

**CITY OF VAUGHAN**

**EXTRACT FROM COUNCIL MEETING MINUTES OF JANUARY 28, 2014**

Item 16, Report No. 1, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on January 28, 2014.

**16 VAUGHAN BUSINESS ENTERPRISE CENTRE (VBEC) CURRENT AND ADDITIONAL  
YOUTH ENTREPRENEURSHIP PROGRAMS**

**The Committee of the Whole recommends approval of the recommendation contained in the following report of the Director of Economic Development, dated January 14, 2014:**

**Recommendation**

The Director of Economic Development in consultation with the Executive Director, Office of the City Manager recommends:

1. THAT the City Clerk be authorized to execute an agreement with the Ministry of Economic Development, Trade and Employment (MEDTE) for the purposes of implementing the Starter Company Program (the "Program") to provide guidance and support to new and growing youth-owned businesses.

**Contribution to Sustainability**

Green Directions Vaughan embraces a Sustainability First principle and states that sustainability means we make decisions and take actions that ensure a healthy environment, vibrant communities and economic vitality for current and future generations. Under this definition, activities related to economic development contribute to the sustainability of the City.

**Economic Impact**

MEDTE will provide additional funding to VBEC in the amount of \$95,000 over two years (\$47,500 per year) to provide the Provincial Starter Company Program. The funding will provide the necessary revenue to make this additional program cost neutral to the City.

**Communications Plan**

Should Council endorse the agreement with MEDTE, Staff will undertake a marketing and communications plan for the Program, in concert with MEDTE and the ONE Network.

**Purpose**

The purpose of this report is to seek Council approval to enter into an agreement with MEDTE to provide the Starter Company Program through VBEC for a period of two years.

**Background - Analysis and Options**

Fostering entrepreneurship can be a lifelong endeavour. However, creating programs directed toward our youth population, teaches skills that can be carried over to their school career as well as influence their professional development and career choices. Today's youth are creative, energetic, talented and connected to social and economic issues. By supporting and channeling their ideas, the City can benefit from the social and business enterprises created by young people (e.g. idea generation, business and career independence, willingness to assume risks, employment generation, etc.).

Since its inception in 2001, VBEC has developed and offered business skills training for youth. Leveraging its partnership with the MEDTE, as well as private sector partners, VBEC delivers programs tailored to the specific needs of youth. These programs range from school outreach, business plan challenges, co-op education placements, mentoring, etc.

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Currently each year, VBEC delivers three programs for youth:

- Summer Company;
- Biz Teen Camp and
- Riviera Parque Culinary Program

#### **Summer Company**

Summer Company, an annual program sponsored by MEDTE and offered through the Small Business Centres across the province give students aged 15 to 29, up to \$3,000 in grant funding to develop and run their own summer business over a 8-12 week period each summer. Students submit business plans to VBEC and MEDTE for Summer Company entry into the program. Once accepted into the program, students receive \$1,500 from MEDTE and upon completion of the program, MEDTE releases the remaining funds, up to another \$1,500 if the student has successfully completed associated learning and program initiatives throughout the 8-12 weeks. In addition, the profits generated by the student's company remain with the student.

This program offers practical experience in operating a business, teaching business planning, finance, sales, marketing, accounting and service/product delivery. VBEC assists the students to develop their business concept and complete a business plan. Throughout the summer, VBEC arranges for local business owners to mentor students on a one-on-one basis. Students are required to attend a full-day training session at the onset of the program. Bi-weekly meetings with a VBEC consultant, and participate in VBEC seminars and workshops.

In 2013, 14 students were accepted into Summer Company, and at its conclusion, they collectively earned \$85,000 in revenues. Four of the students have decided to continue operating their business. Since its inception 12 years ago, 90 students have successfully completed the Summer Company program through VBEC.

#### **Biz Teens Camp**

For the third consecutive year, VBEC in cooperation with the Recreation and Culture Department, offered "Biz Teens Camp" through the City's Summer Camp programs. The Biz Teens Camp was held at the Rosemount Community Centre. Biz Teen Camps fills a void for youth aged 12 to 14 years, with a non-traditional camp experience.

With the onset of the internet and social media, as well as television programs, there is much greater exposure to start-up business ventures than ever before. Students are more likely to begin thinking about starting a business at a younger age. During the week long camp the participants learned how to create a simple business plan and then are provided the opportunity to put what they learn into practice. This past summer, the group decided to sell cupcakes at City Hall. The goal of the one-week camp program is to learn about core business concepts, such as pricing, costs of goods sold, operating expenses, branding, marketing, product/service differentiation, and creating a competitive edge in a fun and exciting environment.

Biz Teens Camp increased its camper intake by 20 percent, from 15 campers in 2012 to 18 campers in 2013. It is expected that Biz Teens Camp will be offered again in 2014.

