

NO: R160

COUNCIL DATE: July 22, 2019

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **July 11, 2019**

FROM: **General Manager, Finance** FILE: **1850-01**
General Manager, Investment &
Intergovernmental Relations

SUBJECT: **Request for Council Initiatives Funding – Newton BIA**

RECOMMENDATION

The Finance Department and Investment & Intergovernmental Relations Department recommend that Council:

1. Receive this report for information; and
2. Consider funding from the Council Initiative Fund, a sponsorship contribution of \$2,500 to the Newton Business Improvement Association in support of the first annual Newt Fest event taking place on July 27, 2019.

INTENT

The City has received a request from the Newton Business Improvement Association (“NBIA”) for a sponsorship in support of their “Newton: Creating an Entrepreneurial Hub for our Community” proposal which includes two projects, an entrepreneurial hub and a community festival titled Newt Fest.

DISCUSSION

The NBIA was established in 2014 by Surrey City Council to facilitate business improvement, community economic development, business revitalization and area enhancement in the Newton Town Centre. The NBIA has since hosted several successful community events to promote vibrancy in Newton including Groundhog Day and Newton Days.

On May 13, 2019, the Executive Director of the NBIA presented to a Council-in-Committee meeting and requested funding for NBIA’s “Newton: Creating an Entrepreneurial Hub for our Community” plan. The funding request was for \$65,000 to support the development of an entrepreneurial hub, and \$20,000 to support the creation of a community festival called Newt Fest. At the end of the presentation there were no indications of support from members of Council, therefore no further action was taken at that time.

NBIA has subsequently submitted a revised request to the City, asking for \$15,000 to support the creation of an entrepreneurial hub and \$5,000 to support the Newt Fest event.

Staff is recommending that Council support the Newt Fest event component of the NBIA proposal through a sponsorship of \$2,500. The event will be held on July 27, 2019 in Newton's Mural Alley at 13655-72nd Avenue. It will feature a local market and provide an opportunity for entrepreneurs, food vendors, designers and performers to showcase their products, services and creativity. Over 1,000 people are expected to participate in this lively community event. Information on the Newt Fest event can be found within the revised "Newton: Creating an Entrepreneurial Hub for our Community" plan, attached to this report as Appendix "I".

Staff is not recommending that Council support NBIA's funding request to support the development of an entrepreneurial hub which will serve as a small business incubator. As noted in (Appendix "I" - Section IV), NBIA requires \$65,000 in 'Various Grants' to fund this activity. It is our understanding that none of this funding has been secured to date. The Province of B.C. and the Government of Canada, who have traditionally provided funding for business incubators in the Metro Vancouver region, have recently reduced funding towards business incubators. They are now redirecting resources to programs supporting the scale-up of profitable employment-generating companies.

FUNDING

On December 11, 2018, Council approved Corporate Report Foo4; City Grants for 2019, authorizing grants of \$2,000 and \$1,000 to Newton BIA to host 2019 Spooktacular and Newton Days events as part of the 2019 One-time Grants.

Staff have evaluated the current request and recommends that Council support the Newt Fest event through a sponsorship of \$2,500 from the Council Initiatives Fund. Council has previously provided funding for similar events through the Council Initiatives Fund. Appendix "II", attached to this report, documents the balance in the Council Initiatives Fund based on an assumption that Council will approve the recommendations of this report.

SUSTAINABILITY CONSIDERATIONS

The Newt Fest event supports the objectives of the City's Sustainability Charter 2.0. In particular, this sponsorship relates to Sustainability Charter 2.0 theme of Economic Prosperity and Livelihoods. Specifically, this sponsorship will support the following Desired Outcome ("DO"):

- Economic Prosperity & Livelihoods DO16: Surrey's businesses are active participants in the community and create economic value in a way that generates value for society.

CONCLUSION

Based on the above discussion, it is recommended that Council approve a \$2,500 sponsorship contribution from the Council Initiatives Fund, in support of the Newt Fest event component of the "Newton: Creating an Entrepreneurial Hub for our Community" proposal taking place on July 27, 2019.

