



REPORT FOR ACTION

Authorization to Enter into a Funding Agreement for Enterprise Toronto

Date: August 20, 2019

To: Economic and Community Development Committee

From: General Manager, Economic Development and Culture

Wards: All

SUMMARY

This report seeks City Council's authorization to enter into a three-year funding agreement with the Ontario Ministry of Economic Development, Job Creation and Trade for Enterprise Toronto programming. Enterprise Toronto is a one-stop source to start and grow a small business, and is one of 48 provincially funded Small Business Enterprise Centres across Ontario. Enterprise Toronto is operated by the City of Toronto, Economic Development and Culture Division. The annual funding envelope of \$1,000,175 in each of 2019, 2020 and 2021 will enable staff at Enterprise Toronto to support small businesses and start-up companies across the city.

RECOMMENDATIONS

The General Manager, Economic Development and Culture recommends that:

1. City Council authorize the General Manager, Economic Development and Culture to negotiate and execute a three-year 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 2019, 2020 and 2021.
2. City Council increase the 2019 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 an 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 2020 and 2021 Operating Budgets submission for Council consideration.

FINANCIAL IMPACT

The 2019 Approved Operating Budget for Economic Development and Culture 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.

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

DECISION HISTORY

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 is one of 48 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. Through this work Enterprise Toronto provides small business advice, training and networking opportunities as well as the promotion of local small business success stories. The City of Toronto has been delivering these services since pre-amalgamation.

In the past, the government of Ontario has provided funding for Enterprise Toronto on a program basis, requiring separate agreements for each of the programs delivered by Enterprise Toronto. These programs 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 process to require that program providers enter into a single three-year agreement.

The allotment for Enterprise Toronto breaks down as follows, in each of 2019, 2020 and 2021:

| Enterprise Toronto Program Delivery Costs | Starter Company Grant Envelope | Summer Company Grant Envelope | Total Funding |
|---|--------------------------------|-------------------------------|---------------|
| \$437,175 | \$500,000 | \$63,000 | \$1,000,175 |

As a result, Enterprise Toronto will be able to provide 100 Starter Company grants in addition to 21 Summer Company grants, each year.

This does represent a reduction from previous years which allowed Enterprise Toronto to annually offer up to 165 grants under the Starter Company Program, as well as 28 grants under the Summer Company program.

The new program will be fully funded by the Ontario Ministry of Economic Development, Job Creation and Trade and managed by staff in Enterprise Toronto; additional training and mentoring will be delivered in part by contracted sources.

In order to execute an agreement and receive the agreed upon funds from the Ontario Ministry of Economic Development, Job Creation and Trade, staff require City Council's authorization to move forward.

CONTACT

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SIGNATURE

Mike Williams
General Manager, Economic Development and Culture