

STAFF REPORT BDD008-17

May 29th, 2017

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TO: **GENERAL COMMITTEE**

SUBJECT: FEES BY-LAW AMENDMENT - STARTER COMPANY PLUS

PROGRAM

WARD: **ALL**

PREPARED BY AND KEY **D.HYDE**

CONTACT: **SMALL BUSINESS CONSULTANT, EXT. 5236**

SUBMITTED BY: S. SCHLICHTER

DIRECTOR OF BUSINESS DEVELOPMENT, EXT. 5036

GENERAL MANAGER Z. LIFSHIZ

APPROVAL: **EXECUTIVE DIRECTOR OF INVEST BARRIE**

CHIEF ADMINISTRATIVE C. LADD, CHIEF ADMINISTRATIVE OFFICER

OFFICER APPROVAL:

RECOMMENDED MOTION

1. That Schedule D of Fees By-law 2017-014 be amended to authorize the Small Business Centre of Barrie, Simcoe County and Orillia (Small Business Centre) to charge applicants of the Starter Company Plus program a \$100 plus HST to access an online business training course as part of a cost recovery measure.

PURPOSE & BACKGROUND

Report Overview

2. This staff report facilitates the approval for the Small Business Centre to recover part of the costs associated with delivering the Starter Company Plus Program, an initiative of the Ministry of Economic Development and Growth (MEDG) and a Council approved program.

Background

- The Small Business Centre of Barrie, Simcoe County and Orillia (previously the Greater Barrie 3. Business Enterprise Centre) has been operating since 2002 and relocated to the 3rd floor of Barrie City Hall in March, 2014. The Small Business Centre receives annual funding in the form of 'Transfer Payment Agreement' from MEDG for its core business service delivery that includes business consultation, information and resources for small business at the pre startup, start-up and growth stages.
- 4. On March 20th, 2017, Council approved motion 17-G-047 for the City enter into a Transfer Payment Agreement the Province through the Ministry of Economic Development and Growth (MEDG) for the provision of grant funds to deliver the Starter Company Plus Program through the Small Business Centre of Barrie, Simcoe County and Orillia (Small Business Centre) for the period ending March 31st, 2019.
- 5. Starter Company Plus is an entrepreneurial training and mentoring program delivered by the Small Business Centre and will also provide limited grant opportunities (approximately 34) of up to \$5,000 for eligible entrepreneurs who are starting, buying or expanding a business.

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ANALYSIS

- 6. Demand for the program has been very high and there are currently more than 60 interested parties on a waiting list to apply for the program upon its launch at the beginning of June.
- 7. A component of the program requires the completion of business training. Given the volume of potential applicants, it is not feasible to provide the complete business training required in an in-person format that would accommodate all potential applicants. As such, the Small Business Centre has identified an online solution to support the training component of the program.
- 8. MEDG provides operational funding as part of the Program Delivery component to support some of the training costs. The funding will not completely satisfy the total cost of the online training program, therefore the Small Business Centre is seeking to charge participants of the Starter Company Plus program \$100 plus HST as part of a cost-recovery measure.
- 9. This fee payment by applicants will provide access to key, business training that will support their overall business development as well as demonstrate investment by the applicant into their business venture.
- 10. Participants that are successful in receiving a grant for the program are required to demonstrate a personal contribution in their business equivalent to 25% of the value of the grant awarded (up to \$1,250). This contribution can be cash or in-kind. The Small Business Centre will include the \$100 plus HST training fee as part of that contribution to minimize financial impact to the applicants.

ENVIRONMENTAL MATTERS

11. There are no environmental matters related to the recommendation.

ALTERNATIVES

12. There is one alternative available for consideration by General Committee:

Alternative #1

General Committee could choose not to allow the amendment to the fees by-law.

This is not recommended as the delivery of business training in an online format most effectively achieves the deliverables of the Starter Company Plus Program by balancing resource allocation and value to participants. The Starter Company Plus program has the potential to deliver positive economic impact on the local small business community and is in line with Council's stated aim of promoting a vibrant business community within the City of Barrie.

FINANCIAL

13. There will be no financial implications for the City of Barrie as the remaining cost of the online training program will be covered by MEDG as part of the funding for Program Delivery.

The City of BARRIE

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14. The Small Business Centre accounts are maintained by the City and annual budgets are reviewed and approved by the Director of Business Development. Program audit costs have been factored into the Starter Company Plus budget.

LINKAGE TO 2014-2018 COUNCIL STRATEGIC PLAN

- 15. The recommendations included in this Staff Report support the following goals identified in the 2014-2018 City Council Strategic Plan:
 - Build a global startup community
 - Eliminate obstacles to business growth and investment
- 16. The Starter Company Plus Program supports the goals of establishing Barrie as a centre for excellence in innovation and entrepreneurship by supporting and encouraging entrepreneurs to start, grow or purchase an existing business.