



**City of Kingston
Report to Council
Report Number 17-315**

To: Mayor and Members of Council
From: Gerard Hunt, Chief Administrative Officer
Resource Staff: Craig Desjardins, Senior Manager, Innovation & Institutional Partnerships
Date of Meeting: November 21, 2017
Subject: Innovate Kingston Annual Reporting and Funding Request

Executive Summary:

At its June 16, 2015 meeting, Council received [Report Number 15-290](#) which outlined a partnership opportunity with Innovate Kingston to make the city more welcoming and supportive of start-up businesses in the Information and Communications Technology (ICT) sector. Council directed staff to undertake a number of actions in order to facilitate the establishment of a Small Business Accelerator Centre (“the Centre”) in the former Portsmouth Town Hall located at 623 King Street West. The City’s Official Plan and Zoning By-law were amended to permit the proposed use, the Minister of Municipal Affairs and Housing approved the City’s application to establish a Small Business Program pursuant to the *Municipal Act, 2001*, and the City and Innovate Kingston (incorporated under the *Canada Not-for-Profit Corporations Act*) entered into a Lease Agreement which established the responsibilities of each party with respect to the operations of the Centre.

The Lease Agreement required that Innovate Kingston provide City staff with a copy of its annual financial statement and an annual progress report. Council’s resolution of June 16, 2015 also required that Innovate Kingston provide an annual report to Council. Staff advise that the financial information for the year ended September 30, 2016 has been received (Exhibit C). For the year ended September 30, 2017, the financial statements are currently being completed and will be forwarded to the City in the coming months.

The Small Business Accelerator Centre has now been operating for approximately 18 months. Innovate Kingston (iK) has provided documentation that summarizes iK’s activities since its establishment and iK’s vision in terms of its planned activities and programs for the future. This summary fulfills the requirement for annual reporting in accordance with the lease agreement. Included in the submission letter (Exhibit A) from iK is a draft budget and a request for seed

November 21, 2017

Page 2 of 10

funding for the years 2018 and 2019. This report provides Council with a summary of the submitted documentation, background and a recommendation of seed funding from the working fund reserve.

Based on the submitted documentation, it is clear that iK has achieved considerable success in fostering the growth of the ICT sector, creating new jobs and growing the Kingston economy. This activity supports Council's vision of a smart and livable 21st century city, and has provided an identity for technology focus at an acceleration hub and a workforce attraction option to grow this sector.

This considerable success has been possible due to the substantial contributions of time and resources of the volunteer Board of iK. But this level of philanthropy is not sustainable in the longer term. In order for iK to build on its momentum and continue to develop and expand the activities and services currently being provided at the Centre, alternative sources of core funding are required over and above membership revenues and partnership arrangements. At a high level, iK estimates that \$10,000-\$15,000 monthly is required to maintain the operations/administration of the Centre.

Moving forward, iK is strategically positioned to play a critical connecting/linkage role in support of the innovation ecosystem in our community, particularly as we work to foster greater collaboration between educational institutions, government and industry.

In addition, there is an opportunity to incorporate social innovation in the overall economic strategy for the community due to the large public sector presence in Kingston and the incredible interest of our youth in making social impact.

Recommendation:

That in accordance with the provisions of the Municipal Act, 2001 with respect to Small Business Programs the City of Kingston provide a grant in the amount of \$100,000 funded from the Working Fund Reserve for each of the years 2018 and 2019 to Innovate Kingston to support the expansion of the activities and programs being offered through the Small Business Accelerator Program in the areas of:

- Innovation Community Development;
- Innovation Sector Promotion;
- Innovation Sector Advocacy;
- High-Growth Company Incubation;
- Talent Attraction and Matching; and
- Youth Engagement, Education and Inspiration.

November 21, 2017

Page 3 of 10

Authorizing Signatures:

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

Gerard Hunt, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Denis Leger, Commissioner, Corporate & Emergency Services	Not Required
Lanie Hurdle, Commissioner, Community Services	Not required
Jim Keech, President and CEO, Utilities Kingston	Not required
Desiree Kennedy, Chief Financial Officer & City Treasurer	√

November 21, 2017

Page 4 of 10

Options/Discussion:**Purpose**

In accordance with the provisions of the Lease Agreement, Innovate Kingston (iK) is required to provide City staff with an annual financial statement and an annual progress report. Council's motion of June 16, 2015 also required that Innovate Kingston provide an annual report to Council. In accordance with the provisions of the Lease Agreement and Council's motion, the purpose of this report is to provide Council with an annual update including:

- a summary of iK's activities and programs since its establishment; and
- a summary of iK's future outlook with respect to activities and programming along with the implications and benefits to be derived from the work of iK through the Small Business Accelerator Program .

