

**ALBERTA ECONOMIC DEVELOPMENT AND TRADE
GRANT AGREEMENT**

This is an Agreement dated _____

Between:

HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA
as represented by the Minister of Economic Development and Trade
(**“Minister”**)

and

CITY OF COLD LAKE
(**“Recipient”**)

WHEREAS the Recipient has submitted a grant proposal to the Minister entitled **“Aerospace and Defence Economic Development and Diversification”**.

AND WHEREAS the Minister is willing to make a grant and is authorized to do so in accordance with the *Economic Development and Trade Grant Regulation AR 5/2002*, as amended from time to time.

The Minister and the Recipient therefore agree as follows:

1. DEFINITIONS AND INTERPRETATIONS

1.1 Definitions – In this Agreement, the following expressions have the following meanings:

“Confidential Information” means all information developed or acquired as a result of carrying out this Agreement, including without limitation, technical, financial and Project information, which is designated as confidential in writing, is disclosed in circumstances of confidence, or would generally be understood by a person exercising reasonable business judgment to be confidential.

“Grant” means the proposed grant described in section 2.1.

“Grant Regulation” means the *Economic Development and Trade Grant Regulation AR 5/2002*, as amended from time to time.

“Grant Proceeds” means all amounts paid to the Recipient under this Agreement, and includes all interest and other income earned from investment of these amounts.

“Intellectual Property” means a product of the intellect including, without limitation, works in the form of scientific discoveries, inventions or discoveries with or without patent possibilities, designs, patents, trade-marks, copyrighted materials, computer software, trade secrets and know-how.

“Program Guidelines”, if applicable, means the program guidelines issued by or on behalf of the Minister from time to time for the program that is in effect as of the date of signing of this Agreement.

“Project” means the project described in the Proposal, including any modifications approved by the Minister in writing.

“Project Completion Date” means **August 31, 2020**.

“Project Implementation” means any and all steps taken to commence the Project, including any preparatory steps and expenditures.

“Proposal” means the Recipient’s application attached as Schedule A, entitled **“Aerospace and Defence Economic Development and Diversification”**, and approved budget attached as Schedule B.

“Term” means the period from the date at the beginning of this Agreement to and including **December 31, 2020** and includes any extension agreed to by the Minister.

1.2 Section Numbers – References in this Agreement to section numbers are to the corresponding numbered provisions of this Agreement.

1.3 Schedules – The following schedules are incorporated into and form part of this Agreement:

Schedule A – Proposal

Schedule B – Approved Budget

Schedule C – Report.

1.4 Conflicts – In the event of any inconsistency or conflict between the Proposal attached as Schedule A and the rest of the Agreement (including the body of this Agreement and Schedules B and C), the rest of the Agreement shall govern.

1.5 Entire Agreement – This Agreement, including the schedules referred to in section 1.3, is the entire agreement between the Minister and the Recipient with respect to the Project and the Grant, and supersedes all previous agreements, negotiations and understandings. There are no agreements, representations, warranties, terms, conditions or commitments except as expressed in this Agreement.

2. THE GRANT

2.1 Total Grant Amount – Subject to the terms and conditions of this Agreement, the Minister will provide a grant of up to **\$50,000.00** (the “Grant”) to the Recipient for the purpose of the Project.

2.2 Reduction to Reflect Potential Change in Budget – The Minister may, by notice to the Recipient during the Term, reduce the Grant by an amount proportional to any overall reduction in spending or discretionary spending imposed on:

(a) all departments of the Government of Alberta; or

(b) the particular department, or the particular division thereof, then having responsibility for the administration of this Agreement.

- 2.3 Timing of Grant** – Subject to the terms and conditions of this Agreement and the Recipient’s compliance therewith, the Minister will pay the Grant to the Recipient within a reasonable time following the signing of this Agreement.
- 2.4 Partnership Funding** – If the Proposal specifies that the Recipient will receive partnership funding for the Project, the partnership funding must be secured prior to Project Implementation. If the Recipient can demonstrate to the Minister that special circumstances require Project Implementation prior to securing all partnership funding, the Minister may permit the Recipient to commence the Project on the condition that the Recipient shall be responsible for covering any shortfalls in funding in order to achieve planned Project completion as set out in Schedule A.
- 2.5 Conditions of Payment and Use** – Payment and use of the Grant, in either a lump sum or in installments, is conditional on the Minister, acting reasonably, being and remaining satisfied that:
- (a) the Recipient is in compliance with all of its obligations under this Agreement;
 - (b) the Project is proceeding, conforms with any applicable Program Guidelines, and will be completed by the Project Completion Date; and
 - (c) if applicable, commitments for funding sufficient to carry out and complete the Project are in place.
- 2.6 Budget** – Up to fifteen percent (15%) of the Recipient’s budget as set out in Schedule B may be transferred from one eligible project cost to another eligible project cost within the Recipient’s Total Project Expenses Breakdown without the Minister’s prior written approval. The Recipient shall submit a written request to the Minister for approval of any transfers of more than fifteen percent (15%) from one eligible project cost to another.

