

**Economic Development Sector Initiatives Program (EDSIP)
(former Economic Development Partnership Program, EDPP)
(All Wards)**

(City Council on November 23, 24 and 25, 1999, amended this Clause:

- (1) to provide that, in view of the fact that the Ashkenaz Festival occurs once every two years, that portion of the Clause pertaining thereto be referred back to the Policy and Finance Committee for further consideration; and*

(2) *by adding thereto the following:*

“It is further recommended that:

- (1) the Commissioner of Economic Development, Culture and Tourism be requested to report specifically on this matter to the Policy and Finance Committee; and*
- (2) representatives of the Ashkenaz Festival be invited to appear before the Policy and Finance Committee, at such time as this matter is before the Committee for consideration.”)*

The Policy and Finance Committee:

- (1) recommends the adoption of Recommendations Nos. (1), (2) and (6) embodied in the report (October 27, 1999) from the Commissioner of Economic Development, Culture and Tourism; and**
- (2) reports having referred Recommendations Nos. (3) and (4) and the financial implications contained in the aforementioned report to the Budget Advisory Committee for consideration as part of the 2000 Operating Budget process.**

The Policy and Finance Committee submits the following report (October 27, 1999) from the Commissioner of Economic Development, Culture and Tourism:

Purpose:

To report on the Division’s program review of the former City of Toronto’s Economic Development Partnership Program and to recommend revisions to that program for 2000. To implement the recommended changes, approval is being sought to discontinue the former Economic Development Partnership Program (EDPP) and replace it with a new program – as described in Attachment No. 1 – to be called the Economic Development Sector Initiatives Program (EDSIP). This report discusses the rationale for the restructuring of the program and proposes a transition plan to accommodate current recipients as well as to provide ongoing support for clients no longer eligible for funding under this program or the previous program.

Financial Implications and Impact Statement:

The allocations recommended in this report will fall within Council’s 2000 municipal Grants budget, which is not available at the present time. The budget for the EDP program was \$337,000.00 in 1999. To maintain the same level of sustained funding and to support new initiatives for the EDSIP 2000, it is requested that an additional \$136,000 be allocated in the Consolidated Grants Budget, to account for initiatives that previously received municipal grants but do not qualify under either the former Economic Development Partnership program nor the new Economic Development Sector Initiatives Program. Both programs funded developmental projects with a 5 year and 3 year limit respectively and a declining financial support model. In order to continue to support these key initiatives that do merit sustained funding, it is

recommended that an additional \$136,000 be added to the consolidated grants program as a separate category – Economic Sponsorship Initiatives.

Consideration during the 2000 Operating Budget review should be given for additional funding for service leveling in the amount of \$100,000. The Chief Financial Officer and Treasurer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) **a new Economic Development Sector Initiatives Program (EDSIP) take effect in the year 2000, in accordance with the criteria set out in Attachment No. 1;**
- (2) effective January 1, 2000, the Economic Development Partnership Program (EDPP) be discontinued and that current recipients, as shown in Attachment No. 2, be subject to the following:
 - (a) the following initiatives totalling \$136,000 that have reached the maximum 5 year eligibility and no longer qualify under the former EDP program or the new EDSIP program continue to be supported, through the Consolidated Grants Budget:
 - (i) Toronto International Film Festival - \$50,000;
 - (ii) Cinematheque - \$25,000;
 - (iii) Toronto Worldwide Short Film Festival - \$20,000;
 - (iv) Toronto Association of Business Improvement Areas (TABIA) - \$25,000;
and
 - (v) Toronto Theatre Alliance - \$16,000;
 - (b) developmental projects in the third, fourth and fifth year in 2000, be subject to a 50 percent reduction in their allocation eligibility, and be phased out thereafter;
and
 - (c) developmental projects in the second year in 2000, maintain the 1999 eligibility allocation level in 2000 and be subject to a 50 percent reduction in 2001;
- (3) **the Economic Development and Parks Committee support an additional allocation of \$136,000.00 in the Consolidated Grants Budget for initiatives that merit sustainable funding sources through a new category for Economic Sponsorship Initiatives with EDSIP maintaining its 1999 program level of \$337,000.00 for the year 2000;**

- (4) that consideration be given to add funding of \$100,000 to the EDSIP program for service leveling and harmonization during the consolidated grants budget review;**
- (5) that this report be forwarded to the Policy and Finance Committee and the financial implications contained herein be referred to the Budget Advisory Committee for consideration as part of the 2000 Operating Budget process; and**
- (6) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.**

Background:

The EDP program originated with the former City of Toronto and was supporting a number of projects at the time of amalgamation. A report commenting on the status and results of the EDP program was considered and adopted by Council at its meeting of April 13, 14 and 15, 1999. In that report, staff recommended that the 1999 EDP program continue with the criteria and program guidelines that were in place in 1998, and that a program review take place in 1999. The objective of the review was to determine how the program can best support the City's emerging economic development strategy and to ensure that it is delivered in the most effective and equitable manner.

