



# Edmonton's EDGE

Economic Diversification Grant Edmonton  
Grant Proposal

Your **success**  
is our **business**

Edmonton



# BACKGROUND

Edmonton has a rapidly evolving economy that is continually adapting and reacting to changes that are global, national, and regional in scale. In this time of change, it is critical to support entrepreneurs and small businesses, and to champion the organizations and activities across the city that demonstrate innovation and sustain the local economy. Local economic activity supports vibrant neighbourhoods and commercial areas, and benefits all Edmontonians.

Edmonton's Edge: the Economic Diversification Grant Edmonton ("EDGE") supports our economic edge and the City's vibrancy by investing in and celebrating the people and organizations working to build, sustain, and grow the local economy. Furthermore, the EDGE fosters positive reputational impacts for the City, demonstrating our commitment to small businesses and the local economy in Edmonton. The EDGE grant fills a gap by supporting a diversity of small business and local economic initiatives that are currently not supported through existing programs offered by the City or other organizations in Edmonton.





## MANDATE

With up to \$3.95 million dollars in one-time funding, the EDGE is a grant program designed to help catalyze, support, amplify, and celebrate Edmonton's local economy. More specifically, EDGE provides crucial support for aspects of the local economy that are currently under-supported by the City of Edmonton and other agencies, and celebrates the importance of the local economy as a critical aspect of Edmonton's edge.

Existing best practice research for innovative local economic development shows that relatively small and targeted investments in small businesses can have a significant effect on the local economy. These investments directly benefit recipient businesses by reducing the risk of undertaking innovative projects, as well as the small business community as a whole by supporting and growing the Edmontonian culture of entrepreneurship. The City's existing economic development grant programs are focused on physical upgrades to buildings and incentivizing commercial reinvestment in targeted geographic areas. Similarly, the supports offered through partner agencies such as Edmonton Economic Development Corporation and Tec Edmonton provided targeted assistance to specific sectors. The EDGE fuels small scale actions and initiatives city-wide and can benefit a significant pool of business owners and groups. EDGE also celebrates the stories of the people and businesses who participate in the program. It uses these stories to amplify support for the local economy and to help showcase Edmonton's economic edge.



## PARAMETERS and FUNDING

The grant may be used to fund a diverse portfolio of projects that support:

- New entrepreneurs and startups testing innovative ideas and concepts that create new opportunities
- Existing entrepreneurs scaling up and growing businesses that create new opportunities
- Organizations undertaking activities with direct value to the local economy (including Business Improvement Areas (BIAs), post-secondary institutions, community groups, other economic development organizations, social enterprises, etc)

The grant will provide a structured, measurable, and accountable framework to manage and allocate up to \$3.95 million from the Edmonton Film Entertainment Fund in order to meet the economic diversification outcomes for Edmonton. (This fund is currently in reserve with the City of Edmonton<sup>1</sup>). It will ensure:

- Strategic utilization of the former Edmonton Film Fund
- Oversight and accountability to ensure key economic outcomes are achieved
- A level and transparent playing field for potential beneficiaries

In addition to grant allocation to support Edmonton's local economy, EDGE will also be used as a platform to celebrate local success, draw attention to the value and benefit of small business and the local economy, and share lessons learned through a city-wide campaign. This will yield promotional impacts for Edmonton's local economy (see section 8 for additional details on this campaign).

It is anticipated that the program would run for 24-36 months, depending on available funding.

<sup>1</sup> The size of the grant is dependent on Council decisions with respect to Edmonton Film Fund. A minimum grant size of \$1.25 million is required to launch the grant (out of the total Edmonton Film Fund currently available - \$3.95 million). A grant fund size of \$1.25 million would equate to approximately 75-100 grants, which are likely to provide the market impact required to make EDGE successful.



# EDGE STREAMS

There are two proposed EDGE grant streams. The streams are intended to support diverse needs within the parameters and goals of the program.

