

IDEAS AND PROPOSALS SUBMITTED TO IEPC

Idea: STRATEGIC SUPPORT FOR LONDON'S OLD EAST VILLAGE

Submission Type: Organization

Description: See attached

Contact:

Sarah Merritt

Manager, Old East Village BIA

900 King Street

316 Rectory Street, P.O. Box 7550

London, ON N5Y 5P8

Phone: (519) 645-7662

Fax: (519) 645-7041

sarah@oldeastvillage.com

www.oldeastvillage.com

London's Prosperity Plan

Submission to:

The Investment and Economic Prosperity Committee

**Accelerating Economic Prosperity in
London's Neighbourhoods**

The Old East Village BIA

Submitted: June 1st, 2012

Accelerating Economic Prosperity in London's Neighbourhoods

Section 1 – Tell us about yourself.

Personal Information:

Organization:	Old East Village Business Improvement Area
Contact, Title:	Sarah Merritt, Manager
Location Address:	900 King St., London, ON, N5W 2X6
Mailing Address:	316 Rectory., London, ON, N5Y 5P8
Telephone:	519-645-7662
E-mail:	Sarah@oldeastvillage.com

Previous funding received from the City of London:

Amount:	\$100,000 annually
Date:	Commencing 2005
Description:	For the Old East Village Community Improvement Plan

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Section 2 – Tell us about your idea.

Give a brief description of the idea:

- Leveraging City's investment at a ratio of 1:7.5.
 - An Old East Village economic development plan.
 - Supported by a new funding and investment mechanism.
- London's Old East Village (OEV) is undergoing significant revitalization that is currently leveraging the City's investment in the Community Improvement Plan (CIP) at a ratio of 1:7.5; or \$7.50 of additional private investment for every \$1 invested by the City. To build upon this momentum the Old East Village BIA and its partners are creating a Local Economic Development Plan (LEDP) and a Neighbourhood Economic Development Corporation (NEDC). The LEDP will articulate the goals, strategies and timelines for initiatives that, over a ten year period, will build upon local strengths and capacity to stimulate the local economy for business activity and job creation in sectors with high growth potential. These sectors include Agri-Food, Arts and Culture, and Green Energy. The NEDC will be the mechanism to foster investment and resources for the activities of the LEDP.

Our goal is to foster a vibrant, diverse, resilient, and sustainable neighbourhood economy.

What is the status of this idea – is anything already happening?:

- Consultants hired.
 - Old East Village economic advisory group established.
 - "Kick start" projects identified.
 - Economic development plan and funding mechanism established by Dec. 2012.
- Qualified consultants and staff, temporarily funded by the MTCU Labour Market Partnership Program, are assisting with research and activities to create a LEDP and the NEDC. The LEDP will be implemented incrementally over ten years. As part of the process we facilitated a series of neighbourhood conversations and broader consultations with key stakeholders and experts in London and beyond to identify the pillars that will support the LEDP. By December 2012, we will have produced a draft LEDP. Additionally, by the end of 2012 we will have established the organizational and governance structure of the NEDC, including its financing mechanisms and capital start up requirements. A highly-skilled OEV Economic Development Advisory Group has already been developed to support the initiative. In the meantime, we have already initiated some "kick start" projects in food manufacturing and culture to create a Food Artisan District as part of the Old East Village Culture District.

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Section 2 – Tell us about your idea.

Who are the partners that would need to be involved? What are their roles?

- Existing partners:
 - The City of London
 - Community Association
 - Western Fair District
 - Local Arts and Culture Groups
 - Western University
 - Existing partners and new partners will:
 - Implement the revitalization plan,
 - and, implement the economic development plan,
 - using, a broad range of skills and knowledge.
 - New partnerships with
 - MaRS Centre for Impact Investing.
 - Canadian Housing and Mortgage Corporation
 - Ministry of Training, Colleges and Universities
- Our existing partners in the OEV revitalization initiative will also participate in this initiative. These partners include: City of London; Old East Village Community Association; Western Fair Entertainment District; Western Fair Farmers' and Artisans' Market; Aeolian Hall Performing Arts Centre; The London Clay Art Centre (Potter's Guild); The London Community Players (Palace Theatre); Western University's Urban Development Program; and a number of local business owners. All of these existing partners have representation on the OEVBIA Board and are responsible for implementing the current revitalization plan ("Re-establishing Value – A Plan for the Old East Village") as developed by the Ontario Professional Planners Institute – Planners Action Team. Additional partners on the initiative include: Ministry of Training, Colleges and Universities and Canada Mortgage and Housing Corporation.
- One of our critical new partners is the MaRS Centre for Impact Investing (Attachment 1 outlines their role on this initiative). Collectively, our existing and new partners have a wealth of specialist skills and knowledge about: development corporations; community economic development; finance and investment; business development, attraction, and retention; labour market issues; business investment; arts & culture planning and production; food production; sustainable energy; residential development including affordable housing; planning; urban renewal; and research. Our partners will utilize these skills in guiding the development and implementation of the LEDP and NEDC. These partners will act as resource support to the Old East Village BIA and its existing partners so that we can operationalize the NEDC and implement the LEDP.

