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# Business Case

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## Innovation Hub-Square one



**Department: Planning & Building**  
**Division: Economic Development Office**  
**Service Area: MBEC**  
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**Author(s): Donna Heslin**

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## EXECUTIVE SUMMARY

### Current Situation/Problem:

The City's centre for small business supports is currently in transition and without a physical space due to the redevelopment of Mississauga Central Library, resulting in the Mississauga Business Enterprise Centre (MBEC) searching for a new location. The Economic Development Office requires a new MBEC location that satisfies current and future needs, such as accessibility, visibility and an engaging co-working and networking space. This space needs to be conducive to supporting Mississauga's COVID-19 impacted small businesses, new start-up ventures and growing companies. The Economic Recovery Plans for Industry and Small Business identify the Innovation Hub as a distinctive asset that will create a focal point for innovation, providing support for start-up and scale-up activity.

The *Entrepreneurship and Innovation (E&I) Study*, which was presented to Council in 2019 determined the need for a centralized space for innovation, given there is currently limited collaboration between the innovation assets and services in Mississauga. The E&I Study emphasized that coordination is particularly important given the complexity of entrepreneurship ecosystems and that a Hub would support key partners to ensure efficiencies, impact and programming meet the needs of prospective clients. In addition to the E&I Study, benchmarking and trends have identified:

- **There are Several Barriers Preventing Mississauga's Recognition as an Innovation Ecosystem:** A lack of coordination and connectivity among innovation assets and stakeholders has limited or degraded the brand integrity of Mississauga's innovation ecosystem. As a result Mississauga is losing innovative growth companies and potential to other regions. This in turn has contributed to;
- **Mississauga is underperforming relative to other municipalities in Entrepreneurship and Innovation:** Mississauga is currently underserving the entrepreneurship and innovation community, given the City has a lower number of successful start-ups and high-growth companies in Mississauga compared to other major urban regions, with the third lowest rate of scaling or high growth companies in Canada.
- **Mississauga's funding agreement with the Ministry of Economic Development, Job Creation and Trade (MEDJCT) has conditions:** A condition of the \$600,000 funding is that a small business enterprise centre provides a physical space to accommodate the delivery of services and programming to clients in person.

To ensure engagement of the appropriate partners, EDO has created and consulted an Entrepreneurship and Innovation Advisory Board with membership drawn from Mississauga's entrepreneurial ecosystem and includes senior level representation from our post-secondary, industry and funding partners. Furthermore, to ensure the right partners in place, EDO has secured Expressions of Interest from key partners. These partners will support us in amplifying the innovation and entrepreneurship opportunities currently available in Mississauga and in supporting the growth and scaling of companies across key sectors.

If a decision is made not to fund the Innovation Hub, MBEC's services will remain remote (online), and the City risks reputation and service quality issues as identified in benchmarking and the Entrepreneurship and Innovation Study. Additionally, by not seizing the lease opportunity with Oxford at Square One Shopping Centre at this time, the typical anchor tenant benefits such as exposure and foot/customer traffic are lost. It is unknown what the impact to economic opportunities in our communities will be, however it is assumed funding from MEDJCT may be negatively impacted which in turn compromises the intent of MBEC services, and council's previous communicated direction.

## Objectives and Benefits:

### The Innovation Hub will Provide Coordinated Supports to Entrepreneurs and Small Businesses

MBEC proposes a physical space in partnership with Square One (Oxford Properties). MBEC would act as the anchor tenant in this new innovation space, providing oversight and management to drive collaborative programming with Mississauga's key providers of entrepreneurial supports including the RIC centre, U of T Mississauga, Sheridan, and pioneering industry partners. The Hub will also build on internal City of Mississauga partnerships with the Smart Cities team, Culture, Tourism, the Library and other departments as opportunities arise. This space will:

- **Create coordination & connectivity among innovation assets & stakeholders:** The Innovation Hub would act as the central point of access, providing a 'concierge-style' service for entrepreneurs.
- **Develop collaborative supports:** Working with the key providers of entrepreneurship, MBEC would continue to provide supports to our start-up and small business community, and would begin providing supports for businesses looking to scale.
- **Create an accessible space the drives innovation and entrepreneurship in the city:** The Innovation Hub would provide a centralized and accessible space that delivers collaborative programming, mentorship, networking events and co-working space.
- **Create a recognizable innovation brand for Mississauga:** the Hub will increase awareness of the entrepreneurial programming, supports and services within Mississauga by creating a critical mass of activity in one space and driving an innovation marketing campaign for the City.
- **Incent innovative growth companies to stay in Mississauga:** By creating a collaborative approach the RIC Centre, UTM and Sheridan can remove duplication of programs and create a funnel for companies that ensures they find the right supports at the right time for their venture.
- **Provide entrepreneurs with a space that meets their needs:** Users identified that they are looking for a space that provides: Flexible co-working, event and networking space, and bookable office spaces and board rooms. A membership model would provide cost recovery for this this space.

The Hub will provide a means to showcase the innovation happening in our City and will create collaborative opportunities for these ventures to grow their companies in Mississauga—creating new jobs and inspiring our talented community members to live, work and play in our amazing City.

## Benchmarking/Trends:

### Trends:

- There has been a proliferation of innovation programming and funding in Ontario from the private sector and public sector.
- There has been increased public funding coming from federal, provincial and municipal governments, as well as education institutions.

### Without an established space Mississauga will continue to be left out

Regions and municipalities with established innovation spaces and programming are better able to secure additional public and private investments in a program capacity. Without a centralized space and a coordinated vision for entrepreneurship in Mississauga, it is difficult to access these funds.

### Benchmarking:

Municipal governments in Ontario have been particularly proactive in supporting local innovation. Below is a list of supports provided to proximal cities including; Brampton, Burlington, Kitchener and Hamilton.

- **Brampton:** The City of Brampton has made several strategic investments over the past three years as it develops a downtown Innovation District with **\$10.7 million in City funding** over the next 5 years
- **Kitchener:** With manufacturing base in decline, and after extensive public consultation, in 2004 the City decided to make a strategic investment towards new industries (high skill) based around the City's core. To this end, a \$110M Economic Development Fund was created. Of note, in October 2020, the City announced the creation of a second **\$110M development fund** over 10 years derived from economic development reserves.
- **Burlington:** Burlington opened TechPlace in mid 2017 recognizing that young, high growth firms were responsible for the majority of employment growth. The concept was that City would provide the space, and innovation partners would provide the programming. **City of Burlington has contributed \$300,000 annually/to-date.**
- **Hamilton:** Innovation Factory (iF) –The iF provides entrepreneurs with commercialization services to help bring disruptive (unique/IP) technologies to market, increase revenues, attract investment and create jobs. Focus on six sectors: Information Tech, Advanced Manufacturing, Cleantech, Life Science, Integrated Mobility, and Social Innovation. The iF also hosts the McMaster accelerator, known as The Forge. **Hamilton contributed \$5 million** toward the development of a biotech incubator.

## Options Considered:

1. **Square One with a Hub Supervisor:** A 4,200 sf space that is currently available and provides space, visibility and exposure of innovation activities, as well as access to transit for prospective clients and visitors. This option includes an Innovation Hub Supervisor to drive recruitment of members, increase revenue and coordinate activities in the space. Oxford is acting as a partner and therefore offering a significantly reduced lease rate.
2. **Square One:** A 4,200 sf space that is currently available and provides space, visibility and exposure of innovation activities, as well as access to transit for prospective clients and visitors. This option relies on the current MBEC staffing model. Oxford is acting as a partner and therefore offering a significantly reduced lease rate.
3. **Remain Virtual:** Since COVID-19 has forced the closure of MBEC, all current service offerings have become virtual. Therefore, this option proposes that all programming continue to be delivered through online webinars and virtual events, including advisory services and mentorship.