## STREAM 1

Small Business Innovation Grant: Open to small businesses who are building, piloting, experimenting, or testing a new idea or concept that aligns with the EDGE framework below. Matching grant values range from \$5000.00 to \$20,000.00. Grants could be used for a variety of purposes, to be identified through business case development at the application stage. Businesses could be existing (i.e. scaling up, moving to an online or brick and mortar presence, etc.) or new (i.e. start-up and business launch). Funding for this stream would equal approximately 40% of the total funding available to the EDGE program.

## STREAM 2

Community and Business Organization Grant: Open to business or community organizations advancing a new strategy, event, resource or other defined support for the local economy. Stream 2 will provide direct financial assistance to organizations supporting existing and new small businesses, and the local economy, in alignment with the EDGE framework below. Grant values range from \$5,000.00 to \$40,000.00. Grants could be used for a variety of activities, to be identified through business case development at the application stage. Funding for this stream would equal approximately 60% of the total funding available to the EDGE program.<sup>2</sup>

<sup>2</sup> Depending on grant fund size, these values and/or distribution may be adjusted.



# GOVERNANCE

EDGE disbursement, allocation, and promotion will be governed by a series of predetermined fund management guidelines that are publicly accessible and monitored by the City. Key structural elements include:

- An EDGE steering committee comprised of seven members from the following sectors: three City staff from different areas of the Administration (including one Senior Administrator), two local business owners, one community member and one representative from a post-secondary institution. The steering committee will collectively score applications utilizing a standardized criteria framework and transparent process in order to select grant recipients
- Grant selection criteria, the selection process and outcomes will be publically available and posted on the City's website (in accordance with FOIP legislation)
- Grant performance measures will be monitored and updated on the City's website on a quarterly basis
- Annual reporting to City Council on EDGE performance. It is expected the program would last a maximum of 24-36 months

EDGE would utilize best practices in governance developed both within existing City of Edmonton grant initiatives and the work of other organizations.

<sup>3</sup>. A transparent application process will be used to select business owners and community members.





# FRAMEWORK

To ensure that EDGE resources are targeted towards strategic economic initiatives, the following grant criteria will inform the selection process:

- **Project readiness and feasibility**
  - Are applicants ready and able to implement their project or activity?
- **Economic impact of investment**
  - What are the potential measurable impacts on the participating business (direct) and/or wider local community/city (indirect)?
- **Alignment with City of Edmonton strategic priorities and initiatives**
  - Which strategic priorities and initiatives does it support? How does the project advance these City goals?
- **Community/social return on investment**
  - How will the project benefit Edmontonians, local residents and/or the small business community?
- **Demonstrable innovation**
  - How is the project new or transformative?
- **Opportunities for Lessons Learned**
  - What can be learned and shared from the project, for participants and the City?



## STREAMS and SELECTION PROCESS

EDGE disbursement will be governed by a due-diligence and accountability process. This process will ensure a transparent system of rigour and accountability before and after a grant is disbursed. The approval and disbursement of a grant and monitoring of project progress will include the following:

**Step 1:** Applicants will submit a detailed business case for the proposed project that includes elements of the EDGE framework as noted above, as well as other required background materials and documentation for review. Information on business case requirements for both streams will be published on the City's website.

**Step 2:** The applications will be reviewed and formally approved by the EDGE steering committee with the following possibilities:

- a. Refusal
- b. Revisions and resubmittal
- c. Approval

**Step 3:** Grant allocation and monitoring. This will include a formalized reporting process and may include involvement in EDGE marketing and promotions activities.

**Step 4:** Final reporting on the lessons learned and outcomes of participating projects.

Note that EDGE grant policy and procedures will be informed by existing City of Edmonton grant program policies and procedures, as well as Administration's experience with implementing these grant programs over the last decade. Policy and procedures will include mechanisms for responsible grant fund management such as transparent application, selection, disbursement, and monitoring and reporting processes. Leveraging expertise from existing grant management systems will reduce grant overhead costs and expedite grant funding timelines.





