



October 29, 2021

City Clerk's Office
City of London
300 Dufferin Ave.
P.O. Box 5035
London, ON
N6A 4L9

Re: Strategic Priorities and Policy Committee
Business Case Submission – My Main Street Local Business Accelerator Program.

Dear Council Members of the Strategic Priorities and Policy Committee,

Please find attached a business case requesting a contribution from the funding set aside for social and economic recovery under the London Community Recovery Network Framework. The request is for \$57,500 which will leverage \$630,000 From the My Main Street Local Business Accelerator Program, funded by FedDev.

My Main Street, a partnership between the Economic Development Council of Ontario and the Canadian Urban Institute will be launching the Local Business Accelerator Program in multiple municipalities in January, 2022. This has created an element of urgency for municipalities that wish to apply. The London Small Business Centre has been in engaged in the consultative process and has expressed its intent and ability to deliver the program locally.

Sincerely,

A handwritten signature in black ink that reads "Steve Pellarin".

Steve Pellarin, Executive Director

c. Mike Sherlock, Board Chair, London Small Business Centre

Business Case – My Main Street Local Business Accelerator Program – London Small Business Centre

Business Case Deliverables & Impact

Background:

Over the past year, COVID-19 has challenged our community in an unprecedented way. Our main streets, economic drivers in London that employ thousands and support numerous local partners and businesses have been negatively impacted. COVID-19 has been devastating to London's small businesses on main streets who will likely experience long-lasting economic and social impacts for quite some time. As a response, the London Small Business Centre has put forward an application to bring My Main Street Local Business Accelerator Program to London. The application was put forward after consultation with key stakeholders in targeted areas, including Downtown London, Main Street London, Old East Village and Hamilton Road BIA.

This business case is built on three LCRN guiding principles: Collaboration and Coordination, Short-term and Long-term Focus and Equity and Inclusion, as well as the recently approved LCRN Framework and its 3 Recovery and Renewal Focus Areas: Investing in People, Driving Prosperity and Fostering Community.

Local Business Accelerator Program (Overview)

The My Main Street Local Business Accelerator is a province wide initiative of FedDev Ontario and EDCO. It will support the revitalization of 65 main street communities across Ontario by providing each with a dedicated Main Street Ambassador, customized marketing research, data analysis and non-repayable funding contributions for small businesses. The program will be launched in multiple municipalities in January 2022.

At the heart of the My Main Street Local Business Accelerator Program are the Main Street Ambassadors. Main Street Ambassadors are dedicated to providing hands-on business advisory support to entrepreneurs along selected main streets.

By participating in the My Main Street Local Business Accelerator, participating communities unlock the following resources for their Main Street neighbourhoods:

Main Street Ambassador Non-Repayable Contribution – Participating My Main Street communities will benefit from a designated My Main Street Ambassador, made possible by a non-repayable contribution of \$50,000 towards the 12-month salary of each Ambassador. The Ambassadors will be hired and managed by the London Small Business Centre.

Local Business Non-repayable contributions - Participating Main Street communities will receive up to ten \$10K non-repayable contributions to support local businesses. Five non-repayable contributions are available for existing businesses, while five non-repayable contributions are available for new businesses.

Community Market Profile - Before programming begins, each participating main street community will undergo a detailed Community Market Profile. This will involve secondary market research to understand the community's trade area, its demographics, how residents spend their money, their mobility and how they consume media. It will also involve primary research that surveys the local community to understand what types of products and services are missing from their local community. (Both the primary and secondary research will be used to target opportunities for rebuilding the participating Main Street).

Wrap-Around Business Support - With the community market profile completed, each Main Street Ambassador will focus on providing wrap-around community economic development support for both new and existing businesses.

Main Street Ambassador Network - Participating My Main Street communities and their My Main Street Ambassadors will have access to the My Main Street Ambassador Network, which will provide leadership, guidance, tools, resources, and opportunities to share and amplify best practises and success stories.