Over the summer, staff consulted with current and former grant recipients as well as other departmental client groups to determine which of the elements of the program required change or refinement to meet the objectives of the amalgamated Economic Development Division and to better serve our clients.

Eventually, the Economic Development Sector Initiatives Program (EDSIP), described in Attachment No. 1, was designed to replace EDPP. The new program has been conceived as a tool to enhance this Department's ability to support economic development initiatives which are in line with the Division's priority strategic sectors, currently defined as: Apparel, Fashion/Design, Bio-Tech/Pharmaceuticals, Food Processing; Beverage/Packaging, Information Technology and Telecommunications and New Media, and Tourism. A transition schedule (Attachment No. 2) was developed to minimize the transition of current grant recipients to the new program. Attachment No. 3 offers a comparison between the two programs.

Below is a discussion on the rationale and criteria supporting the new Economic Development Sector Initiatives Program (EDSIP).

Comments:

New City New Program

The former EDP program has proven to be a valuable economic development initiative for the former City of Toronto and every effort was made to ensure that the program continues to

support the economic development priorities of the amalgamated City of Toronto over this year. Several factors were considered in the program review, such as:

- (a) Existing program goals and objectives;**
- (b) Building closer linkages with the ongoing sector development work being conducted by the Economic Development Division (For example, no projects were being supported in the Medical/Biotechnology or New Media/Information Technology or Telecommunications Sector until 1999);**
- (c) Expanding benefits of the program City wide;**
- (d) Performance measures;**
- (e) Eligibility criteria;**
- (f) Assessment criteria and evaluation process;**
- (g) On going core funding requirements of organizations;**
- (h) Application deadlines; and**
- (i) Program marketing and communication.**

To address these issues, staff consulted with Economic Development Division clients representing a wide range of organizations as well as past and potential future applicants, and undertook a critical review of the principles and implementation mechanisms of the program. It was concluded that to effectively streamline the program and to make it more in keeping with the objectives of the Division, it would be prudent to restructure the program under a revised set of criteria. The revised program is described in Attachment No. 1. This program is designed to meet both the objectives of the Division and the principles of the City's Grants Policy.

Objective/Goal:

The goal of EDSIP continues to be to facilitate the initiation or expansion of projects that will provide substantial long term economic benefits to the City. The focus going forward will be to align the program to the Economic Development Division's work in promoting and developing key sectors of the economy. In this respect, this program represents an important tool.

Funding Cycle:

EDSIP proposes one annual application deadline, early in the Spring, to provide recipients with confirmation of the outcome of their application in time to make programming and financial decisions. Reducing the funding cycle from twice annually to once a year, is also more manageable for the Division, given limited staff resources to operate the program.

Program Length:

A 3-year term is proposed, as opposed to 5 in the former program. This would allow for a more dynamic program as turnover of applicants is accelerated. The benefit of a shorter term is two fold: it will encourage applicants to ensure sustainability in their business plan and, as well, it will foster new partnerships by motivating proponents to attract other support sources for the initiative.

Eligibility Criteria:

This program will continue to support one time only projects as well as developmental projects requiring funding support for up to three years. Projects from across the City will now be eligible.

The eligibility criteria have been adjusted to ensure consistency and equitability in the evaluation of proposals. Only incorporated non-profit organizations will be eligible to apply for funding under this program. In the past, non-incorporated organizations and private businesses were also eligible. However, no applications were filed by these groups in 1999. Due to the limited funds, and in keeping with Council's corporate Grants Policy, eligibility is limited to incorporated non-profit organizations only.

Applicants must demonstrate that all other sources of support for the project have been thoroughly investigated. This is particularly important given the limited funding available for this program. This principle has been carried over from the former program.

Projects which are funded by another City of Toronto program will only be eligible for that component of the project which is not eligible under another City program. In the past, some organizations have been receiving funding from other City programs such as the Toronto Arts Council or the Special Events Grants. As the City is moving towards consolidating and repackaging its grants programs, it is important to identify which element of the project will be supported by each program in the event that applications are filed for more than one program.

