

**Request for Proposals
Proposed Toronto Fashion Incubator in Regent Park**

**Feasibility Study and Development of a Business Plan
For the Toronto Fashion Incubator (TFI)**

Proposal Submission Deadline: 5 pm, June 26, 2013

PURPOSE

The purpose of this request for proposals is to obtain the services of a contracted consultant to develop a feasibility study and business plan (if applicable), for a Toronto Fashion Incubator in Regent Park. This new facility would assist small- to mid-sized designers/manufacturers of apparel and accessories to develop new products and provide instruction in the skills needed to start a fashion business. This Request for Proposals seeks a:

- thorough analysis of the business opportunity based on market demand and available strategic partnerships;
- proposed incubator model based on the prevailing opportunities; and
- financial analysis that includes a 10-year pro-forma.

TFI has been offered space in a new mixed-use building under construction. In addition to the services described above, this project could include a retail store or retail incubator, a small-batch production facility, a social enterprise inspiring local youth to succeed in this field, and/or other services as required. Potential project partners include George Brown College, Ryerson University, UforChange, a financial institution, and a retailer.

BACKGROUND

History

Officially known as the Toronto Centre for the Promotion of Fashion Design, the Toronto Fashion Incubator is an innovative, non-profit, small business centre dedicated to supporting and nurturing new fashion entrepreneurs. TFI is governed by a volunteer Board of Directors, supported by an industry Advisory Committee.

TFI was the first official fashion incubator in the world, established in 1987 by the City of Toronto. Through the development of its website, TFI's work now benefits the local and national economies, by stimulating business retention and job creation. Its success in developing new start-ups over the past 26 years has attracted international attention, inspiring cities such as New York, Chicago, London, Milan, Melbourne, Auckland, Kent, Los Angeles and San Francisco, among others, to start their own similar centres.

Mandate

TFI's mandate is to contribute to the growth and promotion of the fashion industry by providing essential resources to start-up fashion designers to develop their creative and business skills, to establish themselves as entrepreneurs and exporters, or to enter key positions in the fashion industry.

Facilities

The Toronto Fashion Incubator currently operates out of approximately 8,300 sq. ft. of heritage space with a modern renovated interior on the grounds of Exhibition Place. In addition to shared production space and 10 private studios, TFI houses a resource centre, members lounge and meeting rooms.

Programs and Services

TFI plays an essential role in the Canadian fashion community, helping new designers and small- to mid-sized enterprises develop their creative and business skills to survive and thrive in the challenging world of fashion. TFI offers strategic programs and services including one-on-one business consultations, mentoring, educational sector-specific seminars, shared workspace, in-house design studios, exclusive promotional and marketing opportunities, valuable business resources, contact information and market leads.

Currently TFI offers two levels of membership to recognize the different needs of new fashion entrepreneurs, including stylists, consultants, marketers, PR agencies, accessory designers, jewellery designers, apparel designers, trim and textile reps, e-commerce businesses and more. TFI Resident members pay \$400-\$500/month to work onsite, in 10 semi-private studios, with 24/7 access to industrial equipment, unlimited mentoring and business advice, and daily interaction with other top calibre (juried) talent. Leases can be renewed for up to 3 years. TFI's Outreach program has more than 600 members. For an annual fee of \$130, benefits include business consultations, discounts at various industry suppliers, exclusive networking, promotional and marketing opportunities and access to members-only information housed in the TFI Resource Centre.

THE OPPORTUNITY

The Regent Park Revitalization is transforming 69 acres in Toronto's downtown east. Phase One is complete and Phase Two well underway, under project developer The Daniels Corporation. This project is considered the gold standard by which challenged urban neighbourhoods can be re-imagined and re-built as healthy, mixed income communities. In addition to building new homes, this revitalization is about creating opportunities for residents to learn new skills, and apply those skills in new jobs and long term careers within targeted industries. Programs have been developed in the construction, financial services and hospitality industries. The fashion and apparel manufacturing and retail industries may present additional opportunities to provide long lasting economic benefits for the residents of Regent Park and the City of Toronto.

