

Program Overview

The **Economic Diversification Infrastructure** program provides funding for public multi-use facilities or capital and economic diversification investments that drive revenue and job creation and provide a long-term asset for the community. Municipalities, regional districts, First Nations bands and registered non-profit organizations in Northern Development regions are eligible for this program. The funding will be disbursed via Northern Development's four regional development accounts.

Features and benefits of the program:

- § Supports the diversification of local and regional economies through investment in major facilities that create a lasting asset for a community.
- § Provides funding for public facilities and capital investments that directly creates new jobs and increases revenue in central and northern British Columbia.
- § Accessible to municipalities, regional districts, First Nations bands and registered non-profit 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 public multi-use facilities or capital and economic diversification investments that drives revenue and job creation and provides a long term asset for the community.

Economic Diversification Infrastructure Project Examples

- § Major recreation facilities that operate year round and include some of the following revenue generating assets and activities: Conference and event hosting, kiosks, training facilities, additional businesses or office space.
- § Substantial municipal and regional airport improvements that generate incremental revenues.
- § Substantial municipal and regional marina improvements that generate incremental revenues.
- § Development or improvements to tourism centres and major revenue generating tourist attractions.
- § Development of significant telecommunications infrastructure that improves information access for residents and visitors in central and northern British Columbia. This includes the opportunity to develop community partnerships to initiate a project for "last mile" connectivity to homes and businesses.

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 Northern Development board 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.

Program Eligibility

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 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 that recommends project decisions to the Northern Development board.

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.
- § 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

- § A maximum of \$250,000 (70% of a total project budget) is available in the form of a grant for communities with a combined regional development account. A maximum of \$100,000 (28.57% of a total project budget) is available in the form of a grant for the Village of Cache Creek, the District of Port Edward and the Skeena-Queen Charlotte Regional District, 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 Northern Development board 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

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 year period to demonstrate the direct economic benefits of the project.

New employments (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.
- § 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 year period.

- § Incremental revenue is assessed as the sum of the projected annual revenues for the five years provided in the funding application, minus the applicant organization's current annual revenues being maintained over the same five year period.
- § Preference that the new infrastructure or capital investment yield substantial direct incremental revenues to the economy 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

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

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.

Application Assessment

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

1. Applicant contacts the Director, Economic Development or Chief Financial Officer 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.
5. A 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.
 - The regional advisory committee determines whether to support the funding request.
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 Northern Development board 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 years on key deliverables specific to the funding program is a requirement of applicants with approved funding agreements.

For program enquiries

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