution:

CR2019-390

That Report ED2019-015, **Incubation Pilot Program Funding Support**, be received;

That the project titled Kawartha Lakes Innovation Cluster Pilot Project be approved for an application to the Kawartha Lakes Community Futures Development Corporation with a total project costs of up to \$100,000.00 with the City's 50% contribution from the Economic Development Innovation Reserve; and

That the Mayor and Clerk be authorized to execute any documents and agreements required by the approval of this application.

Carried

At the direction of Council, Staff has been working with the Innovation Cluster on potential opportunities to conduct a pilot program in Kawartha Lakes to expand economic development programming to encourage business and job growth.

Funding for the Pilot Project has been secured through the Kawartha Lakes Community Futures Development Corporation. This report contributes to the Council direction, providing Council with a proposed Pilot Project.

Rationale:

Business development and growth in Kawartha Lakes is a priority of Council, as identified in the Corporate Strategic Plan and the Economic Development Strategy. It has also been identified as important by the community at large. In the 2017 public survey, conducted for the Economic Development Strategy, increasing employment opportunities was identified as the opportunity that would have the most positive impact on economic prosperity, and business investment and diversification were highlighted as the most important economic opportunities. A total of 292 survey responses were received.

In the recent public survey for the 2020-2023 Strategic Plan, 217 people responded to the request for “three actions you feel are most important to achieving a vibrant and growing economy” with the following responses related to business development and growth;

- Attract businesses to Kawartha Lakes (114 responses)
- Expand local employment (78 responses)
- Create an Innovation Centre (21 responses)

Linkages of the Pilot Project to the Kawartha Lakes Economic Development objectives:

Municipal programs can support local business development and growth by fostering a supporting business environment. This can include the provision of dedicated support services. The City of Kawartha Lakes has a comprehensive Economic Development program that is guided by the Corporate Strategic Plan and the Economic Development Strategic Plan. The program includes community economic development, growth in key industry clusters, entrepreneurship, business attraction and expansion and is supported by partnerships with the business community to provide complementary services to support the goals of the Economic Development Strategy.

The provision of specialized support services for high growth entrepreneurs is currently provided to many Kawartha Lakes entrepreneurs through the Innovation Cluster- Peterborough Kawartha at their Peterborough location. The proposed Pilot Project will see the creation of a physical location of the Innovation Cluster within Kawartha Lakes and include training, workshops, mentoring and support services that are incremental and complementary to the City's Economic Development program.

How the Pilot Project will help achieve the City's Economic Development objectives:

The Economic Development Strategy includes an emphasis on working in partnership with local business organization and the fostering of five (5) specific business clusters; agriculture and food, specialized manufacturing, tourism,

culture and engineered products and related services (makers, and tech creators). The focus of cluster development is supporting the growth and development of existing businesses (including employment) and collaborating with leaders to grow each cluster (number of businesses and employment).

The Innovation Cluster Pilot Project will have a focus in four areas of expertise; clean-tech, ag-tech, health care and the broader digital economy (a focus although not exclusive). The Innovation Cluster has expertise to assist innovative high growth businesses find the best path to market and commercialization. The Innovation Cluster is also well positioned to support established innovative high growth businesses with access to specialized resources relating to the development and commercialization of digital technology and intellectual property.

The Pilot Project will support 10 local innovative high growth entrepreneurs in the Kawartha Lakes location and offer at least six (6) training sessions to a broader audience of entrepreneurs and small businesses that is complementary to the City's Economic Development program.

The Pilot Project will also host the Peterborough Regional Angel Network in their Kawartha Lakes location introducing alternative investment opportunities to both entrepreneurs and potential Kawartha Lakes angel investors.

Anticipated benefits of the program to the municipality:

The physical location in Kawartha Lakes will provide the opportunity for local entrepreneurs to access specialized support services within their community, resources that entrepreneurs are currently leaving the community to access. The Pilot Project has intentional goals to support business retention and growth of innovative high growth businesses in Kawartha Lakes. The Pilot Project will also;

- Provide space for third party experts to mentor and consult with local businesses in the program;
- Connect and build community with local innovative and high growth businesses;
- Promote Kawartha Lakes as a location for innovation and high growth businesses to thrive;
- Increase the viability and development of local innovative high growth businesses and jobs;
- Assist creation of new jobs and businesses.

The City of Kawartha Lakes is home to over 7,500 businesses (2018), inclusive of approximately 2,000 businesses with employees.

How the Pilot Program will facilitate the fiscal sustainability of small business through the program after assistance from municipality ends:

As with many economic development initiatives, the purpose of the Pilot Project is to provide innovative high growth entrepreneurs and business owners with the connections, knowledge and resources to become more resilient and sustainable. The Pilot Project extends to December 31, 2020 during which Council will be presented with the progress on the project and options for supporting innovative high growth entrepreneurs on a go forward basis.

Other Alternatives Considered:

Council may choose not to pursue the proposed Pilot Project.

Financial/Operation Impacts:

Council has approved for up to \$100,000 in total project cost with 50% contribution from the Economic Development Innovation Reserve and the remaining 50% contribution through the KLCFDC.

Relationship of Recommendation(s) to the 2016-2019 Strategic Plan:

The City of Kawartha Lakes Strategic Plan Goal 1- A Vibrant and Growing Economy, has an objective to foster a stronger and more diversified economy, increasing the number of businesses and expansion of local employment opportunities.

This Pilot Project directly contributes to supporting the Strategic Plan by introducing specialized small business counselling services to support the development and growth of innovative high growth businesses in Kawartha Lakes. The Pilot Project supports the Economic Development Strategy and is an incremental program that complements the City's comprehensive Economic Development Strategy.

Consultations:

Chief Administrative Officer

Solicitor

Kawartha Lakes Community Futures Development Corporation

Innovation Cluster- Peterborough Kawartha

Attachments:

None

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Department Head: Chris Marshall