TFI is considering leasing up to 5500 sq ft of commercial space located on the second floor of a mixed-use development in Regent Park. A lease term of 10 years is proposed, with an opportunity to renew, and a possible commencement of early 2014. The goal would be stimulating business development and creating job opportunities within the fashion industry. This Incubator would house affordable shared work space and other resources for members including shared industrial sewing equipment and access to opportunities for peer to peer learning and one-on-one business mentoring.

A new Regent Park incubator may focus more on businesses in the pre-incubation stage than those at TFI's current location. The consultant is asked to investigate this option and to consider how these two programs might co-exist and support each other, e.g. providing a mechanism for TFI pre-incubation members to intern for TFI residents, partnering with local craftspeople for special collections, including outreach to primary and secondary schools, offering March Break and summer programs, etc. There may be an opportunity for TFI to partner with another organization, such as a school or community partner, e.g. TFI could develop a hands-on Masters program with George Brown to satisfy the industry's need for knowledge in industry practice.

APPROACH

The project will be undertaken in two phases:

1. Feasibility Study
2. Business Plan (if required)

In the first, the consultant is required to determine the market demand and appropriate model for a Toronto Fashion Incubator in Regent Park, with a complete financial analysis. If the study determines that a new facility is feasible, in phase two the consultant will develop a business plan for the new incubator. The consultant will report to a Steering Committee comprised of the Executive Director of the Toronto Fashion Incubator, and members of the Board and Advisory.

OVERALL PROJECT DESCRIPTION

Together with The Daniels Corporation, the potential project partners held a series of meetings to discuss opportunities to collaborate on this project. While this Request for Proposals seeks recommendations regarding the Toronto Fashion Incubator component of the project, it is expected that the results of these discussions will help inform the consultant's recommendations, and may impact the implementation plan for the overall project.

As well as the space noted above, an additional 5300 sq ft of commercial space on the second floor, and 1999 sq ft of retail space on the ground floor, are available. Some or all of these spaces may be utilized together with project partners to create a shared reception area, production facility, classroom space, meeting rooms, a showroom, touchdown desks, networking space, staff offices, member offices (permanent and/or temporary), washrooms, lockers, change rooms, a resource centre, and a large open space that can be programmed for events e.g. graduation ceremonies or fashion shows.

Made Right Here

An opportunity exists for a project partner to open a store or retail incubator on the ground floor of the building, to sell the products developed by the Incubator members and neighbourhood residents. The brand 'Made Right Here' has been proposed, a reflection of a global movement based on universal sustainability principles.

Facing Regent Park Boulevard, the building is located in the centre of the community, and the urban mews will be the heart of the neighbourhood. A landscaped passageway lined with cafes and shops will connect all of the amenities within Regent Park and is expected to become a gathering place for performances, local markets, special events and celebrations alongside Daniels Spectrum and One Park Place.

Selling products produced locally, whether clothing, jewellery, accessories, fabric, or artwork, the store or retail incubator would encourage people to support small business initiatives and entrepreneurs. The goal is to build physical and social infrastructure, engaging and empowering local residents through skills development and training opportunities as well as providing a source of revenue for the project and its participants.

Potential Partners

The Daniels Corporation has pulled together a team of key stakeholders for the project. But additional partners and sponsors may be required to allow the initiative to proceed. The consultant is tasked with contributing to these efforts, to harness the financial and convening power of business to make a significant impact in the community. In addition to the following, the consultant will also speak with other potential partners in the areas of retail, production, financial services, etc. as well as potential funders. Interconnectivity opportunities may exist with other programs already resident in Regent Park, including Artscape and the Centre for Social Innovation, Daniels Spectrum e.g. theatre and dance costumes, kids programming, etc.

George Brown College (GBC) has been part of the Regent Park Revitalization for the past six years, and believes the creation of a fashion incubator in Regent Park represents an exciting prospect to build vibrant commercial, retail and social enterprise spaces in the community. The college currently supports efforts to create new economic opportunities in the community as a partner in a program at the Paint Box Bistro, which includes a 14 week training program, eligibility for scholarships to GBC for restaurant workers and a large catering opportunity with Daniels Spectrum. GBC is exploring the business case for a fashion incubator in collaboration with other project partners to: connect newcomers and immigrants to Toronto's vibrant fashion sector; support business development; and facilitate pathways to education and employment in fashion for community members. George Brown College is interested in:

- leasing classroom and office space;
- establishing a small scale lean production facility with faculty and student support including several production cells and an in-house alteration service and academic programming in advanced production; and
- may be a partner in, or the operator of the retail store.