What is the cost for the Project?:

- Cost to implement this idea:** \$5 million dollars in first three years to create NEDC reserve fund.
- Funding requested from City:** \$500,000 annually for 10 years.

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Section 2 – Tell us about your idea.

Will this idea move forward without City of London funding?:

- Yes, but with less ability to grow leveraging ratio.

The idea will continue to move forward; however, it will take longer to achieve results without the participation of City staff and City funding to leverage other funds, resources, and partnerships. Since 2005, through the Community Improvement Plan the BIA has successfully leveraged City funding to achieve private investment at a ratio of 1 to 7.5. When City funding was leveraged for other programs and BIA operational expenses this ratio increases to 1:20 (or \$20 of private investment secured for every \$1 from the City).

Section 3 – Tell us how your idea will benefit our economy.

Will your ideas create jobs?: Yes

Number:	51-100 jobs
Type:	Permanent full time (32 hrs pw +)
Level:	Mid-level
Salary:	\$40,000 to \$60,000 annually - \$20-\$30 an hour.
Sector:	Food Services, Arts Culture and Entertainment, Retail

Is there anything else that you can tell us about how this will create jobs?

- Commercial corridor performs regionally.
- Opportunity for further job creation.
- Foster traditional and alternative entrepreneurship.

Neighbourhood research undertaken by Western University indicates that our strongest economic activity consists of businesses and cultural groups in the area that are already performing regionally. Through the NEDC we expand these activities further to generate wealth, foster social and other forms of entrepreneurship to create more local ownership of neighbourhood businesses and buildings. This will create the foundations to create a broad range of full and part time employment from co-op, entry levels to mid-point levels and beyond.

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Section 3 – Tell us how your idea will benefit our economy.

Will this idea leverage investment from others? What kind? How much?

- New mechanism is a critical driver for economic prosperity in London.
- Opportunity to leverage different forms of investment and partnerships.

Through the partnerships we have established for this initiative, and the extensive research we have conducted in collaboration with Western University, it is clear that an NEDC will be a critical driver for economic prosperity for London. An NEDC will open up opportunities to access funding and resources from a range of public agencies and private investors to engage in broad-based community economic activities that would normally be resourced through the municipality. For example, through the NEDC, we could issue community bonds, and access angel investors and slow investors, to name but a few. Our current success at leveraging City funding, at a 1:7.5 ratio, suggests that we will continue to be successful at leveraging funding for additional investment.

Will this idea stimulate spin off benefits? What type? How? When? Where?

- Grow the neighbourhood economy from the grass roots
- Connect regionally
- Create jobs and leverage resources.
- Incubate new businesses
- Contribute to London's economic prosperity plan.

The Old East Village BIA is already performing some of the functions of a NEDC. Implementation of the current revitalization plan has been expanded to include support of arts planning, affordable housing and sustainable energy initiatives, fledgling and expanding businesses and neighbourhood strengthening initiatives. These activities have created jobs and leveraged resources for a multiplicity of neighbourhood businesses and groups. Our results demonstrate that it is possible to grow neighbourhood economies from the grass roots by utilizing capacity focused approaches to redevelopment. Our goal is to expand our existing growth activities and create new initiatives to connect the commercial corridor regionally which will create further employment. We will also expand the NEDC and its activities into other neighbourhoods that could benefit from increased investment. This expansion will support and contribute to London's overarching strategies for fostering London's economic prosperity.

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Section 3 – Tell us how your idea will benefit our economy.

Will this idea build new or existing partnerships? How?

- Strengthen existing partnerships.
- Expand investment networks.
- Expand skill and knowledge networks.

This idea will strengthen existing partnerships and build new partnerships through our new economic advisory group. In particular, new partnerships with the MaRS Centre for Impact Investing will expand our partnerships further to facilitate our knowledge and understanding about Development Corporation financing and forms of investing. All of our new partners will assist us to broaden Old East Village partnership networks. Over time these networks will be expanded into other neighbourhoods.

Will this idea benefit emerging or established industry sectors? How?