3. OBLIGATIONS OF THE RECIPIENT

- 3.1 Independent Status** – The Recipient is an independent entity under this Agreement and nothing in this Agreement is to be construed as creating a relationship of employment, agency or partnership between the Minister and the Recipient.
- 3.2 Confidentiality** – The Recipient shall keep and cause to be kept in strict confidence all Confidential Information and shall only disclose such Confidential Information to other Project participants, including Project sponsors, on a need to know basis, or as otherwise permitted by the terms and conditions of contracts among any of the Project participants.
- 3.3 Representations and Warranties** – The Recipient represents and warrants that:
- (a) it has made full, true and plain disclosure to the Minister of all facts relating to the Project that are material to this Agreement, and this Agreement does not contravene any law or agreement to which the Recipient is subject;
 - (b) the execution by the Recipient of this Agreement and the carrying out of this Agreement and the Project by the Recipient have been duly and validly authorized by the Recipient in accordance with applicable law, and this Agreement shall constitute a binding legal obligation of the Recipient;

- (c) any individuals named in the Proposal are employees or contractors of the Recipient, and will be assigned to or otherwise enabled to perform their respective roles in the Project;
- (d) any individuals assigned to or performing roles in the Project shall carry out the Project in accordance with the generally accepted standard of competency in the field of endeavour associated with the Project and all applicable professional standards;
- (e) any individuals assigned to or performing their roles in the Project shall comply with the terms and conditions of this Agreement; and
- (f) the Recipient shall notify the Minister and obtain written approval of the Minister for any significant changes in the Project, including costs, scope, types of expenditures, and other existing or prospective funders and amount of funding, in accordance with Schedule C.

- 3.4 Use of Proceeds** – The Recipient shall use the Grant Proceeds solely for the Project.
- 3.5 Interest and Investment** – The Recipient shall invest any portion of the Grant Proceeds paid to the Recipient, but not immediately required for the Project, in a separate interest-bearing account or other prudent investment with a reasonable return in such a manner that is readily reportable to the Minister.
- 3.6 The Project** – The Recipient shall carry out the Project as described in the Proposal and in accordance with the terms and conditions of this Agreement.
- 3.7 Completion and Repayment of Grant** – The Recipient shall complete the Project by the Project Completion Date. Any portion of the Grant Proceeds not used during the Term and accounted for in accordance with this Agreement must be repaid to the Government of Alberta unless, on application by the Recipient, the Minister in writing varies the purpose or conditions of the Grant so as to allow the use of the remainder of the Grant Proceeds under the varied purpose or conditions.
- 3.8 Grant Regulation** – Nothing in this Agreement in any way relieves the Recipient from strict compliance with the Grant Regulation or otherwise impacts the interpretation or application of the Grant Regulation.
- 3.9 Intellectual Property** – The Recipient acknowledges and agrees that any Intellectual Property that may be generated through the Project be used for the benefit of Alberta and Albertans. Ownership of any Intellectual Property developed through the Project will follow the policies and practices of the Recipient and agreements to which the Recipient is a party.

4. RECORDS, REPORTS AND MONITORING

- 4.1 Project Records** – During the Term and for a period of five (5) years afterwards, the Recipient shall maintain or cause to be maintained full, accurate and complete records of the activities conducted in furtherance of, and the results achieved through the conduct of, the Project.
- 4.2 Financial Records** – During the Term and for a period of five (5) years afterwards, the Recipient shall keep full, accurate and complete records and books of account relating to the receipt and expenditure of the Grant Proceeds.

