

**To:** COUNCIL  
**Meeting Date:** 5/30/2023  
**Subject:** Funding Agreement - Waterloo Region Small Business Centre  
**Submitted By:** James Goodram, Director of Economic Development  
**Prepared By:** Michael Marini, Economic Development Officer  
**Report No.:** 23-037-CRE  
**File No.:** C11  
**Wards Affected:** All Wards

### **RECOMMENDATION(S):**

THAT Report 23-037 (CRE), re: Funding Agreement – Waterloo Region Small Business Centre be received;

AND THAT the Mayor and Clerk be authorized to execute a renewed three-year funding agreement between the City of Kitchener, City of Waterloo and City of Cambridge to collaborate on delivery of the Waterloo Region Small Business Centre services and programs funded in part by the Province of Ontario;

AND FURTHER THAT the Mayor and Clerk be authorized to execute on behalf of the City of Cambridge any agreements or documentation pertaining to services and programs provided by the Waterloo Region Small Business Centre provided said agreements or documentation are to the satisfaction of the City Solicitor and CFO.

### **EXECUTIVE SUMMARY:**

#### **Purpose**

- The purpose of this report is to seek Council permission to permit the execution of the three-party agreement to allow funding for the Waterloo Region Small Business Centre (WRSBC). Such funding will allow for services and programs to continue until year-end 2025.

#### **Key Findings**

- Like previous agreements over the years, the current execution of said agreement will allow for the continued collaboration of the cities of Cambridge, Kitchener and Waterloo by funding the WRSBC.

## Financial Implications

Yearly costs to the City to operate the Cambridge Small Business Centre include an administrative payment to WRSBC and in-kind costs such as salaries and benefits for Cambridge staff etc.

This agreement started in 2022, however due to delays with the agreement, the City of Cambridge has just received the contract and is bringing it to council. Below is the annual administrative payment from the City of Cambridge to the WRSBC for the length of the agreement.:

City of Cambridge	2022	2023	2024	2025
Administrative payment to WRSBC	\$14,054	\$14,265	\$14,479	\$14,696

### STRATEGIC ALIGNMENT:

- Strategic Action; or
- Core Service

**Objective(s):** ECONOMIC INCLUSION AND SUPPORT - Establish and extend inclusive programs to support business readiness and workforce development and help local businesses to thrive

**Strategic Action:** Enable small business to succeed

**Program:** Small Business Centre

**Core Service:** Small Business Centre

### BACKGROUND:

#### Waterloo Region Small Business Centre

The WRSBC is one of a network of 54 centres in Ontario supported by the province and municipalities. The WRSBC operates from three locations namely Kitchener, Cambridge and Waterloo. The three municipalities have collaborated to deliver small business services since 1998 in Kitchener and Cambridge, and in Waterloo since 2006.

The province provides annual funding to support core services, youth and grant programs. Other funding sources include municipalities, Region of Waterloo, special projects, private sector sponsors and fees for services from workshops and events.

The City of Kitchener office acts as the WRSBC headquarters to:

- Oversee the implementation of a wide range of entrepreneurial services and the establishment of initiatives and programs,
- Develop and implement marketing and digital media strategies,
- Liaison, communication, collaboration with funding partners, sponsors, and volunteers,
- Coordinate schedules for workshops, events, staffing in Kitchener, Cambridge, and Waterloo locations,
- Ensure provincial programming is delivered along with collection and submission of statistical data reporting to provincial government,
- Responsible for funding agreements, budgets, and reports.

### **Cambridge Small Business Centre**

City of Cambridge Economic Development Staff operate the Cambridge Small Business Centre out of the Invest Cambridge office at 96 Grand Ave South. The office provides services to entrepreneurs from all stages of businesses which includes:

- Business Advisory Services
- Business Training (Mentoring & Workshops)
- Entrepreneurship Funding Programs
- Events and Networking Opportunities
- One-on-one business consultations,
- Access to business professionals, industry experts and mentors
- Assistance with market research, business and marketing plans
- On-line business registrations, navigating government departments, agencies and regulations, and the
- Delivery of provincial programs and grants for youth, start-ups and growth companies with the WRSBC.

Staff in the office provide help and support to hundreds of small businesses per year to help them open, expand and hire new staff to further strengthen the small business community of the City of Cambridge.

## **Small Business Services During Covid**

During the COVID 19 Pandemic, the Cambridge location for the small business centre responded to over 2,000 inquiries each year in 2020 and 2021. During this time the Cambridge staff and the WRSBC connected countless businesses to funding programs to help struggling businesses.

During this time, the Digital Main Street program was also relaunched along with the Ontario transformation grants for businesses.

- 375 businesses in Cambridge took part in the program in 2020 and 2021.
- 79 businesses set up new ShopHere E-commerce pages and,
- 28 local businesses received the Digital Transformation Ontario Grants for a total of \$70,000 in funding.
- In addition, 8 businesses also qualified for the Transformation Teams Program through Communitel which helped them to completely transform their businesses to have a greater online presence.

## **Digital Service Squad**

The Digital Main Street Service Squad is a team of trained students and/or recent graduates with strong Technology, Digital Marketing skills and experiences that small business can access in their local communities. Eligible businesses receive targeted support and coaching to get started, grow their digital presence, and grow their business online. The squad provides free one-on-one assistance to help small business with their digital transformation. This can include but is not limited to:

- A digital assessment of your business
- Access to a free online video-based digital transformation training program
- Website – review of the user experience, recommend updating and best practices
- Social Media – customer target coaching, best practices, advertising, and more
- Technology – options of technology tools to implement for your business

- Miscellaneous Digital Transformation Support - loyalty programs, point of sale systems, e-commerce, back-end business operations support (i.e. setting up QuickBooks etc.).

