

**Economic Development Opportunity Calgary Investment Fund (EDIFOCIF) - Terms of Reference**

|        |  |                            |
|--------|--|----------------------------|
| 1.     | INTRODUCTION   | 3                          |
| 1.1    | Background <u>and Goals of OCIF Reserve</u>  | 3                          |
| 1.2    | Status   | 3                          |
| 1.3    | Purpose  | 3                          |
| 2.     | TERMS OF REFERENCE   | <del>34</del>              |
| 2.1    | Mandate of <del>the WOS</del>  | <del>3</del> <u>OCIF 4</u> |
| 2.2    | Area of Applicability  | <del>34</del>              |
| 2.3    | Purpose <del>Of The Economic Development</del> <u>of the Opportunity Calgary Investment Fund</u> | <del>34</del>              |
| 2.4    | <del>Type Of Fund</del> <u>The OCIF Reserve</u>  | 4                          |
| 2.5    | Acceptance of these Terms  | 4                          |
| 2.6    | Idea Generation and Initial Review   | <del>45</del>              |
| 2.6.1  | Pre-screen/Initial Stages  | <del>45</del>              |
| 2.6.2  | Governance   | <del>45</del>              |
| 2.6.3  | <u>Advisory Groups</u>   | <del>5</del>               |
| 2.6.4  | <u>Dialogue with Stakeholders</u>  | 5                          |
| 2.7    | <del>APPLICATION PROCESS</del> <u>Application Process</u>  | 5                          |
| 2.7.1  | Requirements   | 5                          |
| 2.7.2  | Timelines  | <del>56</del>              |
| 2.8    | <del>FUND ALLOCATION</del> <u>Fund Allocation</u>  | 6                          |
| 2.8.1  | Allocation Principles  | 6                          |
| 2.8.2  | Evaluation:  | 6                          |
| 2.8.3  | Other considerations:  | <del>67</del>              |
| 2.8.4  | Cancellation And Delay Of Funded Projects  | <del>67</del>              |
| 2.9    | <del>MONITORING</del> <u>Monitoring</u>  | 7                          |
| 2.9.1  | Regular Monitoring Report  | 7                          |
| 2.9.2  | Project Accountability   | 7                          |
| 2.10   | Lifespan of the <del>EDIF</del> <u>OCIF Reserve</u>  | 7                          |
| 2.11   | Handling of <del>monies</del>  | <del>7</del> <u>Monies</u> |
|        | <u>8</u>   |                            |
| 2.11.1 | Interest   | <del>78</del>              |
| 2.11.2 | Accounting   | <del>78</del>              |
| 2.11.3 | Payment of Funds to Receiving Projects   | <del>78</del>              |
| 2.11.4 | <u>Receipt of Funds from Investments</u>   | <del>8</del>               |

|   |                       |
|---|-----------------------|
| <a href="#">2.11.5</a> Minimum Balance .....  | 8                     |
| <del>2.11.5</del> <a href="#">2.12</a> .....  | Review And Amendments |
| 8   |                       |
| <del>2.11.6</del> <a href="#">2.13</a> .....  | Effective Date        |
| <a href="#">89</a>  |                       |
| Appendix A: Conceptual Scope/Criteria of the <del>Economic Development Investment Fund (EDIF)</del> <a href="#">9</a> <a href="#">OCIF Reserve 10</a> |                       |
| Appendix B: <del>EDIF</del> <a href="#">OCIF Reserve</a> Stage Gating (Workflow) .....  |                       |
|   | <a href="#">1011</a>  |

## OPPORTUNITY CALGARY INVESTMENT FUND TERMS OF REFERENCE

### 1. INTRODUCTION

The City of Calgary's Opportunity Calgary Investment Fund Ltd. ("OCIF") was established on April 19, 2018 as a wholly-owned subsidiary of The City of Calgary ("The City"). OCIF has the mandate of administering a fund established by The City, formerly referred to as the Economic Development Investment Fund (~~EDIF~~), and now called the "OCIF Reserve". The OCIF Reserve is a commitment by The City ~~of Calgary~~ to invest in catalyst projects, by way of providing funding to local projects in the form of grants, or by entering into equity investments with third party fund managers, all with an aim to strengthen the local economy. The ~~EDIF~~OCIF Reserve is a source of The City's funding ~~for~~ accessible to civic and community partners and The City's business units ~~to access, intended~~ to address a need, ~~that is~~ outside of their budget, but within the scope of their work and aligned to ~~the fund's principles~~ these Terms of Reference. Similar funds exist in other jurisdictions across North America and have been successful in achieving their objectives.

