



Eastern Ontario Development Fund

Ontario Ministry of Economic Development and Innovation



Presentation Overview

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Bill 11, *Attracting Investment and Creating Jobs Act*

- The Attracting Investment and Creating Jobs Act continues the Eastern Ontario Development Fund and introduces the new Southwestern Ontario Development Fund.
 - EODF was initially announced in 2008 as a 4 year fund to attract investment and support job creation in Eastern Ontario.
 - Eastern Ontario Wardens' Caucus and others asked the government to make the Eastern Ontario Development Fund permanent.
 - Business and municipal stakeholders across southwestern Ontario called on the Ontario Government to create the Southwestern Ontario Development Fund.
- On September 11, 2012 Bill 11 received Royal Assent.
- It is the government's intention to flow money before the end of the year.

Regional Funds - Objectives

The purpose of the EODF and SWODF programs is to

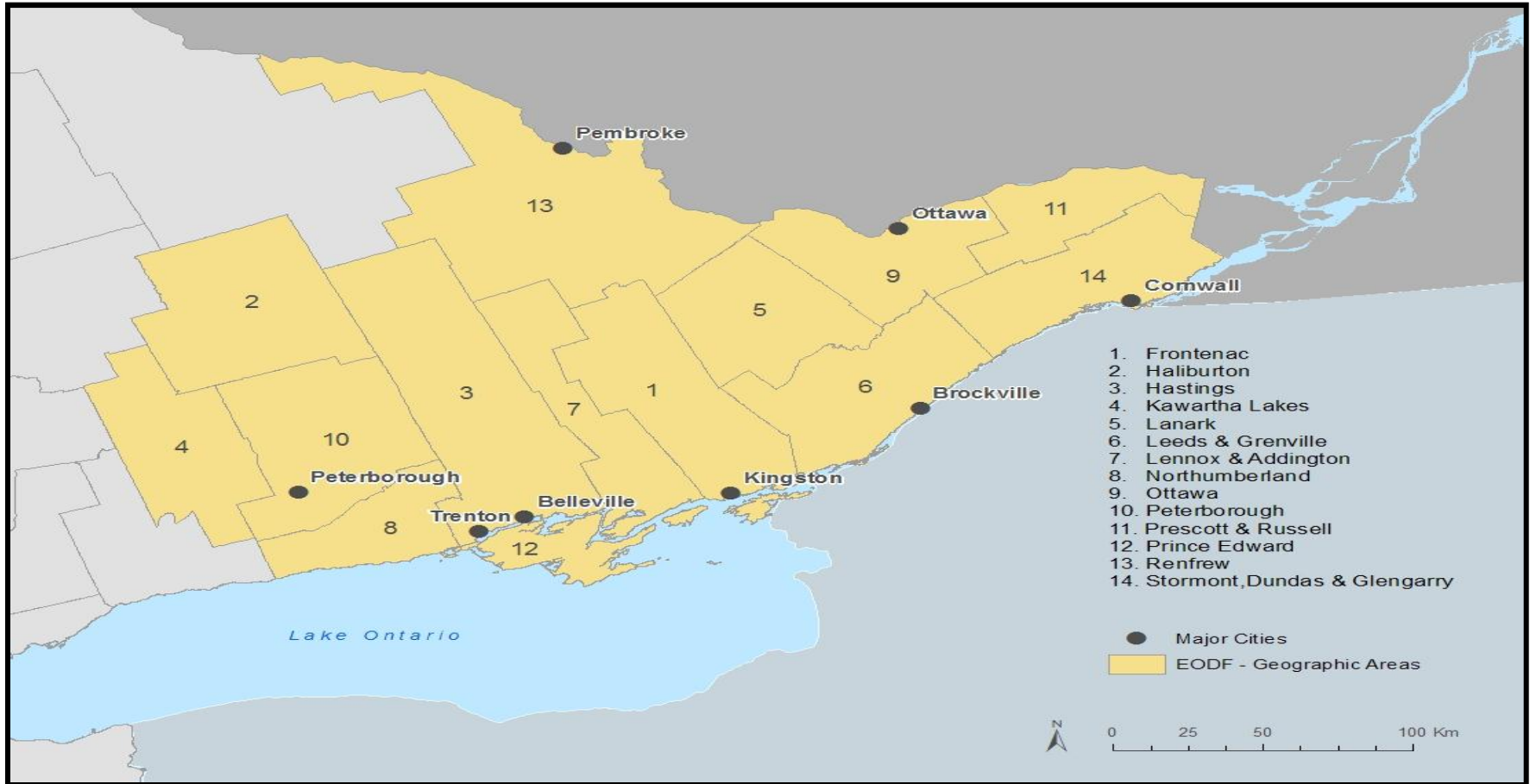
- ✓ provide financial assistance to promote regional economic development in eastern Ontario and southwestern Ontario
- ✓ enhance Ontario's overall economic competitiveness and opportunities for the Ontario labour force.

