



March 5, 2013

Good Morning.

I'm Frank Bajt, I'm a Chartered Accountant by profession and I am currently the Vice President of Asset Management of Build Toronto and a current member of the Board of the Toronto Food Business Incubator. I have been assisting and providing advice to the Economic Development Group of the City since 2007 when Judy Dunstan, Manager of Incubation Programs, and I worked together at TEDCO on advancing the development of a combined large scale educational, accelerator and food incubator which was called IFPICC. Additionally I have collaborated over the past few years with the Food Sector Specialist, Michael Wolfson, and with the General Manager of Economic Development, Mike Williams, to assist in the City's efforts to develop the food incubation program in Toronto.

On behalf of the Board of the Toronto Food Business Incubator or TFBI, I would like to acknowledge and thank the City of Toronto for your continued support for food business incubation and ask for your help to take us to the next level. Food Business incubation is crucial to the vibrant growth of the City. The TFBI is a pilot project and a not for profit organization.

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It was created in partnership with the City of Toronto in 2007. A few key statistics provides a scope of this work:

- In 2012 there were 56 entrepreneurs and 148 telephone or email inquiries expressing interest in participating in the TFBI program. The kitchen was utilized 75% on a 24/7 basis. Many of these inquiries the TFBI could not accommodate due to limited and confined space for production batches and timing issues in the existing area.
- The current five client companies in the program have 11 owners or active partners and they created a total of 30 full time/part time jobs. The TFBI also had one Affiliate client who used an outside co-packer which employed two additional workers.

With only 2000 sq. ft., the TFBI has successfully launched several food processing start-up and early stage companies by providing entrepreneurs with production space, concept to commercialisation training and business advisory support. In partnership with the Toronto Business Development Centre led by Ed Hobbs and directly managed by Michael Donahue our TFBI clients receive one on one business advisory advice as well as food sciences advisory services through two programs with different levels of engagement; specifically we have a pre-commercial and a commercial program which can allow an

incubatee to learn the business and Good Manufacturing Processes for a period of up to three years.

Some of our past and current incubatees include:

- Tea Aura which produces and sells a line of short bread infused with tea and sold in specialty shops and Holt Renfrew,
- Aiden's Gluten Free which produces gluten free bread products and sold in large chains such as Longo's and Noah's Natural Foods,
- Evelyn's Crackers who is an artisan cracker producer featuring locally grown heritage whole grains and sold at Pusateri's and specialty stores, and
- Albalisa Gourmet Foods which has developed and manufactures a line of Mexican tortilla chips, sauces and soups and sells in specialty shops in Toronto and Ottawa.
- These four past and present incubatees have created and currently have 19 full and part time employees.

The TFBI is at a crossroads and needs new premises. Demand continues to grow far beyond the capacity of our current location. Food entrepreneurs cannot find facilities to rent - access to commercial grade space is rare and extremely capital intensive. The current TFBI facility restricts our ability to satisfy the market need.

The TFBI has completed a 3 Year Strategic Growth Plan to provide a blueprint for growth. It includes a five step **Guiding Principles**

The Board has developed an Action Plan from these 5 Guiding Principles. Execution of this Action Plan will require commitment and significant resources. As a Board member of the TFBI I am here today to ask the Committee and the City for this commitment. The current facility and the “operate as usual” strategy will mean the closure of the existing TFBI in 2013.

Over the past 24 months the Board of the TFBI has investigated over 20 alternate locations to facilitate a move into larger and better premises. Food grade space is at a premium and not readily available and when it is it is very expensive to lease or purchase. We have investigated both the lease or purchase option but have not been in a position to act with decisiveness when an opportunity is available. I am here to ask the Committee to commit to the TFBI to fund either:

- 1) a 10 year lease guarantee for an larger and improved TFBI facility, OR
- 2) a financing guarantee over a 10 year period to finance the purchase of a food grade facility and necessary food processing equipment, OR
- 3) the purchase of a food grade facility by the City.

The TFBI recognizes that Partnerships are a key to success and we have already formalized our relationship with the Toronto Business Development Centre.

Additionally we have entered into a Memorandum of Understanding with George Brown College to partner offering food science expertise and access to applied research for individual client projects. This will also include support for pre-commercial clients with recipe development, and scale up assistance for easier entry into the Commercial I program.

Other new partnerships will be pursued including Conestoga College's Institute of Food Processing Technology, the Guelph Food Technology Centre's food safety, training, quality and technical solutions programs, and other Ontario Colleges and Universities that could promote an integrated Ontario food incubator hub.

In addition, the Board of the TFBI is committed to investigating potential funding partners including:

- 1) Agriculture and Agri-Food Canada
- 2) The Canadian Agricultural Adaption Program
- 3) FedDev Ontario
- 4) The Friends of the Greenbelt Foundation

5) The Ontario Trillium Foundation as well as funding partners for clients such as Farm Credit Canada's Agribusiness and Agri-food division and the Business Development Bank.

I believe this Committee can help us by providing:

- A commitment to fund a purchase of an expanded Toronto Food Business Incubator facility as detailed to the City's Economic Development group and ensure that the TFBI can contribute to the City's growth over the next 10 years

The entire Board and clients of the TFBI are ready to work on this immediately.

In closing I would like to show the Committee a short Global TV clip that was just aired on one of the incubatees of the TFBI. It is on Evelyn's Crackers and is representative of the economic activity that the TFBI generates. I would add that Evelyn's Crackers has just been nominated for the Premier's Agri-Food Innovation Award.

Thank you.

Frank J. Bajt, CA