## Recommended Option:

The recommended option is **Option 1: Square One with a Hub Supervisor**

Description	
<p><b>Square One:</b> Due to the redevelopment of the central library, the Mississauga Business Enterprise Centre (MBEC) is looking for a new location. EDO has identified a 4,200 sf space in a highly accessible area of Square One that is currently available and provides increased space, visibility of innovation activities and easy access to transit for prospective clients from all areas in Mississauga. Oxford is acting as a partner and therefore offering a significantly reduced lease rate. With MBEC as an anchor tenant this space will allow for enhanced programming through the provision of a collaborative networking space, co-working, bookable offices and boardrooms and flexible event space, all of which are more conducive to supporting Mississauga's COVID impacted small businesses, new start-up ventures and growing companies.</p>	
Pros	Cons

<ul style="list-style-type: none"> <li>• Increased visibility of innovation and entrepreneurship in the City</li> <li>• Easily accessible via transit from anywhere in the City</li> <li>• Large collaborative space for in-person activities</li> <li>• Creates a central location that allows for coordination and connectivity among innovation assets and stakeholders in the City</li> <li>• Partnership with Oxford properties makes space affordable and activates Square One with new clientele</li> </ul>	<ul style="list-style-type: none"> <li>• Not a city-owned facility so some additional costs may be incurred</li> <li>• If not well marketed, coordinated and programmed there may be reputational impacts on the City</li> </ul>
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#### Justification/Why Staff Recommend this Initiative

The Economic Recovery Plans for Industry and Small Business accepted by Council in 2020, identify the Innovation Hub as a distinctive support that will create a focal point for innovation activity providing supports for start-up and scale-up activity, ensuring new opportunities for employment and economic development, and providing additional support to businesses requiring ongoing recovery supports.

As a follow up to the Entrepreneurship and Innovation (E&I) Study which was accepted by Council in 2019, EDO conducted a study to determine the need for a centralized space for innovation. This Innovation Hub Business Case (2020) revealed there is a collective belief that a central innovation space would facilitate the expansion and coordination of programming and strengthen Mississauga's credentials, both locally and nationally, as a place to start and grow businesses. This space will:

- **Coordinate and connect innovation assets & stakeholders:** Given there is currently limited collaboration between the innovation assets and services in Mississauga, the Innovation Hub would act as the central point of access, providing a 'concierge-style' service for entrepreneurs. The Hub would address the "asset coordination problem" identified in the Innovation Hub report, by creating an innovation asset map, highlighting all the innovation assets in Mississauga and continuing to work closely with the key innovation partners in the City to ensure programming and supports meet the needs of our clients.
- **Develop collaborative supports:** Working with the RIC Centre, UTM, Sheridan, and other key providers of entrepreneurship in Mississauga, MBEC and the Innovation Hub would continue to provide supports to our start-up and small business community, and would begin providing supports for businesses looking to scale. The Innovation Hub would not duplicate the existing services, and would instead look to fill these gaps and provide supports for companies targeted for growth through engagement with industry partners and funding bodies.
- **Provide an accessible space that drives innovation and entrepreneurship in the city:** As the innovation assets in the city are geographically dispersed and disconnected from one another, the Innovation Hub would provide a centralized and accessible space that provides collaborative programming, mentorship, networking events and co-working space.
- **Create a recognizable innovation brand for Mississauga:** The Hub will increase awareness of the entrepreneurial programming, supports and services, purposefully leading innovation within Mississauga and beyond by creating a critical mass of activity in one space. There will be a clear brand developed that identifies Mississauga as an Innovation District and a player in the innovation ecosystem nationally and internationally.
- **Incent innovative growth companies to stay in Mississauga:** By creating a collaborative approach that supports our small businesses, start-ups and growth companies, the players in the ecosystem can remove duplication of programs and create a funnel for companies that ensures they find the right supports at the right time for their venture.

#### Details of Service Change

Proposed costs for the creation of the Innovation Hub includes an annual lease to Oxford properties and a permanent salary and fringe benefits for a Grade F position, with an annual promotional materials and general expense-operating

budget of \$20,000. The space will also generate revenue through membership and rental of space to clients. Over the first four years, these costs less the revenue will amount to **\$1,320,285**.

#### Service Impact

A central innovation hub will improve customer service, reduce barriers to entrepreneurship and increase the access and visibility of Mississauga's Innovation Ecosystem to all businesses and residents by being strategically located Downtown and within a major tourist attraction, Square One. The Service impact will be:

- Creation of coordinated and connected activity among innovation assets – ensuring a central point of access, providing a 'concierge-style' service for entrepreneurs.
- Development of collaborative supports – working with the RIC Centre, UTM, Sheridan, and other key providers of entrepreneurship in Mississauga.
- Provision of an accessible space that drives innovation and entrepreneurship in the city – a centralized and accessible space that provides collaborative programming, mentorship, networking events and co-working space.
- Creation of a recognizable innovation brand for Mississauga – increasing awareness of the entrepreneurial programming, supports and services leading innovation within Mississauga and beyond by creating a critical mass of activity in one space.
- Incentivizing innovative growth companies to stay in Mississauga – creating a collaborative approach that supports our small businesses, start-ups and growth companies. Removing duplication of programs and creating a funnel for companies that ensures they find the right supports at the right time for their ventures.

#### Other Impacted City Sections

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Communications                   | <input checked="" type="checkbox"/> Finance             |
| <input checked="" type="checkbox"/> Information Technology           | <input checked="" type="checkbox"/> Legal               |
| <input type="checkbox"/> Human Resources                             | <input checked="" type="checkbox"/> Materiel Management |
| <input checked="" type="checkbox"/> Facilities & Property Management | <input type="checkbox"/> Other: _____                   |

#### Financial Summary: (for the recommended option)

	Year 1	Year 2	Year 3	Year 4
<b>Total Capital Costs</b>	\$1,325,000	\$0	\$0	\$0
<b>Total Operating Costs</b>	\$0	\$142,890	\$145,038	\$146,866
<b>Total Revenues/Savings (membership revenue &amp; sponsorship)</b>	-\$25,000	-\$100,000	-\$130,000	-\$150,000
<b>Total Cost</b>	\$1,300,000	\$47,990	\$15,038	-\$3,134
<b>Net Cost</b>	\$1,300,000	\$47,990	\$15,038	-\$3,134

## Section 1

### BUSINESS ISSUE/OBJECTIVE(S)

#### Current Situation/Problem

The City's centre for small business supports is currently under transition. Due to the redevelopment of the central library, the Mississauga Business Enterprise Centre (MBEC) is looking for a new location. Given this transition, EDO has an opportunity to find a location for MBEC which provides an engaging co-working and networking space that is more conducive to supporting Mississauga's COVID impacted businesses, new start-up ventures and our growing companies.

The Economic Recovery Plans for Industry and Small Business accepted by Council in 2020, identify the Innovation Hub as a distinctive support that will create a focal point for innovation activity providing supports for start-up and scale-up activity, ensuring new opportunities for employment and economic development, and providing additional support to businesses requiring ongoing recovery supports.

As a follow up to the Entrepreneurship and Innovation (E&I) Study which was accepted by Council in 2019, EDO conducted a study to determine the need for a centralized space for innovation. This Innovation Hub Business Case (2020) revealed there is a collective belief that a central innovation space would facilitate the expansion and coordination of programming and strengthen Mississauga's credentials, both locally and nationally, as a place to start and grow businesses.

