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REPORT ON REGIONAL DEVELOPMENT INCENTIVES

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DEPARTMENT OF REGIONAL ECONOMIC EXPANSION

REPORT TO PARLIAMENT ON THE ADMINISTRATION OF DEVELOPMENT
INCENTIVES UNDER THE REGIONAL DEVELOPMENT INCENTIVES ACT
AND SECTION 10 OF THE DEPARTMENT OF REGIONAL ECONOMIC
EXPANSION ACT FOR THE MONTH OF DECEMBER, 1973

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INTRODUCTION

The Regional Development Incentives Act and the Department of Regional Economic Expansion Act make provision for incentives in support of the establishment, modernization or expansion of manufacturing and other types of facilities. The incentives, which may take the form of grants or loan guarantees, are made available as a means of increasing or maintaining employment opportunities in regions and areas designated by Governor-in-Council as those requiring special measures to facilitate economic expansion and social adjustment.

Copies of the statutes and regulations concerned, and of brochures explaining the administrative process by which incentive grants and loan guarantees are made, may be obtained from the Public Information Division of the Department of Regional Economic Expansion.

The purpose of this monthly report, which is available to the general public, is to provide Parliament

with up-to-date information on the operation of the regional development incentives program. The report contains summary statistics on administrative actions taken from the inception of the program until the end of the month in question, together with listings of essential facts pertaining to each offer of incentive assistance accepted during that month.

Industrial incentives are available in broad regions and special areas designated by the federal government following consultation with the provincial governments.

The designated regions cover broad segments of the country. The special areas, of which there are 23, represent more localized focal points of potential development. The designated regions and special areas are shown on the map on page 6.

The size of an incentive grant may be varied, within statutory limits, to meet the requirements of a particular project. For a new plant or the expansion of an existing plant into new product lines, it is based

on approved capital costs and, if considered appropriate, the number of jobs to be created. For a plant modernization or an expansion that does not involve a new product, only approved capital costs can be considered.

The maximum level of grant available under the Program is 20% of approved capital costs for a modernization or expansion and 25% of approved capital costs plus \$5,000 per eligible direct job created for a new plant or new product expansion.

In addition to the previously mentioned maxima, the Regional Development Incentives Act stipulates that grants shall not exceed \$30,000 per eligible direct job created or one-half of the capital to be employed in the project.

