



**Regional  
Economic  
Expansion**

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# **REPORT ON REGIONAL DEVELOPMENT INCENTIVES**

**February, 1974**

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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 FEBRUARY, 1974

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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.

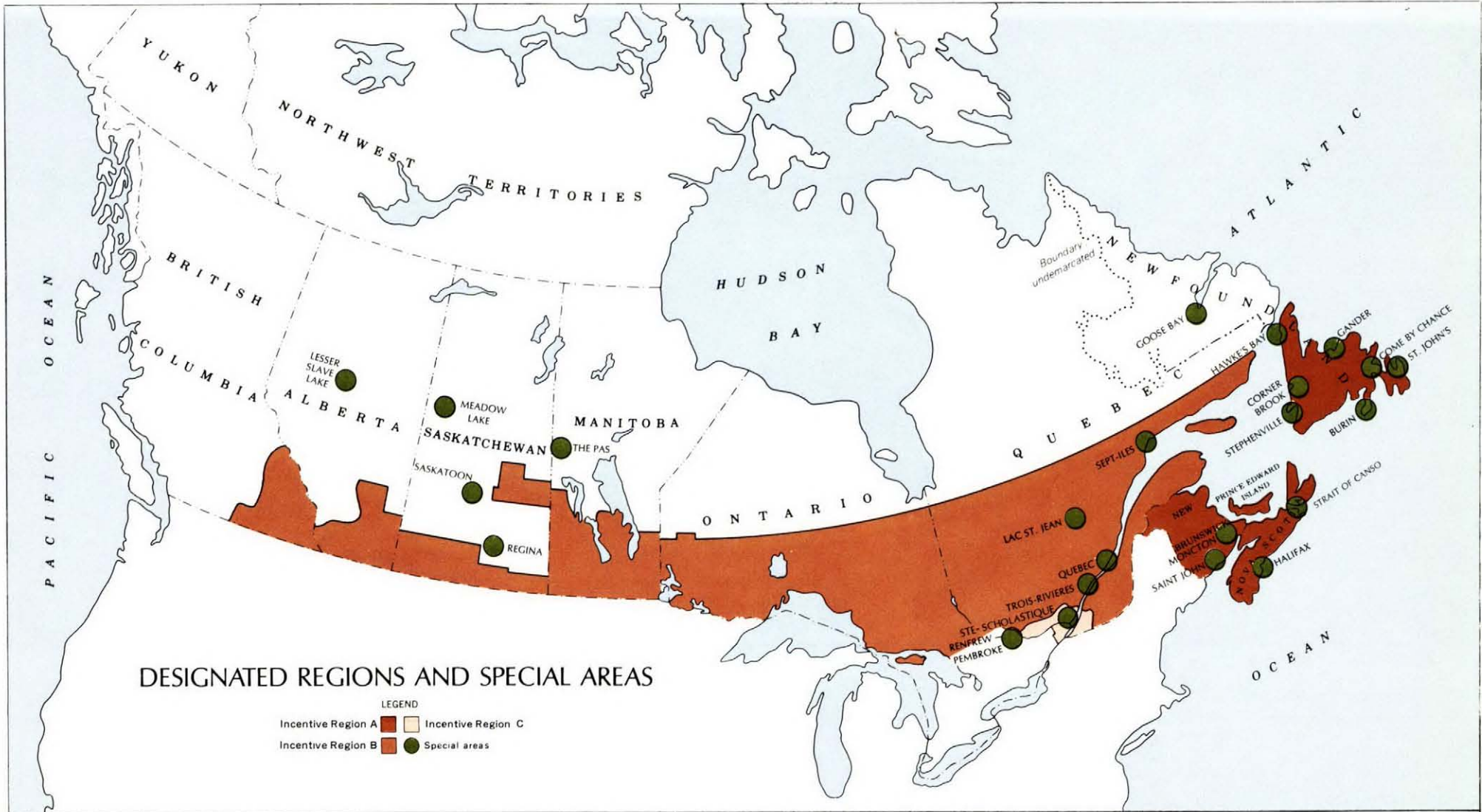
Industrial incentives available under the "Special Area" provision of the Department of Regional Economic Expansion Act are not subject to the same statutory maxima.

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 per cent of the total advances by a lender, plus the interest involved, or 72 per cent 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 February 1974.

