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## ECONOMIC DEVELOPMENT MANAGER REPORT

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TO: Tim Pley, Acting City Manager  
FROM: Pat Deakin, Economic Development Manager  
COPY TO: Scott Smith, City Planner  
DATE: For discussion at the February 22, 2016 Council Meeting

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**SUBJECT: PROPOSED SPROUT PROGRAM**

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### **Fit of Subject Matter to Corporate Strategic Plan:**

- Implied in Goal 4 (Liveability) Objective 4.1 Ensure an inviting community as well as in Goal 5 (Revitalize the Economy) Objective 5.2 Attract businesses, new residents and visitors
- Identified in Status Report (Medium Priority)

### **Issue:**

There are many empty storefronts throughout the community. They affect the adjacent businesses in a negative way and make a poor impression on those who see them. Given that the buildings they are in are old and that safety standards and building codes have evolved, the cost of bringing those spaces up to the BC Fire and Building Codes are prohibitive for someone wanting to start a small business.

### **Discussion:**

As Council is aware, local entrepreneur Kevin Wright has proposed a way of meeting the codes while reducing the cost involved thus allowing a prospective entrepreneur a greater chance of getting into business. He has entitled the approach the SPROUT Program, referencing the potential of any business brought into being by it, to grow.

Essentially it consists of bringing a portion of the front space up to code thus reducing those costs as well as theoretically reducing the rent involved (since a smaller space is utilized). This would of course also provide the building owner with some income while getting a part of the building up to code. Assuming the business was successful, it might want to expand deeper into the store or attract another complementary business.

This approach is considered to have a great deal of potential for addressing the issue and is being supported by City staff. An engineered design for the SPROUT program has been developed in conjunction with the City's Fire Marshall and Building Inspector and was paid for out of the City's Economic Development allocation.

The next steps involved in bringing the program into being include but are not limited to (and are not necessarily listed in sequential order):

1. identifying all owners of the buildings with empty storefronts and determining who will be willing to participate in the initiative
2. calculating the probable financial benefit of participating for the owner of the building
3. calculating the probable cost of doing the work to Code (Fire & Building) for specific buildings based on the plans done by McGill so we have a dollar figure to show potential entrepreneurs
4. identifying the best business fit to the space based on the work that would have to be done in the building
5. researching successful business cluster models in other communities
6. asking the adjacent merchants what kind of business they think would complement theirs
7. depicting on or in the empty storefront windows what type of business might be successful there
8. confirming that Community Futures and the Chamber will partner with us for the success of this program
9. creating brochures and videos to advertise the opportunity with existing business owners, through partners, conventional local media and social media
10. vetting the business proposals that come forward
11. celebrating our first success

As mentioned previously, the program is considered to have a great deal of potential for addressing the empty storefronts issue. There are a number of related initiatives that would support the success of the SPROUT program including a revision of the 'Steps to Starting a Business' section of our website, a revision of the 'Business Information Guide' and having a Business Advocate for the potential entrepreneurs that need assistance in understanding the regulations that are in place and how to comply with them. These should be part of this initiative.

As desirable as these initiatives are, there are other, and arguably higher, priorities that have been assigned to, or need to be taken on by, the Economic Development Manager.

### **Realistic Options for Moving Forward with the SPROUT Program**

#### Option 1: Assign the Program to the Economic Development Assistant (EDA)

- Pro: The EDA is funded for full time work and has become somewhat familiar with challenges faced by potential entrepreneurs.
- Pro: The EDA has a good working relationship with the Building Inspector and Fire Marshall who will be involved in implementing the Program.
- Con: The EDA already has a 'full plate' of responsibilities.
- Con: The EDA has not owned a business so is not fully conversant with the challenges.

#### Option 2: Negotiate a 1 year contract for the delivery of the SPROUT Program with Kevin Wright

- Pro: Kevin proposed the Program, has participated in its evolution and is a successful entrepreneur who is familiar with the BC Building and Fire Codes.
- Pro: The Program would move ahead in a more timely fashion
- Con: The contract would likely consume as much as \$20,000 of the existing business development and marketing allocations in the Economic Development budget.

There is, of course, a third option and that is to do nothing about the program at this time. In the opinion of the EDM and given concerns about what seems to be an increasing number of empty storefronts, this is not considered a realistic option.

**Recommendation:**

*It is recommended that Council direct the Economic Development Manager (EDM) to negotiate the scope of and deliverables for a SPROUT Program and the contract for implementing it with Kevin Wright for an amount not exceeding \$20,000. It is further recommended that Council approve the efforts of the EDM and the Economic Development Assistant to find a grant to assist in the funding of this Program but that the Program commence by April 15<sup>th</sup>, 2016 regardless.*

A handwritten signature in blue ink, appearing to read "Pat Deakin".

Pat Deakin,  
Economic Development Manager