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Regional
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Expansion

Expansion
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INDUSTRY, SCIENCE
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CORNWALL

CANADA/ ONTARIO



FEBRUARY 26, 1974

subsidiary agreement

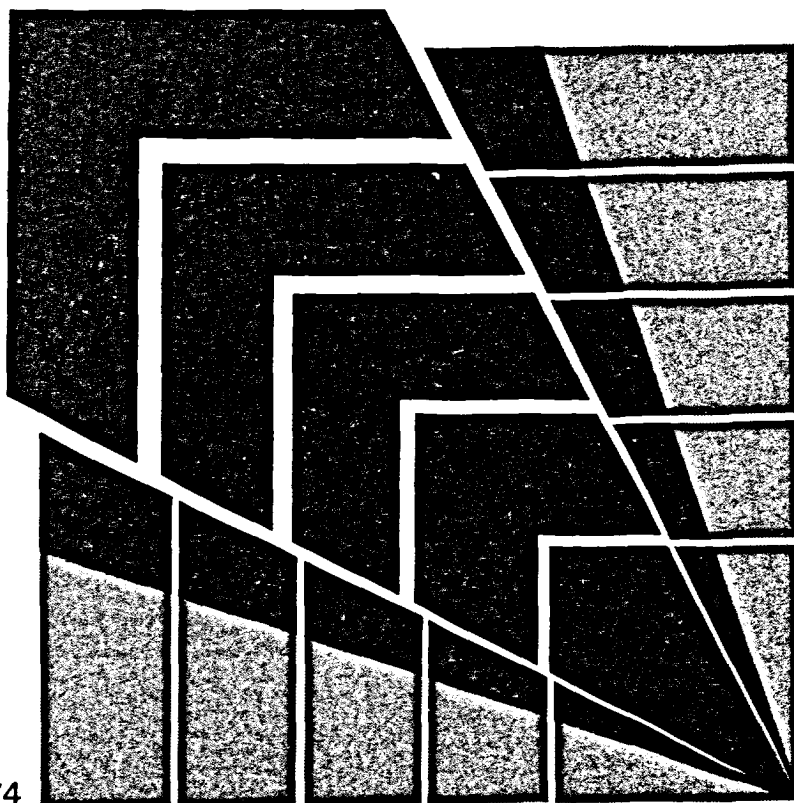


Regional
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CORNWALL

CANADA/ ONTARIO



FEBRUARY 26, 1974

ONTARIO
FEDERAL-PROVINCIAL SUBSIDIARY AGREEMENT
CORNWALL AREA

THIS AGREEMENT made this 26th day of February, 1974

BETWEEN:

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

OF THE FIRST PART,

AND:

THE GOVERNMENT OF THE PROVINCE
OF ONTARIO (hereinafter referred to
as "the Province"), represented
herein by the Treasurer of Ontario
and Minister of Economics and
Intergovernmental Affairs,

OF THE SECOND PART.

WHEREAS Canada and the Province signed a General Development Agreement dated February 26, 1974 (hereinafter referred to as the "GDA") to achieve the objectives stated in section 3 thereof;

AND WHEREAS in pursuit of these objectives, Canada and the Province have agreed to seek to achieve a coordinated application of relevant federal and provincial policies and programs through the process of identifying developmental opportunities and assisting in their realization through the coordinated and concentrated application of relevant federal and provincial programs, including the provision of specialized measures required for such realization;

AND WHEREAS Canada and the Province agree that it is desirable to assist Cornwall to become an urban centre capable of generating and sustaining sufficient economic and social activity in the future to improve the living standard of the people resident in the area;

AND WHEREAS the Governor in Council by Order in Council P.C. 1974-317 of

the 21st day of February, 1974, has authorized the Minister of Regional Economic Expansion to Execute this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant Governor in Council by Order in Council 522/74 of the 20th day of February, 1974, has authorized the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto mutually agree as follows:

DEFINITIONS

1. In this Agreement:
 - (a) "eligible cost of the project" means those costs defined in section 7;
 - (b) "Federal Minister" means the Minister of Regional Economic Expansion of Canada and includes anyone authorized to act on his behalf;
 - (c) "fiscal year" means the period commencing on April 1st of any year and terminating on March 31st of the immediately following year;
 - (d) "initiative" means the subject matter of any subsidiary agreement, and includes any program, project or other activity designed to implement the purposes of the GDA;
 - (e) "management committee" means the committee referred to in section 10;
 - (f) "Ministers" means the Federal Minister and the Provincial Minister;
 - (g) "project" means any specific project which by itself or together with other projects constitutes an essential infrastructure support as provided for in section 4 and Schedule "A" to this Agreement;
 - (h) "Provincial Minister" means the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs and includes anyone authorized to act on his behalf; and
 - (i) "subsidiary agreement" means an Agreement made pursuant to section 6 of the GDA.

BACKGROUND

2. Although Ontario ranks among the most prosperous of the ten

provinces of Canada from the standpoint of aggregate indicators of economic wealth, such measures fail to reflect significant disparities in economic terms within the province. In parts of Eastern Ontario, unemployment rates and per capita incomes compare unfavourably with both the provincial and national averages.

The City of Cornwall, with a population of approximately 47,000, is situated in the Eastern Ontario Planning Region as defined by the Ontario Government. As the major urban centre in the Ontario portion of the St. Lawrence River Valley, Cornwall has an important role to play in the attainment of the goals of the Province's Design for Development program. These goals include the achievement of greater income and employment opportunities and a better standard of living for the population of a sizable surrounding area.

Cornwall has attracted a considerable number of the workers leaving the traditional agricultural and forestry sectors and the very small communities in the extreme southeastern portion of Ontario. On the other hand, over the past 15 years, with the disappearance or decline of older manufacturing establishments or activities in the wood-using and textile fields, the city has experienced difficulty in providing sufficient employment opportunities even for its own population. Consequently, unemployment has been much above the provincial average despite relatively heavy outmigration on the part of some residents.

In recent years, the industrial incentives programs of the Department of Regional Economic Expansion and the Ontario Development Corporation have been successful in inducing a number of manufacturing firms to locate in the Cornwall area. The results of these programs illustrate vividly the area's propensity to attract industrial development and thus add to its manufacturing base. However, recent industrial expansion has served largely to counterbalance the earlier decline in the traditional manufacturing industries. Cornwall has very limited fiscal resources at the moment and is unable to provide at a requisite pace the stock of serviced industrial land necessary to induce further manufacturing investment.

Tourism throughout Eastern Ontario, apart from the provincial park system along the St. Lawrence River Valley, has not yet developed to the point where it is generating substantial income and employment opportunities. However, Cornwall, due to its strategic location and its attractive and scenic natural environment, possesses great potential to support a thriving tourism and convention industry. It is desirable that the development of opportunities in this field be carried on in concert with the industrial growth which is expected to occur.

OBJECTIVES

3. This Agreement provides for the joint participation of Canada and Ontario in initiatives directed towards the attainment of the objectives of the GDA, including the reinforcement of the general policies and priorities of the provincial government relating to regional development.

Canada and the Province have agreed to cooperate in the launching of measures designed to bring about a long-term expansion in the employment and income opportunities available on a stable basis in the Cornwall area through improvements in the local physical, socioeconomic and cultural environment with particular emphasis on infrastructure assistance. These measures are to be pursued in such a manner that they will enhance the ability of the affected local governments to improve their fiscal position in the direction of greater self-sufficiency. More specifically, the objectives of the two governments, and thus of this subsidiary agreement, are:

- (a) to increase the number and range of viable employment and income opportunities available in the Cornwall area;
- (b) to improve Cornwall's physical, socioeconomic and cultural environment.

SUBJECT MATTER

4. Schedule "A" attached to and forming part of this Agreement shall consist of a list of projects that the Province shall arrange to have carried out under this Agreement. The projects are specified in detail in the Schedule. Briefly, however, they are as follows:
 - (1) Completion of the servicing of an industrial park in the eastern part of the City of Cornwall;
 - (2) Construction of a Civic Centre Complex. This facility will make it possible for Cornwall to become a convention centre as well as enabling it to meet various recreational, cultural and commercial needs;
 - (3) Assistance in the development of the Canal Lands area for recreational, cultural and commercial purposes by providing trunk services together with arterial and collector roads;
 - (4) Servicing of a single-industry site on the western boundary of the City. This project includes the installation of water and sewer mains, a barge dock, road and rail

facilities, flood protection and land reclamation. Infrastructure items needed by a large industrial firm intending to locate on the site will be provided only on receipt of a formal commitment by the company that it will in fact proceed with its intended development as soon as the requisite infrastructure items have been put in place.