Among other things, it shows:

- (1) that, during the month of February, 82 applications were received and 46 offers were made;
- (2) that, of the 8973 applications received since the inception of the program, 4992 were rejected or withdrawn, and 3577 resulted in offers;
- (3) that, after allowing for lapses, withdrawals, and offers not accepted, the net total of accepted offers stood at 2591, and
- (4) that, against obligations represented by the net total of 2591 accepted offers, partial payments had been made in 1329 cases, and final payments in 235 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 \$2,038.6 million

... expected direct new jobs numbering 104,930

and

... incentive grants of \$415.5 million

Incentive grants actually paid to date total \$146.7 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 February, 1974.

Among other things, it shows that, during the month of February, the only activity which occurred was the withdrawal of 2 applications.

TABLE 1INCENTIVE GRANT APPLICATIONSDISPOSITION OF APPLICATIONS AND  
STATUS OF OFFERS - FEBRUARY, 1974

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	82	1464	8973
Applications Withdrawn	35	592	2837
Applications Rejected	27	435	2155
Offers Made	46	735	3577
 <u>STATUS OF OFFERS MADE</u>			
Offers Made	46	735	3577
Offers Lapsed	3	43	186
Offers Declined	1	39	255
Offers Accepted	34	663	3042
 <u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	34	663	3042
Accepted Offers Declined or Withdrawn	15	179	451
Net Offers Accepted	34	499	2591
 <u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	34	499	2591
No Payment Made	-	-	1027
Partial Payment Made	57	547	1329
Final Payment Made	16	124	235

TABLE 2LOAN GUARANTEE APPLICATIONSDISPOSITION OF APPLICATIONS AND  
STATUS OF OFFERS - FEBRUARY 1974

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	2	43	258
Applications Withdrawn	2	34	125
Applications Rejected	-	15	75
Offers Made	-	12	41
<u>STATUS OF OFFERS MADE</u>			
Offers Made	-	12	41
Offers Lapsed	-	2	5
Offers Declined	-	1	3
Offers Accepted	-	11	32
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	-	11	32
Accepted Offers Declined or Withdrawn	-	5	7
Net Offers Accepted	-	6	25
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	-	6	25
Guarantees in Operation	3	10	16

PART II - INCENTIVE GRANT ACTIVITY DURING THE MONTH

Part II consists of Table 3 which provides a complete alphabetic listing for the month of February 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 FEBRUARY 1974

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. Andersen Forest Products Ltd.	Parish of Gordon, N.B.	Pickets & Unfinished Posts & Rails	EM	\$ 106,230	15	20% and \$1,500 per eligible job (6)	\$ 30,246
2. Aro Inc.	Daveluyville, Qué.	Antique style Furniture, iron shelves & steak plates	N	\$ 441,110	69	20% and \$1,150 per eligible job (69)	\$ 167,572
3. Atlantic Outdoor Products Ltd.	Saint John, N.B.	Outdoor Gardening & Lawn Care Equipment	N	\$1,006,000	46	25% and \$5,000 per eligible job (46)	\$ 481,500
4. M. René Bernard	Beauceville, Qué.	sawn lumber resawing & drying	N	\$ 297,815	5	18% and \$1,750 per eligible job (5)	\$ 62,357
5. Carnell's Carriage Factory Limited	St. John's, Nfld.	Springs for Automobiles, Trucks & Tractors	N	\$ 115,000	5	25% and \$2,000 per eligible job (5)	\$ 38,750

<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>
6. Chantier Co-op De L'U.C.C. D'Argenson	Notre-Dame de la Doré, Qué.	lumber	E	\$ 607,000	10	20%	\$ 121,400
7. Columbia River Shake & Shingle Ltd.	Nakusp, B.C.	Cedar Shingles and Shakes	N	\$ 336,000	82	10% and \$500 per eligible job (82)	\$ 74,600
8. Confections St-Sebastien Ltée	St-Sebastien Qué.	clothes	N	\$ 79,445	73	20%	\$ 15,889
9. Cremerie St-Fidèle Inc.	St-Fidèle, Qué.	Butter & cheese manufacturing	E	\$ 65,750	4	15%	\$ 9,863
10. Dolbeau Oxygene Inc.	Dolbeau, Qué.	gas cylinders & other sheet metal products	N	\$ 179,300	12	20%	\$ 35,860
11. Dycks Containers and Forest Products Ltd.	Winnipeg, Man.	Processing Lumber	EM	\$ 113,500	10	20%	\$ 22,700
12. Elk Lake Planing Mill Limited	Elk Lake Ont.	Jackpine and Spruce Dry Studs	a) E b) NPE	a) \$ 435,000 b) \$ 175,000	a) 9 b) 6	a) 20% b) 25% and \$5,000 per eligible job (6)	a) \$ 87,000 b) \$ 73,750
13. Ewing-Records International	Ayer's Cliff Qué.	Steel Forms	N	\$ 518,000	71	10% and \$2,000 per eligible job (71)	\$ 193,800

