

## Program Overview

The **Economic Diversification Infrastructure** program provides funding for municipalities, regional districts, First Nations bands, and registered non-profit organizations via Northern Development’s five (5) principal Trust Accounts: the Regional Development Accounts (Cariboo-Chilcotin/Lillooet, Northeast, Northwest, and Prince George), and the Cross Regional Account.

### Features and Benefits of the Program:

- Supports the diversification of local and regional economies through infrastructure and capital investment support.
- Provides funding for infrastructure that directly creates new jobs and increases revenues in central and northern British Columbia.
- Accessible to numerous organizations across central and northern British Columbia, particularly those located in small communities and rural areas.
- A time sensitive approval process for complete and well documented applications.

## Objective

To support the construction of infrastructure throughout the region that directly diversifies the economy.

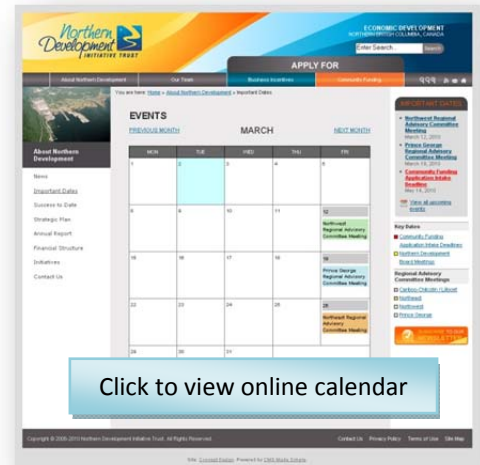
## Application Intake Deadlines

Funding applications are continuously accepted to this program on a quarterly intake cycle.

A recommendation by the Regional Advisory Committees and a decision by the Board of Directors are required for this funding program. The application intake deadlines, Regional Advisory Committee meetings, and Board meetings are publicly posted on the Northern Development website.

The following schedules are publicly available online:

- [Application Intake Deadlines](#)
- Regional Advisory Committee meetings
  - [Cariboo-Chilcotin/Lillooet](#)
  - [Northeast](#)
  - [Northwest](#)
  - [Prince George](#)
- [Board of Directors meetings](#)



## Program Eligibility

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### Eligible Organizations

- Municipalities
- Regional districts
- First Nations bands
- Registered non-profit organizations

### Required Project and Funding Application Features

- The project is aligned with the requirements and mandate of the funding program.
- The project will create new economic activity.
- The project can demonstrate revenue generation to sustainably operate for a minimum of five years.
- The funding request is incremental to government (local, provincial, federal) mandate and funding.
- The funding request is supported by local government through a resolution.
  - Applicants are responsible for securing a resolution outlining support for the Northern Development funding request from a municipality or regional district. The applicant must provide a certified copy of the resolution of support to Northern Development before a funding decision can be made.
- The funding request is supported by the Regional Advisory Committee through a resolution.
  - Completed applications are forwarded by Northern Development to the appropriate Regional Advisory Committee (RAC) that recommends project decisions to the Board of Directors.
  - For applications to the Cross Regional Account, completed applications are forwarded to all four (4) Regional Advisory Committees (RACs) who recommend project decisions to the Board of Directors. The funding request must be supported by at least two (2) of the four (4) Regional Advisory Committees through resolutions.
  - See the [Regional Advisors](#) section of the Northern Development website for a complete list of Regional Advisory Committee members for each Northern Development region.

### Eligible Costs

- Capital expenditures.
- Direct project labour costs.
- Incremental third-party project management.
- Contractor fees.
- Donated materials or equipment (from third-parties and with verification of cash equivalent) may be considered.

### Ineligible Costs

- Operational costs and staff salaries.
- Purchases of construction equipment and tools.
- Sewer, water, or road infrastructure projects.  
There may be consideration for applications from small communities (with populations of less than 2,000) that can demonstrate a limited ability to raise capital from their tax base to cost share infrastructure funding that is required to qualify for leveraged provincial and federal funding programs.
- Project cost over-runs.
- In-kind labour.  
Volunteer labour is encouraged, but cannot be considered as a cash equivalent contribution under this program.
- GST and PST.
- Costs incurred prior to formal notification of funding approval from Northern Development.

## Funding Terms

- Northern Development provides funding under this program up to a maximum of 28.57% of a total project budget (a minimum leveraging ratio of \$1.00 from Northern Development to \$2.50 from other sources). A maximum of \$100,000 is available in the form of a grant with the remainder available in the form of a loan.
- Applicants must provide confirmation of all other sources of project funding prior to Northern Development entering into a funding agreement. Applications that have confirmed other funding at the time of review by the Board of Directors are preferred. In the case of other unconfirmed funding sources at the time of application to Northern Development, applicants are required to provide the date a decision is expected for each unconfirmed funding source.
- An irrevocable letter of credit from a financial institution is required as security for loan funding requests by First Nations bands and registered non-profit organizations (other forms of security may also be considered). Security for loan funding requests by municipalities or regional districts is provided through the Community Charter.
- Applications are assessed to ensure that the most appropriate sources of funding have been approached by the applicant.

