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MIRABEL AIRPORT INDUSTRIAL  
AND COMMERCIAL PARK (PICA) 1976-1979

CANADA / QUEBEC



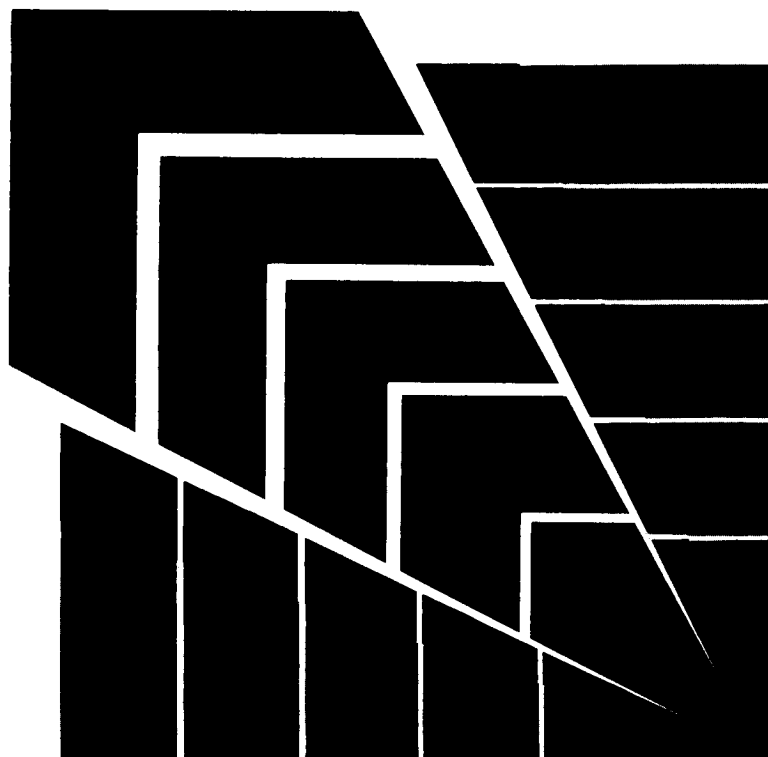
JUNE 18, 1976

# subsidiary agreement



Regional  
Economic  
Expansion

Expansion  
Économique  
Régionale



CANADA-QUEBEC  
SUBSIDIARY AGREEMENT  
ON THE AIRPORT INDUSTRIAL AND  
COMMERCIAL PARK (PICA)  
1976-1979

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THIS AGREEMENT made this 18th day of June, 1976

BETWEEN:

THE GOVERNMENT OF CANADA (hereinafter referred to as "Canada") represented by the Minister of Regional Economic Expansion

OF THE FIRST PART

AND: THE GOVERNMENT OF QUEBEC (hereinafter referred to as "Quebec"), represented by the Minister of Intergovernmental Affairs and Minister responsible for the Quebec Planning and Development Bureau

OF THE SECOND PART.

WHEREAS Canada and Quebec signed a General Development Agreement on the 15th day of March, 1974, to achieve the following objectives:

- (a) to improve opportunities for productive employment and to consolidate employment in the traditional sectors;
- (b) to improve the standard of living;
- (c) to reinforce the industrial and urban structure of Quebec and promote the optimal development of the various regions;
- (d) to promote increased participation by Quebeckers in their own development; and
- (e) to promote balanced development in Quebec in relation to the various regions of Canada.

AND WHEREAS the new international airport at Montreal is one of the major factors in the localization of industries and economic development for the Montreal region, and the building of an industrial and commercial complex that will benefit from the advantages of the airport infrastructure will stimulate the economy of the Montreal region and of Quebec and Canada.

AND WHEREAS the Governments of Canada and Quebec have mutually

agreed upon a mode of transfer for a bank of land of approximately 2 400 acres located in the area surrounding the operational zone of the new airport.

AND WHEREAS the Government of Canada, the owner of this bank of land, has agreed to keep it available for the purpose of developing the industrial and commercial park, and to transfer it in accordance with the said agreement.

AND WHEREAS the new airport is an important factor in the fields of transport and communications, and the building of an industrial and commercial park integrated into the international and economic activity of the airport will generate a dynamism appropriate to a centre of development.