#### Mississauga has a Need to Provide Coordinated Supports to Entrepreneurs and Small Businesses

##### 1. Small Business and Entrepreneurship Drives our Economy

- **Start-ups and New Businesses are an Economic Engine:** New business start-ups and high growth firms less than ten years old may account for only 30% of businesses in Canada, yet they are responsible for 72% of net employment growth.<sup>1</sup>
- **Increased Quality of Life and Talent Attraction:** About 17% of Mississauga's residents are self-employed.<sup>2</sup> Research indicates the vast majority of individuals are drawn to entrepreneurship (85% in Ontario) because of the opportunities it presents for independence and improved income.<sup>3</sup> Regions that support local entrepreneurs will be more successful in attracting and retaining the best talent.
- **Economic Resilience & Dynamism:** Economic crises present opportunities for the flourishing of new ideas, new businesses and new ways of doing business. This has certainly been true with the COVID-19 pandemic. One striking example is the dramatic shift toward digital technology solutions changing how we shop, interact with each other and do business. Early indicators of entrepreneurship activity suggest that economic recovery from the pandemic will be accompanied

<sup>1</sup> Innovation, Science and Economic Development Canada. "The Contribution to Canadian Net Employment Change by High-Growth Firms" Patrice Rivard. December 2017

<sup>2</sup> Labour Force Survey, custom order by Economic Development Office

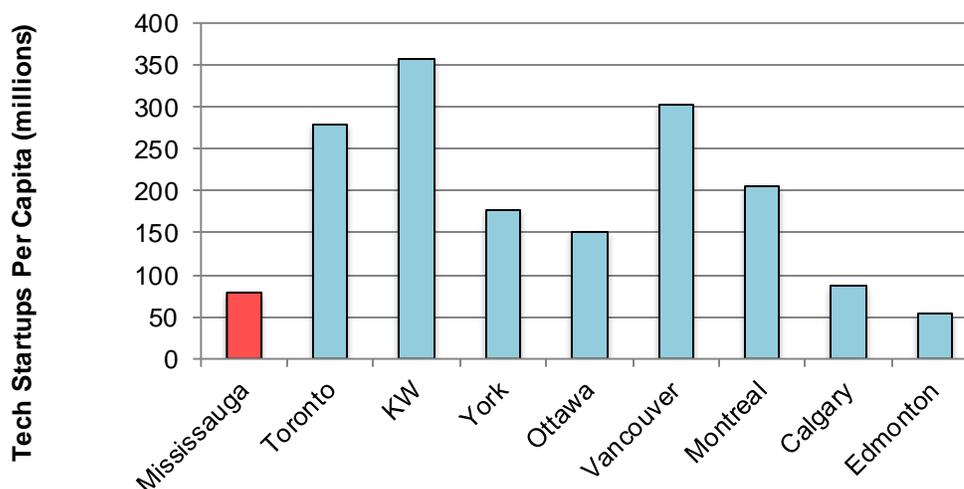
<sup>3</sup> Global Entrepreneurship Monitor. Ontario Report. 2015

by increased interest in entrepreneurship and thus increased demand for entrepreneurship supports.<sup>4</sup> Effective support for entrepreneurship and innovation will strengthen the capacity of the local economy to pivot in response to challenges and opportunities during the recovery.

- **Diversity Drives Entrepreneurial Activity:** Diverse populations and work forces create a larger potential to exploit a diverse pool of talents, perspectives, and social connections, thereby leading to a greater volume of entrepreneurship.<sup>5</sup> Mississauga is one of the most diverse Cities in the world, as such we need to provide appropriate entrepreneurial supports that celebrate this diversity and are responsive to our community members' needs.

## 2. Mississauga is underperforming relative to other municipalities in Entrepreneurship and Innovation

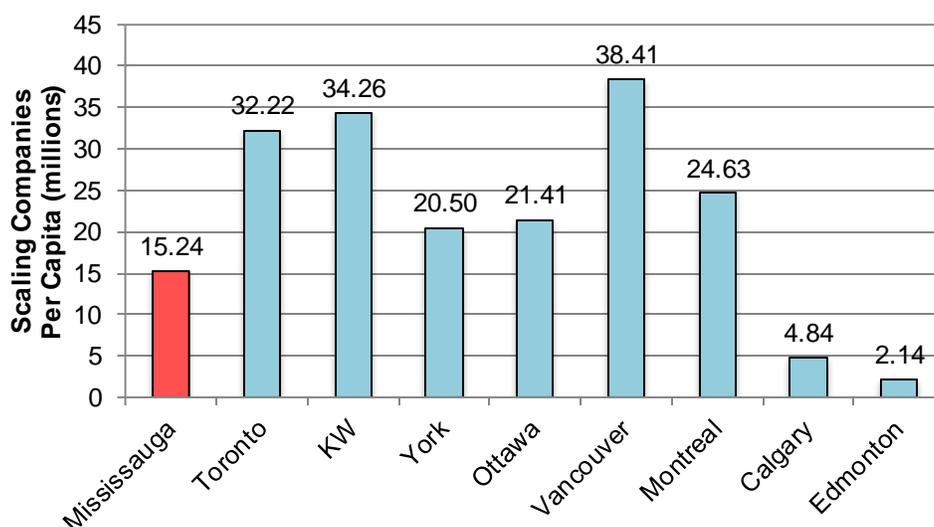
- **Low number of successful start-ups in Mississauga:** Recent studies of entrepreneurship and innovation in Mississauga indicate the City is doing relatively poorly compared to other major urban regions in Canada. Underperformance in these areas brings the risk of undermining Mississauga's local competitive advantage, losing opportunities for local employment generation and reducing our capacity to attract and retain talent. The Mississauga Entrepreneurship & Innovation Study, 2019, found that when it comes to rates of growth oriented 'start-ups' (i.e. firms with under \$1M in capital), Mississauga is failing in comparison to other major urban regions in Canada (see chart below).



- **Low rate of high growth companies in Mississauga:** Similarly, the E&I Study found that among major urban regions across Canada, Mississauga has the third lowest rate of scaling or high-growth companies, exceeding only Calgary and Edmonton (see chart below).

<sup>4</sup> Startups boom in the United States during COVID-19. Peterson Institute for International Economics. February 17, 2021

<sup>5</sup> Karlsson, C., Rickardsson, J. & Wincent, J. Diversity, innovation and entrepreneurship: where are we and where should we go in future studies?. *Small Bus Econ* **56**, 759–772 (2021).



### 3. There are Several Barriers Preventing Mississauga’s Recognition as an Innovation Ecosystem

Both the E&I and Innovation Hub studies identified barriers to Mississauga’s ecosystem that are leading to less than optimal outcomes. These barriers include:

- Lack of coordination & connectivity among innovation assets & stakeholders:** There is currently limited collaboration between the innovation assets and services in Mississauga. There is also no one individual or institution that is currently coordinating these assets and solving the “asset coordination problem” (Innovation Hub report, pg. 8). Successful innovation-fostering organizations (such as Communitech in Kitchener-Waterloo) [provide an] understanding of when [relevant innovation] assets come into play plus an actual process for moving companies through all the stages [of business growth] (E&I pg. 49). The E&I Study emphasized that coordination is particularly important given the complexity of entrepreneurship ecosystems.
- Support is currently disjointed:** There is a range of support programs across the City, however programming is not designed to address a particular niche or gap in provision and it is not strategic in nature.
- There is no distinguished hub for innovation activity in the city:** There is a need to have a central hub that projects a positive message about Mississauga’s appetite and potential for innovation. The assets that are in the city are geographically dispersed and disconnected from one another. (Innovation Hub report, pg. 15)
- Mississauga lacks a recognizable innovation brand:** There is limited awareness of the presence and services of Innovation within and outside Mississauga and that a critical mass of activity in one space may help to generate stronger interest in the services offered. (E&I pg. 51, Innovation Hub report, pg. 14). Start-ups and scale-ups currently do not perceive Mississauga as a city of innovation and many scaling and start-up businesses often choose other cities within which to locate their businesses (Innovation Hub report, pg. 15).

- **Mississauga is losing innovative growth companies to other regions:** Each of the innovation spaces in Mississauga indicated they are operating at capacity. Therefore potential clients are being referred outside the city due to the absence of adequate dedicated support services and space for high growth, scaling businesses (Innovation Hub report, pg. 14). Previously, EDO did not have a role in scale-ups, deferring to others. Unfortunately, other parties are not adequately serving scale-ups, and this area remains underserved (E&I pg. 50).

### Mississauga Business Enterprise Center Impact

The table below provides high-level service metrics that capture the demand volume as well as the impact COVID-19 has had on reshaping the center's current services.

