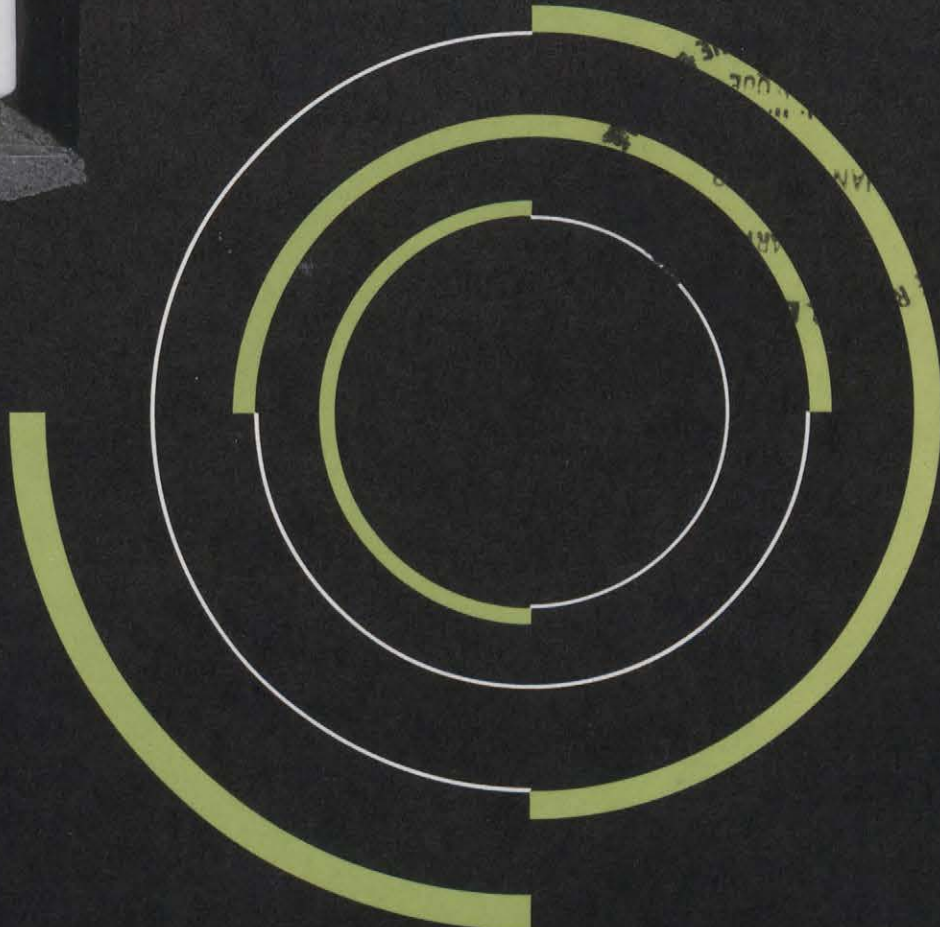


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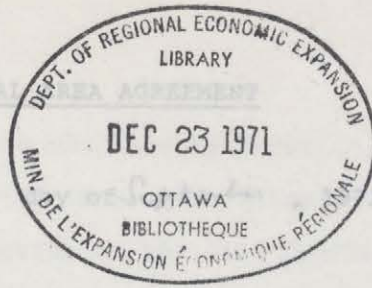


**CANADA /
ALBERTA**

**Second Special Area
Agreement
September 1, 1971**

 REGIONAL ECONOMIC EXPANSION CANADA
EXPANSION ECONOMIQUE REGIONALE CANADA

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THIS AGREEMENT made this 1st

BETWEEN:

THE GOVERNMENT OF CANADA,

Canada, Dept. of



REGIONAL ECONOMIC EXPANSION CANADA
EXPANSION ÉCONOMIQUE RÉGIONALE CANADA

AND:

THE GOVERNMENT OF THE PROVINCE
OF ALBERTA, (hereinafter called
"the Province"),

OF THE SECOND PART.

SECOND SPECIAL AREA AGREEMENT

WHEREAS pursuant to section 24 of the Government
Organization Act, 1969 of Canada, the Governor in Council, after
consultation with the Province, has by Order in Council P.C.
1970-613 of the 6th day of April, 1970, as amended by Order in
Council P.C. 1970-2198 of the 8th day of December, 1970,

designated, for the period of April 1, 1970 to June 30, 1972,

GOVERNMENT OF CANADA

Schedule "A"

and

hereto attached, as a special area requiring special measures
to facilitate economic expansion and social adjustment;

**GOVERNMENT OF THE PROVINCE OF
ALBERTA**

Ministry of Regional Economic Expansion has, in cooperation
with the Province, formulated a plan for economic expansion
and social adjustment for the said special area, which has been
approved by the Governor in Council by Order in Council P.C.
1970-613 of the 6th day of April, 1970;

AND WHEREAS Canada and the Province entered into an
Agreement dated the 13th day of May, 1970 (hereinafter referred
to as the "First Special Area Agreement") to facilitate priority
action which could be commenced in 1970 for the implementation
of the said plan.

ALBERTA

SECOND FEDERAL-PROVINCIAL SPECIAL AREA AGREEMENT

THIS AGREEMENT made this *1st* day of *September*, 1971

BETWEEN:

THE GOVERNMENT OF CANADA,
(hereinafter called "Canada"),

OF THE FIRST PART,

AND:

THE GOVERNMENT OF THE PROVINCE
OF ALBERTA, (hereinafter called
"the Province"),

OF THE SECOND PART.

THIS AGREEMENT is entered into on behalf of Canada by the Minister of Regional Economic Expansion and on behalf of the Province by the Chairman of the Human Resources Development Authority.

WHEREAS pursuant to section 24 of the Government Organization Act, 1969 of Canada, the Governor in Council, after consultation with the Province, has by Order in Council P.C. 1970-613 of the 8th day of April, 1970, as amended by Order in Council P.C. 1970-2108 of the 8th day of December, 1970, designated, for the period of April 1, 1970 to June 30, 1972, the area in the Province of Alberta described in Schedule "A" hereto attached, as a special area requiring special measures to facilitate economic expansion and social adjustment;

AND WHEREAS pursuant to section 26 of the said Act, the Minister of Regional Economic Expansion has, in co-operation with the Province, formulated a plan for economic expansion and social adjustment for the said special area, which has been approved by the Governor in Council by Order in Council P.C. 1970-613 of the 8th day of April 1970;

AND WHEREAS Canada and the Province entered into an Agreement dated the 13th day of May, 1970 (hereinafter referred to as the "First Special Area Agreement") to facilitate priority action which could be commenced in 1970 for the implementation of the said plan;

AND WHEREAS the Governor in Council has by Order in Council P.C. 1971-1200 of the 15th day of June, 1971 extended to March 31, 1975 the period of designation of the said special area and the period of application of the said plan, and this Agreement is intended to replace the First Special Area Agreement and to provide for the further implementation of the said plan during the period April 1, 1971 to March 31, 1975;

AND WHEREAS the Governor in Council by Order in Council P.C. 1971-1602 of the 3rd day of August, 1971 has authorized the Minister of Regional Economic Expansion to execute this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant-Governor in Council has by Order in Council 1738/69 of the 23rd day of September, 1969 ~~1971~~, authorized the Chairman of the Human Resources Development Authority to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto mutually agree as follows:

1. In this Agreement:
 - (a) "Federal Minister" means the Minister of Regional Economic Expansion of Canada and includes anyone authorized to act on his behalf;
 - (b) "Provincial Minister" means the Chairman of the Human Resources Development Authority or such other Minister as may be authorized by the Lieutenant-Governor in Council, and includes anyone authorized to act on his behalf;
 - (c) "Ministers" means the Federal Minister and the Provincial Minister;
 - (d) "First Special Area Agreement" means the above-mentioned Federal-Provincial Agreement of May 13, 1970;
 - (e) "Joint Planning Committee" means the committee referred to in section 31 of this Agreement;

...