AND WHEREAS the Government of Quebec will incorporate a company with an authorized capital, under the name Société du parc industriel et commercial aéroportuaire de Mirabel (Mirabel Airport Industrial and Commercial Park Company), and this Société will be under the control of the Government of Quebec and the Government of Canada.

AND WHEREAS the economic growth of the Montreal region is largely dependent on a network of airport infrastructures, and the industrial and commercial park is a part of this network.

AND WHEREAS the Governor in Council by Order in Council P.C. 1976-2/1480 of the 15th day of June 1976, has authorized the Minister of Regional Economic Expansion to sign this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant Governor in Council by Order in Council No. 1000-76 of the 24th day of March 1976, has authorized the Minister of Intergovernmental Affairs and Minister responsible for the Quebec Planning and Development Bureau to sign this Agreement on behalf of Quebec;

NOW THEREFORE the Parties hereto mutually agree as follows:

#### DEFINITIONS

1. In this Agreement:
  - (a) "Schedule 'A'" means the Schedule containing the problems and objectives;
  - (b) "Schedule 'B'" means the Schedule containing the list, the distribution of costs and the Schedule for completion of the projects;
  - (c) "Development Committee" means the Committee established pursuant to section 9(1) of the General Agreement;
  - (d) "Management Committee" means the Committee established pursuant to section 13 of this Agreement;

- (e) "termination date" means the date on which a project is completed, as determined by the Management Committee;
- (f) "deadline" means the last date for authorizing eligible work as specified in Schedule "B";
- (g) "Subsidiary Agreement" means an Agreement made pursuant to section 6 of the General Agreement;
- (h) "General Agreement" means the Agreement made between Canada and Quebec on the socioeconomic development of Quebec, signed on the 15th day of March, 1974;
- (i) "fiscal year" means the period commencing on April 1 of any year and terminating on March 31 of the year immediately following;
- (j) "Act" means the act incorporating the Société du parc industriel et commercial aéroportuaire de Mirabel;
- (k) "prime contractor" means the Quebec Minister of Industry and Commerce until the Société is created, and thereafter the Société itself;
- (l) "Department" means the Department of Regional Economic Expansion;
- (m) "Quebec Minister" means the Minister responsible for the Quebec Planning and Development Bureau and includes anyone authorized to act on his behalf;
- (n) "Federal Minister" means the Minister of Regional Economic Expansion and includes anyone authorized to act on his behalf;
- (o) "Ministers" means the Federal Minister and the Quebec Minister;
- (p) "Bureau" means the Quebec Planning and Development Bureau;
- (q) "Park" means the Mirabel Airport industrial and commercial park;
- (r) "Société" means the Société du parc industriel et commercial aéroportuaire de Mirabel to be incorporated by an Act of the Quebec Government;
- (s) "T.D.M." means a concept of planning and management that brings together the three essential stages of the process of routing merchandise, namely transfer, distribution and manufacturing;

- (t) "Territory" means the land included in the zone described under the mode of transfer agreed upon by the Government of Canada and the Government of Quebec, and other land which the company owns or where it has real rights;
- (u) "Town" means the town of Mirabel.

SUBJECT MATTER

- 2. (1) The subject matter of this Agreement aims at:
  - (a) determining the financial role of Canada and Quebec with regard to the authorized capital of the Société.
  - (b) establishing the financial participation of Canada and Quebec for the purpose of planning, operating and managing the industrial and commercial park.
- (2) Without restricting the meaning of the foregoing, the subject matter of this Agreement aims at establishing a program of direct financial assistance for the prime contractor, in accordance with the provisions of section 15 of this Agreement, to enable the prime contractor to:
  - (a) elaborate a land development plan with a view to establishing an industrial and commercial park;
  - (b) carry out the work required for the implementation of this plan, including the installation of public utilities to serve this territory;
  - (c) when necessary, and at the request of the Ministers, apply the T.D.M. concept to the industrial and commercial park, and carry out all necessary transport, distribution or other related activities for this purpose;
  - (d) undertake activities that will help develop the industrial and commercial park and, more specifically, participate in the operations and management of the park.
- 3. (1) Canada and Quebec shall finance the projects listed in Schedule "B" to the extent and in the manner specified in the said schedule.
- (2) Canada's contribution shall be sixty per cent (60%) of the eligible costs of each project and that of Quebec shall be forty percent (40%) of the eligible costs of each project.

