

CANADIAN BUILDERS QUARTERLY

WINTER 2009
CAGBC GREEN BUILDING ISSUE
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INNER CITY DEVELOPMENT INC.

FOCUSING ON FINANCIAL, SOCIAL, AND ENVIRONMENTAL BENEFICENCE

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WINNIPEG CONSTRUCTION COMPANY FOCUSES ON FINANCIAL, SOCIAL, AND ENVIRONMENTAL BENEFICENCE

Above: New construction in progress for an Assiniboine Credit Union branch.

BUSINESSES OFTEN GET A BAD RAP FOR lacking a conscience, but such is not the case with Winnipeg-based Inner City Development Inc. (ICD). Founded in 2002 by Community Ownership Solutions, a Winnipeg charity, ICD is a for-profit “social enterprise” established to create quality jobs for low-income residents. The charity board entrusted president, CEO, and general manager Marty Donkervoort with the responsibility of creating a new company that would meet its employment objectives. After a year of research, Donkervoort designed a business plan for ICD and

its construction division, Inner City Renovation.

“We ended up in construction because, first of all, the construction sector was booming,” Donkervoort says. “It’s labor intensive, it creates an opportunity to pay good wages to people, and it also gives them training that they can use as a trade for the rest of their lives.”

Although ICD is a for-profit business, it is owned by two nonprofit organizations, Community Ownership Solutions and Social Capital Partners of

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Marty Donkervoort, President, CEO & General Manager

Toronto. ICD began to show a profit in its fourth year, but so far all profits have been put back into the business rather than dispersed to the shareholders. Growth has been slow but steady, with 2007 revenues at \$1.8 million after an auspicious beginning of \$1.2 million. The workforce has grown from 12 to an average of 25 and a high of 30.

The board has set a directive that a minimum of 60 percent of the employees must be low-income residents. More than half are aboriginal. The workforce includes a management team, five job-site supervisors, and others ranging from semi-skilled tradesmen to laborers. Unskilled employees are trained either on the job or through a four-year provincial trade apprenticeship program. Subcontracted work is limited primarily to electrical, mechanical, plumbing, and foundation work.

“It’s an opportunity that we create for people, and once you have that certification, you can demand a certain wage,” Donkervoort says.

ICD’s mission includes three company objectives: financial, social, and environmental beneficence. “We refer to it as a social enterprise because we have multiple bottom lines,” Donkervoort says. “It’s not just financial. Obviously, we have to manage for financial sustainability, but we also have to achieve our social objectives. I think what really makes us unique is this kind of holistic approach and trying to balance between those three objectives.”

ICD recently added environmental goals to its bottom line, which led the company to focus on green construction and LEED-certified projects. “It’s only in the last year or so that we’ve started earmarking green construction as both an opportunity for us to expand and also to do construction in a more environmentally sensitive manner,” Donkervoort says. Despite the recent conversion, he was one of the few contractors that were asked to recently speak at the GreenX Green

**INNER CITY DEVELOPMENT INC.
AT A GLANCE**

LOCATION: Winnipeg, MB

AREA OF SPECIALTY:
New construction and renovation of residential and commercial products

AVERAGE ANNUAL SALES:
\$1.8 million

EMPLOYEES: 25+



Above: Completed construction of a LEED gold-certified Assiniboine Credit Union branch.

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Marty Donkervoort, President, CEO & General Manager

Building Tradeshow in Vancouver.

ICD tenders on very few jobs, relying primarily on word of mouth, close relationships with architects, and other personal connections. Donkervoort believes that tenders are only concerned with the financial bottom line and aren’t concerned with the social aspect. The company performs an even mix of residential and commercial projects, with 25 percent new construction and 75 percent renovation in both sectors. “We’ve done a lot of buildings for aboriginal organizations that have a lot of aboriginal character and culture incorporated, and so they’re quite unique,” Donkervoort says.

Since emphasizing green construction, ICD completed a new Assiniboine Credit Union (ACU) branch and is scheduled to build another. The first ACU branch was not LEED-certified, but the most recent branch is gold level certified. A recent green residential project involved a complete renovation with a 280-square-foot addition melded onto an old one-story bungalow. ICD installed a rooftop garden over the addition as well as on-demand hot water and exterior cement panels. “It doesn’t look like an addition,” Donkervoort says. “It just looks like one unique house.” To showcase the home, Donkervoort has entered it in the Home Builders Association’s annual show of most interesting renovations.



Donkervoort believes that ICD’s quality and superior service sets it apart from the other construction companies. “We do whatever is necessary to make the customer happy because we feel that’s critical,” he says. “Once you get a reputation for not being a quality builder, that’s going to come back to haunt you.” For the future, Donkervoort sees some room for growth and the possibility of dividing the residential and commercial sectors or new construction and renovations into separate divisions. “I wouldn’t want to grow to much more than 35 to 40 staff members,” he says. “We’re better than breaking even, but we could be much more profitable.” CBQ

Above: Inner City Renovation staff (left to right) Brian Pollock, Linda Mallet, Glen McKay, Nelson Roulette, Andrew Hall, and Scott Little.