# CAMPAIGN

To best leverage invested public dollars and ensure the EDGE makes a lasting impact in the community, the program will include an integrated promotional campaign to achieve the following outcomes:

- Showcase the grant program and encourage applications
- Build excitement around the local economy, small business, innovation and entrepreneurship
- Build awareness around the value of the local economy, and encourage Edmontonians to explore the small business in their communities
- Build awareness around the activities undertaken by grant recipients through profiling and story-telling
- Celebrate and share lessons learned through entrepreneur concept tests and exploration - lessons that may be relevant for the City and/or other businesses and organizations
- Demonstrate that Edmonton is business friendly
- Celebrate innovation and showcase Edmonton as a city that embraces entrepreneurship

Recognizing that the local economy is a significant contributor to Edmonton's economy overall, the campaign will strategically highlight this contribution and draw attention to the work that our entrepreneurs, small businesses and organizations are doing in Edmonton. It should also be noted that the campaign would be aligned with the broader city-building campaign currently being developed by the City's Communications and Engagement Department.



## GOALS and PERFORMANCE MEASURES

Goal*	Measures*
Increase diversification and innovation in the local economy	<ul style="list-style-type: none"><li>• Number of new businesses that are testing new ideas</li><li>• Number of existing businesses testing new ideas</li><li>• Number of different sectors represented by participating businesses</li><li>• Number of events, initiatives or resources developed by participating organizations that support diversification/innovation in the local economy</li></ul>
Increase awareness of value of small business and local economy	<ul style="list-style-type: none"><li>• Extent to which Edmontonians acknowledge value in the local economy</li><li>• Extent to which Edmontonians acknowledge they support small business</li><li>• Number of social media mentions and features in traditional media both for EDGE and the local</li></ul>
Increase investment in small business and local economy	<ul style="list-style-type: none"><li>• Grant leverage rate</li><li>• Number of applications received</li></ul>
EDGE is an effective program	<ul style="list-style-type: none"><li>• Grant recipients agree that grants were important to undertake supported activities (testing new ideas, initiatives, events, etc)</li><li>• Participants in activities supported by the program agree they were satisfied by these activities</li><li>• Documented lessons learned</li><li>• Full allocation of available grant funding</li></ul>

\*Additional goals and measures for specific grant projects will be developed through grant recipient business cases and grant monitoring/evaluation process.



## PROGRAM COSTS

Recognizing that the EDGE is a catalyzing, one time opportunity, efforts will be made to minimize overhead and administrative costs. Administrative costs will be reduced by leveraging existing City of Edmonton grant administration processes and learnings, as well as existing economic development expertise and experience within the Administration and local community.

Some new costs would be incurred to deliver the multi-faceted local economy campaign that will be integrated with the grant, and to hire a temporary (18 month) staff member to formally initiate the grant program. Existing human resources from the Regional and Economic Development Department would also support the program. It is anticipated that after 18 months and once the grant processes are in place, Administration would continue to administer the grant utilizing existing resources until all program funding has been allocated and all projects are complete. It is anticipated the EDGE would run for a maximum of 24-36 months dependent on the grant fund size. A minimum investment of \$1.25 million would be required to launch the EDGE and see a return on the overhead costs outline below.<sup>4</sup>

<sup>4</sup>. Workload dependent on size of grant fund. It is anticipated that the bulk of work would be up front, including setting up grant policies, procedures and systems, as well as to run the grant campaign. The work to run the campaign would remain relatively consistent regardless of grant fund size.





# OVERHEAD COSTS

Program Need	Cost
18-month temporary FTE to refine grant and begin administration; develop and execute grant campaign; report on grant performance; connect and leverage other City of Edmonton resources.	\$170,00.00
Program campaign (media, events, collateral etc.)	\$80,000.00
Overhead cost total	\$250,000.00