- (f) "Liaison Committee" means the committee referred to in section 11 of this Agreement;
- (g) "municipality" includes any local authority within the Province approved for the purposes of this Agreement by the Ministers;
- (h) "present special area" means the area described in Schedule "A" attached hereto; and
- (i) "term of this Agreement" means the period April 1, 1971 to March 31, 1975 inclusive.

SUBJECT MATTER

2. The Schedules attached to and forming part of this Agreement are:

Schedule "A": A map and legal description of the present special area.

Schedule "B": A list of projects and programs that the Province will endeavour to have carried out under this Agreement, based on contributions and loans made by Canada through the Department of Regional Economic Expansion.

Part I thereof consists of projects that were included in the First Special Area Agreement and have been transferred to this Agreement.

Part II consists of new projects.

Part III consists of programs for social adjustment.

Part IV consists of feasibility investigation and preliminary design projects.

Schedule "C": A General Program Outline, designed to explain the background to and the approach of this Agreement.

3. Canada will finance the projects and programs listed in Schedule "B" by contributions and loans to the extent and in the manner specified in the said Schedule.

4. The Province anticipates that the Provincial and municipal expenditures on capital works in the present special area apart from and in addition to the expenditures on projects in Schedule "B" attached hereto will amount to approximately \$8.8 million in the period April 1, 1971 to March 31, 1972.

5. (1) Subject to sub-section (4) the Province will undertake, either directly or through agencies of the Province, or will endeavour to arrange for the municipalities concerned to undertake, during the term of this Agreement, the projects and programs listed in Schedule "B".

(2) The Province or the municipality concerned, as the case may be, will acquire all lands and interests in lands that are required for the projects.

(3) The financing by Canada of the projects and programs provided for by this Agreement does not confer upon Canada any proprietary interest in the physical assets constructed or acquired pursuant to this Agreement, which shall be and remain the property of the Province or the municipality, as the case may be, which will take over each physical asset on completion of the project or program and will thereafter accept full responsibility for its operation, maintenance and repair, except where other Federal-Provincial arrangements may apply.

(4) Although the Province or the municipality concerned will let any contracts that may be necessary for the projects listed in Part IV of Schedule "B", the arrangements for the work shall require the prior approval of the Joint Planning Committee, as provided for in section 19(3), and performance of the work shall be under the general direction of a sub-committee of Federal and Provincial officials appointed jointly by the Co-Chairmen of the Joint Planning Committee and the Liaison Committee. When such a project has been completed, it will be the function of the Joint Planning Committee, in its annual review of Schedule "B" as mentioned in section 31, to recommend

to the Ministers what, if any, construction project should be added to Part II of Schedule "B". In the event that construction thereof is accepted for implementation under this Agreement, the 10% allowance provided for by section 8(1)(a)(ii) shall be reduced by the amount of the contribution made by Canada in respect of the cost of the feasibility investigation and preliminary design of the project. It is understood and agreed that nothing in this sub-section shall be deemed to imply any obligation by Canada or the Province to accept any such project for implementation.

6. It is understood and agreed that where a project or program mentioned in this Agreement is to be undertaken by a municipality, the Province will make such arrangements with the municipality as are necessary to enable the Province to implement its undertakings under this Agreement.

7. The Province will commence, or will endeavour to arrange for the municipalities concerned to commence, actual implementation during the term of this Agreement of all projects and programs listed in Schedule "B" that have not already been commenced. Unless the Federal Minister on the recommendation of the Liaison Committee otherwise agrees, Canada will not be responsible for any expenditures incurred after the deadline specified in Schedule "B" for the project or program concerned, nor will Canada pay any claim which is not received within twelve months after the said deadline.

8. (1) Subject to sub-sections (2) and (3), the costs to be financed or shared under this Agreement by Canada are:

(a) in respect of the projects, or portions thereof, listed in Parts I and II of Schedule "B":

(i) all direct costs, except administrative, survey, engineering and architecture costs, that in the opinion of the Liaison Committee have been reason-

...

ably and properly incurred after March 31, 1971 for the implementation of the projects by the Province or the municipality concerned, as the case may be; and

- (ii) ten per cent (10%) of the costs payable pursuant to clause (i) of this paragraph (a), as an allowance towards all other costs, one-half of which allowance, based on the estimated cost of the project, and the adjusted remainder of which shall be paid with the final payment in respect of the implementation of the project; provided however that in the application of this clause (ii) to the projects listed in Part I of Schedule "B", each project shall be taken as a whole, and costs incurred under the First Special Area Agreement and amounts paid by Canada under paragraph (b) of sub-section (1) of section 8 of that Agreement shall, for the purpose of calculating the amount payable by Canada in respect of such project under this clause (ii), be taken into account as if they had been incurred or paid under this Agreement.
- (b) in respect of the programs listed in Part III and the projects listed in Part IV of Schedule "B", the costs that, in the opinion of the Liaison Committee in the case of Part III and that of the Joint Planning Committee in the case of Part IV, have been directly, reasonably and properly incurred after March 31, 1971 for the implementation of the projects and programs by the Province or the municipality concerned, as the case may be, including, without limiting the generality of the foregoing, the salaries and travelling expenses of temporary and permanent employees of the Province or the municipality concerned, as the case may be, while directly engaged in the performance of the projects and programs.

(2) Costs incurred under the First Special Area Agreement before April 1, 1971 that have not been reimbursed by Canada by April 30, 1971 shall be reimbursed under this Agreement.

(3) The costs to be financed by Canada do not include any costs relating to the acquisition of lands or interests in lands, except where otherwise specified in Schedule "B", in which case the financing by Canada shall be entirely on a loan basis.

9. (1) Canada's obligation with respect to the financing of each project and program shall be limited to the estimated cost specified for such project or program in Schedule "B", unless the Federal Minister agrees, on the recommendation of the Liaison Committee, that a higher cost is reasonable and warranted, and that funds are available.

(2) If at any stage of a project or program it appears to the Province that the cost thereof will exceed the estimated cost specified for such project or program in Schedule "B", the Province shall promptly so inform the Liaison Committee and state the reasons for such increase.