- 4.3 Audit** – The Minister or the Auditor General, or their authorized representatives may, during the Term and for five (5) years afterwards, on reasonable notice to the Recipient, audit or examine, and take copies and extracts of, the records and books of account maintained by the Recipient in accordance with sections 4.1 and 4.2. The cost of any special audit, examination or report shall be payable by the Minister, unless the audit, examination or report reveals material breaches of this Agreement or indicates that the records and books of account were inadequate to permit a determination of how the Grant Proceeds were used by the Recipient or what results were achieved through the conduct of the Project, in which case the cost shall be borne by the Recipient.
- 4.4 Reporting** – The Recipient shall comply with the reporting requirements of Schedule C.
- 4.5 Inspection** – The Minister is entitled, at reasonable times during the Term and on reasonable notice to the Recipient, to have its authorized representatives attend at the premises of the Recipient or at the place where the Project is being carried out, for the purpose of examining premises and files, documents and records, and any other assets pertinent to the Project in order to assess whether the Recipient is in compliance with the terms and conditions of this Agreement. The Recipient shall provide the authorized representatives with such assistance as may be reasonably required during such an inspection. This right of inspection is limited to the purpose of ascertaining whether this Agreement has been complied with, and the Minister shall not have any general right to obtain custody or copies of records in the custody of the Recipient.
- 4.6 Access to Information** – The Recipient acknowledges that this Agreement, including the name of the Recipient, and the terms and conditions of the Grant under this Agreement, may be subject to disclosure pursuant to the *Freedom of Information and Protection of Privacy Act* (“FOIP”). The Recipient further acknowledges that FOIP applies to information obtained, related, generated, collected or provided to the Minister under this Agreement and that any information in the custody or under the control of the Minister may be disclosed.

5. LIABILITIES

- 5.1 Indemnity** – The Recipient agrees to indemnify and hold harmless the Minister from any third party claims, demands, actions or costs (including legal costs on a solicitor-client basis) for which the Recipient is legally responsible, including those arising out of negligence or willful acts by the Recipient or its employees, officers, contractors or agents.
- 5.2 General Liability Insurance** – The Recipient shall, at its own expense and without limiting its liabilities under this Agreement, insure its operations under a contract of General Liability Insurance in an amount of not less than \$2,000,000 inclusive per occurrence, insuring against bodily injury, personal injury and property damage including loss of use.
- 5.3 Evidence of Insurance** – The Recipient shall provide, on request, evidence of the insurance required under section 5.2 to the Minister in a format acceptable to the Minister.

6. NON-PERFORMANCE

- 6.1 Events of Default** – If the Recipient fails to proceed with the Project, is not carrying out the Project, alters the Project without the consent of the Minister, uses any part of the Grant Proceeds other than for the Project, or has otherwise breached any of its obligations pursuant to this Agreement, the Recipient will be deemed to have committed an event of default and the Minister may give written notice to the Recipient referring to the breach and requiring the Recipient to remedy the breach within a reasonable time in the Minister’s sole discretion, as so stated in the notice.

6.2 Remedy – If the Minister has given notice pursuant to section 6.1 and the Recipient has failed to commence to remedy the breach or the Recipient has failed to remedy the breach within the time specified in the notice, the Minister may do any one or more of the following:

- (a) demand repayment of all or any portion of the Grant Proceeds;
- (b) suspend expenditure of the Grant Proceeds by the Recipient;
- (c) require that the Grant Proceeds be used for other purposes approved by the Minister;
- (d) terminate the Agreement; and
- (e) pursue any remedy available to the Minister in law or equity.

7. CONFLICT OF INTEREST

7.1 Other Agreements – The Recipient shall not enter into any other agreement with any other Minister of the Government of Alberta or any other person, the requirements of which will conflict with the requirements of this Agreement, or which will or may result in its interest in any other agreement and this Agreement being in conflict.

7.2 Impartiality, Private Interests, Acceptance of Benefits and Financial Interests – The Recipient shall ensure that the Recipient and its officers, employees, contractors and agents:

- (a) conduct their duties related to this Agreement with impartiality and shall disqualify themselves from dealing with anyone with whom a relationship could bring their impartiality into question;
- (b) not influence, seek to influence, or otherwise take part in a decision of the Minister, knowing that the decision might further their private interests;
- (c) not accept any commission, discount, allowance, payment, gift or other benefit that is connected, directly or indirectly, with the performance of their duties related to this Agreement, that causes, or would appear to cause, a conflict of interest; and
- (d) have no financial interest in the business of a third party that causes, or would appear to cause, a conflict of interest in connection with the performance of their duties related to this Agreement.

7.3 Disclosure – The Recipient shall promptly disclose to the Minister any conflict of interest or apparent conflict of interest arising under section 7.2.

8. COMMUNICATIONS

8.1 Announcement – The Recipient shall not make any public announcement or issue any press release regarding this Agreement or the making of the Grant, except in consultation with and the approval of the Minister as to the contents of the announcement or press release, which approval shall not be unreasonably withheld.

8.2 Notices – Any notices, approvals, consents and other communication under this Agreement shall be in writing and will be effective when delivered in person, by mail, by email, couriered or faxed to the following respective addresses:

(a) if to the Minister:

Alberta Economic Development and Trade
Economic Development
18th Floor, Phipps-McKinnon Building
10020-101A Avenue
Edmonton, Alberta T5J 3G2

Attention: Ksenia Kavoun

Phone: 825-468-4032

Email: ksenia.kavoun@gov.ab.ca

(b) if to the Recipient:

City of Cold Lake
5513 - 48 Avenue
Cold Lake, Alberta T9M 1A1

Attention: Andrew Serba

Phone: 780-594-7926

Email: aserba@coldlake.com

Either party may change its contact information by giving written notice to the other in the above manner.