#### 1.1 Background and Goals of OCIF Reserve

At the Strategic Meeting of ~~Council~~The City's Municipal Council ("Council") on 2017 June 19, Council agreed to the \$10 million start-up of the ~~made in Calgary EDIF~~OCIF Reserve. In 2017 December 18, Council approved an additional \$90 million for a total ~~EDIF~~OCIF Reserve of \$100 million.

The goals of ~~the EDIF~~OCIF include, but are not limited to:

- Help create the right conditions for growth
- Diversify the local economy
- Leverage municipal funds for additional private and public sector investments
- Create employment lands and stimulate employment
- Create a return on investment (both direct and indirect)
- Support The City's downtown vacancy challenges
- Increase The City's tax assessment base

#### 1.2 Status

On 2017 December 18, Council agreed to ~~the a commitment of~~ \$100 million ~~creation of~~to the ~~made in Calgary EDIF~~OCIF Reserve.

OCIF has been established with an independent board of directors to manage the OCIF Reserve, approve and enter into agreements with beneficiaries of the OCIF Reserve, monitor beneficiary compliance with agreements, and report to the City on outcomes.

As at March 31, 2021, \$43.05 million dollars has been delivered or committed for grants to beneficiaries of the OCIF Reserve.

#### 1.3 Purpose

The purpose of this document is to define the Terms of Reference (TORs) of the ~~EDIF~~OCIF Reserve, providing guiding principles to OCIF in their administration of the OCIF Reserve. The TORs are ~~for~~applicable to both ~~applicants to the EDIF and the non-profit Wholly Owned Subsidiary that manages the EDIF (WOS)~~the OCIF Reserve as well as to OCIF.

## 2. TERMS OF REFERENCE

### 2.1 ~~MANDATE OF THE WOS~~Mandate of OCIF

The mandate of ~~the WOS~~OCIF is to manage the ~~EDIF~~OCIF Reserve effectively and in a manner that creates an environment that encourages economic recovery and growth, helps reduce the impact of the economic downturn on citizens and businesses, and capitalizes on new opportunities to support Calgary's economic success into the future.

### 2.2 ~~AREA OF APPLICABILITY~~Area of Applicability

The ~~EDIF~~OCIF Reserve applies to all areas and quadrants of the city of Calgary.

### 2.3 Purpose ~~Of The Economic Development~~of the Opportunity Calgary Investment Fund

The purpose of the ~~EDIF~~OCIF is to serve as a catalyst to increase the viability of projects that can facilitate economic development in Calgary in the short, medium and long term. Due to the wide variety and nature of projects that can support economic development, ~~the EDIF~~OCIF's governance is arranged to be both nimble and broad, thereby facilitating a greater opportunity to capitalize on potential projects that can support Calgary's economic strategy. ~~The EDIF~~OCIF represents one strategic tool at Calgary's disposal to leverage for any future circumstances that can positively impact Calgary's economic development activities.

### 2.4 ~~Type Of Fund~~The OCIF Reserve

The ~~EDIF~~OCIF Reserve is an interest-bearing capital and operating fund administered by the City Manager's Office Business Unit of ~~the~~The ~~City of Calgary~~. All ~~City of Calgary~~ policies applicable to The City shall also apply to ~~it~~the OCIF Reserve.

The ~~EDIF~~OCIF Reserve is funded by:

1. \$10 million from the Fiscal Stability Reserve (FSR) to initiate the short-term startup of the ~~EDIF~~OCIF Reserve
2. \$20M from the Calgary Building Services (CBS) and the Calgary Community Standards (CCS) – Business License Sustainment Reserve for 2017
3. \$20M from the CBS and CCS – Business License Reserve for 2018
4. \$25M from the anticipated savings in Corporate Programs for 2017
5. \$25M from the Budget Savings Account for 2018

The regulations of The City ~~of Calgary's~~ financing program apply to ~~it~~the OCIF Reserve as well as The City ~~of Calgary's~~ Triennial Reserve Review process performed by an Administrative Reserve Review Committee.