10. Notwithstanding anything in this Agreement, the total amount payable by Canada under this Agreement shall not exceed:

- (a) with respect to the projects listed in Part I of Schedule "B" the amount of \$1,061,000 for contributions and the amount of \$1,092,000 for loans, less the amounts paid by Canada to April 30, 1971 under the First Special Area Agreement;
- (b) with respect to the projects listed in Part II of Schedule "B", the total of the amounts listed in said Part II plus 15% (unless otherwise indicated in Schedule "B"), that is to say, for contributions the amount of \$2,633,000 and for loans the amount of \$2,630,000;
- (c) with respect to the programs listed in Part III of Schedule "B", the amount of \$2,438,000 for contributions; and

- (d) with respect to the projects listed in Part IV of Schedule "B", the amount of \$15,375 for contributions.

LIAISON COMMITTEE

11.(1) The Liaison Committee established under the First Special Area Agreement and composed of an equal number of representatives of each party will be continued in existence under this Agreement to fulfil the responsibilities identified for it in this Agreement and to monitor and report on all stages of the planning, design and construction or implementation of the projects and programs listed in Schedule "B", except those listed in Part IV thereof, including matters related to the award of contracts at all stages.

(2) Canada and the Province agree to provide the said Liaison Committee with all information necessary for the performance of its functions.

LOANS

12.(1) Where financing by Canada of a project is wholly or partly on a loan basis, the Province will repay the loan to Canada, with interest, over the period specified for such loan in Schedule "B", which period (hereinafter referred to as the "amortization period"), shall in each case commence on the 31st day of March of the fiscal year in which the project is completed, such repayment to be made as follows:

- (a) interest with respect to all payments made by Canada shall be calculated from, but not including the date of each payment, at the rate applicable at the time each payment is made, as determined by the Minister of Finance of Canada from time to time in respect of advances of funds provided to Crown Corporations by the Department of Finance; and interest not paid but accrued to the date of commencement of the amortization period shall be

capitalized as at said date and shall be added to the principal amount of each payment, and the total amount shall be deemed to be principal for the purposes of paragraphs (c) and (d);

- (b) interest on the accrued interest as provided for in (a) above shall be calculated from the date of commencement of the amortization period at the rate applicable at the date of commencement of the amortization period, as determined by the Minister of Finance in respect of advances to Crown Corporations by the Department of Finance;
- (c) the principal amount of each payment, including the accrued interest, shall be treated as a single sum and amortized at a rate of interest computed as a weighted average of all the rates borne by the said principal amounts, including the accrued interest; and
- (d) at the end of each year of the amortization period, interest at the rate prescribed by paragraph (c) shall be payable on the unrepaid principal amount of the loan, together with such part of the unrepaid principal amount as will result in repayment of the principal amount and interest in equal annual instalments over the amortization period; provided, however, that the Province may repay the loan at any earlier time, without notice or bonus, by paying to Canada the unrepaid principal amount of the loan together with accrued interest to the date of such repayment.

(2) For the purpose of this Agreement, the date of completion of a construction project means the date when the Province or the municipality, as the case may be, accepts the project from the contractor; in all other cases, the date of completion of a project or program shall be that determined by the Liaison Committee, but unless the Federal Minister otherwise agrees,

shall not be later than the deadline specified in Schedule "B" for the project or program concerned.

13. Where the financing of a project or program by Canada is partly by way of contribution and partly by way of loan, each payment by Canada shall be deemed to be part contribution and part loan in the same ratio as specified for that project or program in Schedule "B", and interest on the loan portion shall be computed in accordance with section 12.

PAYMENT PROCEDURE

14.(1) Subject to section 15, 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 the project or program, submitted in a form and verified in a manner satisfactory to the Federal Minister.

(2) Although the costs for the programs listed in Part III of Schedule "B" are to be shared equally between Canada and the Province, Canada will make payments to the Province in respect of such costs incurred for each program in respect of each 25% of the estimated cost of the program, as follows: 80% of the first 25%; 60% of the second 25%; 40% of the third 25%; and 20% of the fourth 25%. At the end of the four-year period ending March 31, 1975 or when a program is terminated, whichever occurs first, a financial adjustment will be made between Canada and the Province so as to cause the total shareable cost of each program to be shared equally between Canada and the Province.

15.(1) In order to assist with the interim financing of projects and programs, Canada may, if the Province so requests, make interim progress payments to the Province not exceeding 90% of Canada's share of claims submitted, based on estimates of expenditures actually incurred as certified by a senior officer of the Province or the municipality, as the case may be.

...

(2) The Province will account for each such interim progress payment by submitting to Canada, within the following quarter, a detailed statement of the actual expenditures concerned, verified in a manner satisfactory to the Federal Minister. Any discrepancy between the amounts paid by Canada by way of interim progress payments and the amounts actually payable by Canada shall be promptly adjusted between Canada and the Province.

(3) If so requested by the Province, the Federal Minister may, at his discretion, following the award of a contract or the purchase or expropriation of lands with respect to a project under Parts I or II of Schedule "B", authorize an advance payment by Canada to the Province in an amount not exceeding 75% of Canada's share of the estimated amount payable under such contract, purchase or expropriation. Advances made under this sub-section will be accounted for by the Province by way of monthly progress claims submitted in the form and verified in the manner required under section 14.

(4) The Province shall remain obligated to account for interim progress payments or advance payments made by Canada under the First Special Area Agreement until all such payments have been fully accounted for.

16. The Province will make appropriate financial arrangements with the municipalities concerned in respect of payment for projects which it arranges for the municipalities to undertake.

RECORDS AND AUDIT

17. The Province will ensure that proper and accurate accounts and records relating to each project and program are maintained by the Province or the municipality, as the case may be, and the Province will be responsible for auditing and certifying the cost of the projects and programs for the purpose of progress claims in respect of projects and programs undertaken by municipalities.

18. Canada may audit the amounts of all progress claims, and the Provincial accounts and records relating thereto, including any progress claims made under the First Special Area Agreement that have not yet been audited by Canada, and any discrepancy between the amounts paid by Canada and the amounts actually payable by Canada under this Agreement or the First Special Area Agreement shall be promptly adjusted between Canada and the Province.

CONSTRUCTION AND IMPLEMENTATION PROCEDURE

19. (1) The financing by Canada of the projects listed in Parts I and II of Schedule "B" is conditional upon the observance of the following procedures:

- (a) the preliminary design, costs estimates and evidence of adherence to relevant construction standards must be approved by the Liaison Committee before working drawings are commenced;
- (b) final working drawings, specifications, final estimates and time schedules must be approved by the Liaison Committee;
- (c) the tender documents must be approved by the Liaison Committee before tenders are called;
- (d) a definition of the project for the purpose of identifying the work to be financed by Canada must be approved by the Liaison Committee;
- (e) unless the Liaison Committee otherwise agrees, all construction, purchase and other contracts will be let pursuant to tenders invited by public advertisement;
- (f) the tender package and advertisement for tenders in respect of each project shall state that: "This is a Canada Regional Development Project. Its construction is financed by (grants and/or loans, as the case may be), by the Department of Regional Economic Expansion

of the Federal Government, and it will be carried out in co-operation with the Province of Alberta" and (where relevant) "the municipality of " or such other wording to the like effect as may be agreed by the Ministers;

- (g) opening of all tenders shall be public and the Liaison Committee will 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 Liaison Committee or his representative to be present at all tender openings and to participate in the evaluation of tenders;
- (h) all awards of contracts shall require the approval of the Liaison Committee and shall, unless the Liaison Committee otherwise agrees, be awarded to the responsible and responsive tenderer who submitted the lowest evaluated tender;
- (i) all announcements of contract awards shall be made jointly by Canada and the Province or the municipality, as the case may be;
- (j) all amendments to contracts shall require the approval of the Liaison Committee;
- (k) any member of the Liaison 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;

provided however that paragraphs (e), (h) and (j) of this subsection do not apply to contracts that involve only the administrative, survey, engineering or architecture costs referred to in section 8(1)(a)(i).