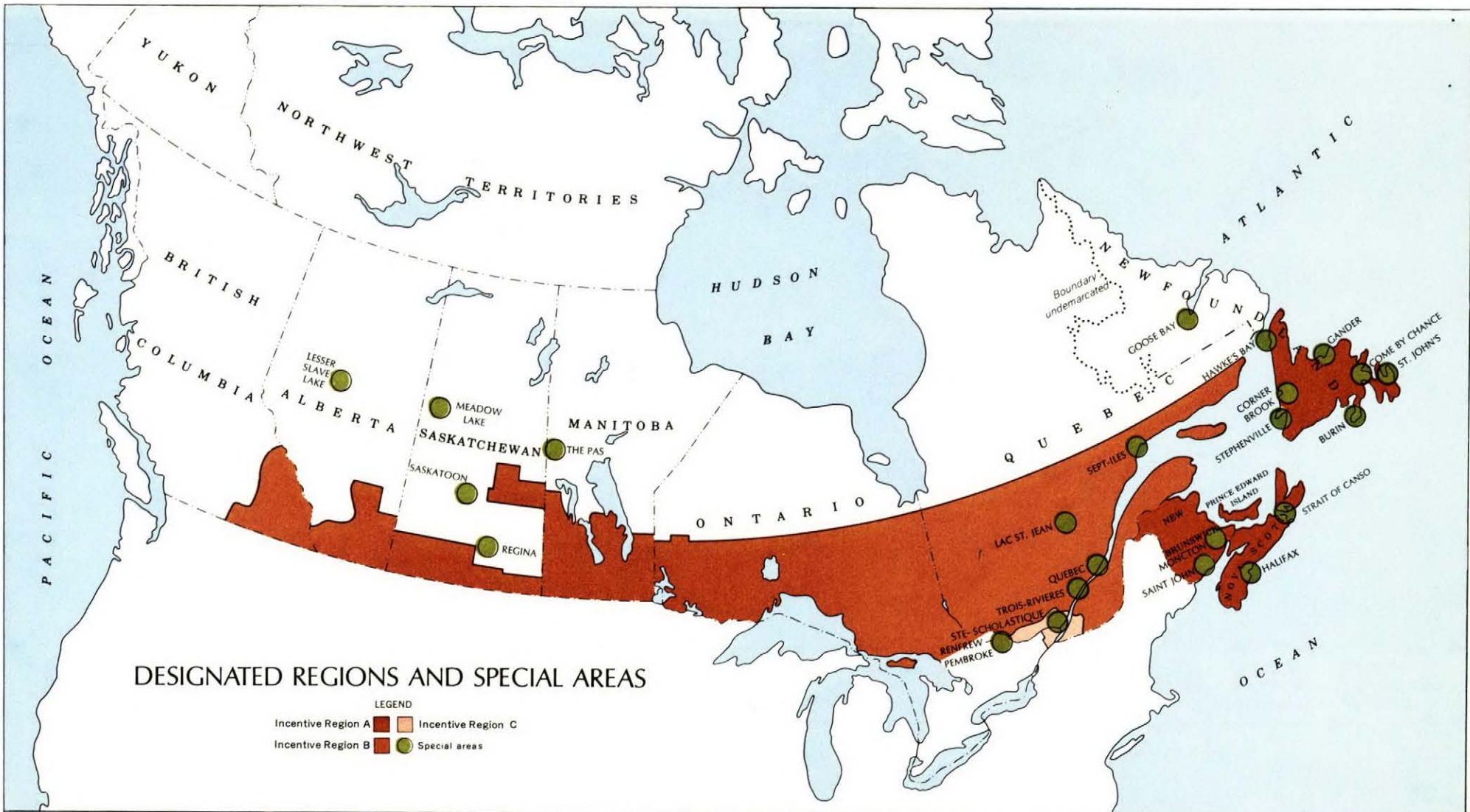
Industrial incentives available under the "Special Area" provision of the Department of Regional Economic Expansion Act are not subject to the same statutory maxima.

However, as a matter of administrative practice, standards applicable under the Regional Development Incentives Act are normally applied where relevant.

Loan guarantees, which are intended to offset difficulties that investors sometimes encounter in obtaining loan funds for investment in slow-growth regions, may not exceed 90% of the total advances by a lender, plus the interest involved, or 72% of the total capital costs.

Although administrative practice differs somewhat depending on whether incentive assistance is provided under the Regional Development Incentives Act or the Department of Regional Economic Expansion Act, standard terminology is used in this report. Under the Regional Development Incentives Act, for example, letters are used to offer incentive assistance. Under the Department of Regional Economic Expansion Act, proposed agreements are used for the same purpose. For the sake of simplicity, both actions are described in this report as "offers made". In the final section of the report, which is concerned with the definition of terms, attention is drawn to a number of other technical points of some significance.

In conclusion, it should be noted that applications for incentive assistance and support documentation contain a large amount of information that must be regarded as commercially confidential. It is for this reason that, as a matter of policy, the Department is unable to make public certain types of data. It is for the same reason that the Department does not reveal the fact that a particular application has been received unless and until it results in an accepted offer of incentive assistance. This policy is, of course, consistent with the aims and objectives of the program, which is designed to encourage investment in the designated regions and special areas of Canada.



DESIGNATED REGIONS AND SPECIAL AREAS

- LEGEND
- Incentive Region A
 - Incentive Region B
 - Incentive Region C
 - Special areas

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PART I - SUMMARY STATISTICS

In this part of the report, there are two tables setting forth summary statistics on different aspects of the regional development incentives program.

