

# Economic Diversification Infrastructure Application Guide



## Program Overview

The Economic Diversification Infrastructure program provides grant funding to support major infrastructure projects in order to strengthen the local economy. The program supports public multi-use facilities or capital investments that drive revenue and job creation and provide a long-term asset for communities throughout central and northern British Columbia.

Such projects may include, but are not limited to:

- Development or improvements to major recreation facilities with a minimum project budget of \$2,000,000 that 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
- Commercial renovations to existing buildings owned by local governments or First Nations at the time of application. Refer to the section 'Commercial Renovations to Local Government or First Nations Owned Buildings – Conditions' at the end for details

## Funding Terms

Up to \$250,000 in grant funding to a maximum of 70% of the eligible project budget.

- Additional funding may be available in the form of a loan.
- Prior to applying for additional funding for the same facility, previous projects must be completed and funding disbursed by Northern Development. In the Cariboo-Chilcotin/Lillooet, Northwest, and Prince George regions, applications seeking additional funding for a previously funded facility are limited to a maximum \$125,000 grant.

### **Village of Cache Creek and the North Coast Regional District:**

Up to \$100,000 in grant funding to a maximum of 70% of the eligible project budget (additional funding may be available in the form of a loan).

## Eligible Applicants

- Local governments
- Registered First Nations bands
- Registered non-profit organizations

## 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, and strategic factors identified in the funding application package. The assessment tool used by Northern Development is available on the website and applicants can request a copy of the finalized assessment for funding applications that are under review.

Strategic factors:

- Is this the first time the applicant has accessed Northern Development funding for this facility?
- Has the applicant provided quote(s) supporting the entire project budget?
- Has the applicant provided evidence of broad based support from multiple stakeholders?
- Has the applicant provided relevant market research/business case for the project?
- Has the applicant provided a copy of the organization's asset management plan/strategy?
- Is there direct participation with neighbouring First Nations or Local Governments in the project?
- Will the project take place in an unincorporated community or municipality with a population under 1,000?
- Will the project utilize vendor(s) from within the Northern Development region?
- Will the project be 'shovel ready' upon approval of Northern Development funding?
- Will the project improve accessibility for people who experience disabilities?
- Will the project contribute to environmental sustainability?
- Will the project involve the adoption of technology that improves operational efficiency?
- Will the project result in a new or enhanced service level within the community?
- Will the project contribute to resident/workforce attraction or retention in the community?

## Application Intake Periods

Northern Development approves Economic Diversification Infrastructure projects on a quarterly basis.

Applications must be received prior to midnight on the quarterly submission deadline day to be eligible for consideration in that funding cycle. In fairness to all grant applicants, grant applications that are received after the quarterly deadline will be moved to the next funding cycle.

Please consult the [Important Dates](#) page on our website to identify our intake deadlines.

## Eligible and Ineligible Costs

### Eligible Costs

- Capital expenditures
- Direct third party project labour costs
- Incremental third-party project management
- Contractor fees
- Rental of tools and equipment for construction work
- Wages for direct project labour
- PST
- Monetized donations (donated materials, equipment, or services from third parties) may be considered
  - When noting monetized donations in the budget and under other funding sources in the application form, applicants must attach confirmation of the committed donation(s)
    - Monetized donations must be documented once projects commence and receipts must be obtained

### Ineligible Costs

- GST
- Costs incurred (work started and/or deposits paid) prior to signing an agreement with Northern Development
- Purchases of construction equipment or tools
- MERCs (CPP, EI, vacation pay, WCB) and other benefits
- Operational costs and administrative staff wages
- In-kind (volunteer) labour. Volunteer labour is encouraged, but cannot be considered as a cash equivalent contribution under this program
- Sewer, water, or road infrastructure projects
- Equity stakes

## Application and Program Requirements

All applicants are required to confirm and/or submit the following information. Only applications that meet these requirements will be processed.

- Submit a complete Northern Development Economic Diversification Infrastructure application form.
- The project must be located within Northern Development's service region.
- Include details on how the project will have a positive economic impact on the local and/or regional economy.
- The applicant must identify the following key deliverables in order to qualify for funding. Successful applicants will be required to report on the key deliverables for a three year period after project completion.
  - Direct permanent full-time jobs created
  - Direct permanent part-time jobs created
  - Direct permanent seasonal jobs created
  - Direct temporary (construction/consulting) jobs created
  - Annual revenues
    - A business plan should be attached to funding applications that propose significant revenue increases and/or cost savings
  - Operational cost savings
- A detailed budget for the project, including supporting quote(s).
  - Quotes must outline the proposed scope of work, the vendor and cost(s) excluding GST.
- Identification of other project funding sources in addition to Northern Development's funding, including verification of approval where confirmed.
  - Project funding cannot exceed project costs.
- A resolution of support by the respective local or First Nations government, based on project location.
- Certificate of incorporation (if applicable).
- 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

## Reporting

All Economic Diversification Infrastructure projects supported by Northern Development must be evaluated and verified following the completion of the project prior to releasing funding. A project is considered complete when photos of the completed project have been taken and all related expenses have been invoiced. Annual reporting for three years on the key deliverables will be required from all successful applicants. If an applicant fails to submit their reporting form(s), future projects will be ineligible for funding.

## To Apply

Please review all program documents in detail as incomplete applications will not be reviewed.

Completed application forms with all supplementary materials should be provided electronically to Northern Development by email.

[info@northerndevelopment.bc.ca](mailto:info@northerndevelopment.bc.ca)

## Resources

- [Important Dates](#)  
Intake deadlines, Regional Advisory Committee Meeting and Board Meeting schedules.
- [Funding Program Matrix](#)  
Available funding programs and eligibility criteria.
- [Application Process](#)  
Details on the process of applying and getting approved for Northern Development funding.
- [Post-Approval Process](#)  
Process and responsibilities for successful funding applicants.

## Questions?

### **Northern Development Initiative Trust**

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[www.northerndevelopment.bc.ca](http://www.northerndevelopment.bc.ca)

## Commercial Renovations to Local Government or First Nations Owned Buildings – Conditions

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

- The local government or First Nation must show that they are not in competition with the private sector.
- The local government or First Nation must demonstrate that commercial rent to be charged is aligned with market value and there is no subsidization of rental/lease fees.
- If the Economic Diversification Infrastructure grant is used to renovate space for commercial purposes in a municipal hall, regional district office, or band administration office, the grant shall be repaid as per the repayment policy table below if the building containing the commercial spaces is sold to any party other than another local government or First Nation.

Where asset is sold, leased, encumbered or disposed of:	Repayment of contribution (in current dollars)
Within 2 years after eligible project completion	100%
Between 2 and 5 years after eligible project completion	55%
Between 5 and 10 years after eligible project completion	10%
Rolling stock up to 10 years old	At book value, depreciated according to GAAP
Greater than 10 years after eligible project completion	0%

- If the Economic Diversification Infrastructure grant is used to renovate space for commercial purposes in a building owned by a local government or First Nation (but not a municipal hall, regional district office, or band administration office), the grant shall be repaid in full if the building containing the commercial space is sold to any party other than another local government or First Nation within a ten year period. A covenant shall be placed on the building and the repayment policy clause will also be specified in the funding contract with the local government.

Where asset is sold, leased, encumbered or disposed of:	Repayment of contribution (in current dollars)
Within 10 years after eligible project completion	100%
Greater than 10 years after eligible project completion	0%