

CAPITAL REGIONAL DISTRICT

Staff Report to the Regional Planning Committee
Meeting of Wednesday, March 20, 2002

SUBJECT:

Regional Economic Development Strategy Update

BACKGROUND:

- Mar 28, 2001: The Board approves in principle \$35,000 as a financial contribution to the preparation of a Regional Economic Development Strategy (REDS), to be carried out by the Capital Enterprise Partnership (now the Greater Victoria Enterprise Partnership Society or GVEPS), subject to - approval of a project description, work plan, and a partnership agreement negotiated under section 176 of the *Local Government Act*.
- June 20, 2001: Regional Planning Committee (RPC) approves in principle the proposed REDS Partnership Agreement. The proposed partnership agreement was subsequently revised in light of comments received from Regional Solicitor Colin Stewart on July 27, 2001 as informally directed by Regional Planning Committee on August 1st.
- Jan. 9, 2002: Board approves execution of the partnership agreement, endorses the project description prepared by GVEPS, and the transfer of \$35,000 to the Society as a financial contribution to the project subject to receipt of final confirmation of project funding approval from Western Economic Diversification Canada.
- Jan. 16, 2002: REDS Partnership agreement between CRD and GVEPS signed.
- Mar. 6, 2002: Telephone notification received from Western Economic Diversification Canada that funding for the REDS had been denied under the joint federal/provincial Western Economic Partnership Agreement.

DISCUSSION:

On January 9, 2002 a staff representative from Western Economic Diversification Canada informed the CRD Board that federal funding for the REDS, in the order of \$100,000 had received "soft approval", with "hard approval" contingent upon receipt of the final consultant proposal. Following the Board resolutions of January 9, 2002, GVEPS proceeded with the process to identify a preferred consultant from a shortlist of four consortia. A group led by Grant Thornton was selected as the preferred consultant and their proposal was submitted to Western Diversification to complete the Society's application for federal funding under the joint federal/provincial Western Economic Partnership Agreement. The joint agreement expires on March 31, 2002.

Notification received by telephone on March 6th that the application for funding had been denied came as a surprise. Western Diversification Canada noted in their explanation that the REDS project was not ranked as a high provincial priority and as such did not receive the support of the Minister responsible, the Honourable Rick Thorpe. Under the terms of the joint agreement, although the funding is entirely federal, provincial agreement is necessary for any projects funded under the program. At this time it is unclear whether the federal government will establish a new Western Economic Partnership Agreement and if so, whether the REDS project would fall within the focus of any new program.

Representatives of the Society met with the South Island government caucus on March 11th to discuss the funding shortfall and solicit their aid. Members of the South Island caucus indicated that they will explore other avenues of funding that may be available to replace the core project funding lost. The GVEPS board met on March 13th to discuss other options available to provide core funding for the project.

RECOMMENDATION:

That the Committee receive this report for information.

Mark Hornell, MCIP
Director - Regional Planning Services

EXECUTIVE DIRECTOR'S COMMENTS:

W.M. Jordan, Executive Director