



## BURLINGTON DOWNTOWN

**BURLINGTON DOWNTOWN BUSINESS ASSOCIATION**  
**\*Special\* meeting Executive Committee ~ VIA ZOOM**  
**WEDNESDAY August 11th, 2021**

**Present:** S. Bell, M. Eade, B. Wodhams  
**Staff:** L. Birmingham, B. Dean, D. Lyle, S. Statham, J. Jones (contract)  
**Guest:** Terry Guiel, Executive Director, Peterborough Downtown BIA

**Meeting Chaired by B. Wodhams**

- 1. Call to Order 10:00 am**
- 2.** Executive Director Brian Dean presented Addendum 1: Downtown Gift Card project brief. Jaclyn Jones and Samantha Statham outlined the draft marketing/promotions & branding campaign that will accompany the start-up. Lorrie presented Appendix A: outlining the staff recommendation to realize the \$35,000 investment.

Terry Guiel joined the call at 10.20 a.m.

The Executive had questions and comments including:

- M. Eade –where is the money “housed” when a person makes a purchase through the BDBA?  
S. Bell – shared insights into Pepperwood’s program and noted that an average of 15% go un-redeemed. Mark and Stephen indicated that this would be recorded as a liability on the balance sheet  
B. Wodhams – were there any negative reactions to the program in Peterborough?  
- what sort of promotions did Peterborough do in its second year?  
- (to staff) what purchases is the BDBA “giving up” for the \$5000 budgeted for street furniture?

The Executive agreed to a follow-up call with the supplier-Miconex- to review the draft service agreement.

The Committee made the following motions:

Motion 1: "Authorize the creation of a **new** budget line 2021 –Downtown Gift Card Program."

Motion 2: "Authorize allocation of \$35,000 to support the program's start-up and associated marketing expenses"

Motion 3: "Endorse the budget recommendation –APPENDIX A"

Motion by: M. Eade

Second by: S. Bell  
Motion Carried

Staff directed to update the Board at the next meeting on Wednesday September 8, 2021.

### **3. Adjournment 11:05 a.m.**

**ATTACHED:** Addendum 1: Downtown Gift Card project brief

**ATTACHED:** Appendix A: budget recommendation

## Addendum 1: Downtown Gift Card project brief

### PROJECT:

Work with third-party supplier (Miconex) to deliver (physical) gift card program for in-store and online purchase made at participating restaurants, retailers & personal service members of the BDBA. The BDBA will provide set-up, launch and ongoing promotional and administrative support to the program and to participating BDBA members. This project requires a (minimum) 3-year (financial) commitment. BDBA staff would like to commence the program in Q4 2021, with Board support.

Note: The gift cards are issued by PACE Savings & Credit Union Limited. Funds are not insured by the Canada Deposit Insurance Corporation (CDIC). Funds do not expire, non-reloadable and no cash access. For Cardholder Agreement or Customer Service: [www.getmybalance.com](http://www.getmybalance.com) or 1-833-558-1108. People can check the balance of their card by visiting: <https://getmybalance.com/>

### Executive Recommendations- August 11<sup>th</sup>, 2021

Motion 1: “Authorize the creation of a **new** budget line 2021 –Downtown Gift Card Program.”

Motion 2:

“Authorize allocation of \$35,000 to support the program’s start-up and associated marketing expenses”

Motion 3: “Endorse the budget recommendation –APPENDIX A”

### PURPOSE:

Encourage residents, visitors and Burlington based corporations to buy and spend locally to **support the recovery of downtown Burlington’s small businesses**. We believe that the program will have a **direct, ongoing** and **positive financial impact** for BDBA members.

### WHY A GIFT CARD PROGRAM NOW?

Proposed launch: OCTOBER 2021

- Community goodwill to “shop local” is at an all time high
- We want to cash in on the lucrative pre-Christmas /gift giving market
- Many downtown seasonal businesses experience a revenue decline in the “shoulder season”

- Trend toward online purchasing: Gift Card purchases primarily online, “contactless” until redemption

### **TARGET AUDIENCE(S) PUBLIC:**

1. Burlington residents
2. Visiting friends & family (tourism forecast for coming years as Ontario recovers from the economic effects of COVID-19)
3. Medium and large businesses in Burlington – employee incentive/reward programs (+Teachers)
4. Community Partners
5. Larger business community outside of Burlington

### **TARGET AUDIENCE(S) MEMBERSHIP/PARTICIPATION:**

The program will be available to ALL members of the BDBA as part of their membership benefits. We believe that we will need a minimum of 75-100 business to be “ready to go” at the time of launch, with an additional 75-50 businesses to join in the following 6 months of the program being launched.

