

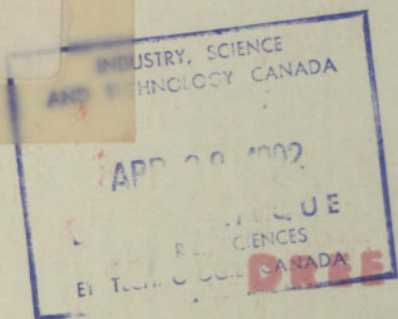
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Regional  
Economic  
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Expansion  
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## INDUSTRIAL DEVELOPMENT



FEBRUARY 17, 1975

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

SUBJECT: Industrial Development

DATE SIGNED: February 17, 1975

DATE OF TERMINATION: March 31, 1979

OBJECTIVES: To expand, diversify and strengthen manufacturing and processing activities in the province. Specifically, it will seek to diversify manufacturing into higher value products requiring modern technology and skilled labour, and to encourage the establishment of industries based on the province's natural resources or its strategic maritime location.

ELEMENTS AND EXPENDITURES: The following is a list of projects the province will arrange to carry out under this agreement.

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
(1) Planning of Industrial Development (Departmental Unit (Prov.), Studies)	\$ 4,620,000	\$ 924,000	\$ 3,696,000
(2) Regional Industrial Development (Commissions, Support Staff, Opportunity Identification and Promotion)	4,615,000	923,000	3,692,000
(3) Assistance to Manufacturing Industry (Production Transfer Pilot Plant, Advance Factory Space)	3,450,000	690,000	2,760,000
(4) Provision of Industrial Infrastructure (Acquisition and Servicing of Sites, Provision of Factory Space)	<u>13,600,000</u>	<u>2,720,000</u>	<u>10,880,000</u>
TOTAL	\$ 26,285,000	\$5,257,000	\$21,028,000
	(Federal share including 15% for contingencies)		\$24,182,200

ADMINISTRATION AND MANAGEMENT:

Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the respective Federal and Provincial Ministers.

CANADA - NEW BRUNSWICK

SUBSIDIARY AGREEMENT

INDUSTRIAL DEVELOPMENT

THIS AGREEMENT made this 17th day of February, 1975

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 NEW BRUNSWICK (hereinafter referred to as "the Province"), represented herein by the Premier of New Brunswick,

OF THE SECOND PART.

WHEREAS Canada and the Province signed a General Development Agreement dated April 23, 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 development 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 have agreed that the manufacturing and processing industries are of particular importance to the expansion, diversification and strengthening of the provincial economy;

AND WHEREAS the Governor in Council by Order in Council P.C. 1975-3/36 of the 13th day of February 1975, 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 No. 75-86 of the 5th day of February 1975, has authorized the Premier of New Brunswick

to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto mutually agree as follows:

#### DEFINITIONS

1. In this Agreement:
  - (a) "capital project" means any specific project, as determined by the Management Committee, in which construction or activities related to construction are involved;
  - (b) "eligible cost" means those costs defined in section 5;
  - (c) "Federal Minister" means the Minister of Regional Economic Expansion of Canada and includes anyone authorized to act on his behalf;
  - (d) "fiscal year" means the period commencing on April 1 of any year and terminating on March 31 of the immediately following year;
  - (e) "initiative" means the subject matter of this Agreement and includes any program, project or other activity designed to implement the objectives of the GDA;
  - (f) "Management Committee" means the Committee referred to in section 8;
  - (g) "Ministers" means the Federal Minister and the Provincial Minister;
  - (h) "program" means a series of specific, related, individual activities;
  - (i) "project" means a specific activity forming a self-contained unit within a program; and
  - (j) "Provincial Minister" means the Premier of New Brunswick and includes anyone authorized to act on his behalf.

#### OBJECTIVE, PURPOSE AND SUBJECT MATTER

2. (1) Pursuant to section 3 of the GDA, the objective of this Agreement is to enable Canada and the Province to jointly participate in measures designed to expand, diversify, and strengthen the manufacturing and processing activity in the Province.