Table 1, which relates to incentive grants, is concerned with the disposition of applications received, and the status of offers made as of the end of December, 1973.

Among other things, it shows:

- (1) that, during the month of December, 117 applications were received, and 47 offers were made;
- (2) that, of the 8,771 applications received since the inception of the program, 4,872 were rejected or withdrawn, and 3,467 resulted in offers;
- (3) that, after allowing for lapses, withdrawals, and offers not accepted, the net total of accepted offers stood at 2,535, and
- (4) that, against obligations represented by the net total of 2,535 accepted offers, partial payments had been made in 1,235 cases, and final payments in 200 cases.

Estimates made at the time of offered incentives, and adjustments made as a result of subsequent changes in the projects concerned, produce the following totals pertaining to the current level of net accepted offers:

- ... eligible capital costs of \$1,970.6 million
- ... expected direct new jobs numbering 102,334,
and
- ... incentive grants of \$398.0 million.

Incentive grants actually paid to date total \$139.5 million.

Table 2, which relates to loan guarantees, is concerned with the disposition of applications received, and the status of offers made to the end of December, 1973.

Among other things, it shows that, during the month of December, two applications were received.

TABLE 1
INCENTIVE GRANT APPLICATIONS
DISPOSITION OF APPLICATIONS AND
STATUS OF OFFERS - DECEMBER 1973

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	117	1262	8771
Applications Withdrawn	41	519	2769
Applications Rejected	23	382	2103
Offers Made	47	625	3467
<u>STATUS OF OFFERS MADE</u>			
Offers Made	47	625	3467
Offers Lapsed	-	39	182
Offers Declined	-	36	252
Offers Accepted	32	566	2945
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	32	566	2945
Accepted Offers Declined or Withdrawn	15	138	410
Net Offers Accepted	17	428	2535
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	17	428	2535
No Payment Made	-	-	1100
Partial Payment Made	34	418	1235
Final Payment Made	10	89	200

TABLE 2LOAN GUARANTEE APPLICATIONSDISPOSITION OF APPLICATIONS AND
STATUS OF OFFERS - DECEMBER 1973

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	2	39	254
Applications Withdrawn	3	28	119
Applications Rejected	-	15	75
Offers Made	-	11	40
<u>STATUS OF OFFERS MADE</u>			
Offers Made	-	11	40
Offers Lapsed	-	2	5
Offers Declined	1	1	3
Offers Accepted	-	9	30
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	-	9	30
Accepted Offers Declined or Withdrawn	-	4	6
Net Offers Accepted	-	5	24
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	-	5	24
Guarantees in Operation	-	7	13

PART II - INCENTIVE GRANT ACTIVITY DURING THE MONTH

Part II consists of Table 3 which provides a complete alphabetic listing for the month of December of:

- (1) offers accepted;
- (2) offers accepted and subsequently revised;
and
- (3) offers accepted and subsequently declined;
or withdrawn

The month and year of the most recent report for offers accepted and subsequently revised, declined or withdrawn are indicated in brackets under the company name. Only the revised data are shown.

Abbreviations have been used to describe the details of "type of project". Although full descriptions are provided in Part IV of this report, the abbreviations used are:

- N - New Plant
- N.P.E. - New Product Expansion
- E - Expansion
- M - Modernization
- N.C.F. - New Commercial Facility