Grants staff across the department met to discuss the issue of multiple funding as well as to establish a protocol to deal with major events. It was determined that until this issue is resolved, this program will continue to consider for eligibility the tourism development component of major events. To encourage project self-sustainability and fund leveraging from other sources, the grant will not exceed 25 percent of the budget allocated to the component of the project for which support is being sought. This applies to all project categories.

Notwithstanding the above, the maximum support for a project shall not exceed \$20,000.00 in a calendar year. This is not different from the EDP program, except that there was an allowance to raise this amount to \$50,000.00 in "extraordinary circumstances". This option is ambiguous and leads to inconsistency in applying the rules, therefore it is recommended that this option be discontinued.

Developmental projects will be eligible for support for a maximum of 3 years, with the maximum support in the third year not exceeding 50 percent of the previous years. It is deemed that a 3-year term is adequate to provide seed funding for an initiative. Easing recipients out of the program sooner will enable the City to open the program up for new applicants. Based on the experience of the former EDP program, a 5-year support leads to a project reliance on core funding rather than sustainability.

To date there was no limit to the number of projects for which any given organization could apply for support in a given year. EDSIP limits eligibility to one project per organization per year. This will broaden opportunities for other organizations.

Ineligibility:

The former EDP program restricted the eligibility of promotional or advertising material for individual events or facilities and skills and other training initiatives. Past experience indicates that promotional material and skills development may represent valuable infrastructure components of a project. For example, a number of skills development projects, such as Heritage Skills Development (Bakery) and Women in Film and Television (Mentorship), have been supported under the EDP program. As Federal funding for skill development is gradually being reduced, restricting this aspect of a project may jeopardize the success of a good initiative. Given that EDSIP is quite specific in its eligibility criteria, the limitations imposed by the former program are now redundant. In other words, initiatives which do not meet all the eligibility criteria of the program are ineligible.

Performance Measures/Monitoring:

The application requirements have been refined to harmonize the submissions in a way that would result in a consistent review. An application form has been created to that effect (Attachment No. 1).

Emphasis has been placed in prompting the submission of measurables such as job creation, hotel room nights generated, new sponsorships, additional sales revenues, other funding leveraged and other project performance indicators to enable staff to monitor the success of the project for which funding is sought.

One-time only program participants must submit a project evaluation report no later than 3 months of the completion of the projects. Developmental projects are required to submit a report at the time of filing a new application, containing an evaluation of the previous year project along with documentation containing measurable indicators in support of their application. In both cases, failure to submit these reports may result in the City's refusal of future support. This monitoring strategy will ensure that initiatives for which funding is granted meet the objectives of the program in keeping with the City's Grants Policy.

Review Process:

The City's Grants Policy requires that individuals with appropriate expertise be involved in the review process, which may include a peer/citizen review mechanism, as well as it requires that an appeal process be provided. Unlike the former EDP program, EDSIP proposes a specific section which explains the application process. This has been added to the program overview to ensure consistency, and also to make the process clearly understood to new applicants.

Over the past two years, staff have been evaluating applications in consultation with key departmental client groups. This approach has been successful. We are therefore proposing that the evaluation of applications under this program continue to be undertaken by Economic Development Division staff and Sector Specialists and by other Divisions as appropriate, such as Special Events. Recipients can appeal staff recommendations before the Economic Development and Parks Committee.

Communication Strategy:

Given the importance of this program as a vehicle to nurture the economic development and performance of strategic sectors across the city, an aggressive promotion strategy is proposed. An information brochure will be prepared, copies of which will be distributed to civic centres, Economic Development district offices, sector trade associations, current EDPP recipients, applicable non-profit organizations and members of Council. It is expected that the broader marketing of EDSIP across the City will produce new and exciting projects in support of the City's strategic sectors.

Transition To The New Program:

In 1999, 20 initiatives benefited from the former 1999 EDP program, of which 5 were for one-time only projects and 15 were developmental projects with varying number of years in the program (Attachment No. 2).

The former EDP program was never intended to provide core funding. It was designed to seed new initiatives with higher self-sustainability potential. As such, provisions were made to phase developmental projects out, once they have reached 5 years in the program: projects were subject to a 50 percent and 25 percent reduction in the 4th and 5th year, respectively. However, there were a number of projects for which Council maintained the same level of support over the years and this was due to their ability to generate a positive impact on the City's economic vitality and liveability. In the absence of a mechanism to provide core funding for these initiatives, they were kept in this program. The down side of supporting these initiatives through this program has been that it has reduced the number of new opportunities eligible for support.