**Table: Mississauga Business Enterprise Centre Service Metrics: 2018-2020**

	2018	2019	2020	3 Yr. Growth Rate
Small Businesses Started or Expanded	116	117	64	-45%
One-on-One Business Consultations (incl. external consultants)	258	180	371	44%
Event/Seminars/Webinars	92	75	54	-41%
Attendees	2,258	1,093	3,317	47%
Business Inquiries	3,576	3,593	4,015	12%
Digital Main Street Consultations	N/A	205	226	10%*
Website Users (Small Business + COVID pages)	14,427	22,455	40,335	180%

\*2 year growth rate

### Objectives/Benefits

#### The Innovation Hub will Provide Coordinated Supports to Entrepreneurs and Small Businesses

To address the current situation, MBEC proposes finding a physical space that is conducive to serving entrepreneurs and small businesses. MBEC would act as the anchor tenant in this space, providing oversight and management and drive collaborative programming through partnership with Mississauga's key providers of entrepreneurial supports. This space will be integral to Mississauga's start up community, provide start-up programming, in-person mentorship, networking events, and will promote industry partnerships and funding opportunities.

Both the E&I Study and the Innovation Hub report recommended that a central, coordinating innovation space was needed in Mississauga to address underperformance and the barriers described above.

- Mississauga already houses a number of Innovation Hubs but, unlike other cities, does not have a single pre-eminent Innovation Hub that is well known outside the city. A distinguished Innovation Hub would act as a focal point for innovation activity locally, better co-ordinate innovation assets within the city/region, and provide a recognizable physical anchor to support Mississauga's brand regionally and globally (Innovation Hub report, pg. 4).
- **Recommendation #1 from E&I Study – Strengthen the start-up ecosystem:** Make information more accessible to start-ups in all sectors, youth, newcomers and traditional main street businesses by distributing information and services for through multiple points of access anchored by a downtown location

- As a requirement under our funding agreement with the Ministry of Economic Development, Job Creation and Trade, the reimagined MBEC requires that a small business enterprise centre have a physical space to accommodate the delivery of services and programming to clients in person.

### **A Central Innovation Hub Can Reduce Barriers to Entrepreneurship and Increase the Access and Visibility for Mississauga's Innovation Ecosystem**

An Innovation Hub will provide coordinated solutions targeted at removing the current barriers outlined above. This space will strive to:

- **Create coordination & connectivity among innovation assets & stakeholders:** Given there is currently limited collaboration between the innovation assets and services in Mississauga, the Innovation Hub would act as the central point of access, providing a 'concierge-style' service for entrepreneurs. The E&I Study emphasized that coordination is particularly important given the complexity of entrepreneurship ecosystems. The Hub would address the "asset coordination problem" identified in the Innovation Hub report, by creating an innovation asset map, highlighting all the innovation assets in Mississauga and continuing to work closely with the key innovation partners in the City to ensure programming and supports meet the needs of our clients.
- **Develop collaborative supports:** Working with the RIC Centre, UTM, Sheridan, and other key providers of entrepreneurship in Mississauga, MBEC and the Innovation Hub would continue to provide supports to our start-up and small business community, and would begin providing supports for businesses looking to scale. As outlined in the E & I study, there is a gap in the supports for scaling companies in Mississauga. The Innovation Hub would not duplicate the existing services, and would instead look to fill these gaps and provide supports for companies targeted for growth through engagement with industry partners and funding bodies.
- **Create an accessible space that drives innovation and entrepreneurship in the city:** As the innovation assets in the city are geographically dispersed and disconnected from one another, the Innovation Hub would provide a centralized and accessible space that provides collaborative programming, mentorship, networking events and co-working space. The Hub will project a positive message about Mississauga's appetite and potential for innovation through its visibility in the core of the City and through enhanced awareness campaigns.
- **Create a recognizable innovation brand for Mississauga:** The Hub will increase awareness of the entrepreneurial programming, supports and services leading innovation within Mississauga and beyond by creating a critical mass of activity in one space. There will be a clear brand developed that identifies Mississauga as an Innovation District, which includes a new website along with a communications campaign that will increase the awareness of supports for entrepreneurs in the Region, and highlight Mississauga as a player in the innovation ecosystem nationally and internationally.
- **Incent innovative growth companies to stay in Mississauga:** Innovation spaces in Mississauga are at capacity in terms of space and resources for programming. By creating a collaborative approach that supports our small businesses, start-ups and growth companies, the players in the ecosystem can remove duplication of programs and create a funnel for companies that ensures they find the right supports at the right time for their venture. Knowing that the right supports are available in Mississauga will keep growing businesses here and as we build our brand, the goal is to drive new innovative companies into our City.

### **The Innovation Hub will provide entrepreneurs with a space that meets their needs**

MBEC worked closely with the RIC centre, UTM and Sheridan to engage potential users of a Mississauga Innovation Hub through two Design Thinking workshops (led by OCADU Co). These workshops validated the requirements for an innovation space for small business owners and entrepreneurs. These users confirmed the desire for a central location in Mississauga to work, learn, meet, network and collaborate. The proposed design and programming of the innovation hub, as highlighted in the OCADU Co report, represents the different types of places, rooms and spaces identified as the ideal environment to support the development and growth of their businesses. The users in these sessions identified that they are looking for a space that provides:

- Flexible co-working space
- Flexible event and networking space
- Bookable office spaces
- Bookable hot desks
- Bookable board rooms

MBEC proposes a physical space that is centrally located. Based on the findings of the Innovation Hub Report and the OCADU Co. workshops, the space should be:

- Able to leverage close partnerships with post-secondary and regional innovation partners, acting as a concierge for entrepreneurs and small businesses
- Able to leverage EDO's industry partnerships to drive commercialization activity for ventures
- Highly visible, accessible and welcoming
- Providing support to entrepreneurs, businesses and service providers across the entire City
- Located in an economic growth area such as the Downtown core
- Near a main transit hub
- Accessible to free parking
- Proximal to City Hall and Civic for clients who may need to visit zoning office, licensing office, etc.
- Proximal to the Hazel McCallion Central Library to access relevant programming

### **The Innovation Hub will advance the need to serve entrepreneurs and our recovering small business community**

As outlined in the Economic Recovery Plans for Industry and Small Business, the Innovation Hub will act as a distinctive support and will create a focal point for innovation activity.

Given that new business start-ups and high growth firms less than ten years old account for 30% of businesses in Canada, and are responsible for 72% of net employment growth<sup>5</sup> this Hub will provide supports to drive start-up and scale-up activity. The Hub will encourage new opportunities for employment and economic development, and provide additional support to businesses requiring ongoing recovery supports.

A central innovation space will facilitate the expansion and coordination of programming and strengthen Mississauga's presence as a key player in innovation ecosystem as a place to start and grow businesses.

<sup>5</sup> Innovation, Science and Economic Development Canada. "The Contribution to Canadian Net Employment Change by High-Growth Firms" Patrice Rivard. December 2017

**Finally, local service providers and business community have expressed support for a central innovation space.**

- Mississauga is currently underserving the entrepreneurship and innovation in relation to its comparators. **Brampton has committed more than \$10 Million** over five years and **Kitchener has committed \$8.5 Million** over five years, both to drive entrepreneurship and innovation through the development of physical supports and programming.
- Collectively, Mississauga's key innovation assets see a demand for a central space with colocation opportunities (i.e. a different type of spatial/support offer) and that better coordination among operators would better meet existing demand and stimulate a stronger pipeline of demand within the city (Innovation Hub report, pg. 14).
- Mississauga is home to a sizeable contingent of both large corporate and younger, high growth and scaling businesses. The consultation process uncovered an eagerness from both business sectors to become involved in enhancing innovation support within the city.
- Large established corporate businesses look to smaller, more agile businesses to provide innovative and forward-looking solutions that they can tap into, both in the supply chain and through knowledge spillovers. Scaling companies are looking for local space and services to assist their growth. Both business sectors saw benefit in having a central anchor space to facilitate increased opportunities for partnerships between established and emerging businesses (Innovation Hub report, pg. 15).