9. GENERAL PROVISIONS

9.1 Amendment - This Agreement may be amended only if the amendment is made in writing and signed by a duly authorized representative of the Minister and the Recipient.

9.2 Waiver - No waiver of any provision of this Agreement is effective unless made in writing, and any such waiver has effect only in respect of the particular provision or circumstance stated in the waiver. No representation by either of the parties with respect to the performance of any obligation under this Agreement is capable of giving rise to an estoppel unless the representation is made in writing.

9.3 Additional Assurances – The parties agree, from time to time, to do all such acts and provide such further assurances and instruments as may reasonably be required in order to carry out the provisions of this Agreement according to their spirit and intent.

9.4 Assignment – The Recipient may not assign this Agreement or any right or benefit under it. The Recipient may, however, contract with such parties as it sees fit for the purpose of carrying out the Project. No contract entered into by the Recipient shall relieve the Recipient from any of its obligations under this Agreement.

- 9.5 Governing law** – This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and each party submits to the jurisdiction of the courts of Alberta for the interpretation and enforcement of this Agreement.
- 9.6 Severability** – The terms and conditions of this Agreement are severable to the extent that any one that may be contrary to the laws of Alberta shall be deemed to be modified to comply with those laws, but every other term and condition shall remain valid.
- 9.7 Time is of the essence** – Time is of the essence of this Agreement.
- 9.8 Compliance with Laws** – The Recipient shall comply with all statutes, regulations, orders, licenses and permits applicable to the Recipient in carrying out the Project.
- 9.9 Survival of provisions** – Notwithstanding any other provisions of this Agreement, sections 3.2, 3.9, 4.1, 4.2, 4.3, 4.4, 4.6 and 5.1, and the provisions of Schedule C shall survive this Agreement and shall continue to bind the parties.
- 9.10 Execution in Counterpart** – This Agreement may be executed in counterparts, in which case the counterparts together shall constitute one agreement, and in which case communication of execution by fax transmission or emailed PDF will constitute delivery.

The parties have therefore executed this Agreement, each by its duly authorized representative, as of the date at the beginning of this Agreement.

**HER MAJESTY THE QUEEN IN RIGHT OF
ALBERTA
as represented by the Minister of Economic
Development and Trade**

Per: _____
Shaun Peddie
Name of authorized officer
Executive Director
Office held

CITY OF COLD LAKE

Per: _____
Kevin Nagoya
Name of authorized officer
Chief Administrative Officer
Office held

**ALBERTA ECONOMIC DEVELOPMENT AND TRADE
GRANT AGREEMENT**

SCHEDULE A - RECIPIENT'S PROPOSAL

The attached "**Aerospace and Defence Economic Development and Diversification**" constitutes the Proposal for the Project, as submitted by the Recipient.



CARES APPLICATION

Applicant Information

Legal Name of Organization

City of Cold Lake

Common Name of Organization (if different from incorporated name)

City of Cold Lake

Legislation the Organization is Registered Under (if applicable)

Municipal Government Act

Type of Organization

Government

Type of Municipalities

City

Not-For-Profit Registration Number

89566 4472RT0001

Organization Incorporation Date

10/31/2018

Address of Organization

Address 1	5513 - 48 Avenue	City	Cold Lake
Province	AB	Postal Code	T9M 1A1
Country	Canada		

Mailing/ Delivery Address if different from above. All correspondence will be mailed to this address

Address 2		City	
Province	Alberta	Postal Code	
Country	Canada		

Project manager Contact

Salutation	Mr.	Full Name	Andrew Serba
Title	Strategic Initiatives Manager	Email	aserba@coldlake.com
Daytime Phone	780-594-7926	Cell Phone	780-826-9552

Signing Authority Contact

Salutation	Mr.	Full Name	Kevin Nagoya
Title	Chief Administrative Officer	Email	knagoya@coldlake.com
Daytime Phone	780-594-4494	Cell Phone	780-826-0034

Application Information

CARES APPLICATION

Published Status		Application Status	
Date Submitted		Program Officer	
Interim Rpt Due Date		Final Rpt Due Date	

Project Information

Name	Aerospace and Defence Economic Development and Diversification	Category	
Proposed Start Date		Proposed End Date	8/31/2020
Project Category Previous Intakes			

Details on how the indicated project partner(s) will contribute

The Cold Lake Regional Chamber of Commerce and the North East Alberta Information HUB will support this project as partners by actively participating in stakeholder and community engagement sessions, assisting by finding appropriate resources to advance the goals of this project, where possible and continuing to participate in and support the City of Cold Lake's economic development vision.