Ryerson University's School of Fashion has also expressed an interest in collaborating on this project. Ryerson has a new focus on diversity as a design solution for an inclusive population. Possible areas of involvement include:

- developing and delivering craft and design workshops for youth aged 12-18 years;
- teaching practical skills in design, patternmaking, construction, and illustration, possibly through a designer in residence program;
- establishing an entrepreneur zone for those who have design and construction skills, but are looking to establish a local market for their products – a program outside the classroom, without tests or degrees, e.g. The Digital Media Zone;
- an opportunity to ultimately stream Regent Park residents who may not have considered post-secondary education in the fashion field into the design program at the school; and
- research opportunities for faculty and graduate students.

UFORChange works with new Canadian and low-income youth living in and around St. James Town, Cabbagetown and Regent Park, to inspire them and give them the tools to succeed by providing support and resources to pursue higher education, volunteering, job shadowing, and/or employment opportunities. UFORChange runs a free six month structured arts, culture and life skills program, followed by 9 months of facilitated projects. Staff, volunteers and professional artists work with youth in 34 streams of the arts, including fashion design. UFORChange is outgrowing its current facilities, and is interested in utilizing space in the Regent Park facility for classrooms, studios and offices for fashion and other related programming.

City of Toronto staff may be of assistance with this project. The Economic Development Division works closely with members of the City's fashion industry and facilitates a number of incubator programs. Employment and Social Services (TESS) develops and provides integrated employment services, supports and opportunities, delivers financial benefits, and invests in skilled staff to respond to changing employer demands. TESS developed an employment plan for Regent Park that includes one-on-one help with local employment opportunities, career planning, education and training and more, through a local Employment Services Office. Enterprise Toronto also provides support for business start-ups. City support for the incubator project is being investigated through the provision of an IMIT grant. Support may also be available through other levels of government. The local employment centre, for example, can send a questionnaire to 1200 people in the community. Through the province, Trillium funding may be available to support this initiative.

A financial services partner may be required to assist with facilitating funding for project participants. Micro financing for development of product samples and small production runs may be necessary for some new businesses, until sales returns are realized. A percentage of returns from the production facility

and/or the store could help support the provision of incubator services for early-stage entrepreneurs. Access Community Capital Fund has a Regent Park Community Chapter that is hosted by the Dixon Hall Employment Services Centre, with the objective of bringing micro-loan products and business support services to residents of Regent Park and surrounding communities. They run information sessions and business plan clinics and have worked with fashion businesses in the past, so may be a good partner for this project. Access has a fund that guarantees loans for entrepreneurs. Access investors can direct their investments toward specific community funds.

A partner would be required to assist with establishing and running the retail store or incubator. George Brown College currently provides students with practical learning experience through the fashion store at the Casa Loma campus, as part of their fashion program. Faculty help manage operations together with students, who also work as staff. A retail store in Regent Park could be developed by the college and/or another partner to provide jobs for area residents as well. The retail space can be directly connected to the incubator space if desired.

With support from an established retailer and/or a charitable foundation, the store could be set up as a retail incubator, providing additional training and business development support. An experienced store manager would need to be hired to ensure the viability of the business and make buying decisions. Staff would be trained in retail management including marketing, budgeting, buying, merchandising and sales. New businesses could sell online, in-store and at other locations, while operating individual kiosks or shops on a short-term basis within the overall operation and hosting special events. Additional support could be provided by the college and students. Fashion incubator members could also be trained by the retail incubator, helping to ensure that their products have strong retail potential. Unique collections could be commissioned for sale at the store. Support could be provided by other stores such as Fresh Collective and the Youth Enterprise Network's Ascend, who offer some of these services. With charitable status the store could receive donations to provide grants for product development and return a percentage of sales to support other components of the project. As a retail incubator, this facility would also qualify for an IMIT tax rebate from the City, to reduce costs.