#### **Entrepreneurship & Innovation Advisory Board**

To ensure engagement of the appropriate partners, EDO has created an Entrepreneurship and Innovation Advisory Board with membership drawn from Mississauga's entrepreneurial ecosystem and includes senior level representation from our post-secondary, industry and funding partners:

- Research Innovation Commercialization Centre (RICC)
- Sheridan College (EDGE)
- University of Toronto Mississauga (ICUBE)
- MaRS Discovery District
- Mississauga Board of Trade (MBOT)
- Plug and Play
- Oxford Properties
- RBC
- MNP
- Bora Pharmaceuticals
- Equation Angels
- Naprico

#### **Expressions of Interest**

To further ensure we have the right partners in place, we have secured Expressions of Interest from our key allies. These partners will support us in amplifying the innovation and entrepreneurship opportunities currently available in Mississauga and in supporting the growth and scaling of companies across key sectors. These partners include:

- U of T Mississauga
- Sheridan College
- RIC Centre
- MNP

- MindShare WorkSpace Inc.

The creation of the Innovation Hub to house MBEC and provide the supports needed by our start-up and small business community is feasible as we are building a strong partnership model that leverages in-kind support and the existing resources in Mississauga to operate this space. MBEC will act as an anchor tenant and will work collaboratively with current and new partners across the City to deliver programming that activate and support our growing businesses.

The Hub will also build on internal City of Mississauga partnerships with the Smart Cities team, Culture, Tourism and other departments as opportunities arise. The Hub will provide a means to showcase the innovation happening in our City and will create collaborative opportunities for these ventures to grow their companies right here in Mississauga, creating new jobs and inspiring our talented community members to live, work and play in our amazing City.

## Section 2

### BENCHMARKING/TRENDS

#### Trends:

- There has been a proliferation of innovation programming and funding in Ontario from the private sector and public sector.
- There has been increased public funding coming from federal, provincial and municipal governments, as well as education institutions.

#### Without an established space Mississauga will continue to be left out

Regions and municipalities with established innovation spaces and programming are better able to secure additional public and private investments in a program capacity. Without a centralized space and a coordinated vision for entrepreneurship in Mississauga, it is difficult to access these funds. Ex. Cities across Ontario have Start-up Visa programs providing funding and space for companies new to Canada. As there is no clear location for companies to 'land' in Mississauga, we are one of the few major cities in Southern Ontario who have not accessed this program.

#### Benchmarking:

Municipal governments in Ontario have been particularly proactive in supporting local innovation. Below is a list of supports provided to proximal cities as well as the outcomes, including; Brampton, Burlington, Kitchener and Hamilton.

#### Brampton

**Description:** The City of Brampton has made several strategic investments over the past three years as it develops a downtown Innovation District. The Innovation District is intended to create an ecosystem with resources to support companies in all stages of development, including start-up, scale-up, small and medium-sized enterprises, and large corporations. Key features of the District include:

- **Brampton Entrepreneur Centre (BEC):** Co-working Space & Small Business Resources – Located in a spacious storefront co-working space designed to fuel creativity and productivity **City: \$265K up front for the construction and equipment (AV, phone booth, furniture)**
- **RIC (Research Innovation Commercialization) Centre:** Specialized business incubation and accelerator space - Peel's Regional scale-up organization **City: \$100,000 per year for three years (2020 start)**
- **Founder Institute:** The Founder Institute is a global accelerator firm that provides support to high potential, early stage companies **City contribution: \$30,000 per year for three years (2020 start)**
- **Ryerson Venture Zone (RVZ):** Start-up pre-seed incubator led by Ryerson University. The incubator will bring aspiring entrepreneurs, current founders, and key industry partners together to build solutions that address hyperlocal issues in the community. **City: \$5 million over five years. Start 2020**
- **Rogers Cybersecure Catalyst:** A not-for-profit organization owned and operated by Ryerson University and offers training and certification support for cyber scale-ups, research and development and more. Includes the Rogers Cybersecure Catalyst Cyber Range and Accelerator **City: \$5 million over five years.** Other partners include FedDev Ontario (\$10M), Rogers Communications (\$10M), and RBC (\$5 M). The Catalyst will be owned and operated by Ryerson University. **(Start 2019)**
- **Sheridan EDGE Programming:** EDGE entrepreneur programming connects start-ups with resources from within the Sheridan network and provides work-shops, seminars and training to support development and growth of businesses.

## Burlington

**Description:** Burlington opened [TechPlace](#) in mid 2017. Why? In recognition that young, high growth firms were responsible for the majority of employment growth. Concept was that City would provide the space, and innovation partners would provide the programming. TechPlace focuses on providing space for entrepreneurs to work, facilitating access to supports, including business intelligence, networking & connecting with other entrepreneurs, mentors and financial capital. Core program is Launchpad, which provides private offices for 6-12 months for targeted young firms, along with access to mentors and support programs. Launchpad is also used as a soft landing for FDI.

**Funding Structure:** City of Burlington provided \$300K for initial outlay, and then contributes approx. \$300K per year for ongoing operating costs (includes staffing and rent). Basic operating structure for TechPlace is;

- City of Burlington \$300,000
- Corporate Sponsorships \$100,000
- Revenue Generation \$50,000
- **Total Revenue \$450,000**

**Building Space:** 8,600 SF. Includes private office space, hot desks, meeting rooms and event space.

**Outcomes:**

- 400 business assisted since launch
- 204 high growth businesses attracted to Burlington (locate in Burlington due to interaction with TechPlace) since launch
- In 2018/19, TechPlace businesses created over 250 jobs
- 2019: held 134 events with 6,419 attendees
- 2019: had 11 corporate sponsors (this was reduced in 2020 due to COVID and space not being available)

## Kitchener

**Description:** With manufacturing base in decline, and after extensive public consultation, in 2004 the City decided to make a strategic investment towards new industries (high skill) based around the City's core. This option was bolstered by a new brownfield remediation program, the City's Downtown Strategic Plan and the Region of Waterloo's Growth Management Strategy. To this end, a \$110M Economic Development Fund was created. Projects funded by the fund have included development of medical and pharmacy schools, the Laurier University School of social work, the Communitech hub and downtown streetscaping. Of note, in October 2020, the City announced the creation of a second \$110M development fund which will continue in this direction. The new economic strategy focuses on five areas: health innovation, creative industries from web design to the arts, affordable housing, making the city vibrant and active, and the creation of a city-wide start-up network similar to Communitech, but focused on green industries and social innovation.

- **Communitech:** Communitech, founded in 1997, provides a central space for entrepreneurs and businesses to access resources and programming to help them start, grow and succeed. Communitech's value proposition is centred on three offers: providing space to bring innovation activity together; providing programming & resources to support business growth; providing access to wider innovation networks (local and global). Communitech hosts partners within its space, for example UW's Velocity Incubator.

**Space:** 120,000 SF space

**Funding Structure:** Communitech has relied upon a mix of public and private funding, and with reliance on public funding declining over time. Over the last five years over half of their operating costs have come from private sector funding. Public funding has come from federal, provincial and municipal governments. Since 2016 Kitchener has provided Communitech with \$300,000 per year. Also; \$500K capital investment when Communitech moved to current space in 2010; \$500K capital investment to Velocity in 2016 for lab space. [See annual reports for operating cost structure.](#)

**Outcomes: [2019](#)**

- 125 events with 9,500+ attendees
  - 46 active Peer2Peer groups
  - 26 collaborations between start-ups and established businesses
  - Supported 525 start-ups, 170 scale ups, and 187 businesses.
  - Businesses supported by Communitech perform better than their Canadian peers. [For example, raising more financial capital](#)
  - E&I study found KW area in general had among the highest rates of start-ups and scale-ups across major urban regions in Canada
- **Innovation Arena:** Will be a 90,000 SF centre for health innovation and medical technology including a wet lab for chemical/materials science, four biosafety labs, and a universal product development space that is projected to open in 2023. The building will also be the new home of UW's Velocity incubator program which would allow more room for it to operate. Velocity is currently located in the Tannery building (same space as Communitech). In 2016 Kitchener provided \$500K to Velocity to build a wet lab space. Demand for that space has now outstripped supply, and with Velocity transition from a focus on software to hardware and now to medtech, they will move into Innovation Arena.

**Funding:** Kitchener will provide \$8.5M over five years. University of Waterloo will be paying \$11.5 million towards the project and providing \$1.8 million annually to pay for operating costs.