- (2) Pursuant to the objective stated in subsection (1), contributions may be made for the purpose of:
  - (a) determining, within the provincial development strategy, appropriate industrial policies for individual regions of the Province;
  - (b) organizing effective identification, analysis and promotion of specific industrial opportunities which are consistent with these policies;
  - (c) facilitating introduction of new manufacturing products and processes; and
  - (d) providing, at strategic sites in the Province, essential facilities required for industrial location.
- (3) Schedule "A" attached to and forming part of this Agreement contains details of the programs and projects identified for implementation.
- (4) Schedule "B" contains background and rationale for the programs and projects.
3. (1) The Province shall take over, or arrange to be taken over on completion, each capital project undertaken under this Agreement and shall accept full responsibility for its operation, maintenance and repair, except in cases where other federal-provincial arrangements may apply.
- (2) The Province shall arrange for the takeover and acquisition of all lands and interests in lands that are required for program implementation.
- (3) It is understood and agreed that where a project under this Agreement is to be undertaken by a municipality or other institution or agency under provincial jurisdiction, such arrangements as are necessary with respect to such undertakings shall be the responsibility of the Province.
4. No program or project shall be approved after the expiry date of this Agreement and, unless the Federal Minister otherwise agrees, no claim made in respect of any program or project or parts thereof under this Agreement shall be paid unless it is received by Canada within one year following the said expiry date.
5. (1) Subject to subsection (3), the eligible costs of capital projects to be financed or shared under this Agreement in respect of the capital projects or portions thereof listed in Schedule "A" are:

- (a) all direct costs, including those relating to public information that in the opinion of the Management Committee have been reasonably and properly incurred by the Province for the implementation of the capital projects, but excluding administrative, survey, engineering and architecture costs; and
  - (b) ten per cent (10%) of the costs pursuant to paragraph (a) as an allowance towards the exclusions specified therein.
- (2) Subject to subsection (3), the eligible costs of non-capital projects to be financed or shared under this Agreement in respect of the projects or portions thereof listed in Schedule "A" are:
  - (a) all costs reasonably and properly incurred by the Province under all contracts entered into in accordance with this Agreement by the Province with any person or corporation for the acquisition of equipment or the performance of work or services for the execution of the project; and
  - (b) the gross salaries, employer's share of contributions for Canada Pension Plan and Unemployment Insurance, and reasonable travel and removal expenses in accordance with applicable provincial regulations of those provincial employees determined by the Management Committee to be or to have been engaged in the implementation of projects; provided that such costs, as determined by the Management Committee, are incremental to the Province and are in addition to such staff, services and facilities as are normally available or already in existence within the Province, it being expressly understood and agreed that costs for accommodation in provincially-owned buildings, and costs for regular provincial telephone and other utility systems and other services shall be excluded, except as otherwise agreed by the Management Committee.
- (3) The costs to be shared by Canada do not include any costs relating to the acquisition of lands or interests in lands, or costs arising from conditions of acquisition, except where otherwise specified in Schedule "A".
- (4) Subject to the approval of the Federal Minister, costs incurred on approved programs and projects by either party are eligible if incurred within twelve months prior to the date of this Agreement.

6. Notwithstanding anything in this Agreement, the total amount payable by Canada under this Agreement with respect to the programs listed in Schedule "A" shall not exceed eighty per cent (80%) of the total eligible costs up to an amount of \$24,182,200, which amount includes a fifteen per cent (15%) contingency allowance.
7.
  - (1) Unless otherwise agreed by the Ministers, the eligible costs of each program shall be limited to the estimated total costs specified in Schedule "A".
  - (2) If, at any stage of a program or project, it appears to the Province that the costs thereof will exceed the estimated costs specified 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 if adjustments in program costs are required.
8.
  - (1) Canada and the Province shall through the Ministers appoint a Management Committee consisting of an equal number of representatives of each party.
  - (2) The Management Committee shall be responsible for the overall management of this Agreement and, in particular, for the following:
    - (a) approval of all programs and projects necessary for the implementation of this Agreement;
    - (b) submission for the approval of the Ministers annually, and no later than September 1, of the projected budget required for the subsequent fiscal year;
    - (c) coordination of all cost-shared programs and projects under this Agreement;
    - (d) modifications necessary in the course of the fiscal year within the annual budget, following its approval by Canada and the Province;
    - (e) reporting to the Ministers its evaluation of the progress of this Agreement and its recommendations with respect to the progress of implementation;