(2) The financing by Canada of the programs listed in Part III of Schedule "B" is conditional upon the observance of the following procedures:

- (a) a definition of the specific activities to be undertaken under each program must be approved by the Liaison Committee for the purpose of identifying and authorizing the expenditures to be cost-shared by Canada;
- (b) all awards of contracts and all amendments to contracts shall require the approval of the Liaison Committee;
- (c) members of the Liaison Committee and their representatives shall have the same rights of inspection as are provided for by paragraph (k) of sub-section (1); and
- (d) the provisions of paragraphs (f) and (i) of sub-section (1) shall be applied wherever in the opinion of the Liaison Committee it is practical and appropriate to do so.

(3) The financing by Canada of the projects listed in Part IV of Schedule "B" is conditional upon the prior approval by the Joint Planning Committee of the arrangements for the performance of the work.

(4) Contracts and purchases in respect of projects listed in Part I of Schedule "B" that have been made or approved under the First Special Area Agreement are hereby accepted as complying with the requirements of this section.

(5) Contracts and purchases made and work done prior to the date of this Agreement in respect of projects listed in Part II and programs listed in Part III of Schedule "B" are accepted as complying with the provisions of this section if they are approved in writing by the Federal Minister on the recommendation of the Liaison Committee.

20. Canada will supply, erect and maintain

- (a) during the course of construction of each construction project, a project sign or signs specifying that it is

a Canada Regional Development Project financed by contributions and/or loans by the Department of Regional Economic Expansion of the Government of Canada (and any other Federal agency where relevant) and carried out in co-operation with the Province and (where relevant) the municipality concerned, or such other wording to the like effect as may be agreed to by the Ministers; and

(b) upon completion of each construction project, a permanent sign or plaque to the like effect.

21. Any official opening ceremony for each project will be arranged by the Federal Minister in co-operation with the Provincial Minister.

REGIONAL DEVELOPMENT INCENTIVES

22. The Federal Minister will utilize the authority of section 28 of the Government Organization Act, 1969, to make incentives available for commercial undertakings to the full extent that in his opinion will contribute effectively to economic expansion in the special area.

AGRICULTURAL AND RURAL DEVELOPMENT ACT

23. Canada and the Province, in utilizing their intended 1970-75 Agreement under the Agricultural and Rural Development Act will give priority to objectives for social adjustment and resource development or rationalization in the Province generally. In its determination of programs and projects under the ARDA Agreement, the Province will give particular priority to those which will complement the purposes of this Special Area Agreement.

OTHER PROGRAMS

FOR ECONOMIC EXPANSION AND SOCIAL ADJUSTMENT

24. Canada and the Province take note of their NewStart Agreement and of the Prairie Farm Rehabilitation Administration.

Related programs of these organizations will be carried out in co-ordination with this Agreement.

25. Canada and the Province take note of the proposed joint undertaking between the Prairie Farm Rehabilitation Administration and the Province to provide flood control works for the new residential area within the Town of Slave Lake.

26. Canada and the Province take note that the Prairie Farm Rehabilitation Administration will undertake during the first year of this Agreement, the preliminary design of a water system for the Town of High Prairie and that provision of an adequate water system is a matter of high priority for joint action in the following year.

27. Canada and the Province take note of the two studies that will be commissioned by the Joint Planning Committee and undertaken, during the term of this Agreement, by the Indian Association of Alberta and by the Métis Association of Alberta. These studies will examine the economic opportunities within the present special area that are directly related to Indian reserves and the Métis communities respectively.

28. Canada and the Province take note of the need for low-cost housing to enable disadvantaged people to take advantage of major employment opportunities in the present Special Area. The Ministers will, in collaboration with the Central Mortgage and Housing Corporation and the Alberta Housing Corporation, seek to develop a program to facilitate the provision and utilization of such housing.

FUTURE ARRANGEMENTS

29. Canada and the Province agree to consider jointly further plans designed to facilitate the realization of the potential for economic expansion and social adjustment in the present special area and to consider jointly also possible plans

with similar objectives for other areas that might from time to time be designated by the Governor in Council as special areas.

30. Canada will endeavour to provide the Province financing for such Provincial and municipal works and facilities as are agreed to be beyond the financial resources of the Province and the municipalities concerned but necessary to the execution of such plans.

JOINT PLANNING COMMITTEE

31. (1) The Canada-Alberta Joint Planning Committee established under the First Special Area Agreement and composed of representatives of Canada and the Province jointly agreed by the Ministers will be continued in existence under this Agreement to assist Canada and the Province in fulfilling their obligations under this Agreement, including those mentioned in sections 29 and 30.

(2) In addition to the functions specified elsewhere in this Agreement, the functions of the Committee will be to advise the Ministers on, but not exclusively, the following:

- (a) the identification of measures to facilitate economic expansion and social adjustment in the Province generally;
- (b) the identification of possible special areas or the modification of the present special area, within the context of the development of the provincial economy;
- (c) the need for, appropriate means, progress and results of consultations with the people of the special area or areas and with appropriate groups and agencies including federal and provincial departments and agencies that will facilitate the preparation and implementation of development plans, programs and projects;

...

- (d) the preparation of development plans for the special area or areas and the identification and definition of measures, programs and projects necessary for the execution of plans in special areas; and
- (e) to conduct an annual review of Schedule "B" for the purpose of considering and recommending to the Ministers whether any new projects or programs should be added thereto or any other revisions thereof should be made.

(3) The Committee shall be composed of representatives of Canada and the Province jointly agreed by the Ministers.

GENERAL

32. Canada and the Province will from time to time during the term of this Agreement conduct joint evaluations under arrangements to be agreed to by the Ministers, for the purpose of assessing the extent to which the programs and projects being carried out under this Agreement are contributing to economic expansion and social adjustment; for the purposes of such evaluations each party will make available all relevant information.

33. The Province will indemnify and save harmless Canada from any and all claims and demands of third parties in any way arising out of the financing by Canada of the projects and programs except as such claims or demands relate to injury or loss attributable to the act or negligence of any officer, employee or agent of Canada.

34. All construction work for the projects shall be subject to and carried out in accordance with labour conditions and standards to be agreed to by Canada and the Province.

...

35. 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 Liaison Committee considers that the service cannot reasonably be provided;

(b) in the employment of persons on a program or project there shall be no discrimination by reason of race, sex, religion or political affiliation, but preference will be given to the recruitment of people resident in the special area.

36. In respect of all projects carried out under this Agreement, Canadian material and manpower will be used to the full extent to which it is procurable, consistent with proper economy and the expeditious carrying out of the project.