In addition, the report recommends that Council approve funding pursuant to the provisions of the *Municipal Act, 2001* to iK in 2018 and 2019 to support the expansion of the activities and programs being offered through the Small Business Accelerator Program.

Background

On June 16, 2015, Council unanimously approved the following motion:

***That** Council direct staff to finalize an application to the Minister of Municipal Affairs and Housing under Section 108 of the Municipal Act to establish the use of Portsmouth Town Hall at 623 King Street West as a small business accelerator centre for local and innovative start-up businesses in the Internet Communications Technology sector. The small business accelerator centre will incorporate the following:*

- *A volunteer, private sector organization of local entrepreneurs to mentor and support the start-up businesses;*
- *Rent-free space, offered by the City of Kingston, as a pilot-project for five years;*
- *Criteria for acceptance/termination of small businesses will be established;*
- *Annual reporting to Council will be provided; and*

***That** Council delegate authority to the Chief Administrative Officer ("CAO") to enter into agreements as necessary with the private sector organization to manage the day-to-day operations of the small business accelerator centre; and*

***That** Council authorize staff to submit a planning application to amend the Official Plan and Zoning at 623 King Street West to permit a small business accelerator centre; and*

***That** Council authorize staff to spend up to \$65,000 of approved 2015 budget to prepare the space at Portsmouth Town Hall for the purposes of a small business accelerator centre, including the necessary planning applications."*

November 21, 2017

Page 5 of 10

The applications to amend the Official Plan Designation and Zoning for 623 King Street West to permit the Small Business Accelerator Centre (office use) became effective as of December 15, 2015 (date of Council approval). On February 26, 2016 the Ministry of Municipal Affairs advised that the City's application to establish a Small Business Program under Section 108 of the *Municipal Act, 2001* had been approved. On May 6, 2016 the City and Innovate Kingston entered into a Lease Agreement which sets out the obligations and responsibilities of each party with respect to the Portsmouth Town Hall building and the operations of the Small Business Accelerator Centre.

Discussion

In accordance with its strategic priority to "create a smart economy", Council supported the conversion of the former Portsmouth Town Hall for use as a Small Business Accelerator Centre to engage and support new business and young entrepreneurs in the Information and Communications Technology (ICT) sector. The City and Innovate Kingston worked collaboratively on this initiative whereby the City would provide the space for the Small Business Accelerator Program and Innovate Kingston would provide the business accelerator services to the ICT start-up businesses. The responsibilities and obligations of each party are set out in the executed Lease Agreement dated May 6, 2016. The Agreement expires March 31, 2019 and includes an option for Innovate Kingston to extend for an additional two years subject to the approval of the Minister of Municipal Affairs. As contemplated through the Bill 68 amendments to the *Municipal Act, 2001*, approval by the Minister will no longer be required as of January 1, 2018.

Small Business Program Approval

In accordance with Section 108 of the *Municipal Act, 2001*, the City applied for and received approval from the Minister of Municipal Affairs and Housing for a Small Business Program for the purpose of establishing a five year pilot project that would make use of the Portsmouth Town Hall as a Small Business Accelerator Centre for local and innovative start-up businesses in the Internet Communications Technology sector. The Minister's approval included:

- The City's proposed Small Business Accelerator Program including the proposal to use the Portsmouth Town Hall for a pilot project for the purposes of that Program; and
- The City's provision of financial incentives to Innovate Kingston or an eligible small business through a rent free lease of or use of the Portsmouth Town Hall space from January 1, 2016 until December 31, 2018, which may include building, utilities, phone and internet, maintenance and repairs.

Innovate Kingston (iK)

As detailed in iK's letter (Exhibit A), "Innovate Kingston (iK) was formed in 2015 by seven local entrepreneurs as a not-for-profit organization aimed at increasing the viability of the Kingston region as an innovation hub. Its stated mission is to support the creation of a home-grown \$100 Million revenue business by 2021." It is noted that iK is incorporated under the *Canada Not-for-Profit Corporations Act*.