In partnership with local landlords and the Danforth East Community Association, pop-up shops are being created in vacant storefronts on the Danforth. That model might be replicated in other neighbourhoods through this initiative, establishing additional storefronts in high traffic areas to increase sales, and over time, in other developing neighbourhoods such as Lawrence Heights and Alexandra Park, to expand the reach of the program.

SCOPE OF WORK

The scope of work includes three key areas:

- a. Market Demand
- b. Incubator Model
- c. Financial Analysis

In the feasibility study the consultant is asked to determine the market demand and best model for a Toronto Fashion Incubator in Regent Park. Through surveys, interviews and focus group discussions the consultant will assess the demand for programming in this centre. Based on an analysis of associated costs, revenue streams and potential funding sources, the consultant will develop recommendations regarding a potential TFI satellite operation in Regent Park. If it makes more sense, operationally and financially, the consultant could recommend TFI investigate relocating its entire operation to this facility. The consultant may determine there is insufficient demand or resources to support this expansion. If a new facility in Regent Park is feasible, and the TFI Board approves proceeding to the next phase, the consultant will develop a business plan for the Incubator, including recommendations for program offerings by the new facility, with associated cost and revenue projections, and potential funding partners.

Proposals for the project will be organized into two phases, quoted separately, with a maximum budget of \$15,000 for both phases. The project will address and the report will include the following:

- 1) Phase One - Feasibility Study
 - Executive summary
 - Economic rationale
 - Incubator characteristics
 - Feasibility analysis
 - To include industry trends, retail trends, local conditions analysis, competitive analysis, support network, incubator activity, other partners' related programming, education, small business support, financing, revenue, etc.
 - Property assessment
 - Demand analysis
 - Regent Park demographics including resident profiles, skills, entrepreneurship potential, household incomes, etc.
 - To include centre activity, market survey/interviews, economic development activity, financial projections, conclusions, etc.
 - Organizational structure
 - Success metrics
 - Summary recommendations
- 2) Phase Two - Business Plan (if required)
 - Executive summary
 - Concept
 - To include needs assessment, opportunity evaluation, educational opportunities, etc.
 - Design
 - To include mission and goals, governance, staffing, amenities, physical space & build out, office services, management services, professional infrastructure, mentors, client access to financing, client networking, special programs and competitions, target tenants, marketing recommendations, admission and graduation policies, measures of success, timeline, etc.
 - Financial plan
 - To include costs, pricing, operating expenses, funding streams including revenue and sources of capital
 - Ten-year financial projection
 - Summary

Copyright Ownership

TFI will retain perpetual copyright ownership of the reports, presentations and any related materials. The consultant and all staff will be contracted and paid for their services and will not claim copyright ownership of any materials developed under the agreement.

Deliverables

In Phase 1 the consultant is expected to:

- Commence work no later than **July 15, 2013**;
- Collect and analyze all relevant data;
- Research, write, edit and revise the reports and presentations as needed;
- Brief TFI Executive Director periodically and/or as requested;
- Meet with the project Steering Committee a minimum of 2 times, to approve survey and focus group questions and participants, etc.;
- Develop and present a complete draft report on the Feasibility Study to the Steering Committee no later than **August 16, 2013**;
- Finalize and deliver a final approved report no later than **August 30, 2013** in both hard copy (3 sets) and electronic format (in Microsoft Office Word 7);

If Phase 1 reveals that a new Incubator in Regent Park is feasible, and the TFI Board agrees to proceed, in Phase 2 the consultant is expected to:

- Commence work no later than **September 3, 2013**;
- Collect and analyze all relevant data;
- Research, write, edit and revise the reports and presentations as needed;
- Brief TFI Executive Director periodically and/or as requested;
- Meet with the project Steering Committee a minimum of 1 time;
- Develop and present a complete draft report on the Business Plan to the Steering Committee and TFI Board and Advisory on **September 16, 2013 at 4:30 pm**;
- Develop and deliver a draft 10 – 12 slide Powerpoint presentation on **September 16, 2013**;
- Finalize and deliver a revised Powerpoint (if required) in both hard copy (3 sets) and electronic format (in Microsoft Office 2003) no later than **September 20, 2013**;
- Present the Powerpoint to project stakeholders (meeting tentatively scheduled between **September 23 - 25, 2013**)
- Finalize and deliver a final approved Powerpoint and report no later than **September 30, 2013** in both hard copy (3 sets) and electronic format (in Microsoft Office Word 7); and
- Provide TFI with written confirmation of full copyright ownership of the final reports and Powerpoints.