TABLE 3

INCENTIVE GRANT ACTIVITY

DETAILS OF OFFERS ACCEPTED, AND OF OFFERS ACCEPTED
AND SUBSEQUENTLY REVISED, DECLINED OR WITHDRAWN DURING DECEMBER 1973

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
1. Atlantic Fish Processors Division Canadian Tuna Company (1965) Limited	Marystown, Nfld.	Processing Fish	E	\$ 198,000	88	20%	\$ 39,600 <i>D</i>
2. Benoit Fournier Inc.	Daveluyville, P.Q.	Manufacturing Furniture	E	\$ 81,000	11	20%	\$ 16,200
3. Blomidon By-Products Ltd.	Corner Brook, Nfld.	Fishmeal and Oil	N	\$ 444,000	7	20%	\$ 88,800 <i>R</i>
4. Broder Tire & Retreading Inc.	Sudbury, Ont.	Retreaded Tires	N	\$ 122,770	6	15% and \$2,500 per eligible job (6)	\$ 33,415
5. Caron & Fils Meubles Inc.	La Pocatière, P.Q.	Manufacturing Furniture	E.M.	\$ 171,000	6	20%	\$ 34,200
6. Dent Lumber Limited	Grand Remous, P.Q.	Softwood	N	\$ 525,000	65	20% and \$2,000 per eligible job (36)	\$ 177,000 <i>R</i>
7. Dyck Packers (1973) Ltd.	Swift Current, Sask.	Meat Processing	E.M.	\$ 153,000	6	20%	\$ 30,600

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
8. Engineered Parts Limited	Saskatoon, Sask.	Machine Parts for Mining and Agriculture	N	\$ 590,000	58	15% and \$2,200 per eligible job (58)	\$ 216,100
9. Gérard Legendre Inc.	St-Flavien, P.Q.	Jeans	N	\$ 154,600	53	15% and \$650 per eligible job (49)	\$ 55,040
10. Industrial Hardwood Products Ltd.	Thunder Bay, Ont.	Hardwood Flooring	N	\$ 187,200	30	10% and \$1,500 per eligible job (30)	\$ 63,720
11. International Shoe Machine Corporation of Canada Limited	Granby, P.Q.	Moulds for Shoe Soles	N	\$1,313,203	127	6% and \$1,100 per eligible job (112)	\$ 201,992 <u>0</u>
12. Les Cèdres Laurentiens Inc.	Matane, P.Q.	Lumber	N.P.E.	\$ 256,992	23	15% and \$1,000 per eligible job (23)	\$ 61,549
13. Les Entreprises P.V.L. Ltée	Ville-Marie, P.Q.	Cedar Shingles	N	\$ 132,795	18	20% and \$2,200 per eligible job (17)	\$ 63,960 <u>0</u>
14. Metwood Manufacturing Limited	Slave Lake, Alta.	Windows and Doors	N	\$ 103,714	17	15% and \$2,000 per eligible job (16)	\$ 47,557

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
15. Miramichi Web Ltd.	Newcastle, N.B.	Printing	N	\$ 177,900	7	25% and \$2,000 per eligible job (7)	\$ 58,475
16. Nautilatex Canada Ltd.	Trois-Rivières, P.Q.	Pneumatic Boats	N	\$ 494,000	56	15% and \$1,500 per eligible job (52)	\$ 152,100
17. Ted Odoni	Sudbury, Ont.	Television Tubes	N	\$ 91,100	11	20% and \$2,000 per eligible job (9)	\$ 36,220
18. Panther Pant Ltd.	Winnipeg, Man.	Ladies' Sportswear	N	\$ 694,000	3	20%	\$ 138,800 <i>R</i>
19. Phil Gaudreault & Fils Ltée.	Rouyn, P.Q.	Bottling of Soft Drinks	N	\$ 162,500	10	10% and \$1,500 per eligible job (10)	\$ 31,250
20. Pyramid Mobile Homes (1959) Limited	Argentia, Nfld.	Mobile Homes	N	\$ 904,000	110	20% and \$3,300 per eligible job (110)	\$ 543,800
21. Quebec Wires Limited	Trois-Rivières, P.Q.	Synthetic and Metallic Cloth	E.M.	\$2,337,750	68	15%	\$ 350,662 <i>R</i>