November 21, 2017

Page 6 of 10

Since its inception, a “volunteer board consisting of up to eight seasoned CEOs and business leaders have invested time and resources to drive iK towards its mission.”

Progress Report

Innovate Kingston’s submission included “Our Success” and “Future Outlook” (Exhibit B) which summarizes its activities and programming in the following five areas:

1. Innovation Community Development;
2. Innovation Sector Promotion;
3. High-growth Company Incubation;
4. Talent Attraction and Matching; and
5. Youth Engagement, Education and Inspiration.

Some of the activities, programming and/or accomplishments include:

- Development of a network of more than 75 local business leaders all working to build sector-leading businesses based in Kingston. iK estimates that five of the businesses in the network have created over 25 jobs in the last year alone;
- Extensive networking outside of the Kingston region building relationships with incubation hubs, universities and private sector innovation centres;
- More than 3 million social impressions across the web with the iK reach expanding to over 60 countries;
- Provided support for more than 15 companies (space, mentorship, marketing and communications support);
- Use of Portsmouth facility by local innovation groups to host regular events – iK provided support for event logistics, venue coordination, marketing/promotion/social media support;
- Meeting with individuals looking to relocate to Kingston and connecting them with local business owners looking to expand their business; and
- Helping to execute the Start-up @ Sydenham Program that saw more than 50 elementary students create a prototype for an outdoor solar-and-pedal-powered smartphone charging table. The Program concluded with a Pitch Team making a presentation to a top Silicon Valley venture capitalist.

Future Outlook

Innovate Kingston submitted the document “Future Outlook” (Exhibit B) which summarizes the proposed activities and programming that would allow iK to continue to expand on the activities and services currently being provided and that sets targets to be achieved in 2018. In addition to the five focus areas noted above, the Future Outlook also includes the objective of innovation sector advocacy. Some of the key activities, programs and goals include:

November 21, 2017

Page 7 of 10

- Grow the network of local business leaders to provide mentorship, connection-sharing, strategy development, relationship-forming and problem solving;
- Create a minimum of 30 jobs in 2018;
- Continue to grow the current strategic partnerships and form a minimum of two new strategic partnerships in 2018;
- Offer the City strategic input for key projects;
- Continue to provide support to companies through the use of space in the Centre, mentorship, marketing and communications – the goal is to support 20+ companies in 2018;
- Continue to support local innovation groups by hosting regular events at the Centre - the goal is to host a minimum of 20 events in 2018;
- Coordinate/support placement of individuals seeking opportunities in Kingston;
- Expand youth programs to include highly immersive education and employee opportunities for elementary, secondary and post-secondary students; and
- Work with St. Lawrence College and Queen's University, speaking to students, providing volunteer and paid work opportunities, and opening new channels for post-secondary students to be exposed to leadership roles within high-growth start-ups, with the goal of engaging a minimum of 100 youth.

Funding Request

Based on the significant outcomes described, it is clear that Innovate Kingston (iK) has achieved considerable success in fostering the growth of the ICT sector, creating new jobs and growing the Kingston economy. It is also evident that there is market demand for their services. iK has indicated its intent to build on its successes and has established targets for 2018 that include creating a minimum of 30 new jobs, forming a minimum of 2 new strategic partnerships, supporting 20 or more businesses and hosting a minimum of 20 events at the Centre.

Aside from the membership revenue, the success of iK has been made possible by the contributions of time and resources by the volunteer Board of iK, which are not sustainable at the same levels as in the first year of operation.

In order for iK to maintain its momentum and to develop and expand the activities and services provided at the Centre, a sustainable revenue model must be developed with sources of funding over and above membership revenues and partnership arrangements. Fee for service program delivery could be one model pursued that would see grant applications developed to deliver programming that would support iK's overhead costs. On a high level, iK estimates that \$10,000-\$15,000 monthly is required to support the continued growth of operations of the Centre. iK has submitted a letter request seed funding of up to \$100,000 each year for the next 2 years to support their path to sustainability.

November 21, 2017

Page 8 of 10

One of Council's strategic priorities is to "Create a smart economy" through the support of entrepreneurship and innovation. Being a leader in innovation means working with partners to "develop business opportunities, attract investment and build creative and entrepreneurial hubs", such as the Small Business Accelerator Centre run by iK.