### 2.5 ~~ACCEPTANCE OF THESE TERMS~~Acceptance of these Terms

~~The terms of reference~~

These TORs are for ~~the WOSOCIF~~ to uphold. For applicants to ~~the EDIFOCIF~~, by applying for and accepting EDIFOCIF Reserve funding, the applicant also accepts these TORs.

## 2.6 ~~IDEA GENERATION AND INITIAL REVIEW~~ Idea Generation and Initial Review

### 2.6.1 Pre-screen/Initial Stages

Ideas that have the potential to facilitate economic development in Calgary will be triaged by ~~Calgary Economic Development (CED)~~. ~~All ideas~~ OCIF. ~~As more fully set out in Article 2.7 herein, all ideas shall be put before OCIF by way of a written application and~~ will be analyzed through the in-scope and out of scope criteria ~~as approved by The City of Calgary's Council (Appendix A)~~ set out in Appendix A hereto applicable to a beneficiary directly, or to an investment fund. ~~CED~~ OCIF will provide the initial review of projects or investment funds (collectively, "projects") per the stage gating process as identified in Appendix B.

### 2.6.2 Governance

~~The WOSOCIF~~ will steward ~~Calgary's EDIF~~ and administer the OCIF Reserve. Given the decision-making associated with the ~~EDIF~~, ~~the WOS may request that CED, as appropriate, utilize~~ OCIF Reserve, OCIF may directly, or with third party resources ~~for objective~~ retained by OCIF, undertake requisite analysis and review of any project ~~and applicable~~ business case that may qualify for funding from the EDIFOCIF Reserve.

~~The WOSOCIF~~ must at all times be fully aware of the internal and external factors that are impacting Calgary's economy, including solutions to ensure that the ~~EDIFOCIF Reserve's~~ outcomes and goals are met. Intimate knowledge of ~~CED's Economic Strategy~~ Calgary in the New Economy: An economic strategy for Calgary, as may be amended, supplemented or replaced from time to time, and focus areas, as well as The City ~~of Calgary's~~ Capital Investment Plan are important factors.

Information about ~~the WOSOCIF~~ governance structure is detailed in ~~the WOS~~ certain OCIF governance documents including a unanimous shareholder agreement and bylaws, which are approved by ~~Calgary~~ The City's Council as the representatives of The City ~~as, the~~ sole shareholder of OCIF.

### 2.6.3 Advisory Groups

~~The WOSOCIF~~ will have access to a series of advisory supports that are knowledgeable about Calgary's economic environment. ~~These groups include City of Calgary departments and business units, Calgary Economic Development (CED), and the partnerships as available to both stakeholders, e.g. CED Board, CED Sector Advisory Committees, Financial Services, Smart Agriculture (SASC), Clean Resource Innovation Network (CRIN), Leadership and Implementation Team (Economic Strategy), Post-Secondary Institutions, agriculture, etc.~~

### 2.6.4 ~~2.6.3~~ Dialogue with Stakeholders

~~CED and the WOSOCIF~~ must be well aware of business units' and other stakeholders' planning activities that can support economic development activities such as those of Transportation, Roads, Transit, Planning and Development, Utilities, Urban Strategy, etc. in order to ensure that the outcomes and the goals of the ~~EDIFOCIF Reserve~~ are achieved. Dialogue may occur by inviting representatives of business units or other stakeholders to meetings.

## 2.7 ~~APPLICATION PROCESS~~ Application Process

### 2.7.1 Requirements

To be considered for funding through the EDIFOCIF Reserve, a project must be submitted to CEDOCIF for review. The EDIFOCIF Reserve application process is not time bound, and CEDOCIF will accept submissions throughout the year and on an ongoing basis, with applications aligned to the OCIF Annual Business Plan and Strategy. This applies ~~both~~ to projects that are initiated by City business units/departments ~~as well as~~ and projects proposed by external community stakeholders.

