



Helping Business Succeed



Indigenous Centre for Innovation & Entrepreneurship

As the world's largest incubator supporting First Nations (status and non-status), Metis and Inuit entrepreneurs, the Indigenous Centre for Innovation and Entrepreneurship will provide wrap around services that align with Indigenous principles and culture.

Indigenous Centre for Innovation & Entrepreneurship

Background

- In 2012, the City began discussions about creating an **Indigenous business centre and cultural district** in Toronto.
- A feasibility study in 2013 identified keen community interest to redesign, re-envision and rethink **Indigenous business and entrepreneurship** within an innovative and contemporary mindset led by Indigenous majority-owned businesses.
- Councillor Wong-Tam (Ward 13 Toronto-Centre) began working with City Planning in 2013 to identify a new development at 200 Dundas Street East as a potential location for an **Indigenous business centre and incubator** now known as the Indigenous Centre for Innovation and Entrepreneurship (ICIE).
- Section 37 funds of \$7.85M + \$2M from FedDev (for capital) and FedDev - \$3M over 5 years for operating expenses are the primary current funding sources.

Indigenous Centre for Innovation & Entrepreneurship

Artist Renderings of Exterior & Second Floor

Provided by the Indigenous Design Studio at Brook McIlroy



Indigenous Centre for Innovation & Entrepreneurship

Principles

- Toronto is home to many Indigenous people, and the ICIE will be welcoming of all **self-identified Indigenous people**.
- The ICIE will provide a vehicle for **Indigenous entrepreneurs and innovators** to access resources and support to realize positive economic and social impacts for their ventures, whether they are for-profit, not-for-profit or social ventures.
- To assist ventures across Canada and to support the mobile nature of many Indigenous entrepreneurs, the goal will be to provide as many as many of ICIE's services as possible online.
- **Indigenous governed and operated**, the ICIE will reflect the unique values, principles, needs and build opportunities for Indigenous entrepreneurs, innovators and communities.

Indigenous Centre for Innovation & Entrepreneurship

Space Development

There are three floors within the ICIE:

- Ground Floor Retail Space - 4,789 sq. ft.
- Event Space and Meeting Rooms – 2nd floor - 10,933 sq. ft.
- Incubator Space – 3rd floor – 6,778 sq. ft.
- Total Gross Floor Area - 22,500 sq. ft.



Indigenous Centre for Innovation & Entrepreneurship

What the ICIE Will Offer

- Assistance in Business Development
- Access to Advisory Services
- Mentorship Supports
- Short and Long-term Leased Office Spaces
- Shared Co-workspace
- Community Event Space
- Connections to Business Networks
- Boardrooms and Meeting Rooms to Rent
- Kitchen Facilities for Catering
- Knowledge House
- Lounge Area
- Traditional Lodge

Indigenous Centre for Innovation & Entrepreneurship

Leadership Advisory Circle (LAC)

- In April 2019, **the Leadership Advisory Circle** was created, consisting of 16 Indigenous entrepreneurs, business professionals, community leaders and elders to provide guidance, feedback and support with decision-making in the development of the Indigenous Centre for Innovation and Entrepreneurship (ICIE) in a culturally significant way.
- The LAC helped base the ICIE's **guiding principles** in Indigenous ways of being.
- They have provided **leadership on the development** and design of the building, operations, program and management structure of the ICIE including its operating governance model.
- Structured to be a temporary committee, the LAC is now dissolved.

Indigenous Centre for Innovation & Entrepreneurship

Advice from ICIE Leadership Advisory Circle (LAC) - governance model

In the summer of 2021, the LAC advised that the ICIE be governed by:

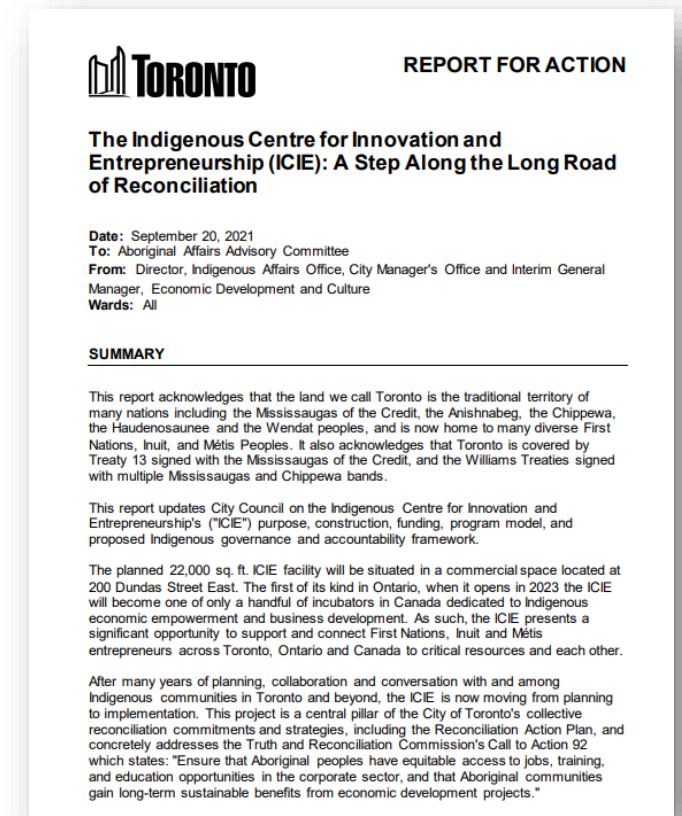
- An Indigenous-led entity that
 - has the skills and experience necessary to operate the ICIE, including entrepreneurship and property management capabilities;
 - is able to use Indigenous ways of governance and exercise independent decision-making; and
 - chosen through a transparent selection process.
- A decision to issue a Request for Information (RFI) was made by the LAC and City staff to determine capacity and interest from Indigenous-led organisations to serve as a potential operator of the ICIE.
- LAC members and City staff reviewed the responses of the RFI process and determined that there are a sufficient number of Indigenous-led organizations with the requisite capacity and interest in serving as an operator of the ICIE.
- The decision was made to proceed with an open competitive solicitation process in accordance with the City's Purchasing By-laws, policies and procedures.

Indigenous Centre for Innovation & Entrepreneurship

ICIE Staff Report: Sept 2021

The report was deliberately framed in a way that challenged the colonial relationship between the City of Toronto and Indigenous Peoples by:

- Incorporating **Reconciliation** into the Equity Impact Statement
- Referencing the Truth and Reconciliation Commission and the National Inquiry into Missing and Murdered Indigenous Women and Girls as foundational documents
- Stating that the ICIE must be **Indigenous-led and operated**
- Respecting the advice of the **Leadership Advisory Circle**
- Recommending a partnership relationship between the City of Toronto and the ICIE based on mutual respect and Indigenous autonomy – **“Nothing About Us Without Us”**



Indigenous Centre for Innovation & Entrepreneurship

ICIE Incubator tenancy program & head lease terms Staff Report: June 2022

- EDC and IAO to select an Indigenous-led organisation or consortium to operate the ICIE through an open competitive solicitation process.
- The Operator will be chosen by a **selection committee** comprised of City staff and members of the Indigenous community
- The successful proponent selected to serve as the Operator and Head Tenant of the ICIE will also enter into a Lease with the City for the ICIE space.
- The **Lease is for a term of five years**, with one option to extend for an additional five years.
- As part of the City of Toronto's financial support for the ICIE and its Head Tenant, this report recommended that Council enable the Head Tenant to **retain as revenue any rental income from sublease agreements or activities**, provided that these funds are fully reinvested in the on-site operations and programming of the ICIE Space and in accordance with any applicable Lease, Operating, Funding or Service agreement between the City and Head Tenant



REPORT FOR ACTION

Indigenous Centre for Innovation and Entrepreneurship (ICIE): Incubator Tenancy Program and Head Lease Terms

Date: June 17, 2022

To: General Government and Licensing Committee

From: Interim General Manager, Economic Development and Culture and Executive Director, Corporate Real Estate Management

Wards: All

SUMMARY

To support Indigenous entrepreneurship in Toronto, this report seeks City Council direction to create an Incubator Tenancy Program (the "Program") at the Indigenous Centre for Innovation and Entrepreneurship ("ICIE"), located in a City-owned section of a condominium building at 200 Dundas Street East, as well as authority to enter into a lease agreement (the "Lease") with an Indigenous-led organization or consortium selected as the operator (the "Operator") and head tenant (the "Head Tenant") of the ICIE.

Through the Program, the Head Tenant will be authorized to enter into sub-lease agreements with eligible Indigenous small businesses at less than fair market value for the use of space on the ground floor (4,789 square feet), second floor (10,933 square feet) or third floor (6,778 square feet) of the ICIE. In certain circumstances, outlined in this report, the Head Tenant may also enter into sub-lease agreements with Indigenous and non-Indigenous organizations at fair market value or charge permit fees, provided that they work with and support Indigenous entrepreneurs and innovators and/or provide social and/or commercial benefit to the ICIE and community.