- Benefits to:
 - Retail,
 - Agri-Food and Beverage Processing ,
 - Culture Industry.
- Through:
 - Business incubation,
 - Regional connections,
 - Increased markets,
 - Job Creation.

This idea will benefit a number of emerging and established industry sectors including the advanced manufacturing food processing sector, as well as creative industries. For example, our commercial corridor is emerging as a regional attraction for our cultural offerings, farmers' market and local food production. As well, the market has become a unique business incubation vehicle, as well as a food production facility. The LEDP and the NEDC will expand these activities to benefit retail, food and beverage processing, agri-food industries, and culture and creative industries.

Will this idea bring about transformative change in London's Economy? How?

- A new mechanism for neighbourhood economic development.
- A neighbourhood economic development plan.
- Fusion of macro and micro economics.

The NEDC and LEDP will introduce to London an alternative mechanism for neighbourhood economic development that will facilitate neighbourhood economic prosperity planning investment and wealth generation. It will concentrate on programs and activities that create jobs, foster sustainable and resilient neighbourhoods and enhance neighbourhood identified quality of life factors. These activities will compliment and support the city's broad view of economic prosperity and priority to revitalize the City's downtown.

This idea will fuse macro and micro economic prosperity strategies.

Accelerating Economic Prosperity in London's Neighbourhoods

Section 4 – Background Materials.

Upload up to 3 documents below.

File Upload 1:

MaRS Centre for Impact Investment

Briefing document - Strategies to Support the Old East Village



BRIEFING DOCUMENT

DRAFT FOR DISCUSSION

TOPIC: STRATEGIC SUPPORT FOR LONDON'S OLD EAST VILLAGE

IN BRIEF

Currently the Old East Village BIA in London, Ontario is undertaking a broad based research initiative to create a Local Economic Development Plan and a Local Economic Development Corporation for the Old East Village neighbourhood. The purpose of the development corporation is to implement and resource the economic development plan. Their goal is to create a more resilient local economy by developing mechanisms and processes that can generate local solutions and responses to our social and economic challenges and opportunities. The Government of Ontario's Labour Market Partnerships (LMP) program has provided financial assistance to undertake and resource necessary research to create the economic development plan and the development corporation. The Old East Village BIA is requesting assistance from the MaRS Centre for Impact Investing in this phase of the initiative.

Their goal is to create and resource an economic development plan that will identify the assets, resources, strategies and tools needed to diversify the local economy and business environment. The plan will provide a coherent strategy and programs to increase home ownership and local ownership of commercial buildings, increase the range of affordable housing options and create sustainable business growth and employment opportunities in emerging, high growth potential, sectors such as local food, arts and culture, and green energy. These activities cannot happen without proper planning and adequate resourcing and investment.

The Old East Village BIA has requested support from the MaRS Centre for Impact Investing to assist with the following:

- Review the range of development corporation models that we have researched (and visited) and assist us to select a funding model and governance structure that will encourage local ownership and participation in the delivery of the economic development plan and the development corporation.
- Connect us to individuals and networks who can advise us about the most efficient process for creating the corporation as a legal entity.
- Share knowledge to begin the process of creating a sustainable funding base and mechanisms to resource locally identified economic initiatives.
- Assist us to lay the foundations for future investment and partnership development for economic renewal with potential stakeholders.
- Connect us to individuals and networks with experience and successful track records of creating and implementing local economic development plans.

This briefing document provides background on the Old East Village and the MaRS Centre for Impact Investing, potential project objectives and deliverables, team support, a timeline, a budget, benefits for the Centre, and key questions.

BACKGROUND*

Old East Village Revitalization

Since 2002, in collaboration with partners such as the City of London, CMHC and the Old East Village Community Association, the Old East Village BIA has been leading a multifaceted revitalization initiative in the Old East Village commercial corridor in London Ontario.

Despite a demographic profile that might suggest otherwise, the Old East Village community is successfully implementing the plan which was developed to address a range of issues common to many Canadian urban cores. These include deteriorating building stock, urban blight in a key

central area, unaddressed socio-economic issues and a struggling business corridor that no longer related to the residential district. These factors contributed to the stigmatization of the area and resulted in the loss of opportunity for a quality urban neighbourhood and commercial area and a chronic lack of significant investment in the community since the early eighties.

Over the past eight years the implementation of the plan's recommendations has helped to make significant changes to the business, physical, and social environment of the Old East Village. Increased investment for new developments including affordable housing, beautification, infrastructure improvements, business retention and expansion, the success of the Western Fair Market, green initiatives, the success of local arts venues and heritage designation of the Old East Village residential district are only some of the achievements that demonstrate the transformation of the area through community engagement and partnerships to implement the plan. However, there is a clear need to do more.