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
22. Richard & Martel Inc.	Maniwaki, P.Q.	a) Wood Processing	a) E	a) \$ 70,000	a) 4	a) 20%	a) \$ 14,000
		b) Manufacturing of Wood Chips	b) N.P.E.	b) \$ 65,000	b) 2	b) 20% and \$1,500 per eligible job (2)	b) \$ 16,000
23. Service De Pneus C.T.R. Ltée	Alma, P.Q.	Rubber Bands and Cold Recapping of Truck Tires	N.P.E.	\$ 107,000	9	20%	\$ 21,400
24. Somex Ltée	Cap-de-la Madeleine, P.Q.	Mattresses and Bedding	N	\$ 217,320	23	15% and \$2,000 per eligible job (20)	\$ 72,598
25. Sunray Boats Inc.	Victoriaville, P.Q.	Fiberglass Boats	E	\$ 226,900	19	15%	\$ 34,035
26. The Northern Engineering and Supply Co. Limited	Thunder Bay, Ont.	Lumbering Machines	E	\$ 208,157	31	15%	\$ 31,224
27. Thermo-Mobiles Légers Ltée	Thetford Mines, P.Q.	Motorized Trailers and Fiberglass Reinforced Plastic Parts	N	\$ 369,000	73	15% and \$900 per eligible job (73)	\$ 121,050

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
28. Timmins Auto Springs Ltd.	Timmins, Ont.	Construction and Logging Equipment	E	\$ 775,000	53	10%	\$ 77,500
29. Unitog Canada Limited	Pembroke, Ont.	Uniforms	N	\$ 850,000	86	10% and \$1,000 per eligible job (86)	\$ 171,000
30. Vasthill N.S.A. Inc.	Granby, P.Q.	Plastic Flower Tubs	N	\$ 330,000	36	15% and \$1,500 per eligible job (33)	\$ 99,000 <i>A</i>
31. Vista Industries Limited	Saskatoon, Sask.	Travel Trailers	N	\$ 214,000	32	15% and \$1,500 per eligible job (31)	\$ 78,600
32. Mr. S.E. Whitten	St. John's, Nfld.	Fish Oils	N	\$ 60,000	8	25% and \$2,000 per eligible job (8)	\$ 31,000

ACCEPTED OFFERS SUBSEQUENTLY REVISED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
1. Acme Bedding & Felt Co. Ltd. (July 1973)	Winnipeg, Man.	Upholstered Furniture and Bedding	N	\$ 417,100	107	25%	\$ 104,275
2. Canada Packers Limited (Oct. 1973)	Upper Canard, N.S.	Processing Poultry Products	E	\$1,070,150	24	15%	\$ 160,522
3. Canadian Publishers (1970) Ltd. (Oct. 1973)	Winnipeg, Man.	Commercial Printing	N	\$ 684,069	34	10%	\$ 68,407
4. Casey Fisheries Ltd. (Feb. 1973)	Victoria Beach, N.S.	Smoked Herring and Ground Fish	E.M.	\$ 132,475	15	30%	\$ 39,743
5. Feron Company Limited (May 1973)	Windsor, N.S.	Kitchen Cabinets	N	\$ 113,286	12	30%	\$ 33,986
6. Jason Enterprises Limited (April 1973)	Bareneed, Nfld.	Fish Products	N	\$ 191,594	15	15% and \$2,100 per eligible job (15)	\$ 60,239
7. Maritime Co-operative Services Limited (Sept. 1973)	Truro, N.S.	Animal Feed Pellets	N	\$ 707,090	14	15% and \$5,000 per eligible job (3)	\$ 121,064
8. Thor Mills Ltd. (Dec. 1972)	Granby, P.Q.	Weaving Yarns	E.M.	\$ 700,000	5	14%	\$ 98,000

NP

ACCEPTED OFFERS SUBSEQUENTLY REVISED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
9. Thorburn Mill Supply Limited (Sept. 1972)	Pointe- Claire, P.Q.	Hydraulic Hose	E	\$ 72,194	8	7%	\$ 5,053
10. Western Steel Span Buildings Ltd. (June 1973)	Winnipeg, Man.	Steel Fabricated Buildings	N	\$ 350,000	10	25%	\$ 87,500