\*Database breakdown for specifics can be provided upon request.

- 66 BDBA restaurants, initial participation will be roughly 46 (70%)
- 63 BDBA retailers will be roughly 46 (73%)
- 76 personal services will be roughly 62 (81%)
- Approximately ~154 anticipated participants within the first year.

### **BACKGROUND / CASE STUDIES FROM CANADA:**

1. Downtown Peterborough’s first day of sales began on December 9<sup>th</sup>, 2020 and as of January 15<sup>th</sup> they had \$69,255 in sales with 89 participating members (according to their website). Their annual levy is \$330k (roughly 1/3<sup>rd</sup> BDBA tax levy). \$150k to date in sales.
  - a. Example of Downtown Peterborough’s gift card program website: <https://theboro.ca/product/downtown-dollars-gift-card/>
  - b. Example of Downtown Peterborough’s “how to sign your business up to participate in the downtown dollars program”: <https://theboro.ca/get-listed/>
2. PEI (as part of their “Canada’s Food Island” promotion) had \$1,000,000 in sales in 6 weeks.
3. Recent article in Financial post – Downtown London, ON BIA also starting to work with Miconex <https://financialpost.com/pmn/press-releases-pmn/business-wire-news-releases-pmn/downtown-gift-card-program-from-fintech-miconex-expands-across-canada>

### **PROGRAM GOALS:**

1. Program will provide ongoing potential revenue stream for members as this will be a multi-year program. (Note: on average, people who redeem a gift card spend more than the value of the gift card.)

2. Program will encourage ongoing discovery of new participating businesses Downtown Burlington (opportunity to announce new participants in bi-weekly Happenings, on social media and on dedicated webpage, etc.)
3. Ongoing and collaborative promotional opportunities within the membership, community partners and tourism initiatives (component of 18-month BDBA strategic plan)
4. Ease of use for merchants to participate in the program
  - a. Functions as a pre-paid credit card.
  - b. Works on all point of sale systems that support – *so the BDBA member does not have to buy any additional hardware or software to participate – as long as they can currently process credit card payments, then they can participate in this program*
  - c. Requires no extra equipment or training for local businesses (minimal training for split purchases, awareness of program, etc.)
  - d. Simple registration process – Miconex to assist as part of FastTrack Launch program
  - e. Can be used for online transactions with participating businesses that have online retail capabilities
5. No additional cost to merchants to participate in the program
  - a. The BDBA will cover all participating member monthly fees (\$15 annually/member)
  - b. There is a 5% processing fee vs the 2-3% that are attached to most credit cards. *“There are no additional costs for a business to accept the gift card. The business will incur a transaction charge from their merchant service provider which will be the same as accepting a MasterCard debit card.”*
6. Single point of contact with trusted, proven supplier of gift card programs for downtowns (10 years, over 200 downtown gift card programs in North America)
7. Significant investment of BDBA staff resources initially (additional temporary support will be required). Ongoing, the program is a turnkey project (monitoring of finances, processing of cards, postage, ongoing marketing/promotions, onboarding new members, etc.) and will not require additional human resource support.
8. Program is strategically consistent with three portfolios: Membership Engagement, Customer Attraction, Partner Relations (as points of sale e.g. Tourism Burlington, AGB)

## **LAUNCH AND ONGOING SUPPORT PROCESS:**



## HOW TO'S ABOUT THE GIFT CARD:

*Wondering where you can spend your Downtown Dollars? Check out the list below.*

*Participating downtown businesses are being added every day! Look for the Downtown Dollars logo in the window or door of your favourite downtown business. Then shop online or in-store! It's that easy.*

### How to buy the card:

1. Online on BDBA website (dedicated page/microsite)
2. At community events (like Movies in the Park, Candlelit Stroll, Fit in the Core) and BDBA member events (Downtown Dollars launch party, business mixes, AGM, etc.)
3. Future roll-out partnerships – Tourism Burlington (as point of sale merchant), Waterfront Hotel (to be discussed), Pearle Hotel (to be discussed)

### How to collect the card:

1. Free (Canada Post) or paid (registered mail) shipping – tbd based on location – anticipating 60-70% mailed
2. Pick-up at 414 Locust Street, Tourism Burlington front desk – we need to confirm their commitment to providing this partner service to us. As “payment” perhaps we allocate a certain \$-amount that they can use as promotional giveaways.