The DMS Service Squad provided 65 individual digital marketing seminars in 2022-2023 on a wide range of topics. During this time period more than 700 companies have met individually with the Digital Service Squad from across the region, they all received help with multiple services related to online business and e-commerce.

## **New WRSBC Office and Sustainable Development Goals Idea Factory (SDG)**

The WRSBC has just moved out of Kitchener City Hall to a new office space located at 2 King Street West in Downtown Kitchener. The much bigger space will also house partner organizations to compliment the services of the Small Business Centre.

They have also opened the SDG Idea Factory as part of the new space. The SDG Idea Factory is a first-of-its-kind collaborative incubator helping entrepreneurs tackle our community's most pressing challenges. The space will bring together entrepreneurs and organizations who use business as a force for good. Entrepreneurs or organizations looking to advance social or environmental innovation through the power of business from across the region will have access to the space to start or grow their unique business ideas.

The renewal of the current three-party agreement between Kitchener, Cambridge and Waterloo aligns with WRSBC business plan for the Provincial Agreement, Ministry of Economic Development, Job Creation & Trade 2022-2025, and the individual municipal Strategic Plans. The collaboration between the municipalities ensures our commitment to work together to help entrepreneurs start and grow a business.

### **ANALYSIS:**

WRSBC provides entrepreneurial services and supports that benefit local traditional, main street and lifestyle businesses operated by self-employed individuals or companies with fewer than 10 employees. In Ontario, 76% of businesses have fewer than 10 employees. In Waterloo Region, this would account for more than 11,500 businesses but does not include self-employed independent operators.

The services provided by the three offices help businesses to learn, start and grow, create jobs and positively impact the local economy, assisted by the guidance of economic development professionals. In 2021-2022, the three offices had the following economic impact across the region:

Economic Impact in 2021-2022	Cambridge	Waterloo	Kitchener	Total
<b>Inquiries</b>	<b>2,374</b>	<b>1,210</b>	<b>8,549</b>	<b>12,133</b>
<b>Business Started</b>	<b>72</b>	<b>39</b>	<b>91</b>	<b>202</b>
<b>Business Expanded</b>	<b>24</b>	<b>18</b>	<b>72</b>	<b>114</b>
<b>Jobs</b>	<b>92</b>	<b>41</b>	<b>234</b>	<b>367</b>
<b>One-on-one Consultations</b>	<b>427</b>	<b>261</b>	<b>975</b>	<b>1663</b>
<b>Workshops</b>	<b>22</b>	<b>7</b>	<b>159</b>	<b>188</b>

The three-party agreement between Kitchener, Cambridge and Waterloo ensures our commitment to work together to help entrepreneurs start and grow a business.

#### **EXISTING POLICY / BY-LAW(S):**

There is no specific policy or by-law, however, as per previous agreements, this three-party funding agreement between Kitchener, Cambridge and Waterloo (2022-2025) outlines a monetary contribution from the partners based on a per capita model. Due to delays at the provincial level this agreement is being brought forward at this time (a year late).

#### **FINANCIAL IMPACT:**

The direct financial impact is the annual payments to the WRSBC Kitchener office for administrative services as they are the designated service provider/administrator by the province. The yearly amounts are based on \$0.10 per capita according to the latest Census and indexed 1.5% annually.

This is in addition to the “in-kind services” the City provides (office space, employee wages and expenses, promotion and marketing, etc.). The “in-kind services” are recorded for Provincial reporting purposes. The operation of the Cambridge location is 100% funded by the Cambridge tax levy. The 2022 contribution totals are listed below for Council’s benefit:

#### **Municipal Contributions to WRSBC for 2022**

Type of Contribution	Cambridge	Waterloo	Kitchener
Administrative payment to WRSBC	\$14,054	\$12,326	\$116,845

In-kind Contributions	\$166,000	\$110,000	\$230,000
Total Cash and In-kind	\$180,054	\$122,326	\$346,845

Below is the annual administrative payment from the City of Cambridge to the WRSBC for the length of the agreement:

City of Cambridge	2022	2023	2024	2025
Administrative payment to WRSBC	\$14,054	\$14,265	\$14,479	\$14,696

**PUBLIC VALUE:**

**Collaboration:**

Collaboration in partnership with Kitchener and Waterloo allows for seamless service for all businesses across the region. This will allow for better quality service to achieve the goal of a thriving business community.

**ADVISORY COMMITTEE INPUT:**

Not Applicable.

**PUBLIC INPUT:**

Posted publicly as part of the report process.

**INTERNAL / EXTERNAL CONSULTATION:**

Internal Consultation has taken place with Legal and Finance.

**CONCLUSION:**

Given the importance of the WRSBC, staff respectively recommends continuation of the funding for this program and execution of said agreement.

**REPORT IMPACTS:**

Agreement: **Yes**

By-law: **No**

Budget Amendment: **No**

Policy: **No**

**APPROVALS:**

**This report has gone through the appropriate workflow and has been reviewed and or approved by the following as required:**

**Director**

**Deputy City Manager**

**Chief Financial Officer**

**City Solicitor**

**City Manager**

**ATTACHMENTS:**

Not Applicable