Therefore it is recommended that Council approve a seed grant to Innovate Kingston of up to \$100,000 in 2018 and 2019 to be funded from the Working Fund Reserve. The intent of this grant would be to further develop the innovation and entrepreneurship ecosystem in Kingston and support the ICT sector through short-term funding to iK as it moves toward becoming self-sustaining. Continued reporting, both financial and progress, is required.

Benefits to be derived from this enhanced partnership

There are several key benefits that will be derived for the City of Kingston through this enhanced partnership, two of which are outlined below. Staff recognize that the work of Kingston Economic Development Corporation (KEDCO) also has a focus on innovation and entrepreneurship and the benefits discussed below are complementary with the work of KEDCO.

1. Kingston Innovation Ecosystem - Connection, Leadership & Support

One of the most important economic strengths of the Kingston community is the significant presence of three critical components in the knowledge economy: educational institutions, government and industry. This "triple helix model" of innovation and economic development, first developed by Stanford University researchers, has been a prominent economic model for more than 30 years. The model suggests that greater economic and social value can be created by an increased transfer and application of academic knowledge from universities through investment and commercialization of products and services by industry in a stable economy supported by government policies and programs.

While the Kingston community has all of the components of the innovation ecosystem and many players/organizations actively participating, it is at the point of connection/linkage between business, government and education where there is a need for additional effort.

iK, through its private sector leadership and industry partners, can play an important and unique role in assisting with:

- Connecting skilled talent with start-up firms
- Providing commercialization and business development skills to support promising research & development ideas
- Providing physical incubation space during the early stages of business development, and
- Connecting start-up firms with investors for critical access to capital to launch and scale the business.

November 21, 2017

Page 9 of 10

2. Social Innovation as a Pillar of Economic Strategy

One of the interesting lessons from the first 18 months of operation of iK has been the strong theme of social innovation in many of the start-up businesses being created and supported. Social innovation can be defined as “a new solution to a social or economic problem which produces better results than existing approaches.” Social innovation can improve quality of life through the development of new collaborations or partnerships and/or the development of new products or services or processes. This was further reinforced in The Breakout Project held in May 2017.

Strategy and policies of social innovation that create initiatives to support social cohesion impact:

- the individual consumer by the provision of better services and higher quality of life;
- the government by making the delivery of services more efficient and therefore more sustainable in the long-term; and
- the business community by creating new businesses and opportunities for entrepreneurship.

iK is uniquely positioned to provide physical space for start-up incubation and support services and programs to ideate, grow and launch new social enterprises.

This strategy and system to support social impact, both locally and internationally, aligns well with the focus of the large and often under-utilized youth segment of our community—millennials--both students and young professionals. In the 2017 Deloitte Millennial Survey, this demographic identified that while progress was being made by employers to be more socially responsible, there was still considerable work to be done.

Millennials are actively looking for opportunities to make a positive social impact in the community. A strategy that supports the passion and social purpose of young entrepreneurs, assists with idea generation and business model validation, provides business incubation space and services and helps launch and scale the business, could be coordinated by iK. This coordination role would be an important part of a strategy to help retain students who come to Kingston for their education. It would involve collaboration and partnerships with other important complementary organizations including Kingston Economic Development Corporation, Launch Lab, Dunin-Deshpande Queen’s Innovation Connector, St. Lawrence College Innovation Hub and many others.

For the City of Kingston itself, social impact is at the heart of what we do and an emphasis on social innovation could help improve our engagement of youth and be part of an employment talent attraction and retention strategy to address an aging municipal workforce.

The Federal and Provincial Governments both place a high priority on social innovation and are allocating substantial resources to this important component of the economy. It is expected that over the coming months, grant funding program announcements will be made to allow the Kingston community to further leverage our focus on social innovation.

November 21, 2017

Page 10 of 10

Existing Policy/By-Law:

Council's Strategic Plan 2015-2018

Workforce Development & In-migration Strategy

Youth Employment Strategy

Notice Provisions:

There are no notice provisions with this report.

Accessibility Considerations:

This report will be made available in alternate formats upon request.