~~An EDIF~~ A business case template is available to applicants and it is at the discretion of CEDOCIF to ask for additional and/or supporting information including use of an RFP process. Projects that are eligible for the EDIFOCIF Reserve can be found in Appendix A.

CEDOCIF will conduct all requisite due diligence of proposed ~~EDIF~~ projects, and will obtain third party review if ~~required~~ considered by OCIF to be necessary or desirable. Once an application has passed the initial screen, ~~CE~~ will bring the business case or RFP response will be brought to the board of directors of ~~the WOSOCIF~~ for their decision-making. Only projects that are vetted by CEDOCIF will be brought to the attention of the WOSOCIF Board.

~~The EDIF WOSOCIF~~ may also invite applicants to attend a Committee or Board meeting to discuss the proposal or provide a presentation of its contents. In advance of presenting to the ~~WOS, CEDOCIF Board, OCIF personnel (or third parties retained for this purpose)~~ must review ~~all~~ project documents and must consult with City relevant business units/departments of The City that may be affected by, or involved in, the project.

### 2.7.2 Timelines

The principles of the EDIFOCIF Reserve are to be fast, nimble, and responsive. Therefore all initial business cases will be reviewed in a timely manner. For a high level overview and timeline of an application, please see Appendix B.

## 2.8 ~~FUND ALLOCATION~~ Fund Allocation

### 2.8.1 Allocation Principles

The EDIFOCIF Reserve applies to all areas of Calgary. No set allocation principles will be established. As long as a project meets the evaluation criteria as set out in these TORs, it ~~will~~ may be considered.

### 2.8.2 Evaluation:

CEDOCIF, as the initial intake of the EDIFOCIF Reserve applications, and the WOSOCIF board of directors, will evaluate projects and investments on the basis of:

- ▲ Strategic alignment
  - ▲ Council Priorities (and applicable Citizen Priorities)
  - ▲ The City of Calgary's Capital Investment Plan
  - ▲ Calgary Economic Development 10 Year Economic Strategy
  - Calgary in the New Economy: An economic strategy for Calgary
  - ▲ The City of Calgary's Resilience Strategy

OCIF Annual Business Plan and Strategy

Criteria

- The proposed project aligns well with the EDIFOCIF Reserve goals and guiding principles;
- Stimulate employment – jobs created within the city of Calgary;
- Generate a return on investment (direct and indirect); and
- Stimulate property tax assessment base.

An EDIFOCIF Reserve scorecard, which shall include the evaluation criteria noted above, will be utilized to determine the potential impact of a project to Calgary.

CEDOCIF will leverage City of Calgary best practices in corporate governance, project management and stage gating and will inform the applicant of what stage of the process they are in. The stage gating process diagram can be found in Appendix B.

**2.8.3 Other considerations:**

A project's ability to augment and complement other orders of government funding will be considered an important consideration. Conversely, and for Cityany business units and departments of The City, projects that qualify for other City of Calgary funding (Community Revitalization Levy, Community Investment Fund, and Council Strategic Investment Fund, etc.) from The City will be a lower priority. City business Business units and departments of The City must explore other sources of internal funding options prior to submitting a business case to CEDOCIF for review against EDIFOCIF Reserve objectives. If an applicant is a City of Calgary business unit or department of The City, approved EDIFOCIF Reserve projects must be reflected in their work plans and business planning processes. In addition to Council's approved scope - per Appendix A - the EDIFOCIF Reserve will not be intended to support business operations, of events, festivals or sports tournaments.

**2.8.4 Cancellation And Delay Of Funded Projects**

In the event that an EDIFOCIF Reserve-funded project is cancelled, the WOSOCIF will remove the commitment placed against the EDIFOCIF Reserve and make the funds available for other projects.

In the event that a project cannot proceed and funding has been disbursed, the applicant will fully be required, pursuant to any grant or funding agreement between OCIF and the application, to reimburse The City of Calgary within 30 days of being notified. The WOSOCIF will build in security mitigation measures against risk of such default into their processes and documentation.