4. (1) The eligible costs include:
  - (a) the cost of public infrastructures installed in the Park;
  - (b) the cost of public infrastructures required to connect the Park to basic services;
  - (c) the cost of public infrastructure required to connect an industrial project from its dividing line to the various networks and the cost of the restructuring of the public infrastructures chargeable to this project.
  - (d) the cost of certain major facilities such as reservoirs, fresh-water or used-water treatment plant, required for the Park, all of which must be approved by the Management Committee.
  - (e) the cost of equipment and capital expenditures required for applying and implementing the T.D.M. concept, all of which must be approved by the Management Committee.
- (2) For the purposes of subsection (1) of this section, the term "public infrastructures" means water mains, sewers, roads, power, railway and other facilities necessary for implementing the projects described in this Agreement.
5. Unless written approval is obtained from the Federal Minister following an official request from the Quebec Minister, Canada shall not be responsible for any expenditures for work authorized after the deadline specified in Schedule "B" for the project concerned nor shall Canada pay any claim that is not received within twelve (12) months of the date on which the project is completed.
6. (1) Subject to subsection (2) of this section, the costs to be financed by the Department and the Bureau in respect of the projects or portions thereof listed in Schedule "B" are:
  - (a) all direct costs which in the opinion of the Management Committee are reasonably and properly incurred for the construction of the project by the prime contractor, with the exception of administration, research, survey, engineering, architecture and construction supervision costs;
  - (b) as compensation for the costs excluded under paragraph (a) above, an amount equal to ten per cent (10%) of the direct costs referred to in paragraph (a) above;

- (c) the costs which, in the opinion of the Management Committee, are reasonably and properly incurred for the administration of the Soci  t  .
- (2) The cost of work done on land transferred or leased by the Soci  t   to an individual or corporation is not chargeable to the shared costs.
7. Notwithstanding any other provision of this Agreement, with the exception of section 19, the Department's financial contribution shall be limited to \$7 975 200 and that of the Bureau shall be limited to \$5 316 800, making \$13 292 000 the total amount to be spent under this Agreement.
8. This Agreement, including the Schedules, may be amended with the agreement of the Ministers expressed in writing, except for section 7 which may be amended only with the approval of the Governor in Council and of the Lieutenant Governor in Council.
9. Eligible expenditures incurred prior to the date of this Agreement, including those relating to contracts awarded and purchases made, may be accepted as complying with the terms of this Agreement if they are approved in writing by the Federal Minister following an official request by the Quebec Minister. However, no expenditure incurred prior to October 1, 1975 shall be deemed eligible.

PROVISIONS CONCERNING THE SOCIETE

10. (1) Canada and Quebec agree that the Soci  t   within one month following its incorporation, shall simultaneously issue the 1,000 authorized capital shares of the Soci  t  .
- (2) Quebec undertakes to subscribe, within one month following the incorporation of the Soci  t  , through the Quebec Minister of Finance, \$600 for 600 ordinary shares of the Soci  t  .
- (3) Canada undertakes to subscribe, within one month following the incorporation of the Soci  t  , through the Federal Minister of Finance, \$400 for 400 ordinary shares of the Soci  t  .
- (4) The Soci  t  's Board of Directors shall be made up of seven (7) members who shall be the directors of the Soci  t   as defined in the Companies Act. The Chairman of the Soci  t  's Board of Directors shall be chosen among the members of the Board by the Quebec Minister after consultation with the Federal Minister. Three (3) members of the Board of Directors shall be appointed by the Quebec Minister,



and two (2) by the Federal Minister; the Mayor of Mirabel and the president of the Société shall by right be members of the Board of Directors. The President and the Director General of the Société shall be named by the Quebec Minister after consultation with the Federal Minister. It shall be possible for a same person to cumulate the functions of both President and Director General of the Société.