### SUGGESTED DENOMINATIONS:

\$25 / \$50 / \$100 / \$200

+Ability to input unique amount (i.e. \$30 for 30<sup>th</sup> birthday)

### WHAT IS BDBA'S INVESTMENT?

- \*Labour intensive for the launch –all hands on deck!
- \*On-boarding target=150 members
- \*Accounting software training/E-commerce platform and central website
- \*Significant awareness and promo campaign
- \*Execution of merchant agreements and POS “readiness”
- \* Card design/branding and customer packaging
- \*Daily –confirm orders/swipe and load the gift cards and mail

## **MARKETING & COMMUNICATION PLAN ITEMS FOR CONSIDERATION:**

A comprehensive marketing and communication plan (including timelines) will be prepared by the Marketing & Events Manager once the program is approved by the Board.

- Sales plan – residents, visitors, members, *corporate opportunities* (incentive or reward program development), partners in the community (city hall champions)
- Branded “how to” hard copy sales sheets for members
- Branded window clings indicating participating business
- Branded cards and card carriers
- Branded “note” (postcard) to be included in all gift cards that are sent via Canada post (+include dining guides and BDBA business directory)
- Gift card program webpage (as part of new BDBA website)
- Social media campaign
- Press release for launch of program – discuss Press Event (+backgrounder)
- Banner stands for point of sale selling opportunities (table at Movies in the Park, at Tourism Burlington visitor centre, all BDBA member events, etc.)
- Billboard campaign an vertical media are considerations depending on funds
- CHCH Morning Live segment
- Giveaways/promotions (discounted cards?)
- Photography and Videography
- Print and online media advertising campaign (Look Local Magazine, Burlington Post, West of the City, Ward Councillor and City Hall mailers, other community partner publications TBD)
- Other items TBD

## MULTI-YEAR BUDGET PROJECTIONS

### BUDGET 2021

Launch date, October, 2021 (3 months of 2021 budget)

1. Fast-track set-up and launch: *business on- boarding, gift card production, merchant agreements, technical implementation and training for BDBA staff, start-up promotional launch materials* **\$12,500**

2. 3x monthly success package fee for October, November and December (\$525) = **\$,1575**

*Client Success Program: Enrolment in the Downtown Gift Card Client Success Program including access to marketing assets, case studies, and webinars with the aim of growing your program year on year*

*Reporting: Access to reporting providing a breakdown of sales and gift card spend at participating businesses*

*License & Customer Service: Ongoing use of the Visa Gift Card platform. Cardholder and business support - 7 day a week call center support for card holders and businesses*

*Banking Services: Access the funds management software with automated alerts to help you manage gift card program funds*

3. \$1.25/member/month with anticipated 150 participating members = **\$562.50**

***Sub Total =\$15,000***

4. **\$10,000** for marketing design and collateral production/additional cards

***Sub Total =\$25,000***

5. Member On-Boarding Resource: Estimated 250 hours (September to mid -October) x \$20/hour, member sign ups, establishing online profile, merchant agreements, initiating POS machine = **\$5000**

***Sub Total =\$30,000***

6. Mail costs **\$500**

7. Float: initial dollars to support online gift card transactions

**\$3500**

8. Emergency fund **\$1000**

**2021 TOTAL = \$35,000\***

\*(Does not include HST)

### BUDGET 2022 / 2023 / 2024

***\$15,000/annum***

**Monthly success package** (Client success program, reporting, licensing, customer service, banking services)  $\$750 \times 12 = \$9000$

**Estimated purchase additional gift cards 2022** (5000 units) = \$4800

**Estimated mailing expenses** x 12 months = \$1200

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*Other considerations:*

☞ **Contract with Miconex:** *Minimum 3 year contract with supplier*

☞ **Grant opportunity:** *Active grant application with OCC “Shop Local” Program  
Bundled with two other local applicants  
Funding decisions = September 2021  
Eligible funding = unknown\*\**

\*\* *Executive Director to brief Board of Management with recommendations*

# Proposal



These services provide you with everything you need to launch your Downtown Visa gift card and get the support you need every step of the way to ensure it's supporting the growth of your local economy