Accordingly, the Old East Village BIA is undertaking a broad based research initiative to create a Local Economic Development Plan and a Local Economic Development Corporation for the Old East Village neighbourhood:

- The local **economic development plan** will identify the assets, resources, strategies and tools needed to diversify the local economy and business environment. The plan will provide a coherent strategy and programs to increase home ownership and local ownership of commercial buildings, increase the range of affordable housing options and create sustainable business growth and employment opportunities in emerging, high growth potential, sectors such as local food, arts and culture, and green energy.
- The purpose of the **development corporation** is to implement and resource the economic development plan. The goal is to create a more resilient local economy by developing mechanisms and processes that can generate local solutions and responses to our social and economic challenges and opportunities.

The Government of Ontario's Labour Market Partnerships (LMP) program has provided financial assistance to undertake and resource necessary research to create the economic development plan and the development corporation.

* Sourced directly from original OEV briefing.

MaRS Centre for Impact Investing

The MaRS Centre for Impact Investing is a **social finance hub and incubator that acts as a neutral collaboration space for all sectors**, offering an architecture for co-creation amongst government, community, and private sectors, enabling collective participation, talent, and product development to grow the asset class. It is a **recognized resource for Ontario** and will become the **leadership hub on impact investing for Canada**, building upon our experience in the field of innovation. The Centre also serves as a docking station for global, national and local leaders in impact investing and mainstream finance, from Social Finance UK in London to the Global Impact Investing Network (GIIN) in New York. Delivering programs and initiatives focused on research and public policy, catalyzing stakeholders and talent, market and product development, impact measurement, and education, the Centre aims to strengthen our collective ability to mobilize private capital toward public good. Leading initiatives for the Centre will include SocialFinance.ca, the SVX, and a B Corporation hub.

The Centre launched in December 2012, building on our experience in the field of innovation and our work to date on the Canadian Task Force on Social Finance. The Centre grew from initiatives within Social Innovation Generation National (SiG) and SiG@MaRS since 2007. Our focus is on catalyzing the next phase of market evolution, from uncoordinated innovation to marketplace building, and to position Canada for success in a fast evolving field globally

PROJECT OBJECTIVES & DELIVERABLES

MaRS CII will work with a designated core management team and a project committee to guide the development of London's Old East Village (OEV) BIA towards the implementation of the OEV Local Economic Development Plan and a Local Economic Development Corporation. We can support the following objectives:

OBJECTIVE	DELIVERABLES**	NEEDS
1. Review local, sustainable economic development corporation models in Canada and the United States	<ul style="list-style-type: none"> • Three information sessions via webinar or in-person workshops with model corporations • Short summary report including case study models with a short list of recommendations for a local, sustainable development corporation in London's Old East Village with features including: vision, mission, programs, etc. • Participation in project management/design team 	<ul style="list-style-type: none"> • OEV will designate a core management team (~three representatives) and a project committee (including partners and community members) to guide the development exercise • OEV will assign a lead local researcher • OEV will provide facilities for any in-person workshops (as required)
2. Identify potential funding sources and models for the local development corporation and local ventures (focusing on food, arts and culture, housing, and clean energy)	<ul style="list-style-type: none"> • Report on potential financing models and implications for: <ol style="list-style-type: none"> a. the development corporation; and b. local projects and ventures, which could include capital pooling models and/or coordinated financing strategies. 	<ul style="list-style-type: none"> • List of non-profit and for-profit ventures in OEV
3. Provide advisory support to the review process for potential projects or ventures that could be financed in London's Old East Village	<ul style="list-style-type: none"> • Participation in project-venture review team (in-person or via teleconference) by a Centre team representative 	<ul style="list-style-type: none"> • OEV will select local participants and experts to lead the project identification and review process

** Any organizing for events (food, logistics, etc.) will be coordinated by the team at the Old East Village BIA.

Project objectives one and two will contribute to the development of the Local Economic Development Plan (LEDP). The ultimate objective for this project will be to mobilize new private capital for impact projects and ventures in London's Old East Village. It is hoped that at least two projects or ventures will receive debt or equity investment financing. In addition, in order to align with our core competency, it should be noted that the work of the Centre team will focus on high level strategy and financing. Support will not include advice or research on business marketing, governance, or hard infrastructure.