To ensure City's support to these initiatives, while keeping the integrity of the new program, and to minimize the effect of the transition to EDSIP by current EDP recipients, a transition plan is proposed, as described below.

One time only Projects:

One time only projects will be deemed to be completed by the end of 1999. New projects under this category will be considered under the new program criteria.

Developmental Projects:

(a) Projects which have reached the maximum 5-year eligibility criteria:

These are:

- (i) Toronto International Film Festival;
- (ii) Toronto International Film Festival Cinematheque;
- (iii) Toronto Worldwide Short Film Festival;
- (iv) Toronto Theatre Alliance, and
- (v) Toronto Association of Business Improvement Areas (TABIA).

These projects, which were awarded \$136,000.00 in 1999 (or 40 percent of the money available for the entire program) are due to be phased out in accordance with the program criteria. However, because of the positive impact that initiatives like the above have on Toronto's economy and image, and because of the ability for initiatives of this calibre to raise the international profile of the city, we recommend that these initiatives continue to receive sustainable funding.

As noted above a mechanism to provide core funding for these initiatives needs to be established and now is the time to address this issue through the restructuring of the program. It is suggested that a new core fund be created entitled 'Economic Sponsorship Initiatives Fund' to continue to support these existing initiatives which would require an additional \$136,000 be allocated to the Consolidated Grants Budget.

(b) Projects in the third, fourth and fifth year in 2000:

To implement the phasing out criteria of the program, it is proposed that all current developmental projects in their third, fourth and fifth year in 2000 be subject to a 50 percent reduction as per EDSIP criteria and be phased out of the program thereafter.

As shown in Attachment No. 2, in 2000, there is one project – Canadian Aboriginal Festival- in its fifth year, 2 projects - Ashkenaz Festival and Junction Gardens BIA – in their fourth year and 3 projects – Heritage Skills Development (Bakery), Toronto Festival Alliance and Women in Film and Television – in their third year.

Under the former EDP program, projects in the fourth and fifth year would have been subject to a 50 percent and 25 percent reduction respectively, while projects in their third year would have been eligible for a full allocation. However, the Canadian Aboriginal Festival, which was subject to a 50 percent reduction in 1999, was only reduced by 25 percent due to financial constraints and received \$15,000.00. Had the reduction criteria been applied, this organization would have been entitled to an allocation not higher than \$5,000.00 in 2000. The proposed 50 percent reduction under the new program will actually benefit this organization as they would be eligible for a maximum of \$7,500.00 in 2000.

For the 2 projects in their fourth year – Ashkenaz Festival and Junction Gardens BIA - the proposed transition plan represents no change to their entitlement under the former EDP program.

The third year recipients will be the most affected by the transition plan. Staff met with the Executive Director of Heritage Skills Development (Bakery) to discuss their situation. This project will be affected by a \$10,000.00 reduction. However, this organization will be holding a meeting by the year's end to decide whether to continue or expand this program, or to start a new program altogether for which they will be eligible to apply for funding.

Staff have been advised that the Toronto Festival Alliance is planning a new project which may be eligible as a one time only project under the new program. They can choose to continue the current project subject to a \$5,000.00 reduction or apply for the new one. Women in Film and Television mentorship program will be in the third and final year in 2000. They will be affected by a \$4000.00 reduction under the new program. This project is currently funded by the City and private sources. Staff have been advised that this initiative is also eligible for Provincial Government funding.

(c) Projects in the second year:

There are 4 developmental projects – Apparel Ontario, Toronto Bio-Tech Business Incubator, Design Exchange and Taste of the Danforth - which will be in their second year in 2000. These projects will not be affected in 2000, because under the new program criteria they will be eligible to seek the same level of support they had in 1999.

Two of these projects - Toronto Bio-Tech Business Incubator and Taste of the Danforth - received a support level of \$50,000.00 and \$25,000.00 respectively in 1999. This exceeds the \$20,000.00 maximum support level established by EDSIP. As these applications are new to the program, a lower level of support may affect the viability of their initiatives. Therefore, it is recommended that they be eligible to seek the same level of support in 2000. However, all 4 projects will be subject to a 50 percent reduction in 2001 and will be phased out in 2002, as per the program criteria.

As the Department is considering mechanisms to support the ongoing support of major events such as the Taste of the Danforth, it is anticipated that this organization will be eligible for continued support should a new program come into effect.