Project Partners

Name	Cold Lake Regional Chamber of Commerce	Type	Not-For-Profit
Contact Name	Sherri Buckle	Main Phone	780-594-4747

Project Partners

Name	North East Alberta Information HUB	Type	Not-For-Profit
Contact Name	Bob Bezpalko	Main Phone	780-614-3715

Project Overview

1. Overview
Be specific and concise. This section serves as an executive summary of your project and you must:

- a) Clearly describe, identify and quantify the scope of the project and the nature of the business

CARES APPLICATION

The City of Cold Lake is in the midst of updating its Economic Development Strategy and has participated in regional economic development plans over the past several years. Like many communities, the City of Cold Lake is actively pursuing means of diversifying its economy as local and regional businesses look to respond to the pressures of changing economic realities. One constant finding in the City's and the surrounding region's economic plans is that the City of Cold Lake is uniquely positioned to take advantage of opportunities in the aerospace and defence industry.

The City is home to CFB Cold Lake, Canada's busiest fighter base, which controls access to Canada's premier aerospace training area, the Cold Lake Air Weapons Range. A number of prime defence contractors have a presence in the city and on the base, and the city has a strong technical labour pool. Historically, the region's economy has been focused primarily on oil and gas extraction. Many of the local manufacturers, environmental firms, and educational institutions stand to find opportunities to expand and diversify their operations by filling needs within the aerospace and defence industry.

The industry is not an easy one to navigate, however, with unique barriers to entry and opportunities that may not be obvious to organizations and businesses unaccustomed to working with the federal government and the Department of National Defence.

This project hinges on finding a consultant who can work with the City, its businesses, and educational institutions so that the opportunities that exist by virtue of our close proximity and strong relationship with CFB Cold Lake can be realized.

The foundation for this work was laid in an economic development initiative led by North East Alberta HUB entitled Aerospace Technology, Defense and Unmanned Systems Status and Future Opportunities.

The City of Cold Lake is proposing to work with consultants to further the goals laid out in this report. These include cataloging and engaging with small and medium enterprises (SMEs) to educate them on how to best do business in the aerospace and defence sector, engaging with existing prime and "support and sustainment" firms to support them in their goals and fully realize the economic potential of their local operations, and to liaise with educational institutions to leverage the community's assets in the aerospace and defence sector as they can relate to and support educational institutions at all levels.

b) Provide evidence that the project will support the priorities of the community/region or industry

The proposed project is fuelled by an identified need in the community to expand and diversify the economic foundation on which the City of Cold Lake stands. Given new challenges, securing a new pillar of economic stability in the region would help to support the sustained growth in the City of Cold Lake. According to the Federal Government's 2016 census, the City of Cold Lake is the only urban municipality in the immediate region to have continued to grow through the recent economic downturn.

With the pressures of a changing economy, the Northeast Alberta Information HUB commissioned the report entitled Aerospace Technology, Defence and Unmanned Systems Status and Future Opportunities. Moreover, the City of Cold Lake, through a successful CARES application in the 2017/2018 fiscal year, was able to fund an Economic Development Strategy. This strategy is nearing completion and is now in draft form. Both reports point to several opportunities in the aerospace and defence sectors which the HUB region, and the City of Cold Lake specifically, can leverage to sustain future growth both in private industry and in the field of education.

The Alberta HUB region has a range of strong capabilities that could be leveraged to advance opportunities within the Aerospace Technology, Defence, Unmanned Systems (ATDUS) industries. CFB Cold Lake will be undergoing significant changes and development with the extension of the CF-18 Fighter Jet Program and the eventual recapitalization that will be required to accommodate the Future Fighter Jet. The Department of National Defence also has a strong mandate to reduce its environmental footprint by finding efficiencies and by reclaiming sites used for military purposes. From environmental clean up to training, military procurement, education, and expanding the local footprint of prime defence contractors, a number of strong opportunities exist for local business and educational institutions to find success.

By aligning the local business community and educating local stakeholders about the opportunities in this industry, the stage can be set for new businesses to be created, existing businesses to diversify and expand their opportunities and educational institutions to find an underserved niche that can provide students with exciting opportunities. Successes in education can bring exciting new educational programming to a region in North Eastern Alberta that serves a large and diverse Indigenous population.

The City of Cold Lake and businesses in and around the city, by virtue of having CFB Cold Lake within its corporate boundaries, is uniquely positioned to find and capitalize opportunities in the defense and aerospace industry. There is the ability to expand the workforce in both skilled labour and educational opportunities at all levels.

