

Authorization to enter into a Funding Agreement for Enterprise Toronto

Date: March 10, 2022

To: Economic and Community Development Committee

From: Interim General Manager, Economic Development and Culture

Wards: All

SUMMARY

This report seeks City Council's authorization to enter into a two-year funding agreement plus possible one-year extension with the Ontario Ministry of Economic Development, Job Creation and Trade (MEDJCT) for Enterprise Toronto programming. Enterprise Toronto offers resources for residents and entrepreneurs wishing to start and grow a small business, and is one of 47 provincially funded Small Business Enterprise Centres across Ontario. Enterprise Toronto services are operated by the City of Toronto's Economic Development and Culture Division. The annual funding of \$1,000,175 in each of 2022, 2023 and, potentially, 2024 made available through this agreement will enable the City to provide Enterprise Toronto services to small businesses and start-up companies across the city and support inclusive economic recovery and growth.

RECOMMENDATIONS

The Interim General Manager, Economic Development and Culture recommends that:

1. City Council authorize the General Manager, Economic Development and Culture to negotiate and execute a two-year, plus possible one-year extension, Transfer Payment Agreement with the Ontario Ministry of Economic Development, Job Creation and Trade for the delivery of Enterprise Toronto programming, including funding from the Government of Ontario in the amount of \$1,000,175 in each of 2022, 2023 and possibly 2024.

2. City Council increase the 2022 Approved Operating Budget for Economic Development and Culture by \$1,000,175 gross, zero net, fully funded by a grant from the Government of Ontario, conditional upon conclusion of a Transfer Payment Agreement with the Ontario Ministry of Economic Development, Job Creation and Trade.

3. City Council direct the General Manager, Economic Development and Culture to include the Government of Ontario funding of \$1,000,175 gross, zero net, towards the delivery of Enterprise Toronto programming in the 2023 and possibly 2024 Operating Budget submissions for Council consideration.

FINANCIAL IMPACT

The City's existing three year agreement with the Ontario Ministry of Economic Development, Job Creation and Trade (MEDJCT) for the expanded delivery of the Starter Company Program through Enterprise Toronto expires on March 31, 2022.

Under the new terms of agreement, the MEDJCT will provide the same level of annual funding to the City as the existing agreement.

Accordingly, the 2022 Approved Operating Budget for Economic Development and Culture (EDC) will increase by \$1,000,175 gross, zero net, fully funded by the Ontario Ministry of Economic Development, Job Creation and Trade to provide funding for small business and start-up companies to start and grow their businesses. This annual funding will be part of the base operating budget for EDC in 2023 and potentially 2024 should a one-year extension option be exercised.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information

DECISION HISTORY

At its meeting on August 20, 2019, City Council authorized the General Manager, Economic Development and Culture to negotiate and execute a three-year agreement with the Ontario Ministry of Economic Development and Growth for the expanded delivery of the Starter Company Program through Enterprise Toronto.

<https://www.toronto.ca/legdocs/mmis/2019/ec/bgrd/backgroundfile-136696.pdf>

At its meeting on March 28, 2017, City Council authorized the General Manager, Economic Development and Culture to negotiate and execute a two-year agreement with the Ontario Ministry of Economic Development and Growth for the expanded delivery of the Starter Company Program through Enterprise Toronto.

<https://www.toronto.ca/legdocs/mmis/2017/mm/bgrd/backgroundfile-102422.pdf>

COMMENTS

Enterprise Toronto, operated by the City's Economic Development and Culture division, is one of 47 provincially funded Small Business Enterprise Centres (SBECs) across Ontario. Its purpose is to offer entrepreneurs the tools and services required to start and grow their businesses. Enterprise Toronto provides small businesses with advice, training and networking opportunities as well as the promotion of local small business success stories. The City of Toronto has been delivering services of this kind for more than twenty years.

In the past, the Government of Ontario provided funding for Enterprise Toronto on a program-specific basis, each of which required their own separate agreement. The three programs funded in this manner were:

- Small Business Enterprise Centres Core: Funding for the day-to-day administration of Enterprise Toronto services.
- Starter Company: A program which provides mentoring, training and a grant of up to \$5,000 to help grow or buy a small business.
- Summer Company: A program which provides students aged between 15 and 29 years of age mentoring, training and a grant of up to \$3,000 to help start and/or run their own summer business.

In 2019, the Government of Ontario amended the Small Business Enterprise Centres' funding structure to require that program providers enter into a single three-year agreement. The City's existing three year funding agreement with MEDJCT for Enterprise Toronto services expires on March 31, 2022.

For 2022 and 2023 (with a one-year extension option for 2024) it is anticipated that a new Transfer Payment Agreement with MEDJCT will again provide the City with funding for three Enterprise Toronto programs as follows:

Enterprise Toronto Program Delivery (\$\$ / annum)	Starter Company Grant Envelope (\$\$ / annum)	Summer Company Grant Envelope (\$\$ / annum)	Total Funding (\$\$ / annum)
\$437,175	\$500,000	\$63,000	\$1,000,175

Upon confirmation of this funding, Enterprise Toronto will be able to provide 100 Starter Company grants in addition to 21 Summer Company grants, each year, along with training and mentoring supports provided by contracted partners.

As recommended in this report, City Council authorization is required to negotiate and execute a new Transfer Payment Agreement for Enterprise Toronto with the Ontario Ministry of Economic Development, Job Creation and Trade,

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SIGNATURE

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