The EODF and SWODF is targeted to existing businesses, municipalities and economic development organizations who:

- create high value added, sustainable jobs,
- attract investment,
- promote innovation, collaboration and cluster development
- enhance productivity and competitiveness
- increase exports
- and promote a culture of innovation.

The Fund is a discretionary, non-entitlement program.

Eligible Region – Eastern Ontario



For the purposes of the EODF program, “Eastern Ontario” is defined as the area comprising the following 14 geographic areas: Frontenac; Haliburton; Hastings; Kawartha Lakes; Lanark; Leeds and Grenville; Lennox and Addington; Northumberland; Ottawa; Peterborough; Prescott and Russell; Prince Edward; Renfrew and Stormont, Dundas and Glengarry.

Core Program – Business Stream

Eligible Applicants

Existing businesses:

- that have 10 or more employees,
- with 3 years of operating experience/financial statements,
- in an eligible sector.

Performance measures

- job creation - if business has more than 20 employees it must create 10 jobs; if business has between 10-20 employees must create 50% of current employment,
- must be a minimum investment of \$500,000 (projects 2 - 4 years in length),

Funding support

- Funding is up to 15% of eligible investments.
- For projects with total eligible investments of up to \$10 million, EODF funding will be offered as a conditional grant to a maximum \$1.5 million, if project milestones and deliverables are met.
- For projects with total eligible investments greater than \$10 million and that lead to creation of 50 or more jobs, funding of up to 15% of eligible project expenditures to a maximum \$5.0M will be offered as a loan. \$1.5 million of the principal of the loan may be forgiven based on achievement of performance targets.
- Up to 20% of the contribution will be held back and advanced as a final performance payment based on project completion, achievement of jobs and final reconciliation of the total project costs.
- Applicants will be required to enter into a funding agreement satisfactory to the Ministry that will contain clawbacks in the event that performance targets are not met.
- Successful applicants are expected to contribute at least 50 per cent of eligible project costs from their own business resources or through private financing. The balance can come from other funding sources; however combining EODF assistance with funding from other provincial programs/agencies will not be permitted.

Small Community Pilot

Eligible applicants

Existing businesses:

- that have 5-10 full time employees (FTEs)
- located in municipalities with a population of less than 20,000 or with a population density of less than 100 persons per square kilometre (based on Statistics Canada data)
- with 3 years of operating experience/financial statements,
- in an eligible sector.

Performance measures

- Job Creation - must create 50% of current employment. (ie. If a business has 6 employees, the job creation would be at least 3 new full time employees)
- Projects must be a minimum investment of \$200,000 over 4 years (compared to core program of \$500,000)

Funding support

- Same as Core program

Regional Stream

Eligible applicants

- Municipalities
- not-for-profit organizations with economic development mandate, industry associations

Performance measures

- Investment of a minimum of \$100,000 (projects can be up to 4 years in length)
- lead to job creation and business investment
- implement regional economic development priorities

Funding support

- Up to 50% grant, maximum value \$1.5 million.
- Applicant contributes minimum of 35% of investment, other non-provincial government program stacking is permitted.

Eligible Sectors

Eligible sectors include: advanced manufacturing (automotive, aerospace, plastics, clean technologies, etc.), life sciences, processing (primary and secondary), tourism, information & communication technology.

- Note that the following sectors are ineligible for program funding: primary production (agriculture, mining, forestry), retail, construction, personal services, professional services, consultants, free standing restaurants, golf courses, electricity generation, recycling, academic/ research institutions, residential development, government agencies

Eligible expenses

Eligible expenses are for one time, project specific expenditures including:

- Building retrofits and project-related infrastructure
 - Project-related capital expenses
 - One-time labour and materials
 - Specialized expertise
 - Skills training
-
- For Regional Stream projects - Infrastructure for immediate investment, Business attraction costs

Ineligible expenses

- Ongoing operational labour and material costs,
- Marketing costs.
- Purchase of land and buildings and construction of new buildings
- Travel, conferences, meals, hospitality

Only costs incurred after a conditional grant agreement is executed are eligible.

Application and Approval Process

- Continuous intake of applications:
 - eligibility checklist
 - full application
 - Regional staff support
- Assessment and Due Diligence
- Review by inter-ministry senior management committee
- Decision made by the Minister of Economic Development and Innovation
- The Fund is a discretionary, non-entitlement program.
- Service standard commitment of 60 days from complete application to decision.
- Following approval
 - Contracting Phase - Legal Agreement - project deliverables and timelines
 - Project Announcement
 - Advance Payment (if approved)
 - Subsequent Disbursements follow investment, completion of milestones and job creation
- Clawback if job creation and investment targets not met

Application Assessment

The assessment process will include:

- Alignment with the goals of the Fund
 - create high value added, sustainable jobs,
 - attract investment,
 - promote innovation, collaboration and cluster development
 - enhance productivity and competitiveness
 - increase exports
 - promote a culture of innovation
 - contribution to the region/sector
- Feasibility/viability of project
- Project budget – eligible costs, sources of financing
- Financial stability of applicant
- Prospect for project to deliver outcomes – for example, applicant capacity to implement project

For more information

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