## Hamilton

**Description:** Innovation Factory (iF) – started in Nov 2010 – is a non-profit business accelerator, providing entrepreneurs with business services, training, mentorship and strategic connections to help bring your disruptive technologies to market, increase revenues, attract investment and create jobs. iF provides entrepreneurs with commercialization services to help bring disruptive (unique/IP) technologies to market, increase revenues, attract investment and create jobs. Focus on six sectors: Information Tech, Advanced Manufacturing, Cleantech, Life Science, Integrated Mobility, and Social Innovation. iF also hosts the McMaster accelerator, [The Forge](#)

**Funding:** Approx. \$2 million annually plus \$1 million in-kind for operating costs

**Funding sources:**

- City of Hamilton 2% (\$50,000 per year, beginning 2012)
- Ontario Centre of Excellence OCE: 50%
- Province: 40%
- Private: 8%

**Outcomes (Nov 2020 report)**

- Total number of clients since inception = 1,930;

- \$390 M + (government programs and private investor) in total funds clients have raised with IF support;
- Over 21,524 hours spent in client meetings
- Over 499 events with attendance at over 27,000

## Section 3

### STRATEGIC ALIGNMENT

#### Strategic Pillars

This initiative supports the City's following Strategic Pillar(s):

Priority	Description	Alignment
<input checked="" type="checkbox"/> <b>Move</b>	Developing a transit-oriented City	The Square One location was selected specifically due to its proximity to the Downtown transit hub. This ensures citizens from across the City can easily access business supports regardless of location or access to a vehicle.
<input checked="" type="checkbox"/> <b>Belong</b>	Ensuring youth, older adults, and new immigrants thrive	The Hub will provide entrepreneurial programming and supports for youth, newcomers and those looking for end-of-career opportunities
<input checked="" type="checkbox"/> <b>Connect</b>	Completing our neighbourhoods	This space will help re-activate the core of our City, incenting community members to visit the downtown and create innovative companies in all wards. Programming will also support our small and main street businesses, ensuring they are viable and thriving well beyond the pandemic
<input checked="" type="checkbox"/> <b>Prosper</b>	Cultivating creative and innovative businesses	The programming in the Hub will be in partnership with all Mississauga entrepreneurial partners and will be focused on providing collaborative support to the start-up and the growth of innovative businesses
<input checked="" type="checkbox"/> <b>Green</b>	Living green	The Hub will incorporate the UN Sustainability Development Goals, wherever possible in its programming and activities
<input type="checkbox"/> <b>N/A</b>	Not Applicable	

#### Business Plan & Budget Priorities

This initiative supports the following Business Plan & Budget Priorities:

Priority	Description	Alignment
<input checked="" type="checkbox"/> <b>Deliver the Right Services</b>	Sets service levels that reflect a balance between citizen expectations and fiscal responsibility	The programming in the Hub will be in partnership with all Mississauga entrepreneurial partners and will be focused on providing collaborative support to the start-up and the growth of innovative businesses. By working with our key partners we are reducing the duplication of services and creating a more cohesive model with reduced resources required across the City
<input checked="" type="checkbox"/> <b>Implement Cost Containment Strategies</b>	Demonstrates value for money	Oxford Properties is acting as a partner in this initiative and has provided a valuable reduction in the lease rates for the space. The Hub will also operate under a membership model that will drive revenue into the City and help cover the operating costs. We will also engage sponsorship to aid in the costs for programming and supports
<input checked="" type="checkbox"/> <b>Maintain our Infrastructure</b>	Ensures we remain competitive and sustain quality of life and economic success	Small business and start-up activities are important drivers of new jobs, contributing to economic development, the Hub will be an essential tool/asset in ensuring our economic attractiveness

<input checked="" type="checkbox"/> <b>Advance on our Strategic Vision</b>	Ensures Mississauga is a global urban city recognized for its Municipal leadership	The Hub will increase awareness of the entrepreneurial programming, supports and services leading innovation within Mississauga and beyond by creating a critical mass of activity in one space. There will be a clear brand developed that identifies Mississauga as an Innovation District, which includes a new website along with a communications campaign that will increase the awareness of supports for entrepreneurs in the Region, and highlight Mississauga as a player in the innovation ecosystem nationally and internationally.
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## Section 4

### OPTIONS & ANALYSIS

#### Options

<b>Option 1: Square One with Hub Supervisor</b>	
<b>Description</b>	<b>Square One:</b> Due to the redevelopment of the central library, the Mississauga Business Enterprise Centre (MBEC) is looking for a new location. EDO has identified a 4,200 sf space in a highly accessible area of Square One that is currently available and provides increased space, visibility of innovation activities and easy access to transit for clients from all areas in Mississauga. With MBEC as an anchor tenant this space will allow for enhanced programming through the provision of a collaborative networking space, co-working, bookable offices and boardrooms and flexible event space, all of which are more conducive to supporting Mississauga's COVID impacted small businesses, new start-up ventures and growing companies. A new role will be created that works closely with the MBEC team and our ecosystem partners to recruit new members (driving the revenue generation model) to the space and will coordinate the activities and programming in this space.
<b>Pros</b>	<ul style="list-style-type: none"> <li>• Increased visibility of innovation and entrepreneurship in the City</li> <li>• Easily accessible via transit from anywhere in the City</li> <li>• Large collaborative space for in-person entrepreneurship and innovation activities</li> <li>• Creates a central location that allows for coordination and connectivity among innovation assets and stakeholders in the City</li> <li>• Partnership with Oxford properties makes space affordable and activates Square One with new clientele</li> <li>• Hub Supervisor will work closely with the MBEC team and our ecosystem partners to recruit new members to the space and will coordinate the activities and programming in this space (driving the revenue generation model)</li> </ul>
<b>Cons</b>	<ul style="list-style-type: none"> <li>• Not a city-owned facility so some additional costs may be incurred</li> <li>• If not well marketed, coordinated and programmed there may be reputational impacts on the City</li> </ul>

<b>Option 2: Square One without Hub Supervisor</b>	
<b>Description</b>	<b>Square One:</b> Due to the redevelopment of the central library, the Mississauga Business Enterprise Centre (MBEC) is looking for a new location. EDO has identified a 4,200 sf space in a highly accessible area of Square One that is currently available and provides increased space, visibility of innovation activities and easy access to transit for clients from all areas in Mississauga. With MBEC as an anchor tenant this space will allow for enhanced programming through the provision of a collaborative networking space, co-working, bookable offices and boardrooms and flexible event space, all of which are more conducive to supporting Mississauga's COVID impacted small businesses, new start-up ventures and growing companies.
<b>Pros</b>	<ul style="list-style-type: none"> <li>• Increased visibility of innovation and entrepreneurship in the City</li> <li>• Easily accessible via transit from anywhere in the City</li> <li>• Large collaborative space for in-person entrepreneurship and innovation activities</li> <li>• Creates a central location that allows for coordination and connectivity among innovation assets and stakeholders in the City</li> <li>• Opportunity to partner with Oxford properties and activate Square One with new clientele</li> </ul>
<b>Cons</b>	<ul style="list-style-type: none"> <li>• Not a city-owned facility so some additional costs may be incurred</li> <li>• If not well marketed, coordinated and programmed there may be reputational impacts on the City</li> </ul>

<b>Option 3: Remain Virtual</b>	
<b>Description</b>	Since COVID forced the closure of MBEC, all services have become virtual. All programming is currently delivered through online webinars and virtual events, advisory services and mentorship. There is the opportunity to maintain this model through the continued adoption of virtual supports.