## Fastrack Set-up & Launch

CAD

	<b>One time payment</b>	<b>\$12,500</b>
<b>Included:</b>		
<b>Technical Implementation</b>	Setup of a unique Visa program on the Downtown Gift Card network	
<b>Project Management &amp; Support</b>	Dedicated project manager to support you step-by-step through your tailored project plan to help you successfully launch your gift card program	
<b>Business Onboarding</b>	Full set of implementation materials for businesses including Frequently Asked Questions. Individualized support to register your businesses onto the program	
<b>Gift Card Production</b>	Support to design, print and deliver 2,500 uniquely branded gift cards	
<b>Promotional Launch Package</b>	Everything you need to launch! Including window stickers, 2,500 card carriers, PR prop card and launch plan	

## Monthly Success Package

	<i>Based on the number of participating merchants</i> - \$525 per month, plus - \$1.25 per participating business - monthly billing will be based on actuals	<b>\$713</b>
	<i>Assumed number of businesses:</i>	<b>150</b>
<b>Included:</b>		
<b>Client Success Program</b>	Enrolment in the Downtown Gift Card Client Success Program including access to marketing assets, case studies, and webinars with the aim of growing your program year on year	
<b>Reporting</b>	Access to reporting providing a breakdown of sales and gift card spend at participating businesses	
<b>Licence &amp; Customer Service</b>	Ongoing use of the Visa Gift Card platform. Cardholder and Business Support - 7 day a week call center support for card holders and businesses	
<b>Banking Services</b>	Access the funds management software with automated alerts to help you manage gift card program funds	

**Load fee charged to you when a card is loaded with value**

\$1.25

Note: this only applies to cards you load yourself, not cards we load for you

**Payment processing fees for sales on the Downtown Gift Card Marketplace**

Charged at our cost

## Additional Orders

CAD

Gift cards - qty 5,000	<b>\$4,800</b>
Gift cards - qty 10,000	<b>\$8,450</b>
Gift cards - qty 15,000	<b>\$11,700</b>
Gift cards - qty 20,000	<b>\$14,300</b>
Gift cards - qty 50,000	<b>\$29,250</b>
Gift cards - qty 100,000	<b>\$52,000</b>
Card wallets - qty 5,000	<b>\$1,300</b>
Window decals - qty 200	<b>\$510</b>

Proposal valid through:

7/23/2021

# NEXT STEPS

## FASTRACK LAUNCH PACKAGE

### 1. TECHNICAL SET UP



Set up of your unique Visa Restricted Access Network on the Downtown Gift Card network.

### 2. GIFT CARD PRODUCTION



We'll work with you to develop your gift card's design and brand identity.

### 3. E-COMMERCE SET UP



Set up of your own online gift card shopping page on the Downtown Gift Card website.

### 4. BUSINESS ONBOARDING



Processes and support to help you onboard businesses with ease. This includes training, materials, dedicated team support and regular webinars communicating the benefits of joining the program.

### 5. PROMOTIONAL LAUNCH SUPPORT



Everything you need to launch your program, locally and further afield, across all media channels - print, in-store, online, social and press.

## ONGOING SUCCESS PACKAGE

### 1. VISA LICENSE & SUPPORT



Ongoing use of the Visa Gift Card platform. 7 day a week call centre support for card holders and participating merchants.

### 2. E-COMMERCE & FULFILLMENT



Management of card loading, packing and shipping across both online purchases and corporate orders.

### 3. ONGOING SUCCESS MANAGEMENT



We provide marketing assets and host webinars and networking conferences coupled with national PR coverage.

### 4. REPORTING



Access to a suite of reporting enabling you to understand sales performance and where the cards are being redeemed.

### 5. ADMIN & CARD PROCESSING



Management of all program admin, card processing and load fees is included to ensure you can focus on supporting your businesses.

## Appendix A: Budget Recommendation

The \$35,000 expenses recommendation from the following budget lines:

**From Customer Attraction:**

**\$ 4,000 Directory** (from \$9,000 budget)

**From Customer Events:**

**\$ 5,000 Treats in the Streets** (not executed in 2021)

**\$ 11,000 Movies in the Park** (using some of the \$20,000 budget)

**From Membership Services:**

**\$ 5,000 AGM and Volunteer Recognition**

**\$ 5,000 Membership Toolbox**

**From Capital Works:**

**\$ 5,000 Street Furniture**