<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>
14. Fishery Products Limited	St-Anthony Nfld.	Processing Crab Meat	NPE	\$ 127,000	44	20% and \$600 per eligible job (44)	\$ 51,800
15. Fishery Products Limited	Port au Choix, Nfld.	Processing Fish	E	\$ 390,100	19	20%	\$ 78,020
16. Hirth Motoren Kg	Saint John, N.B.	Internal Combustion Engines	N	\$2,660,000	357	25% and \$5,000 per eligible job (357)	\$2,450,000
17. International Chemicals & Cosmetics	Québec, Qué.	cosmetics	N	\$ 331,000	21	15% and \$2,000 per eligible job (21)	\$ 91,650
18. Jos. A. Likely, Limited	Saint John, N.B.	Concrete Pipe	EM	\$ 650,000	10	20%	\$ 130,000
19. La Cie De Bois D.S.L. Limitée	St-Leon-le-Grand, Qué.	Wood Processing	N	\$ 240,000	51	20% and \$600 per eligible job (51)	\$ 78,600
20. Les Ateliers N.D.D.L. Inc.	Notre-Dame-du-Lac Qué.	leather clothes & various items	N	\$ 140,000	72	10% and \$650 per eligible job (72)	\$ 60,800
21. Lyster Die Casting Ltd.	Lyster, Qué.	zinc, aluminum & magnesium parts	EM	\$ 350,000	50	20%	\$ 70,000

<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. Menuiserie Maurice Bernier Inc.	St-Romuald, Qué.	Kitchen cabinets	E	\$ 172,330	10	20%	\$ 34,466
23. Mondo Rubber S.P.A.	Trois-Rivières, Qué.	rubber Sheeting	N	\$4,345,000	100	20% and \$5,000 per eligible job (75)	\$1,244,000
24. Natural Recovery Systems Inc.	Moncton, N.B.	Recycled Waste Material	N	\$ 85,247	20	25%	\$ 21,311
25. Petrona Atlantic Ltd.	Saint John, N.B.	Electrical Boxes & Precision Tools, Dies & Jigs	N	\$ 212,000	30	25% and \$5,000 per eligible job (29)	\$ 198,000
26. Playtex Ltd.	Arnrior, Ont.	girdles, brassieres, and tampons	E	\$1,337,300	79	15%	\$ 200,595
27. Prentice Loader Sales of New Brunswick Limited	Fredericton, N.B.	Hydraulic Loaders	N	\$ 355,795	34	20% and \$3,000 per eligible job(33)	\$ 170,159
28. Produits Belle Baie Ltée.	Caraguet, N.B.	Ground Fish processing & canned crab	NPE	\$ 138,500	25	20% and \$750 per eligible job (15)	\$ 38,950
29. Produits Maison Enr'g	Rimouski, Qué.	pizzas	N	\$ 60,000	6	25%	\$ 15,000
30. Ray's Insulating Service	Ile de Chênes, Man.	Loose Fill Attic Insulation	N	\$ 86,290	4	20% and \$2,500 per eligible job (4)	\$ 27,258

<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>
31. Roski Limitée	Roxton Falls Qué.	snowmobile parts septic tanks	E	a) \$ 245,000	a) 12	a) 8%	a) \$ 19,600
			NPE	b) \$ 40,000	b) 6	b) 8% and \$1,000 per eligible job (6)	b) \$ 9,200
32. Seaboard Sign and Promotion Limited	Moncton, N.B.	Plastic and Neon Signs and Decals	EM	\$ 102,000	-	20%	\$ 20,400
33. The Lake Group Limited	Gaultois, Nfld.	Processing Fish .	M	\$ 79,000	-	20%	\$ 15,800
34. Thomas K. Fiander Ltd.	Point Edward, N.S.	Mine Packs & Hardwood Lumber	N	\$ 111,536	9	20% and \$2,500 per eligible job (9)	\$ 44,807

## ACCEPTED OFFERS SUBSEQUENTLY REVISED

17.

