

Successful Municipal Practices: Responding to New Challenges



Tools for Change

BETTER MUNICIPAL BUSINESS PRACTICES: Industrial Incubator Mall Project The Town of Morden

The Town of Morden is a prosperous community located in south-central Manitoba just north of the United States border. The Town has a diversified local economy that boasts many of the amenities of a larger urban centre, but maintains the slow pace and charms of a small town. Council is committed to supporting continued growth and economic development, and, recognizing that much of the local manufacturing base started off as small family businesses, has developed an innovative solution to help local small businesses grow and thrive.

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The Town, through the Morden Community Development Corporation (MCDC), has worked to create an industrial incubator mall designed to provide an affordable space for individuals to start a new business. The mission of the Corporation is to create an environment where businesses want to locate and operate, and where they are encouraged and afforded the opportunity to prosper and grow.

Starting a new business or expanding an existing one can be very costly. By offering affordable lease spaces, the industrial incubator mall helps new companies to establish themselves as they determine product lines, acquire operating equipment, develop marketing approaches, and develop a customer base. This approach helps to ensure a successful business for the entrepreneur.

The Industrial Incubator Mall was developed to provide an affordable space for individuals to start a new business over a 5 year period.

As a first step towards the creation of the mall, on June 30, 2009, MCDC purchased an under-utilized approximately 25,000 square foot building in Morden's industrial park. The Town provided the funds to purchase the building, through a \$620,000 guaranteed loan to MCDC. The Community Adjustment Fund, a federal government program, provided \$726,000 towards the cost of necessary building renovations. The building was renovated to create affordable rental units varying in size from 1,000 to 4,000 square feet. These units are available to start-up businesses for a period up to 5 years.



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Building leases started for the incubator mall on April 1, 2010 with 80% of the building already leased. Lease costs start off very low, and increase over the 5 year lease duration to market rate. The expectation is that, after 5 years, the business will be successful enough to finance its own building on another lot in the Town's industrial park. This will create room for the next new business to occupy a space in the industrial incubator mall.

Construction and renovations are now complete, and the industrial incubator mall's grand opening was held on August 18, 2010. While the industrial incubator mall is a new project, Council believes that it has the potential for great success in generating new jobs and economic growth for the Town, as previous local business start-ups have generated anywhere from 30 to 400 jobs per business. When fully occupied, the incubator mall is expected to provide between 60 and 80 full-time jobs with the potential for these numbers to increase over time.

The Town promotes economic development initiatives by offering space in the incubator mall where new businesses can get started in the community. Morden and the MCDC are confident that the industrial incubator mall is a good investment that capitalizes on the entrepreneurial spirit and strong work ethic of local people and will help ensure community economic development over the long term.

For more information contact: Ernie Epp
Chief Administrative Officer, Town of Morden
(204)822-4434
E-mail: eepp@mordenmb.com

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The Town proactively supports local economic development initiatives through the incubator mall.

For more information on better municipal business practices, Successful Municipal Practices, and the Tools for Change program, see the Association of Manitoba Municipalities' website, at www.amm.mb.ca.