TEAM SUPPORT

The following individuals from the MaRS Centre for Impact Investing would provide support to this project:

Adam Spence
Manager, Special Projects

Adam Spence is the Founder of the Social Venture Exchange (SVX) and Manager, Special

Projects at the MaRS Centre for Impact Investing. For over ten years in the community sector, Adam has focused his work on community development, education, social innovation, and public policy change. He was Executive Director of the Ontario Association of Food Banks (OAFB) for five years, a community animator for the skilled trades in Hamilton, and led the Ontario Undergraduate Student Alliance (OUSA). In these positions, he successfully grew revenues, developed enterprise programs, and successfully advocated for public policy change including low-income grants for post-secondary students and Ontario's Poverty Reduction Strategy. Adam was born in Glasgow, Scotland, grew up on the Canadian prairies, and came of age in Hamilton, graduating from McMaster University with a degree in geography.

Joanna Reynolds □

Program Manager, MaRS Centre for Impact Investing

Joanna Reynolds is a program manager for the MaRS Centre for Impact Investing and was formerly program coordinator at Social Innovation Generation National, working on the Causeway project, a national collaboration working to catalyze the social finance marketplace in Canada. Joanna is also pleased to be involved with growth and development of SocialFinance.ca since its inception in 2008. Joanna has worked in the community sector in Toronto for over 10 years. This experience sparked her interest in finding ways for non-profits to diversify their revenue base and opening opportunities for people to get involved in their local economy. She finds the blended value enterprise an interesting sustainable business model to work toward and is intrigued by the kinds of talent it attracts. Joanna is a graduate from Queen's University and completed her master of education at the University of Toronto. She is currently a board member of TREC Renewable Energy Co-operative and continues studies on sustainable investing at the John Molson School of Business at Concordia University.

Trish Nixon

Social Finance Fellow, MaRS Centre for Impact Investing

Trish Nixon is a Social Finance Fellow at the MaRS Centre for Impact Investing, helping to support the Centre's various initiatives. Prior to joining the team at MaRS, she worked as a reporter at Thomson Reuters in Toronto, covering Canadian Markets. She currently volunteers for Toronto for Acumen (TfA), an official chapter of the Acumen Fund, and also at Peacebuilder's International, a Canadian charity that works to provide at-risk youth with appropriate access to justice. Trish has a Masters of International Relations from the University of St. Andrews in Scotland.

OUR VALUE & APPROACH

The Centre team would add value to the project through the following:

- **special knowledge** in social finance and social enterprise development in Canada, US, and Europe;
- **social innovation approach** to complex challenges that involves networked collaboration & design thinking that will assist in effective decision-making and a locally led development process for the Old East Village project; and
- cross-sectoral **networks in Canada and around the world** providing the Old East Village with unparalleled access to resources and expertise.

We are advisors, co-learners, and a resource for the field. Our emerging approach is not to act as an initiative leader or a parachute consultant, but to add value where it is most needed. We want to ensure that we are adding resilience to an initiative that is community led.

TIMELINE

TBD.

BUDGET

The total budget for this initiative is \$20,000. The Centre and OEV may look to secure additional funding to provide short and long-term financial sustainability to the process.

BENEFITS FOR THE CENTRE

The following are key benefits for the Centre for Impact Investing:

1. Development of a **replicable model and case study for success**. This model could potentially be shared with other communities in Canada and around the world, with potential for earned revenue replication and utility as a case study to promote the work of the Centre.
2. **Learning opportunity**: This project presents an interesting, on-the-ground learning opportunity for team members.
3. **Alignment with core objectives** for the Centre:
 - Mobilizing capital: This project could help mobilize new private capital towards public good for ventures in London.
 - Product development: This project could help with the development of one or more financial products that could drive positive, local impact
4. This project has potentially positive **overlap with strategic initiatives** of the Centre:
 - B Corp Hub: Potential for local businesses to become B Corps.
 - SVX: There is potential deal flow from community.
5. **Earned revenue**: Although small, this project could have potential earned revenue for the Centre.

KEY QUESTIONS

Based on the initial briefing document from the Old East Village team and the development process of the Centre, we have identified a few key questions:

- **Partners' roles and project leadership**: What is the relationship between the key partners and stakeholders in this project? What local leaders are identified? Can OEV designate a core management team (~three representatives) and a project committee (including partners and community members) to guide the development exercise?
- **Timeline and milestones**. What is the ideal timeline for the Old East Village initiative and what are key milestones in that timeline?
- **Our role**: Where can MaRS add the greatest value to this initiative? Can MaRS play a mentorship role and work collaboratively as an advisor in this phase of the initiative?
- **Research resources**: What dedicated research and support resources are available from the University of Western Ontario?
- **Storytelling and sharing**: Would you be willing to share your story (past success, current progress, and future plans) publicly through blogs, in-person presentations, and/or webinars?