- (5) Development of a tourist and recreational area immediately to the east of the single-industry site.

The foregoing development package is itself intended to contribute to the achievement of the objectives stated earlier. Of additional help in this regard, however, will be the recent undertaking by the federal Ministry of Transport to construct a Training Institute in Cornwall. This facility will cost in the vicinity of \$31.5 million and will accommodate some 800 students. As a result, Cornwall will become the focal point for the training of the Ministry's transportation managers, air traffic controllers, electronic technicians and radio operators. The Institute will also be used for the training of the federal Department of the Environment's meteorological technicians and it will permit the offering of a broader and, in some cases, a more specialized training program for coast guard officer cadets.

5. (1) The Province shall arrange to have undertaken, during the term of this Agreement, the projects listed in Schedule "A". The Province shall arrange to have taken over each project on completion and will arrange for the acceptance of full responsibility for its operation, maintenance and repair.
(2) The Province shall arrange for the takeover and acquisition of all lands and interests in lands that are required for the said projects.
6. The Province shall arrange for the commencement of the actual construction of all projects listed in Schedule "A" during the term of this Agreement and, unless the Federal Minister otherwise agrees, Canada will not be responsible for any expenditures incurred after the expiry date of this Agreement, nor will Canada pay any claim which is not received within twelve months after the said expiry date.
7. (1) Subject to subsection (2), the eligible costs to be financed or shared under this Agreement by Canada and Ontario in respect of the projects or portions thereof listed in Schedule "A" are:

- (a) all direct costs, including those relating to public information, but excluding administrative, survey, engineering and architecture costs, that in the opinion of the management committee have been reasonably and properly incurred for the implementation of the projects by the Province; and
 - (b) ten per cent (10%) of the costs pursuant to paragraph (a) as an allowance towards the exclusions specified therein.
 - (2) The costs to be financed by Canada do not include any costs relating to the acquisition of lands or interests in lands, or costs arising from conditions of acquisition.
8. (1) Unless otherwise agreed by the Ministers, the eligible costs of each project shall be limited to the estimated costs specified in Schedule "A".
- (2) If, at any stage of a project, it appears to the Province that the costs thereof will exceed the estimated costs specified for any project in Schedule "A", the Province shall promptly so inform the management committee and state the reasons for such increase.
- (3) Upon being informed, the management committee shall consider the circumstances which have contributed to the increase in the estimated costs and shall prepare and present a report and recommendations to the Ministers in respect of the action proposed to be taken. The report of the management committee shall include the following:
- (a) a statement of the amount by which the estimated costs are exceeded;
 - (b) a statement of the reasons why the estimated costs are exceeded;
 - (c) a recommendation as to whether or not the amount by which the estimated costs are exceeded should be adjusted between the parties;
 - (d) a recommendation as to the costs or the proportion of the costs to be paid by each party where an adjustment is to be made;
 - (e) such further information or recommendation as may be necessary to determine the action proposed to be taken.

9. Notwithstanding anything in this Agreement, the total amount payable by Canada under this Agreement with respect to the projects listed in Schedule "A" shall not exceed 50% of the total eligible costs up to an amount of \$7.1 million plus 15%, that is to say, the amount of \$8,165,000.

ADMINISTRATION AND MANAGEMENT

10. (1) Canada and the Province shall promptly establish a management committee composed of an equal number of representatives from each party.
- (2) The duty of the management committee shall be to ensure the orderly implementation of the projects set out in this Agreement. The management committee shall make regular reports on the progress of the projects to the respective Ministers.
- (3) Canada and the Province agree to provide the said management committee with all information necessary for the performance of its functions.