Kam Grewal, CPA, CMA
General Manager, Finance

Donna Jones
General Manager, Investment & Intergovernmental
Relations

Appendix "I": Newton – Creating an Entrepreneurial Hub for Our Community

Appendix "II": 2019 Financial Plan – Council Initiatives

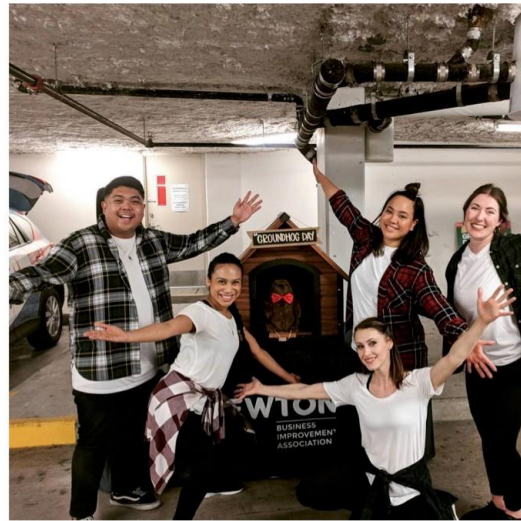


NEWTON

CREATING AN
ENTREPRENEURIAL HUB
FOR OUR COMMUNITY

This project is an initiative of Newton BIA and Dunefield.





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SUMMARY

While Newton’s rapid growth brings positive energy, it also makes our systemic problems more visible. Our initiative is to leverage Newton’s unique cultural qualities and the strength of its business community to turn these challenges into opportunities.

VISION

It is our vision to establish Newton Town Centre as a place where **disruptive ideas, new ventures and exciting collaborations can originate and thrive**. A place that celebrates entrepreneurship and cultural diversity. Where an engaged business community turns challenges into opportunities. We want young people and immigrants to see Newton as a welcoming community for expressing and achieving their aspirations.

“ WE BELIEVE THAT A VIBRANT SMALL BUSINESS COMMUNITY IS THE KEY TO AN INCLUSIVE, UNIQUE AND RESILIENT NEWTON.”

OUR BIG IDEA

To create a **community gathering space and entrepreneurial hub** from where social and economic initiatives are build, tested, supported and expanded. It lowers barriers and risks for startups, and encourages youth, newcomers and others to start mission-driven ventures that benefit the Newton community.



ACTION PLAN

We take a strategic, holistic approach to establish Newton Town Centre as a place where entrepreneurial initiatives can flourish. **Our action plan consist of three parts** on which we work simultaneously:

- 1. Engage community in celebrating entrepreneurship with an exciting festival at Newton’s Mural Laneway
- 2. Create a permanent space dedicated to supporting new business ventures and social enterprises
- 3. Offer support and services for entrepreneurs



WHAT WE NEED

We want to **tap into the power of the community** and invite City, residents and partners to share their ideas, expertise and resources to make this a truly collective effort. We kindly request the City and other stakeholders to help us secure funding and other resources.

“WE CAN’T DO THIS ALONE. LET’S TALK.”

I. ABOUT THE PROJECT

While Newton's rapid growth brings positive energy, it also makes our systemic problems more visible. Our initiative is to leverage Newton's unique cultural qualities and the strength of its business community to turn these challenges into opportunities.

NEWTON AND ITS TOWN CENTRE

Newton holds the highest population of all districts in the City of Surrey with a population of 146,000 people. It is one of the fastest growing neighbourhoods of Metro Vancouver, expected to grow to over 180,000 people in the next 30 years. **Newton is Surrey's most ethnically diverse town centre**, resulting in a wide variety of community organizations, religious groups, cultural events and food assets. It is also significant from an economic perspective. It is home to 25% of all jobs in Surrey and 33% of businesses.

OPPORTUNITIES AND CHALLENGES

Newton's diverse population and active business network provide an excellent foundation for a **safe and vibrant 'town heart' with unique qualities** that cannot be found anywhere else. Today however, Newton lacks the amenities and investment to show for its large population. Newton Town Centre has many vacant storefronts, inefficient land use, aging infrastructure, limited gathering places, a hurting brand, insufficient transportation and a lack of appropriate spaces for local startups.

While Newton's growth brings opportunities, we also face many challenges and systemic problems. Existing entrepreneurs and residents do not always feel included in the change happening around them. Youth, newcomers and other vulnerable groups have difficulty finding meaningful work and their place in our society. Aspiring entrepreneurs face barriers to entry, such as high lease rates, and a lack of funding options, peers and mentors. We believe that if we remove such barriers, **entrepreneurship can be the pathway for residents to become part of – and contribute to – the Newton community.**

VISION

It is our vision to establish Newton Town Centre as a **place where disruptive ideas, new ventures and exciting collaborations can originate and thrive.** A place that celebrates entrepreneurship and cultural diversity. Where an engaged small business community turns challenges into opportunities. We want in particular young people and immigrants to see Newton as a welcoming community and platform for expressing and achieving their aspirations, so they will ultimately say with pride: Yes! Newton is where I want to live, learn, play and start my own business.