ACCEPTED OFFERS SUBSEQUENTLY DECLINED OR WITHDRAWN

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
1. Action Knitting Mills Ltd. (June 1973)	Montreal, P.Q.						
2. American Air Filter of Canada Ltd. (May 1972)	Boucherville, P.Q.						
3. American Air Filter of Canada Ltd. (May 1972)	St-Laurent, P.Q.						
4. Champlain Industries (1962) Ltd. (March 1973)	Stanbridge Station, P.Q.						
5. Fine Togs Inc. (Jan 1972)	St-Barthélemy, P.Q.						
6. International Bakeries Ltd. (Oct. 1972)	Montreal, P.Q.						
7. Italian Food Industries Inc. (July 1973)	Montreal, P.Q.						
8. Kingfisher Automotive (Saskatchewan) Limited (Sept. 1973)	Moose Jaw, Sask.						
9. Ma-Tec Inc. (Sept. 1973)	Laval, P.Q.						
10. Melco Enterprises Limited (May 1973)	Corner Brook, Nfld.						
11. Merit Business Forms Ltd. (Nov. 1971)	Outremont, P.Q.						

ACCEPTED OFFERS SUBSEQUENTLY DECLINED OR WITHDRAWN

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
12. Omer Roy & Fils Inc. (June 1973)	St-Donat, P.Q.						
13. Shuffleboard International Limited (July 1971)	Renfrew, Ont.						
14. St-André Furniture Co. Ltd. (April 1973)	Montreal, P.Q.						
15. Transel Inc. (June 1973)	St-Paul l'Ermite, P.Q.						

PART III - LOAN GUARANTEE ACTIVITY DURING THE MONTH

No Loan Guarantee Offers were accepted in December 1973.

PART IV - DEFINITIONS

TERMS USED IN PART 1

Application -- A submission, in the approved form, by an applicant requesting a development incentive. Each application is restricted to a development on a single site, but one application may relate to a modernization, an expansion, a new product expansion or a complete new facility, or to some combination of these. An application covering a combined development is counted and reported as a single application, but each individual type of project is evaluated separately.

Received -- An application delivered to the Department. The date of receipt is the first control date, and is used for reporting and determining conditions of "prior commitment" as defined in the Regional Development Incentives Act and Regulations.

Withdrawn -- An application withdrawn, at the request of the applicant, after receipt but before or during evaluation.

Rejected -- An application turned down, under the provisions of the governing statute, because the project in question is considered ineligible, would proceed without incentive assistance or would not make a significant contribution to economic expansion and social adjustment within a designated region or special area.

Offer Made -- When an application has been evaluated and an estimate made of the grant or loan guarantee required to assure that the proposed project can be brought into commercial production, the applicant is offered an incentive, subject to specified conditions. The date of the offer establishes the second control date for reporting and management.

Lapsed -- When the applicant in receipt of an offer does not return a formal acceptance within ninety days, the offer is deemed to have lapsed and the applicant is so advised. The project can only be given further consideration if a new application is made.

Withdrawn -- When an incentive offer is withdrawn, prior to acceptance, because of new information justifying such action.

Declined -- When the applicant formally declines an offered incentive.

Offer Accepted -- An offer of incentive assistance is accepted when the applicant returns a signed copy of the offer within ninety days from the date of the offer. In accepting an offer, the applicant agrees to the latest date on which construction will begin.

Withdrawn -- When, prior to making payment the Department determines the contractual commitments relating to a project were made before the application was filed, or that other legal requirements were not met, and takes action to withdraw the offer in question.

Declined -- When the applicant formally advises the Department that he does not intend to proceed with a project following his acceptance of an offer relating to it.

No Payment Made -- No payment can be made to an applicant until the facility is certified as being in "commercial production", a condition defined in the Regional Development Incentives Act and Regulations. This requires an on-site inspection and audit by an officer authorized to act on behalf of the Minister.