If an EDIFOCIF Reserve-funded project is delayed, i.e. by more than six months, or put on hold indefinitely, the WOS shall OCIF may cancel the project immediately and remove the commitment placed against the EDIFOCIF Reserve and make the funds available for other projects. Funds that have been disbursed for the delayed or cancelled project shall be reimbursed by the applicant back to The City of Calgary within 30 business days and credited to the OCIF Reserve.

## 2.9 ~~MONITORING~~ Monitoring

### 2.9.1 Regular Monitoring Report

As a non-profit ~~Wholly Owned Subsidiary~~ wholly-owned subsidiary of The City ~~of Calgary, the WOS will be,~~ OCIF is accountable to The City as sole shareholder through Council and ~~would report~~ reports through an annual shareholder meeting, and other special meetings or ad-hoc ~~meeting~~ meetings as required.

### 2.9.2 Project Accountability

At its discretion, ~~the WOS~~ OCIF may ~~request that CED call upon~~ retain third-party resources to conduct ~~objective~~ an analysis of potential ~~EDIF~~ OCIF Reserve qualifying projects.

## 2.10 ~~LIFESPAN OF THE EDIF~~ Lifespan of the OCIF Reserve

The lifespan of the ~~EDIF~~ OCIF Reserve and ~~the non-profit WOS is until funds are deemed to be fully utilized~~ OCIF shall be set out in any applicable funding agreements between The City and OCIF.

## 2.11 ~~HANDLING OF MONIES~~ Handling of Monies

### 2.11.1 Interest

~~EDIF~~ OCIF Reserve will earn interest according to ~~City~~ generally applicable [reasonable] procedures, established and determined by The City. The amount of interest may be used to cover direct cost of administrating the ~~EDIF~~ OCIF Reserve subject to the prior approval of ~~the~~ The City's Chief Financial Officer and the City Manager ~~of The City of Calgary.~~ Direct cost of administrating the ~~fund~~ OCIF Reserve includes, but are not limited to, costs such as third party reviews, and direct staffing costs of ~~the WOS~~ OCIF. Any costs associated with The City ~~of Calgary Administrative's administrative~~ staff are not eligible direct costs of the ~~EDIF~~ OCIF Reserve.

### 2.11.2 Accounting

Accounting of the funds will be done by ~~The City of Calgary's~~ Chief Financial Officer's Department (CFOD) or any successor thereto. Administrative staff ~~including~~ shall be responsible for tracking the balance of the fund, distribution of the funds, interest income earned, direct cost of administrating the ~~fund~~ OCIF Reserve, deposits into the ~~fund~~ OCIF Reserve, and any commitments against the ~~fund~~ OCIF Reserve. Staff will keep a schedule for the commitments and non- allocated monies. Financial reporting of the ~~fund~~ OCIF Reserve will be completed at least once a month for the duration of when the ~~EDIF~~ OCIF Reserve remains an active reserve within The City of Calgary. When decisions are made to allocate funds to a beneficiary, the Administrative staff within CFOD will execute the distribution of the ~~fund~~ funds in the timeframe as outlined in the approval document. A commitment will be placed against the ~~fund~~ OCIF Reserve at the time the project is approved to the time the payment is made to the beneficiary to ensure commitments are reserved for the approved project.

### 2.11.3 Payment of Funds to Receiving Projects

Upon authorization from ~~the WOS~~ OCIF, The City ~~of Calgary~~ will transfer allocated monies from the ~~EDIF~~ OCIF Reserve to the beneficiary in a form of ~~a cheque or~~ wire transfer. This can entail either the



entire funding amount or approved incremental milestone amounts until the full allocation has been achieved.

#### **2.11.4 Receipt of Funds from Investments**

OCIF may invest a portion of the OCIF Reserve in investment funds with a mandate consistent with the objective of the TORs. Any investment of the OCIF Reserve must be consistent with any stated investment policy of The City, and must be consistent with applicable law regarding the investment activities of municipalities. The City shall be the beneficial or registered owner (as the case may require) of any and all securities issued on the making of any investment approval by OCIF or The City from the OCIF Reserve. Any distribution from such investments, whether by dividend, return of capital, distribution of surplus on windup and liquidation, or otherwise shall be to The City and credited to the OCIF Reserve.

#### **2.11.5 ~~2.11.4~~ Minimum Balance**

There is no minimum balance required for the ~~EDIF~~OCIF Reserve.