“WE BELIEVE THAT A
VIBRANT SMALL BUSINESS COMMUNITY
IS THE KEY TO AN
INCLUSIVE, UNIQUE AND RESILIENT
NEWTON“

OUR BIG IDEA

We want to create a **community gathering space and entrepreneurial hub** where social and economic initiatives are born, tested and incubated. It will lower barriers and risks for startups, and encourage youth, newcomers, mothers with young children and others to start mission-driven ventures that benefit the Newton community. Inspired by successful hubs for small business and social enterprise across the region and world, we feel it is time that Newton attains such an amenity too.

OBJECTIVES

The objectives of our idea are to:

- **Encourage Entrepreneurship:** encourage boldness, lower barriers, build appetite for new 'homegrown' ideas and provide a test arena and safe place for starting entrepreneurs
- **Celebrate Local Culture:** allow community members to connect with people, places and resources in the neighbourhood, and instil pride in Newton as a distinct and special community
- **Strengthen Resiliency:** provide pathways for young talent, immigrants and others to build mission-driven ventures that create positive economic, social and environmental impact

OUR TEAM

Newton BIA

Newton Business Improvement Association (Newton BIA) is a group of 550 businesses and property owners who are dedicated to improving the Newton Town Centre. Located in the heart of Surrey on the crossroads of 72 Avenue and King George Boulevard, Newton BIA was created in 2014 to lead the revitalization of the area and advocates passionately for the Newton community to the City, developers and other stakeholders. **We have already made much progress** and the community's feedback showcases that negatives have changed into positives and optimism has entered the daily conversation.

Dunefield

This project is developed in partnership between Newton BIA and Dunefield. **Dunefield** is an urban development firm that specializes in supporting the economic diversity and strength of cities. They strongly believe that **cultural identity, innovation and local entrepreneurship** are essential ingredients for strong, resilient neighbourhoods. Having over 15 years of experience in both Canada and the Netherlands, Dunefield brings both a local and international perspective to successful revitalization and economic development with initiatives that have strong roots in the fabric of the place.

WHAT WE NEED

We want to make our project a collective effort between residents, business, government, society and education. Our initiative would **benefit greatly from our partners' ideas, expertise and resources**. We kindly request the City of Surrey and other stakeholders to consider issuing (matching) grants to help cover our costs and support our efforts to pursue other resources and funding options.

“WE CAN'T DO
THIS ALONE.
LET'S TALK.”

SWOT analysis related to the Newton community as a whole and (where mentioned) Newton Town Centre specifically

STRENGTHS

- Newton located close to arterial roads and bus loop
- Growing population – large youth population
- 25% of all jobs in Surrey – 33% of all businesses
- 41% recent immigrants bachelor degree or higher
- United and energetic business community
- Availability of land and buildings
- Strong presence of manufacturing and industry

WEAKNESSES

- Residents feel less safe after dark
- Increasing vulnerable population
- Decreasing housing affordability
- Lack of density in Newton Town Centre
- Rapid transit uncertainty
- Car dependent community



OPPORTUNITIES

- New City of Surrey Council
- Ambitious City of Surrey policies for sustainability, economic development and placemaking
- Newton and its town centre increasingly recognized regionally as a desired place to start a business or family
- Recent creation of Startup Surrey will offer support to Newton's startup community as well
- Revival of maker and creative industry
- Expanding local universities (SFU, KPU)
- Entrepreneurship increasingly popular among mothers, immigrants and youth

THREATS

- Economic uncertainty
- Rising costs of starting and doing business
- Competing priorities among local and regional partners
- Decline of 'brick and mortar' retail

II. ACTION PLAN

We want to realize our vision for a strong and vibrant small business community in Newton with a three- part action plan.

THREE- PART PLAN

We take a strategic, holistic approach to establish Newton Town Centre as a place where new ideas, ventures and collaborations can flourish. **Our action plan consists of three complementary parts** on which we work simultaneously: (1) an engaged and enthusiastic community, (2) a space dedicated to supporting new business ventures and (3) the right support programs for entrepreneurs.