- (5) Upon the incorporation of the Société, the prime contractor shall appoint the directors whom he is authorized to appoint.
- (6) Upon the incorporation of the Société, the Federal Minister shall appoint the two directors whom he is authorized to appoint.
- 11. (1) Upon the expiry of this Agreement, and at any other time, Canada may withdraw its participation in the Société by offering its shares at face value to Quebec who shall agree to acquire them immediately and at the same time to pay the sum of \$400.
- (2) If Canada acts in accordance with subsection (1) of this section, Canada's financial participation shall remain subject to the same conditions and procedures of section 2 of this Agreement.
- 12. Upon its incorporation, the Société shall implement the projects listed in Schedule "B" of this Agreement, take possession of them, and assume the operating and maintenance responsibilities.

#### ADMINISTRATION

- 13. (1) The supervision of the Agreement is entrusted to the Development Committee whose composition and duties are described in subsections 9(1) and 9(2) of the General Agreement signed on March 15, 1974.
- (2) The routine administration of the projects under this Agreement shall be ensured by a Management Committee comprising an equal number of representatives of Canada and of Quebec. The co-chairmanship shall be ensured by the representatives of the Department and of the Bureau.
- (3) The Management Committee is responsible to the Development Committee, and its specific tasks are:
  - (a) to recommend projects to the Development Committee in light of the objectives stated in this Agreement;
  - (b) to see to the implementation by the prime

contractor of the projects provided for in Schedule "B";

- (c) to suggest amendments to be made to this Agreement, including Schedules "A" and "B" subject to sections 7 and 8 of this Agreement;
  - (d) to establish, if necessary, such subcommittees as may be required for the execution of its mandate; and
  - (e) to provide information to the communities and agencies affected by this Agreement.
- (4) Canada and Quebec agree to provide the Management Committee, through their respective representatives, with all the information necessary for the performance of its functions.
- (5) A request to include or modify a project must be submitted formally by Quebec to the Management Committee.

#### IMPLEMENTATION PROCEDURES

14. The implementation of the projects under this Agreement is subject to the following provisions:

- (a) the final plans and specifications, the form of invitation to tender and the form of contract shall be approved by the prime contractor and submitted to the Management Committee for approval before the call to tender or the commencement of government-sponsored construction;
- (b) subject to subsection 14(a), all construction and purchase contracts shall be let pursuant to tenders invited by public advertisement and shall be awarded to the responsible tenderer who submits the lowest evaluated bid; the Management Committee may, however, agree otherwise;
- (c) any major amendments to a construction or purchase contract shall require the approval of the Management Committee;
- (d) the Management Committee shall be permitted, at the request of one of its members, or at least quarterly, to inspect the project for the purpose of verifying progress claims and obtaining any other information concerning the project.

#### RECORDS AND AUDIT AND PAYMENT PROCEDURES

15. (1) Subject to section 16, payments by Canada shall be

made to Quebec, promptly and according to the proportions agreed upon in subsection 3(2) of this Agreement, for eligible costs actually incurred and paid in respect of a project, augmented by ten per cent (10%) as provided in subsection 6(1)(b) of this Agreement, upon submission by Quebec of a claim authenticated by the Chairman/Director General of the Bureau or his mandatary.

- (2) Canada may, however, at the request of the Bureau and upon the recommendation of the Management Committee, make interim progress payments (during the implementation of a given project) corresponding to 90% of its share of the expenditures incurred for the said project, augmented by ten per cent (10%) as provided in subsection 6(1)(b) of this Agreement. These expenditures shall be evaluated and certified by a senior officer of Quebec.
  - (3) Quebec shall maintain an accounting of such interim payments and shall submit to Canada, within one hundred and twenty (120) days of an interim payment, an itemized statement of the expenditures in such manner and form as mutually agreed upon, and to the satisfaction of the Federal Minister. Any discrepancy between the amounts paid by Canada by way of interim progress payments and the amounts actually payable by the Department shall be promptly adjusted between Canada and Quebec.
  - (4) Any expenditure paid under subsection 15(2) in a fiscal year and which proves ineligible after audit during a subsequent fiscal year shall be considered chargeable to the overall budget of this Agreement.
16. All payments made to Quebec by Canada pursuant to section 15 of this Agreement shall be paid through the Bureau to the consolidated fund of Quebec.
  17. Quebec shall ensure that accurate accounts and records relating to each project are maintained by the Province, and undertake to provide Canada, upon request, with all accounts and records necessary for the auditing of claims relating to each of the projects undertaken under this Agreement.
  18. Canada and Quebec promise that the Company will maintain accurate accounts and records relating to its operations and will make them available to Quebec and Canada upon request.
  19. The contribution of Canada and of Quebec for each fiscal year is, for the purposes of this Agreement, conditional on funds being made available by the Parliament of Canada and by the Quebec National Assembly.