As part of the City of Toronto's financial support for the ICIE and its Head Tenant, this report recommends that City Council allow the Head Tenant to retain as revenue the rental income from such agreements or permits, provided that these funds are fully reinvested in the on-site operations and programming of the ICIE.

Indigenous Centre for Innovation & Entrepreneurship

Financial impact

- The ICIE project was originally conceived as a five-year Contribution Agreement with the **Federal Economic Development Agency** for Southern Ontario (FedDev Ontario), in which operating costs of approximately \$9.87 million over five years are cost-shared by the City (49.33%) and FedDev Ontario (50.67%) up to \$5 million.
- City Council adopted a Member Motion at its March 10, 2021 meeting authorizing the release of **Section 37 (Planning Act) Funds** from various developments for capital improvements to the future space of the Indigenous Centre for Innovation and Entrepreneurship located at 200 Dundas Street East. (Increased from \$3,783,816 to \$7,853,238)
- The total new ICIE Budget with the proposed changes, including an extension to the original term of the contribution and the re-allocation of some of the FedDev's operating funding to the capital budget, is described in the following chart:

Total Budget (Eligible & Supported and Eligible & Not Supported)		FedDev Share	%	CoT Share	%
Operating	\$5,963,362	\$3,000,000	50.31%	\$2,963,362	49.69%
Capital	\$9,853,238	\$2,000,000	20.30%	\$7,853,238	79.70%
Total Project	\$15,816,600	\$5,000,000	31.61%	\$10,816,600	68.39%

- **The City's overall commitment to ICIE totals \$10,773,901, where 79.70% (\$7,853,238)** was earmarked for the Construction budget through Section 37 funding and 49.33% (\$2,920,663) approved by Council and assigned to EDC's base budget for \$700,000 annual. Therefore, we modelled the current City's yearly operating contribution below the mentioned Council approved annual base budget to avoid any significant negative budget pressures during the operational phase of the project.

Indigenous Centre for Innovation & Entrepreneurship

Funding & City supports

The Federal Economic Development Agency for Southern Ontario (FedDev Ontario) has provided a grant of up to \$5,000,000 in support of the operational development of the ICIE

The City will be providing the following:

- **ICIE Facility** – 22,500 square foot facility costing \$9.8 million to build.
- **Operating Grant** – Administered through an operating agreement, the City of Toronto will provide an operating grant to the ICIE Operator of up to \$700,000 a year for up to ten years.
- **Facility Lease** – The City will provide exclusive use of the facility to the Operator for a nominal rent, for a period of up to ten years, subject to continued use of the facility for the exclusive purposes of the ICIE, fulfilment of all requirements, and approvals as necessary.
- **Sublease Revenues as Grants** - The City will grant all net revenues raised through subleasing the facility back to the Operator for the exclusive purpose of operating the ICIE.
- **Partnership Assistance** - The City has been meeting with, and receiving Expressions of Interest (EOI) from potential tenants and partners. The City will work with the Operator to engage potential partners, corporate sponsors and other levels of government to secure additional funding resources for the ICIE.
- **Marketing and Promotion** – The City will promote the ICIE through its economic development activities.

Indigenous Centre for Innovation & Entrepreneurship

Current Status

- Tender for construction awarded in February 2023
- Interior construction started in April 2023
- Launched a Request for Proposal for Indigenous-led organizations with the capacity and desire to operate and govern the ICIE in April 2023
- Created an Indigenous Operator Selection Committee consisting of LAC members and Indigenous City staff
- FedDev Ontario approved the transfer of \$2M to address the shortfall in the construction budget and an extension of two additional years on the Contribution Agreement ending March 31, 2026
- Selection of Indigenous-led Operator completed in February 2024
- Finalization of Operator and Lease Agreements ongoing
- **Substantial Construction Completion May 2026**
- **Final Construction Completion June 2026**
- **Planned opening in Q3-Q4 2026**
- Expressions of Interest for Tenancy and Partnerships are on the ICIE webpage



- [Indigenous Centre for Innovation and Entrepreneurship](https://www.toronto.ca/smallbusiness)

Indigenous Centre for Innovation & Entrepreneurship

Thomas McGinty
Senior Business Development Officer
Economic Development & Culture
City of Toronto
647-270-8924

Thomas.Mcginty@toronto.ca
<http://www.toronto.ca/business>



Business TO e-Newsletter

Released Tuesdays at 4 p.m.