<b>Pros</b>	<ul style="list-style-type: none"> <li>Provides access to numerous clients with out the need to travel for supports</li> <li>No overhead costs</li> </ul>
<b>Cons</b>	<ul style="list-style-type: none"> <li>No access to in-person offices for MBEC staff, collaborative activity or event space</li> <li><b>Ministry funding received by MBEC indicates we must have a physical space for clients to access</b></li> </ul>

## Goals/Expected Outcomes

Goal/Expected Outcome	Option 1 (H/M/L)*	Option 2 (H/M/L)*	Option 3 (H/M/L)*
Increase number of start-up companies and small businesses served	H	H	M
Increase number of scaling companies served	H	M	L
Increase awareness of Mississauga's presence in the Innovation ecosystem	H	M	L
Increase access to partners and sponsorship	H	M	L

\*H = The option is **critical** to the achievement of the goal

M = The option is **somewhat critical** to the achievement of the goal

L = The option is **not critical** to the achievement of the goal

## Risks

Risk	Option(s) Where Risk is Applicable	Probability (H / M / L)	Impact (H / M / L)	Mitigation Strategy
Risk of hiring the wrong Innovation Hub Supervisor	1	L	M	This risk would be mitigated by doing a thorough search for the right expertise, as well as the City's probation period that allows the Manager to fully assess the capacity and output of the newly hired FTE.
Inability to activate the space	1,2	L	H	MBEC will act as an anchor tenant and will create activity from day one through current clients and programming. Partnership with key partners and a focus on marketing and recruitment will drive membership and activities in the space.

## Section 5

### FINANCIAL ANALYSIS

#### Option 1: Square One with Hub Supervisor

	Year 1	Year 2	Year 3	Year 4
Construction (\$75,000 capital covered in 2020 budget)	\$825,000	\$	\$	\$
Soft Costs	\$500,000	\$	\$	\$
Hardware/IT Workstation (\$125,000 covered in 2021 budget operating costs)	\$0	\$3,800	\$	\$
Software Licensing	\$	\$1,300	\$	\$
<b>Total Capital Costs:</b>	<b>\$1,325,000</b>	<b>\$5,100</b>	<b>\$</b>	<b>\$</b>
Human Resources-Innovation Hub Supervisor	\$	\$99,103	\$100,837	\$102,602
Human Resources Fringe Benefits*-Innovation Hub Supervisor-Grade F (start 2023)	\$	\$23,787	\$24,201	\$24,264
Advertising & Support	\$	\$20,000	\$20,000	\$20,000
<b>Total Operating Costs:</b>	<b>\$</b>	<b>\$142,890</b>	<b>\$145,038</b>	<b>\$146,866</b>
<b>Total Capital and Operating Costs:</b>	<b>\$</b>	<b>\$142,890</b>	<b>\$145,038</b>	<b>\$146,866</b>
<b>4-year Total Costs</b>				
Membership and Booking Revenue	\$0	-\$50,000	-\$80,000	-\$100,000
Sponsorship	-\$25,000	-\$50,000	-\$50,000	-\$50,000
<b>Total Revenues/Savings:</b>	<b>-\$25,000</b>	<b>-\$100,000</b>	<b>-\$130,000</b>	<b>-\$150,000</b>
<b>Net Cost:</b>	<b>\$1,300,000</b>	<b>\$47,990</b>	<b>\$15,038</b>	<b>-\$3,134</b>
<b>5-Year Net Cost (Total Costs – Total Revenues):</b>	<b>\$1,359,894</b>			
<b>Net Present Value** (Assume 3% discount rate)</b>	<b>\$1,320,285</b>			

\*Additional complement-Innovation Hub Supervisor

\*\*Lease cost covered in current operating budget

**Payback Year:** Year 4

**Option 2: Square One with no FTE**

	Year 1	Year 2	Year 3	Year 4
Design Consultant (paid in 2020-EDO prof. serve budget)	\$0	\$	\$	\$
Construction (\$75,000 capital covered in 2020 budget)	\$825,000	\$	\$	\$
Soft Costs	\$500,000	\$	\$	\$
Hardware/IT Workstation (\$125,000 covered in 2021 budget operating costs)	\$0	\$	\$	\$
Software Licensing	\$	\$	\$	\$
Lease (\$50,000/yr. covered in previously approved budget request)	\$	\$	\$	\$
<b>Total Capital Costs:</b>	<b>\$1,325,000</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Total Operating Costs:</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Total Capital and Operating Costs:</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>4-year Total Costs</b>				
Membership and Booking Revenue	\$0	-\$25,000	-\$40,000	-\$75,000
Sponsorship	-\$25,000	-\$25,000	-\$25,000	-\$25,000
<b>Total Revenues/Savings:</b>	<b>-\$,000</b>	<b>-\$50,000</b>	<b>-\$65,000</b>	<b>-\$100,000</b>
<b>Net Cost:</b>	<b>\$1,300,000</b>	<b>-\$50,000</b>	<b>-\$65,000</b>	<b>-\$100,000</b>
<b>4-Year Net Cost (Total Costs – Total Revenues):</b>	<b>\$1,085,000</b>			
<b>Net Present Value** (Assume 3% discount rate)</b>	<b>\$1,053,398</b>			

**Details/Calculations:** This option assumes a 50% decrease in sponsorship and membership, without the Innovation Hub Supervisor to drive recruitment of new clients and new sponsorship for programming.

**Payback Year:** Year 2

**Option 3: Remain Virtual**

- No additional costs associated with this option
- Ministry funding received by MBEC indicates we must have a physical space for clients to access, which equates to \$600,000 per year from Ministry of Economic Development, Job Creation and Trade

**Payback Year:** N/A

## Section 6

### RECOMMENDED OPTION

The recommended option is Option 1: Square One with Hub Supervisor

Option 1: Square One with Hub Supervisor	
<b>Description</b>	<b>Square One:</b> Due to the redevelopment of the central library, the Mississauga Business Enterprise Centre (MBEC) is looking for a new location. EDO has identified a 4,200 sf space in a highly accessible area of Square One that is currently available and provides increased space, visibility of innovation activities and easy access to transit for clients from all areas in Mississauga. With MBEC as an anchor tenant this space will allow for enhanced programming through the provision of a collaborative networking space, co-working, bookable offices and boardrooms and flexible event space, all of which are more conducive to supporting Mississauga's COVID impacted small businesses, new start-up ventures and growing companies. A new role will be created that works closely with the MBEC team and our ecosystem partners to recruit new members (driving the revenue generation model) to the space and will coordinate the activities and programming in this space.
<b>Pros</b>	<ul style="list-style-type: none"> <li>• Increased visibility of innovation and entrepreneurship in the City</li> <li>• Easily accessible via transit from anywhere in the City</li> <li>• Large collaborative space for in-person entrepreneurship and innovation activities</li> <li>• Creates a central location that allows for coordination and connectivity among innovation assets and stakeholders in the City</li> <li>• Opportunity to partner with Oxford properties and activate Square One with new clientele</li> <li>• Hub Supervisor will work closely with the MBEC team and our ecosystem partners to recruit new members to the space and will coordinate the activities and programming in this space (driving the revenue generation model)</li> </ul>
<b>Cons</b>	<ul style="list-style-type: none"> <li>• Not a city-owned facility so some additional costs may be incurred</li> <li>• If not well marketed, coordinated and programmed there may be reputational impacts on the City</li> </ul>

### Justification

The Economic Recovery Plans for Industry and Small Business accepted by Council in 2020, identify the Innovation Hub as a distinctive support that will create a focal point for innovation activity providing supports for start-up and scale-up activity, ensuring new opportunities for employment and economic development, and providing additional support to businesses requiring ongoing recovery supports.

As a follow up to the Entrepreneurship and Innovation (E&I) Study which was accepted by Council in 2019, EDO conducted a study to determine the need for a centralized space for innovation. This Innovation Hub Business Case (2020) revealed there is a collective belief that a central innovation space would facilitate the expansion and coordination of programming and strengthen Mississauga's credentials, both locally and nationally, as a place to start and grow businesses. This space will:

- **Coordinate and connect innovation assets & stakeholders-** Given there is currently limited collaboration between the innovation assets and services in Mississauga, the Innovation Hub would act as the central point of access, providing a 'concierge-style' service for entrepreneurs. The Hub would address the "asset coordination problem" identified in the Innovation Hub report, by creating an innovation asset map, highlighting all the innovation assets in Mississauga and continuing to work closely with the key innovation partners in the City to ensure programming and supports meet the needs of our clients.
- **Develop collaborative supports** –Working with the RIC Centre, UTM, Sheridan, and other key providers of entrepreneurship in Mississauga, MBEC and the Innovation Hub would continue to provide supports to our start-up

and small business community, and would begin providing supports for businesses looking to scale. The Innovation Hub would not duplicate the existing services, and would instead look to fill these gaps and provide supports for companies targeted for growth through engagement with industry partners and funding bodies.