Financial Considerations:

Staff is recommending, in accordance with the provisions of the *Municipal Act, 2001* with respect to Small Business Programs, that the City of Kingston provide a grant in the amount of up to \$100,000 in 2018 and 2019 to Innovate Kingston to support the ongoing operation and expansion of the activities and programs being offered through the Small Business Accelerator Program. This grant would be funded from the Working Fund Reserve.

Contacts:

Craig Desjardins, Senior Manager, Innovation & Institutional Partnerships, 613-546-4291, ext. 1218

Other City of Kingston Staff Consulted:

George Wallace, Senior Special Projects Manager

Desiree Kennedy, Chief Financial Officer & City Treasurer

Exhibits:

Exhibit A – Cover Letter and Request for Seed Funding submitted by Innovate Kingston

Exhibit B – “Our Success” (Summary of Activities and Programming submitted by Innovate Kingston) and “Future Outlook” (Summary of Future Activities and Programming submitted by Innovate Kingston)

Exhibit C – Financial Statements



Champion.
Connect.
Inspire.

Tuesday, November 14, 2017

Attn: Mr. Gerard Hunt & Council
City of Kingston
216 Ontario Street
Kingston, ON K7L 2Z3

Dear Mr. Hunt & Council,

On behalf of Innovate Kingston (iK), I would like to extend our thanks to the City of Kingston for all the support in helping drive our initiative to develop Kingston as a world-class innovation hub.

Our region is blessed with three top-tier post-secondary education institutions, an energetic downtown with vibrant arts and cultural community, ready-access to outdoor activities, a rich history as Canada's first capital city and affordable lifestyle near three major markets. iK believes that these assets can be leveraged to build our city into the next great innovation centre that competes on the world stage creating and growing large technology-based businesses.

The fact is, it is already happening.

Kingston boasts a collection of industry-leading businesses that are growing quickly, creating jobs, generating new revenue, and attracting new talent to the city. Innovate Kingston's mission is to support these growing businesses while encouraging more to be formed, such that our city can attract even more people to work, live and play in Kingston.

Since our inception, our volunteer board consisting of up to eight seasoned CEOs and business leaders have invested time and resources drive iK towards its mission.

Our work to date has been focused in five primary areas:

1. Innovation Community Development
2. Innovation Sector Promotion
3. High-growth Company Incubation
4. Talent Attraction & Matching
5. Youth Engagement, Education & Inspiration

iK has built a network of more than 30 paying members, over 75 entrepreneurs and key employees at over 20 technology-based companies. This network is key to the growth of our local economy. Its members share

Innovate Kingston
623 King Street West, Kingston, ON, K7M 2E7
info@innovatekingston.ca | www.innovatekingston.ca



Champion.
Connect.
Inspire.

ideas and resources, invest in each other's businesses, help source key talent, and provide contacts and connections that lead to new revenue.

Innovate Kingston has worked hard to promote Kingston and the region as an emerging innovation hub, including developing online marketing websites and campaigns.

iK directly supports local high-growth businesses by providing them space at Town Hall incubation centre as well as access to a network of seasoned professionals, knowledgeable industry leaders and successful business owners. iK runs regular educational workshops, networking sessions and community-building events to assist entrepreneurs as they navigate the challenging path that leads to success.

iK has been successful in attracting new employees to the ecosystem directly through Innovation Kingston. We take the time to ensure that each person who is interested in working in our sector, either local or looking to move to Kingston, is connected to local businesses that are growing and working hard to find the talented employees they need to compete internationally.

iK was so proud to support Startup @ Sydenham, an innovative new education program designed to engage more than 60 elementary students in the development of a new business. Through this program, students received eight interactive workshops from local entrepreneurs, visited local businesses, developed business plans and investment pitches and built a working prototype.

Through these efforts, iK has been able to drive the creation of more than 30 jobs this year alone and knows it can do so much more.

To continue and expand our efforts, we are seeking the necessary seed funding of up to \$100,000 per year for the next two years. This financial support, along with the membership fees and sponsorship funding we have been able to gather, Innovate Kingston will further expand its service, support and promotional efforts. Attached to this letter of request, is the iK budget for 2018 as a base for which the City's contribution will be used to support office and administrative costs. Project costs will be funded by sources.