## Qualifying for Funding

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*While a project or organization may be eligible for funding, projects must propose to deliver specific economic outcomes to qualify for funding approval.*

### Key Deliverables

*The following key deliverables are reported on by successful applicants for a five (5) year period to demonstrate the direct economic benefits of the project.*

#### New Employment (Job Creation) *see section 8 on page 4 of the Application Form*

Projects funded under this program must propose direct full-time equivalent job creation. Applications are assessed for the total full-time equivalency of jobs created for the following classifications:

- Direct permanent full-time jobs.
  - Prefer the creation of 1.0 FTE of new employment for each project that exceeds \$125,000 in total budget.
- Direct permanent part-time jobs.
- Direct seasonal jobs.
- Direct temporary jobs (construction or consulting).

#### Increased Revenue Generation *see section 9 on page 5 of the Application Form*

Project funded under this program must propose a direct increase in revenue generation. Applications are assessed for projected incremental revenue generation over a five (5) year period.

- Incremental revenue is assessed as the sum of the projected annual revenues for the five (5) years provided in the funding application, minus the applicant organization's current annual revenues being maintained over the same five (5) year period.
- Preference that the new infrastructure or capital investment yield direct incremental revenues to the economy of at least 20% of the total budget on an annual basis.

- Preference for projects that generate revenues from outside the Northern Development region (for instance, foreign exports, international trade, trade with other provinces, trade with other regions in British Columbia, events and amenities that drive tourism from other regions).
- A business plan should be attached to funding applications that propose significant revenue increases.

**Leveraging** *see section 15 on page 8 of the Application Form*

- Preference for projects that partner Northern Development funds with multiple other funding sources.
- Preference for projects where the applicant organization makes a significant financial investment in the project.
- Preference for projects that secure significant financial investment from other funding sources relative to the amount requested from Northern Development.

## Sustainability

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Projects funded under this program are assessed for their positive impacts on community and environmental sustainability. The following sustainability factors are assessed for each funding application:

- The project helps to sustain the existing population or support population growth.
- The project contributes to environmental sustainability.
- The project will result in a direct increase in taxable property values.
- The project will result in a direct increase in tax-exempt property values.

## Strategic Factors

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Projects funded under this program are assessed for their alignment with a number of strategic factors:

- The project involves a new product, technology, or patent.
- The project involves an innovative delivery of training.
- Supporting market research for the project is attached to the funding application.
- A business plan that includes a profitability projection is attached to the funding application.
- Implementation of the project will decrease the cost of doing business.
- The project involves a P3 partnership.
- The project involves multiple groups and community collaboration.
- There is direct First Nations participation in the project.
- There are direct economic benefits to both local governments and First Nations as a result of the project.
- Quote(s) supporting the project budget are attached to the funding application.
- The project provides broad regional economic impact(s).
- New products/services will be marketed outside the Northern Development region.
- New products/services will be provided within the local/regional economy.

For applications to the Cross Regional Account, additional strategic factors are assessed:

- Direct measureable economic benefits specific to the local community economy as well as each of Northern Development's four (4) Regional Development regions; and
- Direct measureable economic benefits across multiple regions in central and northern BC

## Application Assessment

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Northern Development staff undertake comprehensive due diligence of each funding application received, which may include contacting relevant agencies and organizations as part of the review process.

All projects are assessed and scored on the Key Deliverables, Leveraging, Sustainability, and Strategic Factors identified in the funding application submitted to Northern Development. Applicants can request a copy of the Scorecard Assessment for submitted funding applications that are under review.

## Application Process

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1. Applicant contacts an Economic Development Manager at Northern Development to discuss the proposed project scope and potential alignment with the funding program. See Northern Development's [Staff](#) webpage for the key contact in your region.
2. The applicant completes a funding application and submits the application to Northern Development.
3. Once Northern Development confirms alignment between the application and the funding program, the applicant submits the complete application to a municipality or regional district with a request for a resolution of support.
4. The municipality or regional district determines whether it will provide a resolution of support for the funding request from the appropriate account. The resolution of support must clearly state the amount of the funds requested, whether the request is for a grant, loan, or combination grant/loan, and the allocation of the appropriate Regional Development Account or Cross Regional Account from which the funds will be provided.
5. An official copy of the resolution of support from the municipality or regional district is obtained by the applicant and forwarded to Northern Development.
6. Northern Development staff conduct due diligence of the application, and forward the funding request to the appropriate Regional Advisory Committee for recommendation.
  - For applications to the Regional Development Account, Northern Development staff conduct due diligence of the application, and forward the funding request to the appropriate Regional Advisory Committee for recommendation.
    - The Regional Advisory Committee determines whether to support the funding request.
  - For applications to the Cross Regional Account, Northern Development staff conduct due diligence of the application, and forward the funding request to all four (4) Regional Advisory Committees. Each Regional Advisory Committee independently determines whether to support the funding request.
    - At least two (2) of the four (4) Regional Advisory Committees support the funding request in order for it to move forward to the Board of Directors.
7. Once a recommendation supporting the funding application is provided by the Regional Advisory Committee(s), Northern Development staff finalize due diligence, incorporate the Regional Advisory Committee(s)' recommendations, and present the funding request to the Board of Directors at their next scheduled meeting.
8. Following the Board meeting, Northern Development staff will notify the applicant of the Board's funding decision by phone. A formal letter is mailed to the applicant.

9. A funding agreement (enabling Northern Development to disburse funding for the project) can be provided to the applicant for signature once the applicant has provided documentation confirming of all other funding sources in writing to Northern Development.
10. Annual reporting for five (5) years on Key Deliverables (see page 3 of this guide) specific to the funding program is a requirement of applicants with approved funding agreements.

For program enquiries  
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