

REPORT TO: Finance & Corporate Services Committee

DATE OF MEETING: December 6, 2021

SUBMITTED BY: Cory Bluhm, Executive Director, Economic Development
519-741-2200 ext. 7065

PREPARED BY: Vedran Askraba, Economic Development Analyst

WARD(S) INVOLVED: 1, 8, 9 and 10

DATE OF REPORT: November 17, 2021

REPORT NO.: DSD-2021-230

SUBJECT: My Main Street Accelerator Program - Agreement with The Canadian Urban Institute and Economic Development Council of Ontario and the City of Kitchener

RECOMMENDATION:

That the Mayor and Clerk be authorized to sign a funding agreement with the Economic Development Council of Ontario to deliver the Local Business Accelerator program, with said agreement to be to the satisfaction of the City Solicitor; and further,

That the General Manager, Development Services be authorized to execute on behalf of the City of Kitchener any amendments to the funding agreement provided such amendments are to the satisfaction of the City Solicitor.

REPORT HIGHLIGHTS:

- The purpose of this report is to seek Council approval to enter into a funding agreement to execute the My Main Street Ambassador program.
- The key finding of this report is that Kitchener has been successful in applying to the My Main Street Ambassador program, a key economic recovery initiative. In order to receive funding, Council must authorize an agreement with the funding bodies and agree to fund the City's portion of the program.
- The financial implications are that the City will receive \$230,000 in funding to execute the program; local businesses will be eligible to receive \$400,000 in grant funding, to be distributed in \$10,000 increments; and, the City will be required to contribute up to approximately \$80,000 to program costs, proposed to be funded through the Make It Kitchener 2.0 Reserve.

- Community engagement included feedback from main street businesses throughout the pandemic; support from the Downtown and Belmont Village BIAs for the City to execute the program.
- This report supports A Vibrant Economy.

BACKGROUND:

In the Fall of 2021, the Federal Government announced a new COVID-19 recovery initiative to support main street businesses, called My Main Street. The Canadian Urban Institute and Economic Development Council of Ontario have been tasked with administering the initiative. Under the program, municipalities can apply for funding to hire Ambassadors who will provide direct business advisory supports to local main street business owners to aid in their recovery from the impacts of the pandemic.

For each Ambassador, the My Main Street program will cover \$50,000 in salary costs plus \$7,500 in incidentals (ex: laptop, software). The City is required to cover all other costs, estimated at up to \$20,000 per Ambassador. Each Ambassador will have an ability to support up to 10 local businesses in applying for \$10,000 grants (distributed by the My Main Street Program) which can be used for capital improvements (signage, interior, etc.) or to advance marketing efforts.

The goals of each ambassador will include, but is not limited to,

1. Attracting new businesses to fill vacancies;
2. Supporting businesses with understanding market research;
3. Supporting businesses in launching new marketing campaigns to broaden their customer base or re-engage previous customers;
4. Attracting new businesses to fill vacancies and diversify retail options; and,
5. Supporting existing businesses with enhancing their physical stores and restaurants.

In 2021, City Council approved an Economic Recovery Framework and allocated up to \$5 million to support recovery efforts. The framework identifies a goal to 'Unleash our Community Spirit & Spending Power' by i) supporting local businesses in re-engaging their customers and attracting new customers; and ii) actively support impacted businesses by providing efficient services.

REPORT:

Throughout the pandemic, local businesses have consistently identified the need for direct business advisory supports to assist in their recovery efforts. While the Digital Main Street Program has been successful in providing training for the adoption of digital technologies to respond to changing consumer habits, the My Main Street program will provide wrap-around community economic development services to new and existing businesses, such as consumer research, market trends, etc.

The City successfully applied for funding to support 4 Ambassadors (the maximum allowed). In total, the City would receive \$230,000 in funding to hire four local ambassadors on one-year contracts. The Ambassadors would facilitate the distribution of

\$400,000 in grant funding to local businesses. The City is required to fund the remaining salary costs, estimated to be up to \$80,000.

Each Ambassador must be assigned to a dedicated main street area. As part of the application process, the City was required to identify which areas would be served by the program. The following main street areas were approved:

1. Market District and King Street East (from Montgomery to Frederick)
2. Downtown Kitchener (Frederick to the railway)
3. Belmont Village (Union to Victoria)
4. Lancaster Street West (Victoria to Bridge) and Victoria Street North (Duke to Lancaster)

The above areas capture the majority of our community's urban main street areas. Collectively they are home to approximately 1470 businesses, of which approximately 600+ are main street businesses. Each Ambassador is expected to support at least 100 businesses through wrap around business supports and/or access to market research.

Alignment with Make It Kitchener 2.0 - Economic Recovery Framework

As a direct action of the Economic Recovery Framework, Council supported the launch of a 'Love My Business' Program to provide direct marketing supports to suburban businesses. The My Main Street Ambassador program not only compliments the intent of the 'Love My Business' Program but will provide similar direct supports to urban businesses. Staff would manage both programs in alignment to maximize the benefit of both while ensuring a consistent, unified message to our business community.

The recovery framework also identified the need to support impacted businesses and to advance up to \$1 million in seed funding to provide direct supports for businesses. This program would see \$400,000 in federal funding distributed in our community.

STRATEGIC PLAN ALIGNMENT:

This report supports A Vibrant Economy (including the City's Make It Kitchener 2.0 strategy and the Economic Recovery Framework).

FINANCIAL IMPLICATIONS:

In total, the City's contribution of up to \$80,000 would unlock \$630,000 in funding for our community. Staff recommend the City's contribution come from the unallocated portion of funding within the Make It Kitchener 2.0 Economic Recovery Framework.

COMMUNITY ENGAGEMENT:

The Downtown and Belmont Village BIAs are supportive of the City leading the My Main Street Ambassador program. The City would work closely with both BIAs on the implementation of the program, to maximize participation rates among their members.

Main street businesses contribute heavily to economic growth in the community. The hired Ambassadors will work with businesses in their geographic area and will be the liaison for their business needs. The Ambassadors will work with local businesses to develop marketing campaigns to broaden their business reach or retain existing customers in addition to working with businesses on optimizing the look and feel of their physical space.

PREVIOUS REPORTS/AUTHORITIES:

There are no previous reports/authorities related to this matter.

APPROVED BY: Justin Readman, General Manager of Development Services

ATTACHMENTS:

None