Part 1. Engage the Community in Celebrating Entrepreneurship

We invite the community to **celebrate entrepreneurship with an exciting community festival at Newton’s Mural Laneway** that gives local entrepreneurs, food vendors, designers, performers and placemakers an accessible platform to exhibit their products, services and talents to a broad audience. This is a great opportunity to showcase and raise awareness for what our city can do with placemaking, economic development and resiliency. The event takes place on Saturday, July 27, 2019. After this, we support other community initiatives and place activations at the same laneway to maintain momentum.

Part 2. Create an Entrepreneurial Hub for Small Local Business

Having built enthusiasm for entrepreneurship with the festival, we **create a permanent space dedicated to supporting new business ventures and social enterprises**. Together with partners, we activate a vacant or underutilized space in Newton Town Centre where local entrepreneurs can build, test and expand creative, impactful concepts. In this entrepreneurial gathering place they find education, connections, supportive services and affordable workspace, all helping them find new clients, partners, capital and more. Some startups will have physical presence in the space, while others just visit to access its resources. Newton BIA will also move here to be more visible and of better value to its community.

Part 3. Offer Supporting Programs to Entrepreneurs

Over the past years, Newton BIA has learned a lot about the needs of our business community and wants to make best use of this. We will move our team into the entrepreneurial hub to be close to our key demographic, and **offer programs and services to support new and existing entrepreneurs** in their success, mission and business development.

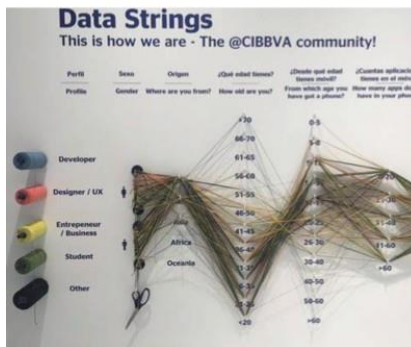
ENGAGE COMMUNITY IN CELEBRATING ENTREPRENEURSHIP

Description

We host a fun community event where entrepreneurs, food vendors, designers, performers and placemakers showcase their products, services and creativity to a large audience. Mural Laneway is the perfect location with its intimate scale, beautiful murals and proximity to transit. The event features a local market, food stalls, music, experiences, startup services and engagement activities where people can share their aspirations for Newton Town Centre. We do this in the late afternoon and evening to create a nightlife environment.

Key Details

Location: King George & 72 Ave
Date: Saturday, Jul 27, 2019
Follow-up: Various community initiatives in summer
Audience: Youth (15-30 yrs), new Canadians, (aspiring) entrepreneurs, local residents, visitors from Surrey and beyond



INSPIRATIONS FOR OUR COMMUNITY EVENT TO CELEBRATE ENTREPRENEURSHIP

Approach

Building on the existing beautifications of Mural Laneway, we now bring meaningful programming to this unique piece of Newton through these steps:

- Engage with community to build support and enthusiasm for the event, and obtain resources
- **We host the event 4pm-late on July 27, 2019**
- Support follow-up community initiatives
- Make it a recurring summer event from 2020 onwards, growing into larger locations
- Guide local entrepreneurs into our other programs, events and initiatives
- Apply learnings from community engagement to create a Newton cultural entertainment district

Expected Results

- 1,000+ attendance at festival event
- Follow-up initiatives in Aug-Sep
- Physical improvements to the laneway
- Increased sales local businesses
- Encourage new business startups
- Engage community with Newton's future
- Stronger ties to local universities and youth
- Improved interagency collaboration
- Positive news stories about Newton

Funding

Total costs: \$109,500
Requested from City: \$5,000



CREATE ENTREPRENEURIAL HUB FOR SMALL LOCAL BUSINESS

Description

We create an entrepreneurial hub in a vacant or underutilized unit to provide small local businesses the services, education and affordable space to pilot and grow their ventures. The space encourages entrepreneurship among youth, immigrants, parents with young children and others, and supports mission-driven startups navigate a path to success. It creates positive economic, social and environmental impact, including a stronger economy, resilient communities and livelier streets, while adding to the unique 'flavour' of Newton's centre. Our Newton BIA moves here as well to better service our community.

Phasing

We start a 3-year pilot (2020-2022) for an entrepreneurial hub in Newton's Centre, with a focus on retail, product design, social ventures, professional services, wellness, digital, etc. Once the space is successful, we can scale up and start larger centres elsewhere in Newton to provide opportunities for production and light industry, including food, fashion and more.



