



City of
Peterborough

To: **Members of the Finance Committee**

From: **Patricia Lester**
Commissioner of Corporate and Legislative Services

Meeting Date: **January 14, 2019**

Subject: **Report CLSFS19-010**
Execution of a new Greater Peterborough Innovation Cluster Agreement and 2019 Budget Support

Purpose

A report to recommend the execution of a new agreement between the City and Greater Peterborough Innovation Cluster for continued operation of the Entrepreneur Centre in downtown Peterborough as well as 2019 Operating Budget support.

Recommendations

That Council approve the recommendations outlined in Report CLSFS19-010, dated January 14, 2019, of the Commissioner of Corporate and Legislative Services as follows:

- a) That the presentation and budget details presented to the January 15, 2019 Finance Committee by the Greater Peterborough Innovation Cluster for the 2019 Budget, be received.
- b) That the Mayor and City Clerk be authorized to execute an agreement with the Greater Peterborough Innovation Cluster to provide ongoing City funding in the amount of \$140,000 per year for three years, effective from January 1, 2019 to December 31, 2021, to assist with operating the Entrepreneur Centre in the Venture North Building at 270 George Street North and that the 2019 funding be provided from the Capital Levy Reserve.

- c) That the City provide a demand loan of up to \$100,000, interest free, for purposes of cash flow.

Budget and Financial Implications

The Finance Committee is scheduled to review the 2019 Draft Budget during the week of January 14, 2019. Tuesday, January 15, 2019, has been set aside to review budget requests from outside Boards and Agencies. The Finance Committee will resume its review of City departments either later that evening, or on Wednesday, January 16, 2019.

No provision has been made in the 2019 Budget for support for Greater Peterborough Innovation Cluster (“GPIC”). Staff recommend that the \$140,000 be transferred from the Capital Levy Reserve. After this transfer, the Capital Levy Reserve will have an uncommitted balance of \$400,400.

Future Operating Budgets will include the appropriate provision.

Background

In consideration of Report PDPD17-006 dated January 30, 2017, regarding Execution of Agreement with GPIC (the “Agreement”), Council resolved to enter into an agreement with GPIC to provide City funding in the amount of \$100,000 per year for 2016, 2017 and 2018 to assist with start-up costs in locating a “Start-Up Hub” Entrepreneur Centre in the Venture North Building at 270 George Street North.

The establishment of the Entrepreneur Centre and the City’s financial participation was a key step in the direction of the ongoing implementation of the recommendations of the Central Area Master Plan. GPIC focuses on four key sectors, cleantech, agtech, healthcare and digital that assists startups in finding their best path to market. In addition, the Innovation Cluster operates The Cube, Peterborough’s two full service business incubators located at Trent University and in downtown Peterborough.

The 2017 Agreement also outlined the in-kind services that the City would provide including cashflow, payroll, financial management and computer technical services valued at approximately \$40,000 annually. The additional \$40,000 being proposed in this Report is in lieu of providing these in-kind services as GPIC would take over these responsibilities going forward.

One of the key benefits to GPIC in terms of their past relationship with the City is the reality that the City has in fact acted as their banker for purposes of cash flow. If Council supports recommendation b), then staff would further propose that a demand loan, in the amount of \$100,000 be provided, interest free, for purposes of meeting ongoing cash flow requirements.

The work that GPIC does on the behalf of the City is both important and necessary and complements the work done by Peterborough Kawartha Economic Development. There continues to be a need to support GPIC financially, however, the arrangement has evolved since the initial agreement was developed.

Additional budget details are appended to this report and further information will be provided by representatives from GPIC on January 15, 2019.

If Council is supportive of the recommendations, the next step would be for the City to prepare a new agreement.

Submitted by,

Patricia Lester
Commissioner of Corporate and Legislative Services

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Attachments:

Appendix A – 2019 GPIC Budget