PAYMENT PROCEDURES

11. Payments by Canada shall be promptly made to the Province on the basis of progress claims setting out the costs actually incurred and paid for eligible projects, augmented by 10% as provided for in paragraph 7(1)(b), and submitted in a form and verified in a manner satisfactory to the Federal Minister.
12. (1) In order to assist in the financing of Canada's share of the projects under this Agreement, Canada shall issue a progress payment for the amount of funds required for the remainder of the quarter of the fiscal year in which a project is approved, based on a forecast of the cash required in that quarter, augmented by 10%, prepared by the Province and approved by the management committee, in a form satisfactory to the Federal Minister.
- (2) In subsequent quarters of the fiscal year, further progress payments shall be made to finance Canada's share of expenditures in connection with approved projects upon request by the Province submitted in a form satisfactory to the Federal Minister and approved by the management committee based on a forecast of the cash requirements for that quarter, augmented by 10%, adjusted by the difference between the expenditures actually incurred and paid for by the Province in the previous quarter and the progress payment received in that quarter.

- (3) The Province shall account for each quarterly progress payment by promptly submitting to Canada detailed claims covering the expenditures actually incurred and paid for, submitted in a form and verified in a manner satisfactory to the Federal Minister.
- (4) No progress payment will be made in a subsequent fiscal year until the fourth quarter's progress payment made in the previous fiscal year has been repaid or accounted for.

PLANNING AND DESIGN

13. (1) The management committee shall establish a definition of each project for the purpose of identifying the work to be financed.
- (2) Tenders and Contract Award
 - (a) Unless the management committee otherwise agrees, all construction, purchase and other contracts involved in the construction shall be let pursuant to tenders invited by public advertisement;
 - (b) Opening of all tenders shall be public and the management committee shall be supplied with notice of the time and place for tender opening in sufficient time to enable the management committee, or its representatives, to be present at all tender openings and to participate in the evaluation of tenders;
 - (c) All contracts shall be awarded to the responsible and responsive tenderer who submitted the lowest evaluated tender unless otherwise agreed by the management committee;
 - (d) All announcements of contract awards shall be made jointly by Canada and the Province.
- (3) Construction and Implementation
 - (a) The management committee shall be informed of all substantive amendments to contracts;
 - (b) The management committee or its representatives shall be permitted to inspect each project at all reasonable times for the purpose of verifying progress claims and obtaining any other information concerning the project which may be required by the Federal Minister or the Provincial Minister;

- (c) The Province shall forward each month to the management committee a report as to the progress of the work, in such detail and at such time as may be required by the management committee.
- (4) Subsections 13(2) and (3) do not apply to contracts that involve only the administration, survey, engineering or architecture costs referred to in paragraph 7 (1)(a).
- (5) Contracts and purchases made and work done prior to the date of this Agreement, in respect of projects listed in Schedule "A", may be accepted as complying with this section if they are consistent with the provisions of the GDA and if they are approved in writing by the Federal Minister on the recommendation of the management committee.
- (6) Canada and the Province agree to cooperate in the development and implementation of a program of public information respecting implementation of projects under this Agreement, and further agree to supply, erect and maintain
 - (a) during the course of construction of each project, a project sign or signs specifying that the relevant project is a Canada-Ontario Regional Development Project financed by contributions by the Department of Regional Economic Expansion of the Government of Canada (and any other federal agency, where relevant) and the Government of the Province of Ontario, or such other wording to the like effect as may be agreed to by the Ministers; and
 - (b) upon completion of each project, a permanent sign or plaque to the effect set forth in (a).
- (7) Any public announcement of the measures covered by this Agreement, and any official opening ceremony for each project outlined in Schedule "A", shall be arranged jointly by the Ministers.

GENERAL

- 14. The provisions of sections 7, 10, 12, 13, 15, 16, 17, 18, 19 and 20 and of subsections 8.1 and 8.2 of the GDA apply to this Agreement.
- 15. This Agreement shall terminate on March 31, 1977.
- 16. The following conditions relevant to employment and the award of contracts shall apply in respect of all projects carried out under this Agreement:

- (a) recruiting of labour shall be conducted through the Canada Manpower Centres unless the management committee considers that this service cannot reasonably be provided;
- (b) in the employment of persons on a project, there shall be no discrimination by reason of race, sex, age, marital status, national origin, colour, religion or political affiliation; and
- (c) the provisions of the Labour Standards Arrangement proposed by the federal Department of Labour in 1970 shall be applicable to this Agreement, it being understood and agreed that to the extent that there are higher provincial standards applicable to particular occupations or regions, these higher provincial standards shall apply.