INSPIRATIONS FOR OUR ENTREPRENEURIAL HUB FOR SMALL LOCAL BUSINESS

Programming

The entrepreneurial hub is not just a physical space but really an eco-system in which entrepreneurship, innovation and collaboration can flourish. We help startups integrate meaningful social and environmental strategies into their everyday business to advance the prosperity, inclusiveness and resiliency of our community. Working from this space, Newton BIA assists the businesses find the right expertise, resources and partners.

We give startups access to the following programming:

- Mentorship, peer-to-peer support, networking activities, business skills, training and education, capital, loans and grants, marketing and branding, legal, accounting and more

Details

Location: Newton Town Cntr
Amenities: Central location, storage, open floor plan, meeting rooms, high-speed internet
Sectors: Non-food retail, product design, social ventures, digital, wellness, training, professional services
Size: 2,000-4,000 sf

Future Growth

Our entrepreneurial hub is an important first step that can lead to future growth. We want to use this pilot phase to understand what bigger opportunities there are for startup businesses in Newton, particularly in sectors requiring larger production space and facilities. By starting a dialogue with local, regional and international experts and captains of industry, we want to explore the possibility of creating startup centres around growing and promising industries. Ideas to investigate are commissary kitchens, food innovation labs, maker spaces, fashion design labs, etc.



INSPIRATIONS FOR FUTURE GROWTH AND OPPORTUNITIES

Approach

We take these steps to realize the entrepreneurial hub and start the 3-year (2020-2022) pilot:

- **We start with the feasibility and planning phase.** We engage with City, universities, property owners (Value Properties has expressed interest), banks, credit unions and existing startup programs to define the concept, develop supportive services, create partnerships, build a solid business plan and prepare for launching the pilot
- After this first phase, we secure a location and make pragmatic upgrades to the space
- Newton BIA moves into the space to provide supportive programs and host first entrepreneurs
- We organize special events, networking, industry talks, tours and meet-and-greets with community, business, academic and City leaders
- Evaluate results yearly to make improvements and recommendations

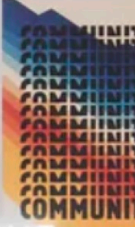
Expected Results

- Establish entrepreneurial hub in Newton
- Support 15-30 startups per year
- Creation of entry-level employment
- More street activity and retail diversity
- Improved land use by reducing vacancies and higher density of businesses
- Better understanding of our economic strengths and weaknesses
- Increased success rates of startups by providing access to networks and support
- Positive social, environmental and community impact by new entrepreneurs
- Establish Newton Town Centre as a welcoming place for entrepreneurship

Funding

Costs for first phase:	\$86,500
Deficit:	\$65,000

A COMMUNITY CENTER BUILT FOR ALL OF US. A PLACE WHERE HUMAN POWERS PURPOSE. WHERE CREATORS AND STUDENTS FOR LIFE COME TOGETHER TO WORK, GATHER, GROW, AND CREATE THE FUTURE.



OFFER SUPPORTING PROGRAMS TO ENTREPRENEURS

Description

Newton BIA is in its fifth year of existence now. The organization is no longer the new kid on the block. We have established a range of successful programs and events in the past years and plan to grow these in 2019-2020, while making a pivot towards initiatives that benefit our small business community most. These programs support our objectives and will increase the payoff of our efforts.



IMPRESSIONS OF OUR NEWTON BIA PROGRAMS

Community-Wide Events

We have successfully organized Newton Days in the past years; a family-friendly community event that takes place over four weekends in July. It attracted over 2,500 people per day and featured attractions such as face painting, henna, crafts and science demos. In 2019 and 2020, we align our community-wide events with our objective to celebrate local entrepreneurship and create opportunities for existing and startup businesses to reach a new clientele.

BC Buy Local Campaign

We launch this campaign in 2019 to celebrate local business and their contributions to our economy and communities. Businesses can participate by using (social media) campaign materials to identify themselves as locally owned and by labeling locally grown and made products.

State of Newton

Opportunity for the business community to engage in a dialogue that showcases investment opportunities in Newton. The presentation outlines Newton BIA's proposals and policy directions for the upcoming year.

Newton Talks

Monthly networking forum for businesses and community to establish a voice for Newton that improves business opportunities, revitalizes the area and creates a sustainable future.