#### **Riviera Parque Culinary Program**

The Riviera Parque Culinary Program began in September 2010, and is offered multiple times per year. There are two major components to the program:

1. Business fundamentals geared towards the culinary industry.
2. The practical learning experience completed through cooperative education.

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Through a partnership between VBEC, restaurant owners, culinary schools and Riviera Parque, high school students receive practical learning experience by working directly within a culinary environment. Students also benefit from receiving small business training on entrepreneurship through VBEC in an instructional classroom setting.

During these sessions, students are taught the fundamentals of business planning. Students have the opportunity to learn how to evaluate a good business idea, the steps required to start a business, the different structures of business, insurance issues, tips on finding a business location, taxation, marketing, branding, financial, operational, management and administrative aspects of business, all specifically with a focus on the restaurant/hospitality sector.

Students are required to have a mentor for financial and business advice. VBEC consultants offer meaningful mentorship and are a valuable resource to the students as they set out to build their business plan.

Students finish with a thorough understanding of the expectations that are required from the culinary industry. Instruction from VBEC equips them with the knowledge that business success requires hard work but more importantly a good business plan will bring an understanding of the responsibilities of owning and operating their own business.

Furthermore, VBEC continues to assist the students on an on-going basis. In the past, a number of students have taken advantage of VBEC seminars focused on accounting, marketing or other fundamental business concepts.

To date, approximately 35 students have participated and two thirds of these students have continued their education at the college level in the culinary industry.

#### **Provincial Youth Strategy**

In October 2013, the Province of Ontario announced a two-year, \$295-million Youth Strategy to address the issue of youth employment and skills development. The Youth Strategy (Attachment 1) is a four-point plan which includes:

- **Youth Employment Fund** (Ministry of Training, Colleges, and Universities) - \$195 million to provide unemployed youth facing barriers to employment with four to six month placements – training and work experience to help them succeed at future long-term employment.
- **Youth Entrepreneurship Fund** (MEDTE) - \$45 million to provide high school outreach activities designed to spark interest in entrepreneurship and provide mentorship, seed capital, financing and commercialization support to students.
- **Youth Innovation Fund** (MEDTE) - \$30 million to boost employment for graduate and post-graduate students in high-demand areas of science, technology, engineering and math by providing internships at innovative companies.
- **Youth Skills Connections** (MEDTE) - \$25 million to develop a partnership with industry, not-for-profits and educators to identify skills gaps and bridge them with targeted training programs that lead to employment.

#### **Starter Company Program**

Under the Youth Entrepreneurship Fund, administered by MEDTE, the Province will provide funding of up to \$5,000 per youth in start-up capital, mentorship and incubation; available through the Starter Company Program delivered by Small Business Enterprise Centres within the ONE Network. VBEC as part of the ONE Network has the opportunity to deliver the Starter Company program beginning in January 2014 for a period of two years.

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VBEC will provide training and mentoring of young adults aged 18 to 29 years to launch small businesses. MEDTE will provide each young adult in the Program with \$5,000. The Ministry has confirmed that the total number of participants receiving the grant through VBEC is set at a maximum of 20 over the course of the Program.

The final number of grants available to VBEC youth clients is determined by an adjudication process carried out by the local grant administrator, which is expected to be the York Small Business Enterprise Centre (YSBEC). In addition to VBEC, YSBEC is expected to adjudicate on behalf of six other centres.

The Province's investment could have a significant impact on youth development, employment and entrepreneurship beyond the direct inputs. As observed through the Summer Company program, VBEC's youth clients reach beyond the program time limits, creating long-term businesses, generating sustained income and employing not only the owner-operator but other youth, as well.

A draft Agreement (Attachment 2) from MEDTE is attached. With Council approval, staff will work with the City's Legal, Clerks and Finance Departments to finalize and execute the Agreement.

**Relationship to Vaughan Vision 20/20/ Strategic Plan**

This report is consistent with the Vaughan Vision 20/20 Goal 1: Plan and Manage Growth and Economic Vitality.

**Regional Implications**

A copy of this report and Council Extracts will be forwarded to the York Small Business Enterprise Centre for their information and action.

**Conclusion**

The City's 10-year Economic Development Strategy, *Building a Gateway to Tomorrow's Economy* identifies Vaughan as an incubator of entrepreneurial and economic activity for the economic region. The Youth Entrepreneurship Programs administered through the Vaughan Business Enterprise Centre allows Vaughan's young entrepreneurs the opportunity to experience business at an early stage. Advice and guidance from local business community members and VBEC consultants inspires our future generations to consider entrepreneurship as a viable career choice, enhancing and shaping economic growth in Vaughan.

The Starter Company Program provides for a higher level of service to local youth allowing for year-round access to mentorship and business training resources; and delivers upon the City's goal of Service Excellence.

**Attachments**

Attachment 1 – Making an Impact: Youth Jobs Strategy

Attachment 2 – Draft Agreement: Starter Company Program

**Report prepared by:**

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(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)