2. Project Impact and Outcomes (Why the project is needed)

a) Which of the following CARES program outcomes does your project directly align with? Please provide evidence for positive economic impacts to a community, region, and/or industry sector.

Improves local business environments and/or regional economic collaboration	Yes
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CARES APPLICATION

The project will help to identify opportunities for new businesses to start up and for existing businesses to expand into the defense and aerospace sector. The project is intended to help find a consultant who can work with the City, its businesses, educational institutions, and other stakeholders, to ensure that the opportunities that exist by virtue of our close proximity and strong relationship with CFB Cold Lake can be identified and realized to their fullest potential.

With a consultant, the plan is to identify tools that can be used to support the local economy, and the possibility for current businesses to expand, encouraging business retention and attraction.

Increases support for entrepreneurs and small and medium-sized enterprises to grow and succeed	Yes
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Information from the consultant will be made available and marketed to the business community and the public at large, ensuring that everyone in the region has access to the research and findings it contains. This information will help inform the community on the City's vision for growth, the actions that could be taken, and to promote an awareness of the opportunities for new businesses and expansion of current businesses.

The project would also directly engage and educate a wide range of stakeholders – including the business community – on the opportunities that exist, which in turn would provide new opportunities for small and medium-sized businesses to thrive, create more jobs, and strengthen their reach within the community and beyond. Many SMEs do not have the capacity to research opportunities that exist within the aerospace and defence industry, the defence procurement process, and other relevant Department of national Defence policies, thus, by bringing a consultant well-versed in both economic development and the aerospace and defence sector to engage with all local stakeholder, a large barrier to entry for SMEs would thus be eliminated.

Enhances support for associations/businesses/industries that provide diversification to a community/region.	Yes
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As a unique sector, the defense and aerospace industry would expand on the businesses currently available in the Northeast Alberta Information HUB region, allowing for new businesses to sprout, and current businesses to expand into new areas. This need to diversify has become a necessity as the business community looks to protect itself from fluctuations in the oil and gas sector. A proposed plan of expanding the defense and aerospace sector would give existing businesses and associations help in determining their next steps to stay on top of the ever-changing economy.

Increases industry and sector competitiveness to lay the foundation for investment and job creation	Yes
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The aerospace and defence industry is a unique space with its own challenges to entry and whose opportunities may not be evident to businesses unaware of how defence procurement occurs, the needs of the military, or what is needed to do business with the Federal Government and the Department of National Defence especially. By engaging with the local business community and taking part in education and training surrounding this industry, a wide berth of opportunities will become evident to local businesses who can then begin to plan to diversify in a manner that will allow them to take advantage of the local opportunities in the defence and aerospace industries.

There is also an opportunity for educational institutions to make their mark in this sector: One K-8 school already focuses on aerospace and aviation (The Art Smith Aviation Academy), and opportunities exist to extend these learning opportunities through to post secondary institutions. Because of the history of 4 Wing and CFB Cold Lake, there is a strong pool of local talent in aircraft maintenance and engineering who could be used to deliver programming and by businesses expanding in this sector.

b) Will this project create any new jobs? If yes, select the type of job (full-time or part-time) and indicate the number in the space below.

Full-time positions (30 or more hours per week) during the course of the project	No
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Part-time positions (less than 30 hours per week) during the course of the project.	No
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Full-time positions to be created after the project has been completed	Yes
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This project is expected to lay the groundwork for local investment in the aerospace and defence industry. These efforts will create the environment required for potential new firms to establish themselves, and for existing firms to expand or diversify into business that meets the needs of a variety of defence policies, takes advantage of opportunities in defence procurement and training and establish programs that meet the educational needs of the aerospace industry.

This project does not seek to fund positions, but to create an environment in which firms can create new positions and retain existing ones as new opportunities become available.

Part-time positions to be created after the project has been completed	Yes
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CARES APPLICATION

This project is expected to lay the groundwork for local investment in the aerospace and defence industry. These efforts will create the environment required for potential new firms to establish themselves, and for existing firms to expand or diversify into business that meets the needs of a variety of defence policies, takes advantage of opportunities in defence procurement and training and establish programs that meet the educational needs of the aerospace industry.

This project does not seek to fund positions, but to create an environment in which firms can create new positions and retain existing ones as new opportunities become available.

c) How will the project/initiative be sustained after CARES program funding has been allocated/used:

This is a one-time project which will result in an effort to pursue identified opportunities in the aerospace and defence sector, educate the local business community on opportunities they can take advantage of and how to best approach them, and engage with local educational institutions to find means of supporting the industry and its labour pool while adding programming that is relevant not only to the local labour market, but nationally and, in some cases, even on an international scale.

d) If the proposal is for a plan or study, how will the plan or study be used?