Over the next two years, iK will:

- Create online communication channels for the local innovation ecosystem, thereby allowing each member to access anyone in the community from any internet connection
- Expand our promotional efforts creating online profiles of the key technology-based businesses here in Kingston so that the online searchers who are already looking can learn more about the great businesses we have here
- Develop even more support structures for emerging high-growth businesses by increasing programming at Town Hall incubation centre. This means more valuable workshops and networking events

Innovate Kingston
623 King Street West, Kingston, ON, K7M 2E7
info@innovatekingston.ca | www.innovatekingston.ca



Champion.
Connect.
Inspire.

- Expand the Startup @ Sydenham program to include more than 300 youth in the program by 2019. We believe that inspiring and engaging our youth in entrepreneurship is not only a key educational element that will help each young person adapt to changing employment trends, but also encourage each to engage more in our local economy when they enter the workforce
- Attract 2 - 3 annual conferences to Kingston, creating tourism and retail revenue
- Assist 20+ new companies on their path to becoming financially viable
- Create a minimum of 80 more jobs within high-growth companies over the next two years

Also attached to this letter is a summary of "Our Successes" and "Future Outlook". Our intent is to become financially self-sustaining over the coming years with the expansion of our membership network, sponsorship funding and grants for our organization.

In closing, we thank the City of Kingston for the leadership and vision for our shared future and your consideration of our request.

Submitted on behalf of the iK Board,

Jason Hurd
Board Member

iK Operating Budget Draft 2018 & 2019

	2018	2019
REVENUE		
Anticipated Revenue		
Sponsorships/Partnerships/Grants	\$ 35,000.00	\$ 35,000.00
Grant - City of Kingston	\$ 100,000.00	\$ 100,000.00
Member Support	<u>\$ 30,000.00</u>	<u>\$ 30,000.00</u>
TOTAL	<u>\$ 165,000.00</u>	<u>\$ 165,000.00</u>
 EXPENSES		
Anticipated Staff Costs		
Administrative Wages/Benefits	\$ 93,000.00	\$ 93,000.00
Marketing & Communications Support	<u>\$ 45,000.00</u>	<u>\$ 45,000.00</u>
SUBTOTAL STAFF EXPENSES	<u>\$ 138,000.00</u>	<u>\$ 138,000.00</u>
 Anticipated Other Expenses		
Design & Social Media	\$ 5,000.00	\$ 5,000.00
Supplies & Misc. Expenses	\$ 5,000.00	\$ 5,000.00
Travel	\$ 3,000.00	\$ 3,000.00
Communications	\$ 1,500.00	\$ 1,500.00
Insurance	\$ 1,500.00	\$ 1,500.00
Professional Fees	\$ 5,000.00	\$ 5,000.00
Contingency	\$ 6,000.00	\$ 6,000.00
 SUBTOTAL OTHER EXPENSES	 \$ 27,000.00	 \$ 27,000.00
 TOTAL EXPENSES	 <u>\$ 165,000.00</u>	 <u>\$ 165,000.00</u>
 SURPLUS/DEFICIT	 \$ -	 \$ -



OUR SUCCESS

Innovate Kingston (iK) was formed in 2015 by seven local entrepreneurs as a not-for-profit organization aimed at increasing the viability of the Kingston region as an innovation hub. Its stated mission is to support the creation of a home-grown \$100 million revenue business by 2021.

Since our inception, a volunteer board consisting of up to eight seasoned CEOs and business leaders have provided thousands of hours of time, hundreds of thousands of dollars, countless donations of their companies' human resources to drive iK towards its mission.

In order to achieve this mission, it works primarily in five areas:

1. Innovation Community Development
2. Innovation Sector Promotion
3. High-growth Company Incubation
4. Talent Attraction and Matching
5. Youth Engagement, Education and Inspiration

1. Innovation Community Development

- iK has developed a network of more than 75 local business leaders all working to build sector-leading businesses based in Kingston
- iK network helps foster collaboration, idea sharing, problem solving and creating new opportunities
- These businesses lead to:
 - job creation, new revenues into the region from other locations (exporting businesses)
 - new talent attraction
 - additional investments into their business eco-system
- We have estimated that the top five businesses in our network have created over 30 jobs in the last year alone

2. Innovation Sector Promotion

- It is imperative that the Kingston region is seen as an emerging innovation sector by those outside of the city
- This attracts both investor attention and the talented workforce required to grow businesses and create new jobs
- iK has networked extensively outside of the region building relationships with incubation hubs, universities and private sector innovation centres