- (f) establishing at its discretion, in order to facilitate implementation, advisory, coordinating or steering committees consisting of representatives of the departments and agencies of Canada and the Province involved in the implementation of programs and projects under this Agreement;
  - (g) applying the procedures specified in section 11;
  - (h) recommending to the Ministers amendments to be made to this Agreement;
  - (i) performing any other functions that may be assigned to it by the parties hereto; and
  - (j) providing to the officials designated under subsection 9.2 of the GDA such information and advice as they may determine to be necessary for the performance of the functions assigned to them under the GDA by the Ministers designated therein.
- (3) (a) Except as otherwise specified in this Agreement or agreed by the Management Committee, the Province shall be responsible for operational program and project development and, under the overall supervision of the Management Committee, for implementing all cost-shared programs under this Agreement, and shall also ensure the provision of the staff and administrative machinery for the implementation of programs and projects under this Agreement assigned to the Province.
- (b) The Province, through its representation on the Management Committee, shall be responsible for liaison and program coordination between the agencies of the Province administering the programs included in this Agreement or whose activities affect the implementation of this Agreement.
- (4) The Department of Regional Economic Expansion, through its representation on the Management Committee, shall be responsible for liaison and program coordination between the agencies of Canada administering the programs included in this Agreement or whose activities affect the implementation of this Agreement.

#### PAYMENT PROCEDURES

9. Subject to section 10, payments by Canada shall be made promptly to the Province on the basis of provincially audited progress claims



setting out the eligible costs incurred and paid for eligible programs and projects, and submitted in a form and verified in a manner satisfactory to the Federal Minister.

10. (1) In order to assist with the interim financing of programs and projects, Canada may, if the Province so requests, make interim payments to the Province of one hundred per cent (100%) of Canada's share of claims submitted, based on estimates of costs actually incurred, certified by a senior officer of the Province.
- (2) The Province shall account for each interim payment by submitting to Canada, within the quarter following such payment by Canada, a detailed statement of the actual costs incurred, and paid, verified in a manner satisfactory to the Federal Minister. Any discrepancy between the amounts paid by Canada by way of interim payments and the amounts actually paid by the Province shall be promptly adjusted between Canada and the Province.
- (3) Payment of claims under sections 9 and 10 shall be augmented by ten per cent (10%) for capital projects as provided for in paragraph 5 (1) (b).

#### IMPLEMENTATION PROCEDURES

11. The financing by Canada of the programs and projects listed in Schedule "A" is conditional upon the following procedures being observed in the implementation of each of the Programs and projects:

##### A - Capital Projects (Cost Exceeding \$20,000)

- (1) Definition

The Management Committee shall establish a definition of the project for the purpose of identifying the work to be financed.

- (2) Tenders and Contract Awards

- (a) Unless the Management Committee otherwise agrees, all construction, purchase and other contracts shall be reviewed by the Management Committee and shall be let pursuant to tenders invited by public advertisement acknowledging the financial participation of the parties hereto;
- (b) opening of all tenders shall be public and the Management Committee shall be supplied with copies of each advertisement for tender together with notice of the time and place for tender opening, in sufficient time

to enable any member of the Management Committee or his representative 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 bid, unless otherwise agreed by the Management Committee; and
  - (d) all announcements of contract awards shall be made jointly by Canada and the Province.
- (3) Construction and Implementation
- (a) All substantive amendments to contracts shall require the prior approval of the Management Committee;
  - (b) any member of the Management Committee or his representative shall be permitted to inspect the 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; and
  - (c) the Province shall forward 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.

B - Non-capital Projects

(1) Definition

The Management Committee shall establish a definition of the project for the purpose of identifying the work to be financed, outlining the work program, method of implementation, types of services to be employed, equipment and materials required and estimates of cost.

(2) Implementation

- (a) All contracts for professional services in excess of \$25,000 shall be awarded and supervised in accordance with procedures to be established by the Management Committee, unless in its opinion it is impractical to do so;
- (b) reports produced by consultants or resulting from projects under this Agreement shall become the property of both parties hereto; and

- (c) the Province shall forward 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.
12. Subject to the express provisions of subsection 5 (4), 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 the provisions of this Agreement 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.
13. Public Information
- (1) 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 on the direction of the Management Committee:
- (a) during the course of construction of capital projects, a project sign or signs specifying that the relevant project is a Canada-New Brunswick 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 New Brunswick or such other wording to the like effect as may be agreed to by the Ministers; and
- (b) where relevant upon completion of each project, a permanent sign or plaque to the effect set forth in (a).
- (2) 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.

#### RECORDS AND AUDIT

14. Each of the parties hereto shall keep detailed and accurate accounts and records of its expenditures in respect of all programs and projects the cost of which is to be shared between them under this Agreement, and shall make such accounts and records available at all reasonable times for inspection and audit by the other party and the amounts actually payable by it, as disclosed by any such audit, shall be adjusted by means of subsequent progress claims.