Benefits of the Program:

Given that the program will be advertised for the first time to organizations outside the former City of Toronto, we can expect a considerable increase in the demand for funding. Therefore maintaining the \$337,000 budget and using the monies for developmental projects only and reviewing the need to provide increased funding to support the city-wide demands are factors that will impact the success of this program. It is anticipated that EDSIP will be a highly successful economic development tool and will succeed in leveraging funds both from the private sector and from other levels of government. This program offers a unique and innovative approach to promote investment in initiatives which stimulate job creation, investment, skills training, and programs to enhance innovation and productivity improvements in many key sectors of the Toronto economy.

Conclusions:

While the EDP program successfully served the economic development interests of the former City of Toronto prior to amalgamation, EDSIP will provide a vehicle to support the Economic Development Division work program in the next century. To implement this program, the maintenance of the \$337,000.00 1999 support level is crucial.

It is also critical that a mechanism be in place to continue core funding for those projects which have proven to be an asset for Toronto but are no longer eligible under this program.

The proposed communication strategy will facilitate EDSIP to be accessed by organizations across the City. It is expected that this will encourage new and exciting initiatives, resulting in a greater potential for materializing long term economic benefits for both the businesses and residents of Toronto.

Contact:

Alicia Bulwik, Sector Development Officer, Tel: 392-3830, Fax 397-5332
e-mail: abulwik@city.toronto.on.ca

List of Attachments:

- Attachment No. 1 - Economic Development Sector Initiatives Program 2000
 - Attachment No. 2 - Economic Development Sector Initiatives Program – Phasing Out Schedule
 - Attachment No. 3 - EDDP/EDSIP Summary Comparison Chart
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Attachment No. 1

Economic Development Sector Initiatives
Program 2000

Program Overview:

Objective/Goal: To provide seed money for initiation or expansion of projects which are expected to yield substantial long term economic development benefits for the City of Toronto by contributing to the size of the local economy and/or to the generation of future economic growth and job creation, as well as to the performance of any of the Strategic Sectors of the City, which are currently defined as: Apparel, Fashion/Design, Bio-Tech/Pharmaceuticals, Food Processing, Beverage/Packaging, Information Technology and Telecommunications and New Media, and Tourism.

Application Time: Once a year in the Spring.

Deadline: Third Tuesday of March.

Program Length: Maximum 3 years.

Categories: (1) New or One Time Only projects not previously supported.
(2) Developmental projects, where City support is required for 3 years to ensure future project sustainability.

Eligibility Criteria

- (1) Incorporated non-profit organizations.
- (2) The project must be located within the boundaries of the City of Toronto and must substantially benefit the City in accordance to the objective of this program.
- (3) Applicants must demonstrate that all other sources of support for the project have been thoroughly investigated, including all other appropriate City of Toronto programs and services; funding offered by other levels of government; fundraising opportunities; corporate sponsorships; and sources of self-generated revenue.
- (4) Projects which are funded by another City of Toronto program, will only be eligible for that component of the project which is not eligible under the other program. Initiatives receiving core funding are not eligible.
- (5) The grant shall not exceed 25 percent of the budget allocated to the component of the project for which support is being sought.

- (6) Notwithstanding No. 5 above, the maximum support to a project shall not exceed \$20,000.00 in a calendar year.
- (7) Developmental projects are eligible for support for a maximum of three years. The maximum support in the third year shall not exceed 50 percent of the previous year.
- (8) An organization may apply for more than a project, but only one project per organization will be eligible at a time. Major events are eligible only for their tourism development component.
- (9) All one time only projects will be treated as a new initiative under the program criteria.
- (10) Priority in funding will be given to projects:
 - (a) which lead to sustainable long term benefits that address the directions set out in the City of Toronto's economic development strategies;
 - (b) which have a good potential to become self-sustaining within the three-year time frame of the program;
 - (c) where the requested support will make a substantive contribution to the viability or feasibility of the project; and
 - (d) which involve substantive partnerships with the private sector.

Special Conditions:

Prior to disbursement of approved funds by the City, the applicant must agree to:

- (1) Adopt City Council's non-discrimination policies; and
- (2) Be subject to the City Grants Policy; and
- (3) Provide satisfactory recognition of the City of Toronto's support for the project.