37. In the event of any dispute between the parties hereto on any question of law or fact arising out of this Agreement or the performance thereof, it shall be submitted to and determined by the Federal Court of Canada pursuant to the Federal Court Act of Canada.

38. The provision of financing by Canada and the Province under this Agreement is subject to Parliament and the Legislative Assembly of Alberta having provided funds for such financing in the fiscal year in which financing is to be provided.

AMENDMENTS

39. This Agreement, including the Schedules thereto, may be amended from time to time by the agreement of the Ministers expressed in writing, except that any amendment to the total amounts of \$6,147,375 for contributions and \$3,722,000 for loans specified in section 10 requires the approval of the

...

Governor in Council and any amendment to Schedule "A" may be made only in consequence of a change of special area designation made by the Governor in Council.

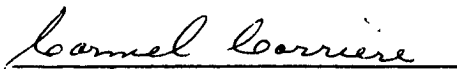
REVOCATION

40. The First Special Area Agreement, as amended, is hereby revoked and replaced by this Agreement, effective the date 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 Chairman of the Human Resources Development Authority.

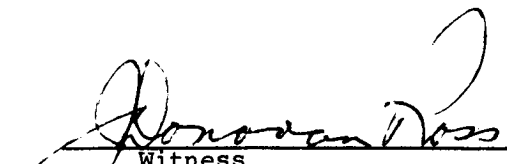
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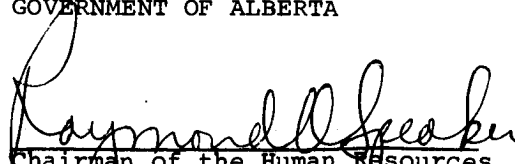
GOVERNMENT OF CANADA


Witness


Minister of Regional Economic
Expansion

GOVERNMENT OF ALBERTA


Witness


Chairman of the Human Resources
Development Authority

SCHEDULE "A"

LEGAL DESCRIPTION OF
"THE LESSER SLAVE LAKE SPECIAL AREA"

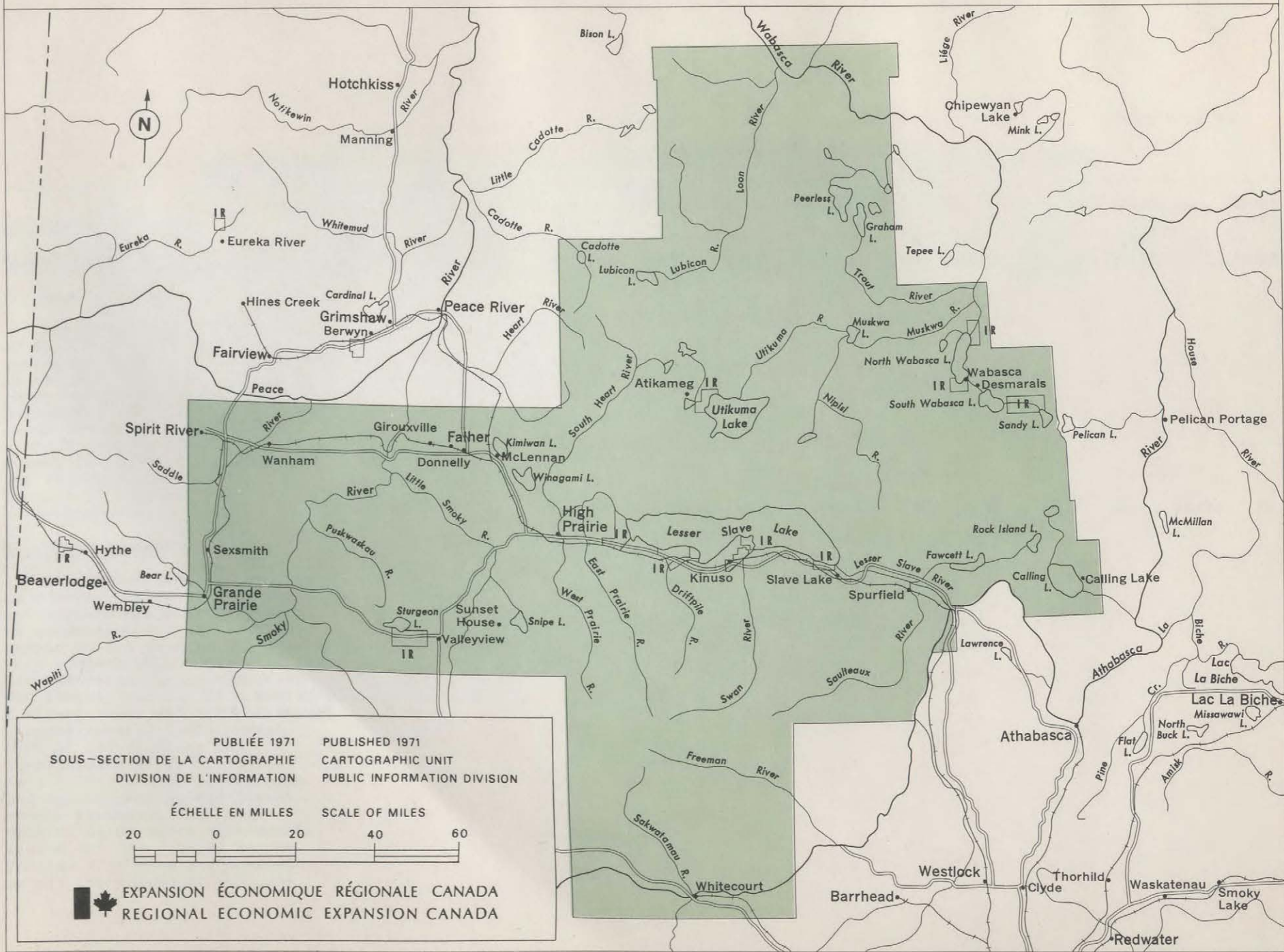
All that parcel or tract of land, situated, lying and being within the following described boundary in the Province of Alberta:

"commencing at the south west corner of Township 59, Range 16, west of the 5th meridian; thence north along the range line to the south west corner of Township 69, Range 16; thence west along the township line to the south west corner of Township 69, Range 6, west of the 6th meridian; thence north along the range line to the north west corner of Township 79, Range 6, west of the 6th meridian; thence east along the township line to the north west corner of Township 79, Range 16, west of the 5th meridian; thence north along the range line to the north west corner of Township 86, Range 16; thence east along the township line to the south west corner of Township 87, Range 12, west of the 5th meridian; thence north along the range line to the north west corner of Township 94, Range 12; thence east along the township line to the north east corner of Township 94, Range 3, west of the 5th meridian; thence south along the range line to the north east corner of Township 84, Range 3; thence east along the township line to the north east corner of Township 84, Range 25, west of the 4th meridian; thence south along the range line to the north east corner of Township 81, Range 25; thence east along the township line to the north east corner of Township 81, Range 22, west of the 4th meridian; thence south along the range line to the north east corner of Township 73, Range 22; thence east along the township line to the north east corner of Township 73, Range 21, west of the 4th meridian; thence south along the range line to the south east corner of Township 71, Range 21;

...