- **Provide an accessible space that drives innovation and entrepreneurship in the city-** As the innovation assets in the city are geographically dispersed and disconnected from one another, the Innovation Hub would provide a centralized and accessible space that provides collaborative programming, mentorship, networking events and co-working space.
- **Create a recognizable innovation brand for Mississauga-** The Hub will increase awareness of the entrepreneurial programming, supports and services leading innovation within Mississauga and beyond by creating a critical mass of activity in one space. There will be a clear brand developed that identifies Mississauga as an Innovation District and a player in the innovation ecosystem nationally and internationally.
- **Incent innovative growth companies to stay in Mississauga-** By creating a collaborative approach that supports our small businesses, start-ups and growth companies, the players in the ecosystem can remove duplication of programs and create a funnel for companies that ensures they find the right supports at the right time for their venture.

#### Details of Service Change

Proposed costs for the creation of the Innovation Hub includes an annual lease to Oxford properties and a permanent salary and fringe benefits for a Grade F position, with an annual promotional materials and general expense-operating budget of \$20,000. The space will also generate revenue through membership and rental of space to clients. Over the first four years, these costs less the revenue will amount to **\$1,320,285**.

## Service Impact

#### Service Impact

A central innovation hub will improve customer service, reduce barriers to entrepreneurship and increase the access and visibility of Mississauga's Innovation Ecosystem to all businesses and residents by being strategically located Downtown and within a major tourist attraction, Square One. The Service impact will be:

- Creation of coordinated and connected activity among innovation assets –ensuring a central point of access, providing a 'concierge-style' service for entrepreneurs.
- Development of collaborative supports –working with the RIC Centre, UTM, Sheridan, and other key providers of entrepreneurship in Mississauga.
- Provision of an accessible space that drives innovation and entrepreneurship in the city – a centralized and accessible space that provides collaborative programming, mentorship, networking events and co-working space.
- Creation of a recognizable innovation brand for Mississauga –increasing awareness of the entrepreneurial programming, supports and services leading innovation within Mississauga and beyond by creating a critical mass of activity in one space.
  - Incentivizing innovative growth companies to stay in Mississauga –creating a collaborative approach that supports our small businesses, start-ups and growth companies. Removing duplication of programs and creating a funnel for companies that ensures they find the right supports at the right time for their ventures.

## Section 7

### IMPLEMENTATION OF RECOMMENDED OPTION

#### Objectives

Due to the redevelopment of the central library, the Mississauga Business Enterprise Centre (MBEC) requires a new location. EDO has identified a 4,200 sfs space in a highly accessible area of Square One that is currently available and provides increased space, visibility of innovation activities and easy access to transit for clients from all areas in Mississauga. With MBEC as an anchor tenant this space will allow for enhanced programming through the provision of a collaborative networking space, co-working, bookable offices and boardrooms and flexible event space, all of which are more conducive to supporting Mississauga's COVID impacted small businesses, new start-up ventures and growing companies. A new role will be created that works closely with the MBEC team and our ecosystem partners to recruit new members and sponsors to the space (driving the revenue generation model) and will coordinate the activities and programming in this space.

This central innovation space would facilitate the expansion and coordination of programming and strengthen Mississauga's credentials, both locally and nationally, as a place to start and grow businesses. This space will:

- Coordinate and connect innovation assets & stakeholders
- Develop collaborative supports
- Provide an accessible space that drives innovation and entrepreneurship in the city
- Create a recognizable innovation brand for Mississauga
- Incent innovative growth companies to stay in Mississauga

#### Scope

##### In scope:

- Securing a physical location
- Securing a designer and contractor
- Construction of space
- Furnishing of space
- Hiring of Hub Supervisor
- Launch of space and programming

##### Out of Scope:

- There will be no 'maker space' in this facility, as this offering will be provided through Mississauga's Central library

#### Major Project Milestones/Timeline

Major Milestones	Estimated Quarter Completion
Project Charter Creation	Q1- 2022
Project Kickoff	Q1-2022
Requirements Signed Off	Q1-2022
<b>Procurement Starts for design</b>	<b>Q3-2021</b>
Vendor Selected for design	Q1-2022
Construction start	Q2-2022
Construction Completed	Q4-2022
Start date for Hub Supervisor	Q1-2023

## Stakeholders

Stakeholders	Impact on Stakeholders/Stakeholders' Role in the Project
<b>Internal Stakeholders</b>	
<ul style="list-style-type: none"> <li>Client group-MBEC, Economic Development Office</li> </ul>	<ul style="list-style-type: none"> <li>MBEC will physically relocate to this space</li> <li>All activities and programs will be housed in new space</li> </ul>
<ul style="list-style-type: none"> <li>Project execution team: FPM-Capital Design and Construction</li> </ul>	<ul style="list-style-type: none"> <li>Creation of budget</li> <li>Lead the design and construction of space</li> </ul>
<ul style="list-style-type: none"> <li>Material Management</li> </ul>	<ul style="list-style-type: none"> <li>Support in the creation of RFPs for design and construction</li> </ul>
<ul style="list-style-type: none"> <li>Legal</li> </ul>	<ul style="list-style-type: none"> <li>Development of agreements with Oxford Properties</li> </ul>
<ul style="list-style-type: none"> <li>Communications</li> </ul>	<ul style="list-style-type: none"> <li>Will aid in promotion of space and activities throughout development and once launched</li> </ul>
<ul style="list-style-type: none"> <li>Information Technology</li> </ul>	Support in the provision of <ul style="list-style-type: none"> <li><i>Architecture &amp; Innovation for the space</i></li> <li><i>AV</i></li> <li><i>Network &amp; Voice Services</i></li> <li><i>Hardware Support Services</i></li> <li><i>IT Deployment &amp; Integration</i></li> <li><i>Public Sector Solutions</i></li> </ul>
<ul style="list-style-type: none"> <li>Human Resources</li> </ul>	<ul style="list-style-type: none"> <li>Support in the hire for Innovation Hub Supervisor</li> </ul>
<ul style="list-style-type: none"> <li>Facilities &amp; Property Management</li> </ul>	<ul style="list-style-type: none"> <li>Realty support in leasing contract</li> </ul>
<ul style="list-style-type: none"> <li>Finance</li> </ul>	<ul style="list-style-type: none"> <li>Support in development of budgets and business case</li> </ul>
<b>External Stakeholders</b>	
Clients interested in starting a business	<ul style="list-style-type: none"> <li>Access to new collaborative space and in-person programming</li> </ul>
Companies looking to grow their business	<ul style="list-style-type: none"> <li>Access to new collaborative space and in-person programming</li> </ul>
Post-secondary partners	<ul style="list-style-type: none"> <li>Provision of centralized hub to hold collaborative programs and events and showcase innovation in region</li> </ul>
Regional innovation partners	<ul style="list-style-type: none"> <li>Provision of centralized hub to hold collaborative programs and events and showcase innovation in region</li> </ul>
Industry partners	<ul style="list-style-type: none"> <li>Provision of centralized hub to drive innovative industry-city partnerships</li> </ul>
Funding partners	<ul style="list-style-type: none"> <li>Opportunity to drive connections between angel and venture capital investors to investment ready growth companies</li> </ul>

## Section 8

### APPROVALS

REVIEWER NAME	TITLE	SIGNATURE	DATE
<b>DONNA HESLIN</b>	MANAGER SMALL BUSINESS ENTREPRENEURSHIP & INNOVATION	ELECTRONIC	APRIL 14, 2021
<b>HAROLD DREMIN</b>	DIRECTOR (A) ECONOMIC DEVELOPMENT	ELECTRONIC	APRIL 15, 2021
<b>ANDREW WHITTEMORE</b>	COMMISSIONER, PLANNING & BUILDING	ELECTRONIC	APRIL 28, 2021