This proposal centres on engagement, education, and targeted effort towards pursuing economic development initiatives identified in the report entitled: Aerospace Technology, Defense and Unmanned Systems Status and Future Opportunities. It also calls for additional research, a cataloguing of SMEs, and further study into opportunities and defence policies as required. Material gathered in this effort will be made available to the public at large, and the business community will be made aware of its presence so that it can be used as required throughout the community.

3. Project Milestones and Timelines

a) Briefly describe the sequence of project activities and estimated dates, showing how the project is clearly planned out: (You may also submit this as a separate attachment)

The proposed project is dependent on CARES funding to proceed. The following timeline is a framework that can be adjusted pending the availability of funding, should this application be successful.

- December 2018/January 2019: Selection of consulting firm
- February-March 2019: Initial start-up meetings and planning
- April 2019 - January 2020: Stakeholder engagement in regards to identified economic development opportunities in the aerospace, defence and educational fields.
- April-July 2018: Public consultation, research, stakeholder engagement and business education sessions.
- August-November 2019: Create Strategic Plan re defence procurement and economic opportunities associated with CFB Cold Lake, defence environmental policy.
- December 2019-January 2020: Adoption of Outcome Report

b) Is your project complementary to other community or regional initiatives currently underway, or does it enhance or build upon any previous work that has been completed?

This project builds off of work done by the Northeast Alberta Information HUB in its report titled Aerospace Technology, Defense and Unmanned Systems Status and Future Opportunities, years of work by the Cold Lake Regional Chamber of Commerce to engage with administration at CFB Cold Lake and introduce local businesses to decision makers from countries visiting for military exercises.

The City of Cold Lake's draft economic development strategy also identifies aerospace and defence as an area of opportunity locally and is scheduled to be completed in time to inform the proposed project, should the City of Cold Lake be successful in securing the funding required to proceed.

4. Organizational Capacity

What capacity and experience does your organization/project team have to successfully carry out this initiative:

CARES APPLICATION

The City of Cold Lake has overseen and participated in a number of economic development initiatives recently, including the Northeast Alberta Information Hub's efforts to compile the report entitled Aerospace Technology, Defense and Unmanned Systems Status and Future Opportunities. The City is currently in the final stages of supporting a new Economic Development Strategy. In this case, the consultants reported record public engagement through an online survey. The strategy is scheduled to be completed and presented to council for adoption late in 2018 or early in 2019.

The City will support the proposed project through its planning and marketing and communications departments to ensure that the consultants have access to all necessary research materials, schedule all required meetings and events, and that all public facing efforts are advertised and well attended. The City will also leverage its strong relationships with CFB Cold Lake, the Cold Lake Regional Chamber of Commerce and the Northeast Alberta Information HUB to assist with the project where needed.

The City of Cold Lake will assist with the proposed project by providing matching dollars in the amount of \$55,000. The City will also provide administrative assistance and support for the project from start to finish that will include, where necessary, project management, logistical support, advertising for the project as needed, as well as the general promotion of the project and its outcomes.

CARES APPLICATION

5. Project Risk, Mitigation, and Performance Measures

a) What are the risks associated with the project? Please provide details on how these risks will be mitigated:

- Lack of funding: The proposed project is dependent on grant funding and, should this application be unsuccessful, another source of funding would need to be considered. The municipal contribution to the project has been secured in the City of Cold Lake's 2019 Budget
- Delay: In order to avoid significant delays, the project team will clearly communicate scope and establish a sub-committee to ensure that any meetings required to make decisions can be called expeditiously. A rigorous process to selecting an appropriate third-party firm with a proven track record of success will begin promptly once project funds are secured.
- Lack of community interest/engagement: This risk will be mitigated by reaching out directly to stakeholders and using contacts with the City of Cold Lake, Northeast Alberta Information HUB, and the Cold Lake Regional Chamber of Commerce to set up in-person interviews, teleconferences, surveys and public town halls, as required. The City of Cold Lake and EDAC will also work with the local media to publicize the project, the reasons for under taking it, and the benefits expected.

b) How will project success be measured? What metrics will be used and reported on?

The success of the proposed project will be monitored by a number of indicators, including stakeholder engagement, new businesses and commercial development projects in and around the City of Cold Lake, feedback from the business community surrounding education provided, and its ability to help drive diversification and entry into the aerospace and defence sector..

The City of Cold Lake works closely with the Cold Lake Regional Chamber of Commerce and the Northeast Alberta Information HUB to ensure that all groups share relevant information. This includes the number, type, and value of building permits issued by the City of Cold Lake, studies and research completed by any of the partners, and all relevant feedback from the public and the local business community.