GENERAL

15. (1) The provision of financing by Canada and the Province for the implementation of programs under this Agreement is subject to the Parliament of Canada and the Province having provided funds for such financing for the fiscal year in which such financing is required.
- (2) No member of the House of Commons or of the Legislative Assembly of New Brunswick shall be admitted to any share or part of any contract, agreement, or commission made pursuant to this Agreement, or to any benefit to arise therefrom.
- (3) Any dispute between the parties hereto on any question of law or fact arising out of this Agreement shall be submitted to and determined by the Federal Court of Canada pursuant to the Federal Court Act of Canada.
- (4) Where one party hereto is responsible for the implementation of a cost-shared program or project it shall indemnify and save harmless the other party, its officers, servants and agents, against all claims and demands of third parties in any way arising out of the implementation of such program or project, except as such claims or demands relate to the act or negligence of any officer, employee or agent of the other party.
- (5) This Agreement shall terminate on March 31, 1979.
- (6) Subject to the terms and conditions of section 14 of the GDA, this Agreement may be renewed for any further period agreed upon by the parties hereto, but such renewal shall be subject to the approval of the Governor in Council and Lieutenant Governor in Council.
- (7) The following conditions relevant to employment and the award of contracts shall apply in respect of all programs and 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; it being agreed, however, that the foregoing shall not prevent the implementation of special measures designed to benefit native people or disadvantaged groups;

- (c) the provisions of the Labour Standards Arrangement proposed by the Federal Department of Labour in 1970 shall be applicable to this Agreement; and
- (d) Canadian material and manpower shall be used in respect of all programs and projects to the extent to which it is procurable and consistent with proper economy and the expeditious performance of the initiatives.

#### EVALUATION

16. During this Agreement, Canada and the Province shall jointly effect an assessment of the programs 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 of the GDA. In addition, Canada and the Province shall also jointly effect an evaluation of all the programs with respect to the general economic and socioeconomic development objectives of this Agreement.

#### AMENDMENTS

17. (1) Substantive changes to this Agreement, and to Schedule "A" thereof, may be effected as agreed from time to time by the Ministers in writing. Each program added to Schedule "A" shall form part of this Agreement as if it had originally been included in this Agreement. It is expressly understood and agreed, however, that any amendment to section 6 shall require the approval of the Governor in Council and Lieutenant Governor in Council.
- (2) Subject to subsection (1), the Management Committee may make adjustments during the fiscal year to the programs in Schedule "A" to this Agreement provided, however, that such adjustments do not increase the total amounts of the Schedule nor conflict with the objectives of this Agreement.

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 Premier of New Brunswick and the Minister of Economic Growth.

In the Presence of:

GOVERNMENT OF CANADA

\_\_\_\_\_  
Witness

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

GOVERNMENT OF THE PROVINCE OF  
NEW BRUNSWICK

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Premier of New Brunswick

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Minister of Economic Growth

CANADA-NEW BRUNSWICK  
SUBSIDIARY AGREEMENT  
INDUSTRIAL DEVELOPMENT

<u>Program Description</u>	<u>SCHEDULE "A"</u> <u>Estimated Cost of</u> <u>Program</u> <u>(\$'000)</u>	<u>Federal Share, Including</u> <u>(a) Direct Cost</u> <u>(b) 10% Allowance (where applicable)</u> <u>(\$'000)</u>
1. <u>Planning of Industrial Development</u>	4,620	
1.1 Departmental Planning Unit: Establishment and operation of a planning and programming unit in the Department of Economic Growth to assist in the formulation, monitoring and evaluation of policies and programs for industrial development in the province.		232
1.2 Planning Studies: Provision for the conduct of planning, technical and impact studies related to industrial development opportunities and projects.		3,464
2. <u>Regional Industrial Development</u>	4,615	
2.1 Regional Industrial Development Commissions: Establishment and operation of Regional Industrial Development Commissions and necessary staff in the major regions of the province, to improve the information, promotion, consultation and co-ordination required for the pursuit of economic development activities in these regions.		1,832
2.2 Departmental Support Staff: Provision of staff within the Department of Economic Growth to support the Regional In- dustrial Development Commissions in the pursuit of their economic development objectives.		464