Placemaking and Beautification

Newton BIA is increasing the beautification of the Newton Town Centre via several small-scale placemaking projects. In 2019 and 2020, this includes additional murals, Park-It expansion, streetscape / canopy improvements and more.

III. COLLABORATIONS

We want to invite community, partners and stakeholders to actively participate in our initiative and make this a truly collective effort. These are the strategies we use:

COMMUNITY DIALOGUE

The community festival in the summer of 2019 will attract a large group of people and youth, providing an excellent opportunity to **enter a dialogue about their future aspirations** for Newton. Working with local university students, we want to use playful and interactive engagement tools to ask visitors questions like: What does Newton Town Centre mean to you today? What do you hope to find here in the future? Do you aspire to become an entrepreneur? What would help you to do so?

SURREY CITYLAB

SFU, KPU and City of Surrey have recently entered a partnership called Surrey CityLab; a three-year pilot program that immerses post-secondary students in real world issues. We will be working closely with Surrey CityLab to **create a real-world learning opportunity**. Our project and town centre becomes the classroom, with students working together to make Newton a better place to live and work.

CROWDSOURCING

We use crowdsourcing to **tap into the power of the community** and to encourage broader buy-in. The crowdsourcing has a focus on collecting ideas, resources and support to benefit the project. We do this by making our process open and flexible, and giving plenty of space for others to play a role, make creative suggestions and help out.

PARTNERSHIPS

We are engaging with our local, regional and (inter)national connections to **assemble a group of partners and stakeholders**. The sample below gives an idea of which relationships we will leverage:



IV. FINANCING

We are seeking financial and in-kind support from the City of Surrey and other key stakeholders for the activities described in this Project Brief.

COMMUNITY FESTIVAL TO CELEBRATE ENTREPRENEURSHIP

Below are the revenues (pending) and expenses for the community festival on July 27, 2019 and the placemaking efforts leading up to this. **We request from the City of Surrey a grant of \$5,000.**

REVENUES		EXPENSES	
Newton BIA	\$81,500	Administration	\$22,100
KPU	\$3,500	Entertainment	\$2,300
Value Properties	\$3,500	Placemaking (incl. 2018)	\$70,000
Financial Institution	\$10,000	Marketing	\$3,800
Vendors	\$1,000	Infrastructure	<u>\$11,300</u>
Sponsorships	\$5,000		
City Grant	<u>\$5,000</u>		
Total (excl. GST)	\$109,500	Total (excl. GST)	\$109,500

ENTREPRENEURIAL HUB FOR SMALL LOCAL BUSINESS – FEASIBILITY AND PLANNING

These are the revenues (pending) and expenses for the feasibility and planning phase for the entrepreneurial hub. **We request from the City of Surrey a grant of \$15,000 and supporting our efforts to pursue other grants.**

REVENUES	CASH	IN-KIND	EXPENSES	CASH	IN-KIND
Newton BIA		\$6,500	Research and Analysis	\$9,200	\$5,000
Partners		<u>\$15,000</u>	Concept Development	\$14,950	
Various Grants	<u>\$65,000</u>		Build Partnerships	\$4,600	\$5,000
			Business Planning	\$29,900	\$5,000
			Engagement and Communic.	\$1,840	\$5,000
			Other Expenses	<u>\$4,510</u>	<u>\$1,500</u>
Total (excl. GST)	\$65,000	\$21,500	Total (excl. GST)	\$65,000	\$21,500

Revenues, rental costs, building upgrades, and staffing and programming costs are excluded from the above estimates and will be established in the business and launch plan.



PROJECT BRIEF

Newton Business Improvement Association
April 2019

APPENDIX "II"



2019 FINANCIAL PLAN COUNCIL INITIATIVES

Description	Amount	Allocation to date	Remaining
Carried Forward from Prior Year			
adjusted for amounts not utilized	4,300		
2019 Adopted Budget	260,000		\$ 264,300
Olympic Qualifier Event		80,000	
SFU President's Surrey Gala		5,000	
Downtown Surrey Business Improvement Association		5,000	
102nd Anniversary Vimy Ridge Battle		2,900	
Surrey Poet Laureate		10,000	
Federation of Canadian Municipalities Special Advocacy Fund		20,685	
Darpan Extraordinary Achievement Awards		7,000	
SFU Surrey Diwali Gala		2,500	
West Coast Kings Field Hockey Society		5,000	
Newt Fest (Proposed)		2,500	
Special Olympics (Proposed)		500	
Allocations for 2019		\$ 141,085	\$ 123,215