### EVALUATION

20. In accordance with the provisions of subsection 6(5) of the General Agreement, the impact of each of the projects listed in Schedule "B" shall be evaluated, according to the criteria established by the Development Committee, in the year following the signing of this Agreement.
21. Canada and Quebec agree to cooperate in the development and implementation of an information program for the public concerning the projects included in this Subsidiary Agreement, and furthermore agree that:
  - (1) All documents inviting tenders and public advertisements related to the projects under this Agreement must specify the following: "This development project is financed by the Department of Regional Economic Expansion of Canada and by the Quebec Planning and Development Bureau and implemented in cooperation with the Quebec Department of Industry and Commerce" or such other wording to the like effect as may be agreed to by the Minister.
  - (2) Canada shall supply, erect and maintain during the course of construction of each project, a sign or signs specifying that the relevant project is a development project undertaken under this Agreement, or other such wording to the like effect as may be agreed to by the Ministers.
  - (3) Canada reserves the right to supply and erect upon completion of the project, where possible, a permanent sign or plaque bearing an inscription to the effect set forth in subsection 21(2).
  - (4) The official opening ceremonies for the projects listed in Schedule "B" shall be arranged jointly by the Ministers.
22. No member of the House of Commons or of the Quebec National Assembly shall be admitted to any share or part of any contract, agreement, commission or benefit relating to or arising out of this subsidiary agreement.
23. The party responsible for the implementation of a project shall indemnify and save harmless the other party, its officers and agents, against all claims and demands of third parties in any way arising out of the implementation of such project.
24. All construction work done during the implementation of the projects shall be carried out in accordance with labour conditions agreed to by Canada and Quebec.
25. All contracts relating to the implementation of the projects shall be awarded without discrimination by

reason of sex, age, marital status, race, ethnic origin, religion or political affiliation. It is agreed, however, that the foregoing shall not prevent the implementation of special measures designed to benefit native people and other disadvantaged groups residing in a region where a project is carried out.

26. Canadian material, as well as Canadian professional services, shall be used in respect of all projects to the extent to which they are available and consistent with proper economy and the expeditious performance of these programs or projects.
27. This Agreement shall expire on March 31, 1979.

IN WITNESS THEREOF this Agreement has been executed on behalf of Canada by the Honourable Marcel Lessard, Minister of Regional Economic Expansion, and on behalf of Quebec by the Honourable François Cloutier, Minister of Intergovernmental Affairs and the Honourable Gérard D. Lévesque, Minister responsible for the Quebec Planning and Development Bureau, on the above mentioned day and year.

IN THE PRESENCE OF:

SIGNED ON BEHALF OF CANADA

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Minister  
Regional Economic Expansion

IN THE PRESENCE OF:

SIGNED ON BEHALF OF QUEBEC

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Minister of Intergovernmental  
Affairs

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Minister responsible for the  
Planning and Development  
Bureau

CANADA-QUEBEC SUBSIDIARY AGREEMENT  
ON THE AIRPORT INDUSTRIAL AND COMMERCIAL PARK (PICA)  
1976-1979

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SCHEDULE "A"

PROBLEMS AND OBJECTIVES

NATURE OF THE AGREEMENT

This is a program of financial assistance for the Société du parc industriel et commercial aéroportuaire de Mirabel or its agents, to help them finance the setting up of the infrastructures necessary for developing the industrial and commercial park, thus making it possible to set up the infrastructures essential for carrying out industrial projects.