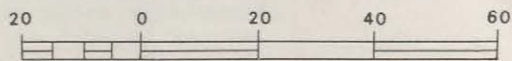
thence west along the township line to its intersection with the left bank of the Athabasca River in Range 24; thence northerly, westerly and southerly along the said left bank to its intersection with the 5th meridian; thence south along the meridian to the south east corner of Township 70, Range 1, west of the 5th meridian; thence west along the township line to the said left bank of the Athabasca River; thence southerly along the said left bank to its intersection with the south boundary of Township 67, Range 2, west of the 5th meridian; thence west along the township line to the south east corner of Township 67, Range 8, west of the 5th meridian; thence south along the range line to the south east corner of Township 59, Range 8; thence west along the township line to the point of commencement."

LESSER SLAVE LAKE SPECIAL AREA ALBERTA ZONE SPÉCIALE DU PETIT LAC DES ESCLAVES ALBERTA



PUBLIÉE 1971 PUBLISHED 1971
 SOUS-SECTION DE LA CARTOGRAPHIE CARTOGRAPHIC UNIT
 DIVISION DE L'INFORMATION PUBLIC INFORMATION DIVISION

ÉCHELLE EN MILES SCALE OF MILES



EXPANSION ÉCONOMIQUE RÉGIONALE CANADA
 REGIONAL ECONOMIC EXPANSION CANADA

SCHEDULE "B"

(Page 1 of 4)

PART I - PROJECTS FINANCED BY CANADA AND TRANSFERRED FROM THE FIRST SPECIAL AREA AGREEMENT

Project Description	Total Esti- mated Cost* (\$'000)	DREE Ratio of Contri- butions to Loans	Expected DREE Payments 1970-71			Maximum DREE Funding 1971-72			Balance of DREE Funding (\$'000)	Deadline for Completion of Project	Amorti- zation Period (Years)
			Contri- butions	Loans	Total	Contri- butions	Loans	Total			

1. Water System

The design and construction of the first phase of a water system to serve up to 5,000 people in the Town of Slave Lake. This phase consists of a one million gallon storage reservoir located south of Slave Lake, together with (approximately) 11,400 lineal feet of 10" diameter pipe and (approximately) 1,200 lineal feet of 8" diameter pipe (with appurtenances).

294	40:60	80	120	200	38	56	94	-	Sept. 30/71	25
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2. Sewer System

The design and construction of a sewer system to complement and upgrade the present system to serve a population of 5,000 people in the Town of Slave Lake. This project will consist of two lift stations; (approximately) 950 lineal feet of 12" diameter sanitary sewer and appurtenances; (approximately) 1,650 lineal feet of 10" diameter and (approximately) 2,300 lineal feet of 8" diameter force main and appurtenances; and lagoon sewage treatment facilities consisting of three settlement basins and one aerated lagoon. Federal financing for approximately two-thirds of the pro-

SCHEDULE "B"

(Page 2 of 4)

PART I - PROJECTS FINANCED BY CANADA AND TRANSFERRED FROM THE FIRST SPECIAL AREA AGREEMENT

Project Description	Total Esti- mated Cost* (\$'000)	DREE Ratio of Contri- butions to Loans	Expected DREE Payments 1970-71			Maximum DREE Funding 1971-72			Balance of DREE Funding (\$'000)	Deadline for Completion of Project	Amorti- zation Period (Years)
			Contri- butions	Loans	Total	Contri- butions	Loans	Total			
<u>LESSER SLAVE LAKE SPECIAL AREA</u>											
2. <u>Continued</u>											
ject will be a loan from CMHC. The amount shown represents the DREE share only. The Province will assign priority to Slave Lake, within the funds allocated by CMHC for sewage treatment loans, in the Province of Alberta during the term of this Agreement.	114	100:0	114	-	114	-	-	-	-	June 30/72	-
3. <u>Mitsue Lake Industrial Park</u>											
The design and development of a 1,400 acre industrial park loc- ation at Mitsue Lake for new industries requiring large sites. This will include the construction of approximately one mile of rail road spur line (the first phase of a required 2.56 mile railroad spur line); a standby emergency water system consisting of a four million gallon storage reservoir, metering station, service pump- house, (approximately) 4,000 lineal feet of 8" diameter water line and appurtenances, and a pumphouse access road; a natural gas supply line consisting of approximately 3,000 lineal feet of 4" diameter gasline.	220	0:100	-	169	169	-	51	51	-	June 30/72	20

SCHEDULE "B"

(Page 3 of 4)

PART I - PROJECTS FINANCED BY CANADA AND TRANSFERRED FROM THE FIRST SPECIAL AREA AGREEMENT

Project Description	Total Esti- mated Cost* (\$'000)	DREE Ratio of Contri- butions to Loans	Expected DREE Payments 1970-71			Maximum DREE Funding 1971-72			Balance of DREE Funding (\$'000)	Deadline for Completion of Project	Amorti- zation Period (Years)
			Contri- butions	Loans	Total	Contri- butions	Loans	Total			
<u>LESSER SLAVE LAKE SPECIAL AREA</u>											
<u>4. Slave Lake Bypass Road</u>											
The design and construction of approximately 3.1 miles of RAU 70 road to connect Provincial Highway No. 2 to the northern road system as a bypass east of the Town of Slave Lake.	282	50:50	-	-	-	141	141	282	-	Sept. 30/71	20
<u>5. Slave Lake Public Schools</u>											
<u>Phase I.</u> The design, construction and equipping of a new public elementary school consisting of eight classrooms, gymnasium, and administrative area to accommodate approximately 200 pupils to be located in the present developed area of the Town of Slave Lake.	360	50:50	159	159	318	21	21	42	-	Aug. 31/71	25
<u>Phase 2.</u> The design, construction and equipping of a centre core for a new public high school to be built in the new subdivision of the eastern part of the Town of Slave Lake. The school will consist mainly of science, home economics and industrial arts laboratories that will double as teaching stations. Four classrooms will be provided as well as an administrative area, gymnasium and library.	526	50:50	203	203	406	60	60	120	-	Aug. 31/71	25

SCHEDULE "B"

(Page 4 of 4)

PART I - PROJECTS FINANCED BY CANADA AND TRANSFERRED FROM THE FIRST SPECIAL AREA AGREEMENT

Project Description	Total Esti- mated Cost* (\$'000)	DREE Ratio of Contri- butions to Loans	Expected DREE Payments 1970-71			Maximum DREE Funding 1971-72			Balance of DREE Funding (\$'000)	Deadline for Completion of Project	Amorti- zation Period (Years)
			Contri- butions	Loans	Total	Contri- butions	Loans	Total			
<u>LESSER SLAVE LAKE SPECIAL AREA</u>											
6. <u>Grouard Vocational Training Centre</u>											
The design, reconstruction and equipping of a 45 family-unit apartment building which is being converted from a 110 unit student dormitory, and the equipping of some vocational classrooms.	110	50:50	9	9	18	46	46	92	-	Mar. 31/72	5
7. <u>Wabasca Vocational Training Centre</u>											
The equipping of the 12,000 square foot Wabasca Vocational Training Centre, and some design and construction involved in modifying the existing classrooms.	56	50:50	-	-	-	28	28	56	-	June 30/72	5

* Estimated cost of projects includes (a) direct costs; (b) 10 per cent allowance; and (c) loans for purchase of land where relevant.