Alignment with LCRN Focus and Vision:

The application made to the My Main Street Local Business Accelerator Program is scored/weighted on many factors that support the efforts and direction of the LCRN Framework. Specifically, to be eligible, the targeted areas must have demonstrated hardship pre-covid, with specific note to communities with representation of equity seeking/racialize populations.

The alignment with “Driving Prosperity” is clear. Support will be going directly into the hands of small businesses with the potential to create employment, and to improve the occupancy levels and diversity of our main streets.

My Main Street Local Business Accelerator Program has the potential to further leverage another My Main Street initiative; The Community Activator Fund will support local community placemaking projects, including events, activities, enhancements, and policy and capacity building designed to increase local vibrancy. The Ambassadors recruited as part of the Accelerator Program will be actively engaged with communities as they further develop their respective plans to foster community and tap into My Main Street resources.

Actions Already Underway:

The London Small Business Centre (SBC) has engaged with partners in select main street areas, including Main Street London, Downtown London, the Old East Village and Hamilton Road BIA. Many have been in contact with My Main Street directly, to investigate and pursue other resources and possible funding opportunities that have recently been announced. A collaborative approach is being taken to access those resources and find linkages with initiatives and plans already underway in the respective communities, that will maximize the investment made into London. Due to its earlier submission deadline, the Local Business Accelerator Program is the first such opportunity.

The London SBC has applied for the program with positive response and anticipates a final approval if a matching 25% (\$57,500) contribution towards operations can be secured. A Municipal contribution will leverage \$630K of investment into the community.

Next Steps to Implement the Program:

Should funding be provided for this initiative, the next steps would include:

1. Recruitment of Ambassadors (December 2021)
2. Ambassador Training (January 2022)
3. Community Market Research and Outreach (February 2022)
4. Business Advisory Support and Access to Grants – Ongoing
5. Create a Pipeline of New Main Street Businesses - Ongoing

Financial Implications:

This Business Case recommends a \$57,500 Municipal contribution to support the My Main Street – Local Business Accelerator Program described above. Leveraging \$630,000 of federal investment, including \$400,000 of direct non-repayable contributions to small businesses. This application supports the London Community Recovery Framework and its Recovery and Renewal Focus areas: Investing in People, Driving Prosperity and Fostering Community.

Business Case Financial Impacts

Operating Budget Impacts (000's)	2022
Income	
Federal Funding – 4 Ambassadors	\$200
Federal Funding – Operational Overhead	\$30
Municipality	\$57.5
Total Core Funding	\$287.5
Expenses	
Personnel Related Expenses	
Salaries and Wages / MERCs	\$242
Recruitment	\$6
Licenses/Software/Communications/Travel	\$15
Total Personnel Related Expenses	\$263
Operations	
Marketing	\$5
Office and Administration	\$19.5
Total Operations	\$24.5
Total Expenses	\$287.5
Note: \$400,000 in non-repayable contributions will flow directly from My Main Street to Small Businesses	

Business Case Metrics

Metric Description	Current	2022
# Jobs created		
Ambassadors/coaches	0	4
New business hires		15
# of Market Profiles Created		4
# of businesses that benefit from the non-repayable contributions	0	40
# of new business launches	0	10

At the beginning of 2023, a report would be generated that summarizes the business metrics and key highlights from the program.

The Federal/Provincial leveraged opportunity is currently for one year. At the end of the project, the provincial wide strategy will be evaluated. We remain optimistic that the program could be extended another year, with a further leveraging opportunity.

What are the risks of not proceeding?

The gradual lifting of restrictions we have experienced recently will have a positive impact on businesses, but it is far from business as usual. Many small businesses have reported that it will take them at least another 1-2 years to fully recover their losses. The long lead time to profitability has left them vulnerable, and they face the same cash flow challenges as a start-up. Without ongoing support, both financial and strategic, some will still close in the coming 2 years, despite having “survived” thus far. This will amplify the vacancies and other challenges facing our main streets and make it even more difficult to attract new businesses.

There is a narrow window of opportunity to apply to the program, and there is a risk of losing the significant financial leverage that the program would have into the community.