- Since inception we have achieved the following:
 - 3+ million social impressions across the web
 - iK reach that has expanded to over 60 countries
 - directly engaged with over 50,000 number of people online and offline
 - Total numbers of followers and subscribers in our network

	iK & TBOP
Followers	
Twitter	3171
Facebook	1435
Instagram	915
Subscribers	
eNews	2518

- We have fostered relationships with promise of developing as strategic partnerships with the following:
 - [9 Billion Lives](#)
 - [Centre for Social Innovation \(CSI\)](#)
 - [The DMZ](#)
 - [District 3 Innovation Center](#)
 - [Global Citizen](#)
 - [David Moss Foundation - Unfunded List](#)

3. High-growth Company Incubation

- The Townhall opened in 2016 as an incubation accelerator facility
- We have supported more than 15 companies, providing (but not limited to) use of space, mentorship, marketing and communications support:
 - 1 Million Teachers (1MT)
 - Focus Forward For Indigenous Youth
 - BentoSMB
 - Wavve
 - Okwaho Equal Source
 - Jawa Auctions Inc.
 - Flex Dealz
 - Change for a Dollar (remote)



- Example: 1 Million Teachers (1MT)
 - Since May 2017, [1 Million Teachers](#) has successfully launched their teacher training pilot program. The platform, full of content, is now active in Nigeria, Ghana, Zimbabwe and Gambia.
 - They have eight countries scheduled to launch in October including Cote D'Ivoire, Senegal, Zambia, Uganda, Liberia, Kenya, Tanzania, Sierra Leone.
 - Recently awarded \$15,000 in funding and support by CcHUB under the Diaspora Challenge

 - We have also been able to use this facility to allow local innovation groups to host regular events. Support given to the following groups include event logistics, venue coordination, marketing/promotion/social media support:
 - sudolabs coding workshop
 - Mimetics Canada
 - Kingston Young Professionals events (KYP)
 - Kingston WordPress Group
 - Kingston Developers
 - Kingston Virtual and Augmented Reality (AR/VR) Group
 - Ivari
 - Providing this space creates a welcoming environment for like-minded innovation sector leaders and employees to collaborate and share, and is a key function in the development of a thriving innovation community.
4. **Talent Attraction and Matching**
- As a result of our online presence and outreach, we have had many talented people looking to relocate to Kingston connect with us to learn more about the region and the job opportunities found here.
 - Where we can, we meet with these individuals to conduct screening interviews and then connect them with local business owners so that they can add the key people they need to grow their businesses.
 - Additional resources are required to expand this service
5. **Youth Engagement, Education and Inspiration**
- Kingston is blessed with three post-secondary institutions and many elementary and secondary schools.
 - Unfortunately, many of these youth either leave the region for schooling or depart immediately after post-secondary graduation. In fact, just 3% of Queen's University students are retained in the local workforce.



- iK has begun working with students as young as 10 - 13 involving them in entrepreneurship and technology programs, interactive workshops with local tech entrepreneurs and exposing them to international opportunities
- We helped execute the Startup @ Sydenham program that saw more than 50 elementary students create a prototype for an outdoor solar- and pedal-powered smartphone charging table.
 - Students were involved in research, engineering, manufacturing, marketing and sales. The program concluded with a pitch team making a presentation to top Silicon Valley venture capitalist Ben Narasin.

FUTURE OUTLOOK

iK has accomplished so much as a “startup” organization in its own right, and now is the time for us to ensure we have the funding available to increase our sustainability and continue the important work of building our innovation sector and increasing the economic viability of Kingston in a fast-paced, rapidly-changing and international business ecosystem.