SCHEDULE "B"

(Page 1 of 5)

PART II - PROJECTS TO BE FINANCED BY CANADA AND STARTED IN 1971-72

Project Description	Estimated Total Cost of Project Including: (a) direct cost (b) 10% allowance (c) loans for purchase of land where relevant (\$'000)	DREE Ratio of Contributions to Loans	Maximum DREE Funding 1971-72 (\$'000)			Balance of DREE Funding (\$'000)	Deadline For Completion of Project	Amortization Period (Years)
			Contributions	Loans	Total			
LESSER SLAVE LAKE SPECIAL AREA								

1. Water Treatment Facility
- Slave Lake

The design, construction and connection to the existing distribution system of a 350 IGPM-capacity water treatment facility for clarification, chlorination and iron removal. This facility will serve the town with a population of up to 5,000 people. In the design of the facility, provision will be made to accommodate possible water softening and treatment expansion at a future date.

242	50:50	60	60	120	122	Jan. 31/73	25
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2. Servicing of Land for
Commercial and Light
Industrial Use - Slave
Lake

The design and construction of extensions to the existing water and sewer systems to service approximately 150 acres of land for commercial and light industrial use in the southwest portion of the town. This will include:

SCHEDULE "B"

(Page 2 of 5)

PART II - PROJECTS TO BE FINANCED BY CANADA AND STARTED IN 1971-72

Project Description	Estimated Total Cost of Project Including: (a) direct cost (b) 10% allowance (c) loans for purchase of land where relevant (\$'000)	DREE Ratio of Contributions to Loans	Maximum DREE Funding 1971-72 (\$'000)			Balance of DREE Funding (\$'000)	Deadline For Completion of Project	Amortization Period (Years)
			Contributions	Loans	Total			
<u>2. Continued</u>								
(a) water feeder main looping with a capacity of 1,100 IGPM; and	100	100:0	100	-	100	-	Dec. 31/71	-
(b) two trunk sewers with individual capacities of 570 IGPM and 350 IGPM and the reconditioning of a lift station.	210	60:40	126	84	210	-	Dec. 31/71	25
<u>3. Mitsue Lake Industrial Park</u>								
The second phase in the development of a park which will include the design and upgrading to RCU 50 standards of approximately 3 miles of road to and within the park, a rail spur extension of approximately one mile, and an extension of the industrial park water system.	216	0:100	-	216	216	-	Feb. 28/72	10

SCHEDULE "B"

PART II - PROJECTS TO BE FINANCED BY CANADA AND STARTED IN 1971-72

Project Description	Estimated Total Cost of Project Including:		Maximum DREE Funding 1971-72 (\$'000)			Balance of DREE Funding (\$'000)	Deadline For Completion of Project	Amortization Period (Years)
	(a) direct cost	(b) 10% allowance	Contri- butions	Loans	Total			
LESSER SLAVE LAKE SPECIAL AREA	(c) loans for purchase of land where relevant (\$'000)	DREE Ratio of Contributions to Loans						
4. Sewage Treatment System - High Prairie								
<p>The improvement and expansion of the sewage treatment system in High Prairie. This will include the design and construction related to:</p>								
(a) a new sewage lagoon cell which will increase the total holding capacity of the system to 9 MCF of sewage; and	20	100:0	20	-	20	-	Mar. 31/72	-
(b) upgrading of the main pumping station at 58th Avenue and laying of a new 8" force main so that the capacity of the system will be increased to 900 USGPM.	16	100:0	16	-	16	-	Mar. 31/72	-

Federal financing for approximately two-thirds of the project will be a loan from CMHC. The amount shown represents the DREE share only. The Province will assign priority to High Prairie, within the funds allocated by CMHC for

SCHEDULE "B"

(Page 5 of 5)

PART II - PROJECTS TO BE FINANCED BY CANADA AND STARTED IN 1971-72

Project Description	Estimated Total Cost of Project Including: (a) direct cost (b) 10% allowance (c) loans for purchase of land where relevant (\$'000)	DREE Ratio of Contributions to Loans	Maximum DREE Funding 1971-72 (\$'000)			Balance of DREE Funding (\$'000)	Deadline For Completion of Project	Amortization Period (Years)
			Contributions	Loans	Total			
<u>7. Continued</u>								
major service centres within the special area. The Province will contribute an equal amount.	20	100:0	20	-	20	-	Mar. 31/72	-
<u>8. Northern Industrial Road</u>								
The survey, design, upgrading and construction of 151 miles of road to RCU-60-228 standard from mile 3 at a point near Slave Lake, to mile 154. This represents the entire DREE financing for the road. This project does not qualify for a further 15 per cent increase in assistance as would otherwise be available under section 10(b) of the Agreement.	4,000	50:50	320	320	640	3,360	Mar. 31/75	20

SCHEDULE "B"

(Page 1 of 3)

PART III - PROGRAMS TO BE JOINTLY FINANCED BY CANADA AND ALBERTA AND STARTED IN 1971-72

Program Description	Estimated Total Cost of Program (\$'000)	Estimated DREE Contribution	Maximum DREE Contribution 1971-72	Contribution Balance (\$'000)	Deadline for Completion of Program
<u>LESSER SLAVE LAKE SPECIAL AREA</u>					
<u>1. Outreach and General Guidance</u>					
The staffing and operation of outreach and general guidance programs directed particularly at that part of the population resident in the outlying and isolated communities. Most of the outreach and general guidance programs (as well as the upgrading and training programs described below) will be staged from the opportunity information centres as provided for above in Schedule "B" under Part II. Half the total program cost will be paid by the Province, in accordance with the payment procedure set out in Section 14(2).	1,700	850	300	550	Mar. 31/75
<u>2. Opportunity Corps</u>					
The staffing, operation and equipping of programs which provide on-site work experience, life and industrial skills, training and counselling in activities associated with the industrial, commercial and infrastructural development of the special area. Examples of these programs include experience in and training for woodcutting operations, road and light construction, sawmill and planer operations, and house building. Half the total program cost will be paid by the Province, in accordance with the payment procedure set out in Section 14(2).	1,600	800	400	400	Mar. 31/75
<u>3. Upgrading and Training</u>					
The staffing and operation of various upgrading and training programs that will complement programs available from Canada Manpower. Included will be courses in basic education, pre-vocational training and vocational training. Also there will					

SCHEDULE "B"

(Page 2 of 3)

PART III - PROGRAMS TO BE JOINTLY FINANCED BY CANADA AND ALBERTA AND STARTED IN 1971-72

<u>Program Description</u>	<u>Estimated Total Cost of Program (\$'000)</u>	<u>Estimated DREE Contribution</u>	<u>Maximum DREE Contribution 1971-72</u>	<u>Contribution Balance</u>	<u>Deadline for Completion of Program</u>
<u>LESSER SLAVE LAKE SPECIAL AREA</u>					
3. <u>Continued</u>					
be a life-skills component in courses as required. Half the total program cost will be paid by the Province, in accordance with the payment procedure set out in Section 14(2).	600	300	100	200	Mar. 31/75
4. <u>Family Opportunity Investigations</u>					
The staffing and operation of a program which will provide assistance to labour force members enabling them and their spouse to examine, for one or two days, and receive counselling, the place in which employment is planned. This program will complement the mobility program of Canada Manpower. Half the total program cost will be paid by the Province, in accordance with the payment procedure set out in Section 14(2).	128	64	8	56	Mar. 31/75
5. <u>Productivity Upgrading</u>					
The staffing and operation of a program under which people are placed in permanent jobs, training is provided, and wages are shared for the duration of the training period with the employer. This program will complement the training-in-industry program of Canada Manpower. Half the total program cost will be paid by the Province, in accordance with the payment procedure set out in Section 14(2).	500	250	40	210	Mar. 31/75