CANADA-NEW BRUNSWICK  
SUBSIDIARY AGREEMENT  
INDUSTRIAL DEVELOPMENT

Program Description	SCHEDULE "A" Estimated Cost of Program (\$'000)	Federal Share, Including	
		(a) Direct Cost	(b) 10% Allowance (where applicable) (\$'000)
2.3 Opportunity Identification and Promotion: Support for research and studies by the Regional Industrial Development Commissions to identify specific opportunities for, and impediments to, economic development with- in the regions of the province.			1,396
3. <u>Assistance to Manufacturing Industry</u>	3,450		
14 3.1 Production Transfer Pilot Plant (PTPP): Provision of facilities, equipment and services required to carry out experimental manufacturing and marketing on a scale intermediate between pilot and full commercial production.			1,480
3.2 Advance Factory Space: Provision of flexible use factory space to meet the needs of viable manufacturing enterprises for industrial locations or expansion. Appropriate sites will be determined in consultation with development agencies within the province.			1,280
4. <u>Provision of Industrial Infrastructure</u>	13,600		
4.1 Acquisition and Servicing of Industrial Sites: Acquisition of industrial land and provision of necessary internal and external services such as water, sewerage and highway access, at selected sites in areas where there is a significant demand for industrial land.			8,120



CANADA-NEW BRUNSWICK  
SUBSIDIARY AGREEMENT  
INDUSTRIAL DEVELOPMENT

Program Description	SCHEDULE "A" Estimated Cost of Program (\$'000)	Federal Share, Including (a) Direct Cost (b) 10% Allowance (where applicable) (\$'000)
4.2 Industrial Mall: Provision of finished factory space, supplying central administrative and technical services, simultaneously, to several manufacturers wishing to produce new products.		1,760
4.3 Other Industrial Infrastructure: Provision of industrial infrastructure, where there is an identified requirement from industry and where the project would have significant benefits for employment and income.		1,000
TOTAL PROGRAMS:	26,285	
DREE SHARE:	21,028	



CANADA-NEW BRUNSWICK  
SUBSIDIARY AGREEMENT  
INDUSTRIAL DEVELOPMENT

SCHEDULE "B"

Guidelines for Agreement Administration

BACKGROUND

The joint objectives of Canada and New Brunswick within the General Development Agreement are to raise earned incomes by improving productivity and increasing output and employment in the various sectors of the New Brunswick economy. In the development strategy set out to achieve these objectives, particular importance has been assigned to manufacturing and processing industries.

Manufacturing is being stressed not only because modern industrial enterprises bring viable production and attractive year-round jobs to New Brunswick, but also because there are clear limitations on the growth of the primary and tertiary sectors. The rationalization in the primary industries which has been experienced over the last twenty years is continuing, with labour productivity in the sector only 60% of the Canadian average and the demand for the staple products of the province expected to grow relatively slowly. The service industries, which have absorbed the bulk of the shift of labour out of forestry, agriculture, fishing and mining in the past, cannot be expected to continue to grow rapidly without comparable expansion of self-sustained manufacturing activity.

In order to strengthen the position of manufacturing and processing in the provincial economic structure, a number of programs have been applied in recent years. In particular, grants, loans and loan guarantees have been used to attract viable industries which will make long-term contributions to the provincial economy.

The GDA calls for the coordination of these industrial development efforts and for the aggressive pursuit of specific development opportunities. The strategy and programs described below are designed to fulfill these functions by improving the effectiveness of existing programs and by providing additional support where clear requirements exist.

STRATEGY

The objectives referred to in section 2(1) of this Agreement will be achieved by providing:

- (a) improved planning and programming of industrial development within the province;

- (b) more effective pursuit of industrial opportunities which are consistent with development policies; and
- (c) priority infrastructure and direct assistance to enterprises where alternative support is not available.

## PROGRAMS

### 1. Planning of Industrial Development

#### 1.1 Departmental Planning Unit:

This project will provide funds for staff and other services for a planning and programming unit to be established in the Department of Economic Growth. The functions of the unit will be to advise the Deputy Minister on the appropriate objectives for the Department; on the contribution of existing programs towards achieving these objectives; and on the requirements for new or modified programs to achieve the objectives. Its major activities will include the definition of specific industrial objectives for the province and its regions, and analysis and evaluation of programs designed to achieve these objectives. The unit will consist of a small number of professional staff and will include a computer-based data retrieval system on the status of industrial enterprises assisted by the province.

#### 1.2 Planning studies:

This project will support the conduct of planning studies of three general types: the investigation of industrial development opportunities, such as feasibility or market studies for particular sectors or individual projects; the study of industrial infrastructure projects, including feasibility, functional planning, pre-engineering and other technical studies; and the study of other industrial development requirements, such as transportation projects. The studies to be undertaken will be identified during the course of the Agreement and priorities will be determined by the Management Committee. It is anticipated that most of the studies would be undertaken by private consultants.