Additional means of measuring success could be identified as this economic development project progresses.

Budget and Mandatory Supporting Documents

Requested Grant Amount	\$55,000.00	Other Alberta Government Funding	\$0.00
		Sub-total A	\$55,000.00
Cash Contributions	\$55,000.00	In-Kind Contributions	\$0.00
Federal Funding	\$0.00		
Municipal Funding (only applicable for Not-For-Profit, First Nation, Metis Settlements)			\$0.00
		Sub-total B	\$55,000.00
		Total Project Value	\$110,000.00

Total Project Expense Breakdown

Name	Consultants Fees	Cash Cost	\$110,000.00
In-Kind	\$0.00		
Source of Estimate	WCDIA Quote		
Details	Quote includes work on the following 1) Education of local SMEs, educational institutions, and industry 2) Research and cataloguing of local SMEs 3) Policy Review to Identify Opportunities in the Department of National Defence's Defence Energy and Environment Strategy 4) Strategic Engagement with CFB Cold Lake and work to actively pursue immediately developable economic development opportunities.		

**ALBERTA ECONOMIC DEVELOPMENT AND TRADE
GRANT AGREEMENT**

SCHEDULE B – APPROVED BUDGET

The attached “**Approved Budget**” constitutes the approved budget for the Project.

Applicant Name: City of Cold Lake

Project Name: Aerospace and Defence Economic Development and Diversification

APPROVED BUDGET

REVENUE

Approved Grant Amount	\$ 50,000	Maximum Alberta Government funding, including the requested grant amount, cannot exceed 50 per cent of total project value. Identify other Alberta government funding which has been applied for or approved for this project in a separate document and submit as part of your application package (if applicable).
Other Alberta Government Funding	\$	
Sub-total	\$ 50,000	
Cash Contributions	\$ 50,000	This represents your matching contribution, which must equal or exceed the requested grant amount. If applicable, submit a detailed breakdown of in-kind labour/materials and services, and source of cash amounts. In-kind matching contribution in the form of labour or other organizational resources will be assessed on a case-by-case basis and cannot exceed 20 per cent of the project's value, with a cap at \$10,000. The Government of Alberta reserves the right to verify funding with Federal/Municipal partners.
In-Kind Contributions	\$	
Federal/Municipal Funding	\$	
Sub-total	\$ 50,000	
TOTAL PROJECT VALUE	\$100,000.00	Total Project value must match total project expenses below:

TOTAL PROJECT EXPENSES BREAKDOWN				
	Item Description	Cost	Eligible Cost	Quote/Source of Estimate
+	Consultants Fees	\$110,000.00	\$100,000.00	WCDIA Quote for \$100,000. Prove of matching funds for \$55,000 is maintained as per applicant.
-				
	Sub-totals	\$110,000.00	\$100,000.00	
		(A)	(B)	

TOTAL PROJECT COSTS = \$110,000.00 (SUM OF A). This figure must equal the total project value above.

TOTAL ELIGIBLE COSTS = \$100,000.00 (SUM OF B).

TOTAL CARES FUNDING = \$50,000.00

**ALBERTA ECONOMIC DEVELOPMENT AND TRADE
GRANT AGREEMENT**

SCHEDULE C - REPORT

- C.1 Reports Format** – All reports must contain the information and be in a format specified by or acceptable to the Minister.
- C.2 Final Financial and Summary Report** – In consideration of the Minister providing the Grant, no later than **November 2, 2020**, the Recipient shall provide a final report including the following:
- (a) an acceptable financial statement accounting for all Project revenues and expenditures, including all interest and other income earned from investments of the Grant Proceeds;
 - (b) a concise summary of what the Project achieved; and
 - (c) an acknowledgement signed by a senior financial official of the Recipient that the money provided under this Agreement was used for the purpose of the Project.
- C.3 Changes to the Proposal** – The Recipient shall communicate to the Minister for the Minister’s approval, through a detailed report, as soon as possible, proposed significant changes in the research direction, Project scope, costs, types of expenditures, or partner funding including any needed extensions to secure funds. The report outlining changes to the Proposal is independent of and in addition to other reporting requirements outlined in this Schedule C.
- C.4 Reporting Compliance** – The Recipient must comply with all reporting requirements under this Schedule C. In cases where the Recipient is found to be in non-compliance with Schedule C requirements, the Recipient will be deemed to have committed an event of default as defined in section 6.1 and the remedies in section 6.2 shall apply.
- C.5 Other Reports** – During the Term and for a period of five (5) years afterwards, the Recipient must provide such additional follow-up information as the Minister may reasonably request for the purpose of evaluating the Project.