PROBLEMS AND OBJECTIVES

On the basis of the General Agreement, Canada and Quebec have agreed to cooperate with a view to achieving certain objectives of economic development.

The achievement of the general objectives stated in the Agreement signed March 15, 1974, while appearing within the normal framework of the policies and programs of the two governments, will receive an additional impetus through the implementation of proposals promoting development in accordance with the sectoral and regional priorities set out in Schedule "A" of the General Agreement. This is also a logical extension of the Quebec government's efforts in creating and consolidating industrial boards and rationalizing and developing modern industrial parks.

The development of businesses in a given area may, however, impose such a financial burden on the Société du parc industriel et commercial aéroportuaire or its agents that the installation of all services connected with the development of these industries would be compromised.

This subsidiary Agreement between Canada and Quebec on the financing of capital expenditures of the Société du parc industriel et commercial aéroportuaire is intended as a solution for such eventualities and a follow-up to the problems set forth in the Subsidiary Agreement on industrial infrastructures. This Agreement differs from the preceding one by virtue of the two facets it encompasses: on one hand, the international activity that will characterize future businesses, and on the other hand, the mechanism of the Société used to set up and manage the future industrial and commercial park.

The construction of a new international airport at Mirabel is part of a profound change in the entire infrastructure of the

neighbouring region. The importance and very nature of the investments involved will help to foster the establishment and development of many commercial and industrial concerns in this part of the Montreal region.

To the north of Montreal, there already exist host structures capable of accomodating a good number of these concerns. However, in order to derive the maximum profit from the industrial potential generated by the presence of the airport and related infrastructures, and in order to adhere to the objectives of the General Development Agreement, in which the criteria for industrial development in the Montreal region are qualitative rather than quantitative, it is important to provide the region with an additional infrastructure that will attract fast-growing high-production industrial activities to Mirabel.

With a view to achieving this goal, the Government of Canada and Quebec have agreed, on the basis of the General Development Agreement, to promote the setting up and development of an industrial and commercial park at Mirabel.

Besides helping to create jobs, the industrial and commercial park will attract fast-growing industries, that is, those most likely to strengthen or transform the industrial structure of Quebec.

The manufacturing industries likely to locate and develop in the industrial and commercial park can justify an independently existing industrial park.

However, the setting up of an intermodal TDM centre, which is currently under study and includes transfer, distribution and manufacturing activities, to be integrated with Mirabel Airport, could make Montreal the hub of air transport for eastern North America.

An industrial and commercial park equipped with this type of intermodal terminus could become an international manufacturing and distribution centre, thus consolidating Montreal's role in the spheres of activity connected with international trade.



SUBSIDIARY AGREEMENT: MIRABEL AIRPORT INDUSTRIAL AND COMMERCIAL PARK (PICA)  
ANNEX "B"

(in \$'000)

<u>CODE</u>	<u>DESCRIPTION OF PROJECTS</u>	<u>COST-SHARING</u> (Canada 60%/Québec 40%)			<u>DEADLINE</u>
		<u>TOTAL ESTI- MATED COST *</u>	<u>CANADA DREE</u>	<u>QUEBEC OPDQ</u>	
	Waste water evacuation system	2,953.0	1,771.8	1,181.2	31/3/79
	Physical Development	5,886.0	3,531.6	2,354.4	
	Mirabel (downtown)	1,520.0	912.0	608.0	
	Administration Expenses	1,200.0	720.0	480.0	
	Reserve (15%)	1,733.0	1,039.8	693.2	
	<b>TOTAL</b>	<b>13,292.0</b>	<b>7,975.2</b>	<b>5,316.8</b>	

\* including 10% of indirect costs

APPROVED BY THE DEVELOPMENT COMMITTEE OF THE CANADA/QUEBEC GENERAL AGREEMENT

CANADA

QUEBEC

\_\_\_\_\_  
Honourable Marcel Lessard  
Minister of Regional  
Economic Expansion

\_\_\_\_\_  
Date

\_\_\_\_\_  
Honourable Gérard D. Lévesque  
Minister responsible for the  
Quebec Planning and  
Development Bureau

\_\_\_\_\_  
Date

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