### 2. Regional Industrial Development

#### 2.1 Regional Industrial Development Commissions:

This project will provide funds for the establishment and operation of Regional Industrial Development Commissions

in a number of regions. The Commissions will hire an Industrial Commissioner and necessary staff support and their activities will include the collection, analysis and dissemination of information on the region; direct promotion with prospective investors; identification and elaboration of specific development opportunities; consultation with local residents on the implications of economic development; coordination of economic development activities in the various sectors, and advice to governments on the economic development needs of their region.

Commissions are corporate bodies established under the authority of the member municipalities and are intended to act on a regional basis, serving the interests of the region rather than single municipalities. Depending upon circumstances, financial participation may be sought from the member municipalities.

## 2.2 Departmental Support Staff:

The establishment of the Regional Industrial Development Commissions in the various regions of the province will place a requirement on the Department of Economic Growth for staff to work with the local community in the organization of the Commissions and to assist the Commissions in carrying out their objectives. As the Commissions become fully operational the Department will be required to respond to initiatives and to act as a point of liaison with other government agencies. This project will provide the necessary additional staff in the Department to fulfill these functions and thereby make the commissions effective in pursuing their objectives.

## 2.3 Opportunity Identification and Promotion:

In order to promote the economic development of their regions, the Regional Industrial Development Commissions will need to approach governments and the private sector with sound proposals, either for further research or for action. This project will provide funds for the Commissions to investigate, where necessary, apparent opportunities for, or constraints on, development to the point at which they will have sufficient information to decide on and follow a course of action.

# 3. Assistance to Manufacturing Industry

## 3.1 Production Transfer Pilot Plant:

This project involves investment in a building and initial equipment, periodic equipment purchases and operating

expenditures required to carry out experimental manufacturing and marketing on a scale intermediate between pilot and full commercial production. The proposed facility would have a size of approximately 20,000 square feet (building and equipment space), unless agreed to otherwise.

In cases where the commercial viability of a product is confirmed at this stage, the activity would be transferred to the private sector for full scale commercial production and marketing. It is anticipated that some revenue may accrue from the sale of the product and accompanying patent to the private sector. There would also be some recoveries from the sale of equipment to successful producers. Revenues accrued during the term of this Agreement shall be shared in the same proportions as the respective investments of Canada and New Brunswick.

Revenues accruing to the Government of New Brunswick during the term of this Agreement from this Project shall be shared in the same proportions as the respective investments of Canada and New Brunswick, unless otherwise agreed to by the Management Committee.

### 3.2 Advance Factory Space:

The availability of industrial space is an important factor in plant location decisions. This project will provide flexible-use factory space to enable viable manufacturing enterprises to locate or expand in strategic New Brunswick locations. This provision will be used only in the absence of private sector initiative to construct appropriate facilities, and will focus on needs identified by development agencies such as the Regional Industrial Development Commissions and the New Brunswick Development Corporation.

Revenues accruing to the Government of New Brunswick during the term of this Agreement from this project shall be shared in the same proportions as the respective investments of Canada and New Brunswick, unless otherwise agreed to by the Management Committee.

## 4. Provision of Industrial Infrastructure

### 4.1 Acquisition and Servicing of Industrial Sites:

This project will provide for the acquisition of industrial land and the provision of necessary internal and external services of water, sewerage, highway access and, in some cases, rail access. Sites will only be acquired and serviced

where there is a significant demand for industrial land in the area. Regional Industrial Development Commissions established under this Agreement will be consulted in the determination of site locations.

#### 4.2 Industrial Mall:

The industrial mall will be located and designed to permit the direct transfer of technology to and between the entrepreneurs operating there. It will comprise approximately 75,000 square feet of factory space and will offer access to central administrative and technical services at an attractive cost.

Utilization of the mall facilities by any industry will be restricted to a maximum of five years during which time the rental would graduate from sub-economic in year one to economic in five. Following the completion of a five-year term, it is expected that the enterprise would continue production in the private sector. Rental and central services revenues will be used to offset operating losses and any revenue in excess of the operating losses will, during the term of this Agreement, be shared in the same proportions as the respective investments of Canada and New Brunswick.

#### 4.3 Other Industrial Infrastructure:

The project will provide for capital expenditures necessary for the provision of industrial infrastructure (including land acquisition) other than at multiple industry sites. Investments will be made only where there is an identified requirement from industry and where the project will have significant benefits for employment or income.