Application Requirements:

- (1) A complete Application Form.
- (2) A covering letter (maximum 2 pages) indicating the following:
 - (a) Amount being requested;
 - (b) A brief description of the project;

- (c) A summary of how the project addresses program goals and eligibility criteria and priorities;
 - (d) Which Sector the initiative applies to; and
 - (e) What are the anticipated direct benefits to the City.
- (3) Information about the organization requesting support:
- (a) List of current Board of Directors;
 - (b) Articles of Incorporation;
 - (c) Charitable Number (if registered as a charity);
 - (d) Brief description of the organization's objectives; major activities; history; organizational structure; board responsibilities; meeting frequency; operating relationship between board and any paid staff;
 - (e) Most recent audited financial statements; and
 - (f) Organization's current year budget.
- (4) Detailed information about the project:
- (a) Detailed project proposal and appropriate background information including project date(s), times and location(s);
 - (b) Current year business plan;
 - (c) Detailed project budget outlining revenue sources and expenditure categories, and actual expenditures and revenues from the previous year if project was undertaken previously;
 - (d) Complete Budget Forms attached to the application form;
 - (e) Description of how the requested support from the program will impact the project;
 - (f) Description of how the project will contribute to the size of the local economy, generation of future economic growth, and job creation in the city of Toronto including quantitative measures such as new jobs (permanent/temporary);
 - (g) If it is anticipated that repeat support will be sought from the program in future years, address how self-sufficiency will be attained and support from the program phased out;

- (h) One time only program participants must submit a project evaluation report no later than 3 months of the completion of the project for which funding was requested. Such a report should indicate how the project benefited from the City support and how the project met the objectives and conditions outlined in the report recommending support. Failure to submit this report may result in the City's refusal of future support.

(5) Developmental Projects

In addition to the above requirements, organizations applying for developmental projects must submit a report at the time of filing a new application. Such a report shall contain an evaluation of the previous year project, and shall include the following:

- (a) audited financial statements;
- (b) a discussion of the activities undertaken and an evaluation of the project both in terms of the extent to which it met the objectives of the organization, and the extent to which it met the economic development objectives of the City as stated when support was approved;
- (c) a statement on how the project benefited the applicable Strategic Sector;
- (d) data on new employment generated by the initiative;
- (e) new sponsorship funds leveraged as a result of City participation;
- (f) new programming launched or potential for new programming derived from the initiative;
- (g) additional revenues generated ie. sales generated for Toronto companies as a result of the initiative;
- (h) estimated spin off effect ie. for Tourism Sector: number of visitors, hotel room nights generated, tourism expenditures, out of town advertising etc.;
- (i) potential long term benefits ie. new start up businesses, new investment in the City; and
- (j) other measurable indicators in support of the application.

Failure to submit this report may result in the City's refusal for further support to continue the project and may jeopardize other applications by the same organization.

- (6) Two sets of the complete application as per No. 1 to No. 5 above, must be submitted no later than 4:00 p.m. on the Third Tuesday of March. Late applications will be accepted for the following program year. The complete package should be mailed to:

Attn.: Grant Coordinator
Economic Development Sector Initiatives Program (EDSIP)
City of Toronto, Economic Development Office
Metro Hall, 55 John Street, 8th Floor
Toronto, ON M5V 3C6

Application Process:

- (1) Applicants are encouraged to contact the Grant Coordinator of the Economic Development Office to discuss the project and its fit within the eligibility criteria of this program prior to filing the application;
- (2) Once the application is filed, staff will review it for completeness and in accordance with the eligibility criteria of this program. Incomplete applications or those which do not meet the criteria of the program may not be placed before Council;
- (3) Staff will prepare a report with recommendations to the Economic Development and Parks Committee, targeted for the May/June meeting of the program year. Applicants will have an opportunity to make a deputation at this meeting to appeal staff recommendations;
- (4) The Committee's recommendation will be considered by Council at a subsequent meeting;
- (5) Upon Council's approval, cheques will be issued to the recipients in accordance to the terms and conditions of approval and once conditions of funding have been fulfilled.

For questions regarding EDSIP please call (416) 392-3375

Attachment No. 2

Economic Development Sector Initiatives Program (EDSIP)
Former EDPP Recipients Phasing Out Schedule Based On 1999 Allocations

Developmental projects which have reached the maximum 5-year eligibility criteria, due to be phased out and recommended for core funding through other City programs:

Toronto International Film Festival	\$50,000.00
Toronto International Film Festival (Cinematheque)	\$25,000.00
Toronto Worldwide Short Film Festival	\$20,000.00

Toronto Association of Business Improvement Areas (TABIA)	\$25,000.00
Toronto Theatre Alliance	\$16,000.00

Developmental projects in the 3rd, 4th and 5th year in 2000 subject to a 50 percent reduction in 2000 and phasing out thereafter:

Canadian Aboriginal Festival -	5th year	from	\$15,000.00	to	\$ 7,500.00
Ashkenaz Festival-	4th year	from	\$ 5,000.00	to	\$ 2,500.00
Heritage Skills Develop't (Bakery)	3rd year	from	\$20,000.00	to	\$10,000.00
Junction Gardens BIA-	4th. year	from	\$ 3,500.00	to	\$ 1,750.00
Toronto Festival Alliance	3rd year	from	\$10,000.00	to	\$ 5,000.00
Women in Film and TV	3rd year	from	\$ 8,000.00	to	\$ 4,000.00

Developmental projects in the 2nd. year in 2000 to maintain the 1999 support level in 2000:

Apparel Ontario	\$20,000.00
Toronto Bio-Tech Business Incubator	\$50,000.00
The Design Exchange	\$10,000.00
Taste of the Danforth	\$25,000.00

One-time only projects supported in 1999:

Parkdale Liberty Economic Development Committee - Historic Map-	\$ 3,772.50
Riverdale Community Business Centre- - 5 Tourism-related Projects	\$10,000.00
761 Community Development Corporation	\$10,000.00
Green Tourism Association	\$ 5,000.00
Smart Toronto	\$ 5,700.00

Note: This schedule represents the phasing criteria and shall not be interpreted as a recommendation for future allocations. All applicants are subject to the EDSIP criteria described in Appendix 1.

Attachment No. 3

Eddp/Edsip Summary Comparison Chart

	EDDP –1995/1999 (Economic Development Partnership Program)	EDSIP –2000/2002 (Economic Development Sector Initiatives Program)
Objective/ Goal	<ul style="list-style-type: none"> To facilitate the initiation or expansion of projects providing substantial long term economic benefits to the City. 	<ul style="list-style-type: none"> Same but focus on supporting the strategic sectors of the City.
Application Time	<ul style="list-style-type: none"> Twice a year- Spring and Fall- dates determined each year. 	<ul style="list-style-type: none"> Once a year in the Spring-Deadline is the 3rd Tuesday in March.
Program Length	<ul style="list-style-type: none"> 5 years 	<ul style="list-style-type: none"> 3 years
Categories	<ul style="list-style-type: none"> New or one-time only and developmental projects 	<ul style="list-style-type: none"> Same
Eligibility Criteria	<ul style="list-style-type: none"> Non-profit organization (incorporated or unincorporated) and private business, Project must be located in Toronto, Applicants must demonstrate that all other sources of support have been thoroughly investigated, Components of the project which can be funded from another source or supported through the provision of in-kind services are not eligible, The maximum amount of support shall be 25% of the total project cost subject to a grant ceiling of \$50,000.00. Grants exceeding \$20,000.00 are awarded only in extraordinary circumstances. 5 year developmental projects subject to 50% and 25% reduction respectively in the 4th and 5th year, 	<ul style="list-style-type: none"> Non-profit incorporated organizations, Same, Same, Projects which are funded by another City of Toronto program are eligible only for that component of the project which is not eligible under the other program, The grant shall not exceed 25% of the budget allocated to the component of the project for which the support is being sought. The maximum support to a project shall not exceed \$20,000.00 in a calendar year
	<ul style="list-style-type: none"> No limit in the number of projects per organization to be considered at a time. 	<ul style="list-style-type: none"> 3 year developmental projects subject to a 50% reduction in the 3rd year, Only one project per organization eligible at a time, All one time only projects are treated as new initiatives.
Funding Priority	<p>Projects:</p> <ul style="list-style-type: none"> Which lead to substantial long term benefits, Which have good potential to become self sustaining by the end of the program, and Which involve substantive partnerships with the private sector. 	<p>Projects:</p> <ul style="list-style-type: none"> Same Same Same