Proposals must include:

- A description of the deliverables that will be produced by the consultant;
- A work plan with proposed scheduling including all meetings with the TFI, within the time frame outlined;
- The proponent's understanding of the TFI's goals and objectives;
- A description of the applicant's experience working on similar written initiatives;
- A profile of the team and lead person(s), outlining each person's key area of responsibility;
- The cost for undertaking the project, with a maximum budget of \$15,000, split into 2 phases, including all fees, disbursements, etc. (not including HST);
- A cost breakdown showing estimated hours for each task and who will be undertaking the task(s);
- A total maximum consulting project fee of \$15,000 + HST, **inclusive of all incidentals, disbursements, travel costs, etc., payable as follows:**
 - Phase One – Feasibility Study
 - 30% deposit paid upon contract signing on **July 15/13**;
 - 50% paid upon receipt of draft report on **August 16/13**; and
 - 20% paid upon receipt of final report on **August 30/13**.
 - Phase Two – Business Plan (if required):
 - 30% deposit paid upon start of this phase **September 3/13**;
 - 50% paid upon receipt of draft report on **September 16/13**;
 - 20% paid upon receipt of final report on **September 30/13**; and
- Three (3) references from relevant previous assignments.

Proposals should be reasonable in length and succinct. Three (3) printed copies of the proposal should be sent along with a PDF version transmitted electronically.

TFI Will Provide

TFI is able to provide the following resources to the selected proponent:

- Access to TFI Resource Centre (by appointment) for the purposes of on-site research specifically for this project;
- Access to TFI members at TFI Membership Meeting (with advance notice) or via an online survey for the purposes of collecting and sharing project information, surveying challenges and opportunities facing members, etc.;
- Access to relevant operating information about TFI; and

- Ongoing strategic guidance and feedback from TFI's Executive Director and/or its project Steering Committee.

Proposal Evaluation Criteria

TFI's project Steering Committee will evaluate all proposals received by 5:00pm on June 26, 2013. In selecting a consultant with whom to negotiate an agreement, the TFI will not use any single criterion. Among the criteria, however, will be the following:

- A high level of compliance with all or most of the requirements and provisions of this RFP as well as proposal completeness and content;
- Demonstrated understanding of the scope of work and the RFP requirements;
- Degree of skill reflected in the proposal;
- Overall quality, scope and cost of offered services;
- Appropriateness of proposed methodology and plan;
- Demonstrated understanding of the fashion and incubation industries and of TFI; and
- Relevant experience, qualifications and successes demonstrated, including the ability to provide dependable, reliable, timely and accurate service and deliverables.

Approval Process

The following schedule of events will apply to the selection process:

- June 6, 2013: Release of RFP;
- June 26, 2013, 5pm: Deadline for submission of proposals;
- July 2 - 5, 2013: Interviews with short-listed proponents; and
- July 8, 2013: Selection of preferred proponent.

Submission

Proposals must be received by the Toronto Fashion Incubator no later than **5:00pm on June 26, 2013**. Please deliver three (3) printed copies to the address below:

Toronto Fashion Incubator
285 Manitoba Drive
Exhibition Place
Toronto, ON M6K 3C3
Attn: Susan Langdon, Executive Director
Re: Toronto Fashion Incubator in Regent Park

One (1) email copy of the complete proposal must also be received no later than **5:00pm on June 26, 2013** at proposal@fashionincubator.com.

Proposals will not be considered unless received by the date and time specified and received at the address above. Faxed proposals will not be accepted.

The Toronto Fashion Incubator reserves the right to not award the contract to any of the respondents to this RFP.