SCHEDULE "B"

(Page 3 of 3)

PART III - PROGRAMS TO BE JOINTLY FINANCED BY CANADA AND ALBERTA AND STARTED IN 1971-72

<u>Program Description</u>	<u>Estimated Total Cost of Program (\$'000)</u>	<u>Estimated DREE Contribution</u>	<u>Maximum DREE Contribution 1971-72</u>	<u>Contribution Balance (\$'000)</u>	<u>Deadline for Completion of Program</u>
<u>LESSER SLAVE LAKE SPECIAL AREA</u>					
6. <u>Retention</u>					
The staffing, equipping and operation of programs to provide close support for those who have moved to the growth centres by assisting in overcoming family and work related programs through counselling, child care and assistance to employers for their work integration. Half the total program cost will be paid by the Province, in accordance with the payment procedure set out in Section 14(2).	348	174	42	132	Mar. 31/75

SCHEDULE "B"

(Page 1 of 1)

PART IV - FEASIBILITY INVESTIGATION AND PRELIMINARY DESIGN PROJECTS TO BE JOINTLY FINANCED BY CANADA AND ALBERTA

Description of Project Investigation or Design	Estimated Total Cost of Investigation or Design	Estimated DREE Contribution	Maximum DREE Contribution 1971-72	Contribution Balance	Deadline for Completion of Investigation or Design
<u>LESSER SLAVE LAKE SPECIAL AREA</u>					
1. <u>Industrial Park - High Prairie</u>					
To prepare the preliminary design and cost estimates for a heavy industrial park after the best site is determined, based on an examination of three possible alternative locations. One-quarter of the total cost thereof will be paid by the Province.	5,000	3,750	3,750	-	Nov. 1/71
2. <u>New Subdivision - High Prairie</u>					
To prepare the preliminary design and cost estimates for a new subdivision after the better site is determined, based on an examination of two possible alternative locations. One-quarter of the total cost will be paid by the Province.	3,500	2,625	2,625	-	Dec. 30/71
3. <u>Surface Drainage - Slave Lake</u>					
To prepare the preliminary design and cost estimates for a surface drainage system in the Town of Slave Lake. This will include an examination of the hydrological and topographical features of the Town. One-quarter of the total cost thereof will be paid by the Province.	12,000	9,000	9,000	-	Jan. 31/72

SCHEDULE "C"

LESSER SLAVE LAKE SPECIAL AREA:
GENERAL PROGRAM OUTLINE

Background

The Lesser Slave Lake Special Area, like most of Northern Alberta, is fundamentally dependent on resource-based industries for its economic progress. Until recently, that sector has been able to sustain only a moderate rate of economic growth.

The population of the special area, which now is approximately 53,000, has been growing rapidly because of high birth rates. It is expected to continue to increase at a rapid pace, particularly given the large number of people now in or entering the family-creating age groups. The result of considerable population growth, combined with only moderate economic progress, has been high levels of unemployment and under-employment, particularly in the central and northern parts of the special area where a population of about 16,000 is dispersed among a number of communities.

It is presently anticipated that many of the employment problems of the special area can be resolved through new jobs that are being generated as a result of developments in the forestry sector. Tourism may also become a significant, although seasonal, generator of incomes.

A main problem will be to ensure that new employment emerging in the special area is readily accessible to the many severely disadvantaged people of the area.

A second concern must be to enable the growing centres (particularly the Towns of Slave Lake and High Prairie - current populations of 2,100 and 2,500 respectively), to accommodate the influx of population. The situation is particularly severe in Slave Lake where considerable job expansion has already occurred and more is anticipated in the future.

...

Outline

The Canada-Alberta Joint Planning Committee has come to the conclusion that the key goal for the area, given its prospects and problems, must be to enhance the economic and social situation of the people in the area and to ensure that they have access to employment opportunities.

To this end, the federal and provincial governments will make use of their industrial incentives programs in the special area to increase the number of productive jobs, of which some 1,800 are already attributable, either directly or indirectly, to both programs. The future emphasis of the provincial incentives program will be in the western and southern extremities of the special area. The federal government will give attention to major developments in that area but will place emphasis on that portion of which the Towns of Slave Lake and High Prairie are centres.

The Town of Slave Lake, a main distribution centre for the area, is expected to grow rapidly during the next few years, largely because of the new employment being generated. High Prairie, a major agricultural service centre for the central part of the special area, is also expected to experience growth.

Both, because of their importance to the industrialization and urbanization of the special area and because of their limited fiscal capacity, require assistance with necessary growth-related infrastructure developments. The key elements required for growth, some of which have been provided for under the first agreement, are water and sewer facilities for industrial and residential growth, education facilities to enable them to serve their own citizens and those of the surrounding area, and adequate low-cost housing for incoming disadvantaged people who wish to take advantage of the new employment opportunities.

Much of the infrastructure required for the anticipated doubling of the population of Slave Lake has been provided for in the First Agreement. Additional projects provided for in the second Agreement consist of a water treatment facility, the servicing of a new commercial and light industrial area, and the provision of additional servicing in the Mitsue Lake Industrial Park. Preliminary design of a surface drainage system for the town will also be undertaken.

In order to provide and improve access to services and jobs for disadvantaged people in the northern part of the special area, the Agreement provides for federal sharing with the Province in the cost of the Northern Industrial Road, stretching 154 miles north from the Town of Slave Lake. The road is expected to make a major contribution to both economic expansion and social adjustment.

Lack of an adequate water supply has inhibited the growth of the Town of High Prairie and a major study, intended to lead to priority action next year, is to be undertaken by the Prairie Farm Rehabilitation Administration. Work on a sewage treatment system and a drainage project are to go forward this year. Preliminary design studies will be carried out for an industrial park and a new residential subdivision.

Funds are to be provided, on an experimental basis, for the initiation and development of low-cost housing needs associated with rapid growth and employment.

In order to enable the disadvantaged people of the special area to take advantage of the opportunities being opened up for them, a broad spectrum of social adjustment programs will be initiated. Jointly funded on a four-year basis, they will provide for outreach, counselling, upgrading, and vocational and productivity training measures supplementary to those of Canada Manpower and existing provincial programs. An exploratory visits program

to acquaint people with the nature of opportunities and life in the centres of growth, and programs to facilitate the retention of productive employment once gained will also be established.

These programs will later be supplemented by another social adjustment program designed to ensure effective access to low-cost housing in areas of major new job opportunities.

Provision will be made for an investigation of other growth opportunities and needs in the special area, to be carried out in conjunction with the Indian and Métis communities, in a separate agreement.

7