EVALUATION

17. During this Agreement, Canada and the Province shall jointly effect an assessment of the projects listed in Schedule "A" with regard to the stated objectives. Annual progress reports shall be submitted by the management committee to the Ministers on, or before, the annual meeting of the Ministers as prescribed under subsection 9.1 and section 10 of the GDA. In addition, Canada and the Province shall also jointly effect an evaluation of the total project with respect to the general economic and socioeconomic development of the Cornwall area.

AMENDMENTS

18. This Agreement, and Schedule "A" thereof, may be amended as agreed from time to time by the Ministers, which amendments may be made by an exchange of correspondence between the two Ministers. Each project added to Schedule "A" shall form part of this Agreement and shall be governed by the terms thereof as fully and effectively as if it had originally been included in this Agreement. It is expressly understood and agreed, however, that any amendment to section 9 shall require the approval of the Governor in Council.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Canada by the Minister of Regional Economic Expansion, and on behalf of the Province by the Treasurer and Minister of Economics and Intergovernmental Affairs.

In the presence of:

GOVERNMENT OF CANADA

Witness

Minister of
Regional Economic Expansion

GOVERNMENT OF THE PROVINCE OF
ONTARIO

Witness

Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs

SCHEDULE "A"

<u>Project Description</u>	<u>Estimated Cost of Project (\$'000)</u>	<u>Sub-Project Detail</u> Proposed Expenditure Distribution by Fiscal Year (\$'000)			
		<u>Totals</u>	<u>1974-75</u>	<u>1975-76</u>	<u>1976-77</u>
1. <u>Eastern Industrial Park</u>	2,611				
(a) <u>Internal Services</u> Construction of sanitary sewers and watermains.		1,148	478	731	226
(b) <u>Local Roads</u> Construction of all- weather 24', bituminous local roads, including granular shoulder and drainage.		936	438	555	183
2. <u>Canal Lands Development</u>	7,069				
(a) <u>Civic Complex</u> Construction of an all- purpose facility for athletic and cultural events.		5,588	1,700	2,870	397
(b) <u>Trunk Services</u> Upgrading of existing sanitary and storm sewers and watermains.		644	316	264	64

<u>Project Description</u>	<u>Estimated Cost of Project (\$'000)</u>	<u>Sub-Project Detail</u> Proposed Expenditure Distribution by Fiscal Year (\$'000)			
		<u>Totals</u>	<u>1974-75</u>	<u>1975-76</u>	<u>1976-77</u>
(c) <u>Arterial Roads and Adjacent Sidewalks</u> Upgrading of existing two- lane roads and adjacent sidewalks, plus an addition- al two lanes terminating in four-lane divided and un- divided urban arterials, to all-weather standards.		1,068	-	932	136
(d) <u>Landscaping of Civic Complex</u>		390			390
3. <u>West-End, Single-Industry Site</u>	3,413				
(a) <u>Trunk Services</u> Construction of sanitary sewer and feeder watermain as well as modifications to upgrade the filtration plant.		2,290	854	1,139	391
(b) <u>Internal Services</u> Construction of on-site services.		1,029	67	774	188
4. <u>Tourist and Recreation Area</u>	1,076				
(a) <u>Landscaping and Internal Services</u> Landscaping of natural en- vironment areas and providing sewer and water services to active recreational areas.		661	147	401	113

<u>Project Description</u>	<u>Estimated Cost of Project (\$'000)</u>	<u>Sub-Project Detail</u> Proposed Expenditure Distribution by Fiscal Year (\$'000)			
		<u>Totals</u>	<u>1974-75</u>	<u>1975-76</u>	<u>1976-77</u>
(b) <u>Local Roads</u>		415		334	81
Upgrading of existing roads in the parklands to a granular surface and improvement of adjacent ditching.					
TOTAL	14,169	14,169	4,000	8,000	2,169