

4. CANTERBURY INNOVATION INCUBATOR

Officer responsible Director of Finance	Author Ian Hay: DDI: 3711 474
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The purpose of this report is to request the Council to reallocate \$50,000 of unbudgeted income to finance the 2001/02 Canterbury Development Corporation (CDC) contributions to the Canterbury Innovation Incubator.

BACKGROUND

At the time the 2001/02 Annual Plan was adopted it was assumed the money to set up the Capital Endowment Fund would be received in September 2001. At the same time the Council allocated some of the anticipated income receipts to specific projects in the ratio of 70% Economic Development and 30% Community and Civic Projects. One of the Economic Development initiatives was the provision of \$100,000 for central city new business initiatives. This sum was earmarked for use by the Central City Project Team in conjunction with CDC to attract new business into the central city. Of the \$100,000, \$50,000 was assumed for the further set up and on going operating costs of the Canterbury Innovation Incubator. With the delay in receipt of the capital funds the Director of Finance reported to the April meeting of the Council that no discretionary income would be available in the 2001/02 financial year and some of the previously allocated money for specific initiatives would also not be available. The central city new business initiative was deleted as part of the recommendation adopted at the April meeting.

DISCUSSION

CDC have requested that the \$50,000 be reallocated to enable them to meet this committed cost. The Canterbury Innovation Incubator has now been in operation for 12 months and has five new technology businesses successfully operating from its premises. The businesses currently employ 15 staff with an additional four being recruited and are progressing steadily in the incubator environment. In addition a number of small technology companies are also being evaluated for potential tenancy within the supportive environment to assist them in developing their products and taking them to market. However, the physical ability to have these new tenants is dependent on the refurbishment of another section of the first floor of the incubator building.

The funding is also required to support the provision of tenancy service around the provision of mentoring support to the existing and new tenant mix. The incubator capacity of 10-12 tenant companies is expected to be met by December 2002 to March 2003.

SOURCE OF FUNDS

The Council has recently received an unbudgeted income of \$190,000 from the Canterbury Technology Park Joint Venture being the Council share of the profit on land sales with another \$50,000 expected before year end. It is suggested that \$50,000 of this unbudgeted income be reallocated to central city new business initiatives to fund the fitout and operational costs of the incubator.

Recommendation: That the Council allocate \$50,000 of unbudgeted income to enable the Canterbury Development Corporation to fund the fitout and operating costs of the Canterbury Innovation Incubator.

Chair's

Recommendation: That the above recommendation be adopted.