The additional support is required to allow iK to continue to expand on the activities and services currently being provided which far exceed the capacity of two employees due to the donation of time and resources by our volunteer board and our network of business leaders. This will include:

1. Innovation Community Development

- Continue to grow our network of local business leaders to provide mentorship, connection-sharing, strategy development, relationship-formation, problem solving
- Development of digital communication channel (Slack)
- Attract 2 – 3 annual conferences to Kingston
 - One is already confirmed for 2018
- Goal will be to create a minimum of 80 jobs in 2018 and 2019

2. Innovation Sector Promotion

- Continue to grow our current strategic partnerships with the following organizations:
 - [9 Billion Lives](#)
 - [Centre for Social Innovation \(CSI\)](#)
 - [The DMZ](#)
 - [District 3 Innovation Center](#)
 - [Global Citizen](#)
 - [David Moss Foundation - Unfunded List](#)



- Form a minimum of two new strategic partnerships in 2018
- Innovation Eco-system Promotion
 - Updated Website
 - Features of local businesses
 - Social media campaigns
 - Email Marketing campaigns

3. Innovation Sector Advocacy

- iK via our network can offer the City of Kingston strategic input for key projects including:
 - Innovation Centre Development (Flex Space)
 - Attraction of larger innovative companies (e.g. Shopify)
 - Attraction of new airline (e.g. Porter Airlines)
 - Attraction of smaller start-up organizations (ex. Airbrowz)

4. High-growth Company Incubation

- Continue to support companies, providing (but not limited to) use of space, mentorship, marketing and communications support.
 - Goal is to support 20+ companies in 2018
- Continue to support local innovation groups to host regular events by offering event logistics, venue coordination, marketing/promotion/social media support.
 - Host a minimum of 20 events at the Townhall

5. Talent Attraction and Matching

- Coordination of placements with those who contact us seeking opportunities in Kingston
- Coordination with Workforce & In-migration Development Working Group

6. Youth Engagement, Education and Inspiration

- Expand our youth programs to include highly immersive education and employee opportunities for elementary, secondary and post-secondary students.
- This will help ensure that more of the next generation of business leaders and talented employees see Kingston as a top place to consider building their careers whether they come here from another location, or are Kingstonians born and raised.
- Work with St. Lawrence College and Queen's University, speaking to students, providing volunteer and paid work opportunities, and opening new channels for post-secondary students to be exposed to leadership roles within high-growth startups.



- Our goal is to engage a minimum of 300 youth.

Beyond the core funding required to sustain Innovate Kingston, we will seek grant and other funding for the following programs:

- Talent Attraction & Matching Program (as described in the proposal)
- Youth Programs
 - Youth Innovation Centre (as described in the proposal)
 - Expansion of the “Startup @ Sydenham” program to other schools

OUR VALUES

We operate within the confines of our clearly stated core values:

1. Think EPIC!
2. Bring Joy
3. We Are One
4. Preach It
5. Whatever It Takes
6. Pay It Forward

These core values guide all of our actions and decisions. We believe these are instrumental the development of our organization and the core.

INNOVATE KINGSTON
FINANCIAL STATEMENTS
WITH NOTICE TO READER
SEPTEMBER 30, 2016





Collins Blay LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of Innovate Kingston as at September 30, 2016 and the statements of revenue and expenditures and changes in net assets for the year then ended. We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon. Readers are cautioned that these statements may not be appropriate for their purposes.

Kingston, Ontario
February 15, 2017

Collins Blay LLP

Chartered Professional Accountants
Licensed Public Accountants

INNOVATE KINGSTON
(Incorporated under the Canada Not-for-Profit Corporations Act)

STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2016

ASSETS

Current		
Cash and short-term investments		\$ 23,476
Accounts receivable		<u>22,800</u>
		<u>\$ 46,276</u>

LIABILITIES

Current		
Accounts payable and accrued liabilities		<u>\$ 6,835</u>

NET ASSETS

Net assets		<u>39,441</u>
		<u>\$ 46,276</u>

Approved on behalf of the Board

_____ Director
_____ Director

Unaudited
See - Notice to Reader



INNOVATE KINGSTON
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Net assets - beginning of the year	\$ -
Excess revenue for the year	<u>39,441</u>
Retained earnings - end of the year	<u>\$ 39,441</u>

Unaudited
See - Notice to Reader



INNOVATE KINGSTON
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Membership revenue	<u>\$ 83,296</u>
Expenditures	
Advertising and promotion	932
Bank charges and interest	1,009
Contract services	13,415
Facilities and equipment	1,649
Insurance	2,673
Meals and entertainment	177
Office	1,089
Operations	12,205
Professional fees	1,797
Repairs and maintenance	1,564
Salaries and wages	7,008
Telecommunications	290
Travel	<u>47</u>
	<u>43,855</u>
Excess revenue for the year	<u>\$ 39,441</u>

Unaudited
See - Notice to Reader