	EDDP –1995/1999 (Economic Development Partnership Program)	EDSIP –2000/2002 (Economic Development Sector Initiatives Program)
Ineligibility Requests	<ul style="list-style-type: none"> • Deficit reduction, • Completed projects, • On-going operating activities, • Promotional or advertising material for individual events or facilities, • Skills and other training initiatives, and • Projects initiated by City of Toronto Departments or Agencies. 	<ul style="list-style-type: none"> • All projects which do not meet all the criteria of the program.
Performance Measures/ Submission Requirements	<ul style="list-style-type: none"> • Covering letter describing the project , its benefits and the amount requested, • Information on the organization requesting support: <ul style="list-style-type: none"> -List of current Board of Directors -Articles of incorporation -Charitable number -Objectives, organizational structure, and other operating details -Audited financial statements -Current year budget • Detailed Information on the project: <ul style="list-style-type: none"> -Description, location etc. -Current year business plan -Project budget -Anticipated benefits -Measurables i.e. number of jobs created -Self-sufficiency expectations 	<ul style="list-style-type: none"> • Application form plus a covering letter –same- but with a reference to the applicable sector. • Same • Same plus additional requirements for developmental projects, including hotel room rights generated, new sponsorships, additional sales revenues, other funding leveraged, etc..
Monitoring/ Mandatory Evaluation Reports	<ul style="list-style-type: none"> • Within 6 months of completion of the initiative for all recipients. • Developmental projects must submit a detailed evaluation report at the time of filing a new application, including measurable results, i.e.employment generation, financial statements. 	<ul style="list-style-type: none"> • No later than 3 months for one time only recipients. • Same
Review Process	<ul style="list-style-type: none"> • Staff review and recommendations reported to Economic Development and Parks Committee. • Allocations approved by Council. 	<ul style="list-style-type: none"> • Same- Process explained in program overview with targeted committee date set for May/June each year.

The Policy and Finance Committee submits the following communication (November 9, 1999) from the City Clerk:

Recommendations:

The Economic Development and Parks Committee on November 8, 1999, recommended to the Policy and Finance Committee, and Council, the adoption of the report (October 27, 1999) from the Commissioner of Economic Development, Culture and Tourism, subject to amending Recommendation No. (2)(b) by deleting the words “and be phased out thereafter” and inserting in lieu thereof “and will not be eligible for funds from this program thereafter” so that such Recommendation now reads:

“(2)(b) Developmental projects in the third, fourth and fifth year in 2000, be subject to a fifty percent reduction in their allocation eligibility and will not be eligible for funding from this program thereafter;”.

The Economic Development and Parks Committee reports, for the information of Council, having requested the Commissioner of Economic Development, Culture and Tourism to report to the Chair on any other options for sustained funding for the BIA Associations and report directly to Council, if necessary, in that regard.

Background:

The Economic Development and Parks Committee had before it a report (October 27, 1999) from the Commissioner of Economic Development, Culture and Tourism, recommending that:

- (1) a new Economic Development Sector Initiatives Program (EDSIP) take effect in the year 2000, in accordance with the criteria set out in Attachment No. 1;
- (2) effective January 1, 2000, the Economic Development Partnership Program (EDPP) be discontinued and that current recipients, as shown in Attachment No. 2, be subject to the following:
 - (a) **the initiatives totalling \$136,000.00 that have reached the maximum five year eligibility and no longer qualify under the former EDPP or the new EDSIP continue to be supported, through the Consolidated Grants Budget:**
 - (i) Toronto International Film Festival - \$50,000.00;
 - (ii) Cinematheque - \$25,000.00;
 - (iii) Toronto Worldwide Short Film Festival - \$20,000.00;
 - (iv) Toronto Association of Business Improvement Areas (TABIA) - \$25,000.00; and

- (v) Toronto Theatre Alliance - \$16,000.00;
 - (b) developmental projects in the third, fourth and fifth year in 2000, be subject to a 50 percent reduction in their allocation eligibility, and be phased out thereafter; and
 - (c) developmental projects in the second year in 2000, maintain the 1999 eligibility allocation level in 2000 and be subject to a 50 percent reduction in **2001**;
- (3) the Economic Development and Parks Committee support an additional allocation of \$136,000.00 in the Consolidated Grants Budget for initiatives that merit sustainable funding sources through a new category for Economic Sponsorship Initiatives with EDSIP maintaining its 1999 program level of \$337,000.00 for the year 2000;
 - (4) that consideration be given to adding funding of \$100,000.00 to the EDSIP for service leveling and harmonization during the consolidated grants budget review;
 - (5) that this report be forwarded to the Policy and Finance Committee and the financial implications contained herein be referred to the Budget Advisory Committee for consideration as part of the 2000 Operating Budget process; and
 - (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Mr. Ling, Chair, Toronto Association of Business Improvement Areas, appeared before the Economic Development and Parks Committee in connection with the foregoing matter.

(A copy of the application form, entitled "Economic Development Sector Initiatives Program" which was attached to the foregoing report (October 27, 1999) from the Commissioner of Economic Development, Culture and Tourism, was forwarded to all Members of Council with the November 10, 1999, agenda of the Policy and Finance Committee and a copy thereof is also on file in the office of the City Clerk.)