



To: General Purposes Committee **Date:** May 6, 2009
From: Andrew Nazareth **File:** 03-1090-07/2009-Vol 01
 General Manager
 Business & Financial Services
Re: Invest Canada-Community Initiatives (ICCI) Funding

Staff Recommendation

1. That the City enter into a funding contribution agreement known as a Contribution Agreement for Invest Canada-Community Initiatives (ICCI) with Her Majesty the Queen in Right of Canada, as represented by the Minister for International Trade, on the terms and conditions set out in this Report (the "Agreement").
2. That the General Manager, Business & Financial Services, be authorized to execute the Agreement on the City's behalf.

Andrew Nazareth
 General Manager, Business & Financial Services
 (604-276-4095)

FOR ORIGINATING DEPARTMENT USE ONLY			
ROUTED TO:	CONCURRENCE		CONCURRENCE OF GENERAL MANAGER
Law.....	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	REVIEWED BY CAO
			YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

Staff Report

Origin

Invest Canada-Community Initiatives ("ICCI") is a cost-sharing program which supports up to 50% of eligible costs, with an objective to enhance the capability and effectiveness of Canadian communities to attract, retain and expand foreign direct investment.

Analysis

In February 2009, the City of Richmond Economic Development Manager submitted an application to Foreign Affairs and International Trade Canada ("DFAIT") for funding under the ICCI.

In a letter dated March 24, 2009, DFAIT advised that the ICCI Adjudication Committee has authorized up to \$21,000 in ICCI funding for the following activities:

- Up to 25% of eligible costs for the development of investment profile and economic development marketing material for Richmond (\$14,250 of \$57,000 total project cost)
- Up to 25% of eligible costs for developing list of target business retention, expansion and attraction companies in Richmond (\$1,750 of \$7,000 total project cost)
- Up to 25% of eligible costs for benchmarking against historical indicators and against comparable jurisdictions (\$5,000 of \$20,000 total project cost)

The above projects are within the original Richmond Economic Development Office Work Plan for 2009 and the remainder of projects costs are covered under the current Economic Development Office operating budget.

Subsequently, the City received a formal contract in the form of a Contribution Agreement which:

- Covers an activity period of April 1, 2009 to December 31, 2009
- Requires that an initial expense claim and interim report be submitted by the City by September 30, 2009
- Requires that a final claim and a final report be submitted no later than January 31, 2010

The Government of Canada will reimburse expenses 30 days from receipt of the claim.

Financial Impact

None – all project costs not covered by the ICCI are already covered under the current departmental budget of Economic Development.

Indemnity

It is important to note that the Contribution Agreement contemplates that the City shall indemnify Her Majesty the Queen in Right of Canada, as represented by the Minister for International Trade, (the "Crown") for the following:

1. for any losses the Crown may suffer arising from any negligent act, omission or delay on the City's part or that of its employees or agents in carrying out the City's obligations under the Contribution Agreement or as a result of the proposed project; and
2. for all costs that the Crown may incur due to infringement of any patent or registered industrial design or copyright resulting from the carrying out of the City's obligations in the Contribution Agreement or relating to the use of or disposal by the Crown of anything furnished pursuant to the Contribution Agreement.

While typically the City does not indemnify the parties with whom it contracts, sometimes such indemnification is required when the City is conducting its day to day business such as obtaining grants for City initiatives and programs. In this particular case, it is highly unlikely the Crown would agree to waive its requirement for an indemnity. The risk to the City by granting this indemnity appears low.

Conclusion

The ICCI program is funding $\frac{1}{4}$ of the costs of economic development projects under way, which allows for enhancing the quality of project deliverables. A signed Contribution Agreement is due no later than May 20, 2009, after which date it will be no longer valid. Therefore, it is recommended that the Contribution Agreement be signed and submitted to DFAIT no later than the week of May 11, 2009.



Neonila Lilova
Economic Development Manager
(604-247-4934)

NL:nl