Partial Payment Made -- When commercial production of the facility has been certified and one or more payments have been made in relation to the offered incentive, but final payment has not been made.

Final Payment Made -- When the facility has been in commercial production for the prescribed period, a final inspection is made by the Department and, if all conditions specified in the accepted offer and in the governing Act and Regulations have been met, a final payment is made. The final payment cannot be made until 24 months after the certified date of commercial production when the incentive is based only on approved capital costs; or until 36 months after the certified date of commercial production when the incentive is based in part on the number of jobs created in the operation.

Application of Terms to Loan Guarantees

The above definitions apply to both incentive grants and loan guarantees, except that there are no payments to applicants with loan guarantees.

When providing loan guarantees the Department enters into an agreement with the lender to guarantee repayment of a portion of a loan being made to the applicant. Such an agreement can only be executed when the applicant and the lender complete the loan arrangements. The original offer to the applicant by the Department is in the form of a letter of intent, a copy of which is sent to the prospective lender. Acceptance of the letter of intent by both parties is considered as an "offer accepted". If the applicant fails to complete his loan arrangements, the offer is "withdrawn". If the applicant abandons his project or completes his loan arrangements without the guarantee, the offer is "declined". Once the Department has completed an agreement with the lender, there is a "guarantee in operation".

A loan guarantee applicant discharges his loan obligations directly with the lender, reducing at the same time the potential liability of the Department.

TERMS USED IN PART II

Company -- The legal corporate or organization identification of the applicant at the time of his acceptance of an offer of incentive assistance.

Plant Location -- The name used is that which Statistics Canada uses to identify the specific geographic location of the plant or facility.

Product or Process -- The nature of the product or process.

Type of Project --

N. - New Plant - a new facility, the word facility being used as defined in the Regional Development Incentives Act and Regulations.

N.P.E. - New Product Expansion - an addition to an existing facility to manufacture or produce a product not previously manufactured or produced by the applicant.

E. - Expansion - an addition to an existing facility to increase the output of the products presently being manufactured or produced.

M. - Modernization - a change in an existing facility designed primarily to reduce production costs or improve product quality.

N.C.F. - New Commercial Facility - a new facility designed to provide a service rather than to undertake manufacturing or processing.

Expected Eligible Cost -- The capital costs of a project, as estimated by the Department on the basis of information supplied by an applicant, covering only costs that are eligible under the Regional Development Incentives Act and Regulations.

Expected Direct New Jobs --- The number of jobs to be created directly by the project, as estimated by the Department on the basis of information supplied by the applicant.

Eligible Jobs -- The Regional Development Incentives Act and Regulations define specific conditions under which a job-related incentive can be paid. Where an offer containing a job-related incentive has been made, the Department evaluates the estimate made by the applicant of the eligible jobs to be created. This number is declared in the offer as the expected number of eligible jobs, and is the Departmental estimate of the number of jobs on which payment will be based.

Rate of Offer -- The rate of offer defines the terms under which grant payments will be made. These are expressed as a percentage of eligible capital costs and/or a dollar amount per eligible direct job to be created. The terms are based on the Departmental evaluation of the application.

Estimated Amount of Incentive Grant -- The Departmental estimate of the grant likely to be paid, based on evaluation of the

proposed project.

An Estimated Incentives Grant in this report indicates the original estimate, and subsequent formal revisions thereto; or actual payments where final inspection and payment has been made.

TERMS USED IN PART III

Type of Operation -- A description of the product and process.

Expected Capital Cost -- Total capital costs associated with fixed assets, as estimated by the Department on the basis of information supplied by the applicant. At the time the project becomes operational, this figure is amended, if necessary, to indicate actual investment.

Loan Amount -- The total value of the original loan to be guaranteed.

Maximum Amount of Loan Guarantee -- The initial amount of the loan guarantee, expressed as a percentage of the total loan.

INDUSTRY CANADA/INDUSTRIE CANADA



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