<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. A. Bélanger Ltée (July 73)	Montmagny Qué.	Washers, Dryers, Dish-Washers, & Freezers	NPE	\$2,135,000	126	20% and \$3,000 per eligible job (112)	\$ 763,000
2. City Paper Supply Company Limited (Nov. 72)	Corner Brook Nfld.	Paper Products	N	\$ 60,552	4	30%	\$ 18,166
3. Commercial Litho Plate Graining (1970) Ltd. (Nov. 72)	St. Hubert, Qué.	Anodized & Presensitized Plates	E	a) \$ 155,750	a) 19	a) 10%	a) \$ 15,575
			NPE	b) \$ 109,500	b) 16	b) 10% and \$1,000 per eligible job (16)	b) \$ 26,950
4. Gander Lumber Co. Ltd. (May 72)	Gander, Nfld.	Lumber	N	\$ 171,120	11	20% and \$2,500 per eligible job (11)	\$ 61,724
5. Ganong Bros. Limited (April 72)	St. Stephen, N.B.	Chocolates & confectionery	EM	\$ 344,000	40	25%	\$ 86,000
6. Kaybel Inc. (Sept. 72)	Granby, Qué.	Vinyl backing Rugs	N	\$ 334,278	38	20% and \$1,100 per eligible job (37)	\$ 107,556
7. L.L. Gauthier & Son Co. Ltd. (March 73)	Shippegan, N.B.	Fish processing	N	\$ 199,487	21	25% and \$2,000 per eligible job (19)	\$ 87,872

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>
8. Metalborite Ltée. (Jan. 71)	Lauzon, Qué.	Hospital Furniture	NPE	\$ 75,000	30	20% and \$1,800 per eligible job (15)	\$ 42,000
9. Newfoundland Farm Products Corporation (May 71)	Corner Brook, Nfld.	Beef, poultry, hog & vegetable processing	N	\$2,304,190	59	20% and \$5,000 per eligible job (59)	\$ 755,838

ACCEPTED OFFERS SUBSEQUENTLY DECLINED OR WITHDRAWN

19.

<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. Artcraft of Montreal Ltd. (Sept. 72)	Ville d'Anjou, Qué.						
2. Bercotec Inc. (June 73)	Montreal, Qué.						
3. Brock Containers Ltd. (April 72)	Montreal, Qué.						
4. Custom Products of Altona Ltd. (July 73)	Altona, Man.						
5. Electro-Mécanik (Lac St-Jean) Inc. (Sept. 72)	Alma, Lac St. Jean Qué.						
6. Jimmy's Sportswear Inc. (June 73)	Montreal, Qué.						
7. King Koil (Québec) Limited (March 72)	Town of Mount Royal Qué.						
8. Laurentide Metal Stampings Mfg. Ltd. (May 72)	St-Jérôme Qué.						
9. Leclerc & Fils Enrg. (June 72)	Ste-Victoire Qué.						

ACCEPTED OFFERS SUBSEQUENTLY DECLINED OR WITHDRAWN

20.

<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>
10. Les Entreprise P.V.L. Ltée (December 73)	Ville-Marie Qué.						
11. Milbro Inc. (December 72)	Montreal, Qué.						
12. Scoop Fashions Inc. (August 72)	Montreal, Qué.						
13. Sterling Electronics Ltd. (Jan. 73)	Montreal, Qué.						
14. Welkin Mfg Co. Ltd. (Jan. 72)	St-Laurent Qué.						
15. Willis & Co. of Canada Ltd. (May 72)	Ste Thérèse, Qué.						

PART III - LOAN GUARANTEE ACTIVITY DURING THE MONTH

There were no offers of a loan guarantee accepted, revised or declined or withdrawn subsequent to acceptance during the month of February.

PART IV - DEFINITIONSTERMS 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.

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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