#### **2.12 ~~2.11.5~~ Review And Amendments**

The success of the processes defined in these terms should be monitored on an ongoing basis.

#### **2.13 ~~2.11.6~~ Effective Date**

These Terms of Reference, as amended, are effective on the date that they are approved by Council.

**Appendix A: Conceptual Scope/Criteria of the ~~Economic Development Investment Fund (EDIF)~~ OCIF Reserve**

PFC2017-1081 [\[new number\]](#)

| In scope <del>EDIF</del> <u>OCIF Reserve</u> criteria*   | Out of scope <del>EDIF</del> <u>OCIF Reserve</u> criteria   |
|--|---|
| <ul style="list-style-type: none"> <li>▲= City-wide, including the downtown Centre City</li> <li>▲= Opportunities to partner, e.g. land purchases that are strategic</li> <li>▲= Targeted infrastructure to support economic development</li> <li>▲= Land for public or non-profit institutions</li> <li>▲= Fund City process improvements</li> <li>▲= Investment in technology</li> <li>▲= Partnerships with federal and provincial governments</li> <li>▲= Augment existing or new City granting programs to create business and economic development</li> <li>▲= Job training</li> <li>▲= Trade and investment attraction / export program</li> <li>▲= Brownfield redevelopment</li> <li>▲= Innovation clusters and zones</li> <li>▲= Optimizing use of vacant space</li> <li>▲= Strategic relocation of industrial land</li> <li>▲= <del>**</del> Retention or creation of employment/jobs</li> <li>· <u>Investments in accordance with applicable City investment policy</u></li> </ul> | <ul style="list-style-type: none"> <li>▲= Communications, marketing or public relations</li> <li>▲= <del>*</del> No municipal tax relief</li> <li>▲= <del>*</del> No loans</li> </ul> |

**Notes:**

~~\*Revised to align with the Municipal Government Act (MGA).~~

~~\*\*Revised to reflect retention or creation of employment/jobs (in general).~~

Appendix B: ~~EDIF~~OCIF Reserve Stage Gating (Workflow)

Document comparison by Workshare 10.0 on Wednesday, May 05, 2021 1:55:49 PM

| Input:        |   |
|---------------|---|
| Document 1 ID | iManage://VDMS/Active/10857243/1                |
| Description   | #10857243v1<Active> - OCIF - Terms of Reference |
| Document 2 ID | iManage://VDMS/Active/10857243/8                |
| Description   | #10857243v8<Active> - OCIF - Terms of Reference |
| Rendering set | BDP - strikethrough, no moves                   |

| Legend:                   |  |
|---------------------------|--|
| <a href="#">Insertion</a> |  |
| <del>Deletion</del>       |  |
| <del>Moved from</del>     |  |
| <a href="#">Moved to</a>  |  |
| Style change              |  |
| Format change             |  |
| <del>Moved deletion</del> |  |
| Inserted cell             |  |
| Deleted cell              |  |
| Moved cell                |  |
| Split/Merged cell         |  |
| Padding cell              |  |

| Statistics: |       |
|-------------|-------|
|             | Count |

|                |     |
|----------------|-----|
| Insertions     | 273 |
| Deletions      | 232 |
| Moved from     | 0   |
| Moved to       | 0   |
| Style change   | 0   |
| Format changed | 0   |
| Total changes  | 505 |

| <b>Redline options:</b>               |        |
|---------------------------------------|--------|
|                                       | Status |
| Redline Statistics at End of Document | ON     |
| Include Redline Comparison Summary    | OFF    |
| Show Change Numbers                   | OFF    |
| Show Change Bars On Left              | ON     |
| Show Hidden Text                      | OFF    |
| Detect List Numbering Changes         | ON     |
| Compare Headers/Footers               | ON     |
| Compare Footnotes                     | ON     |
| Display Workshare Compare Footers     | OFF    |
| Ignore Embedded Objects/Images        | OFF    |
| Compare at Character Level            | OFF    |
| Compare Numbers at Character Level    | OFF    |
| Show Moved Deletions                  | OFF    |
| Show Changes to Spaces                | OFF    |
| Show Paragraph Changes                | OFF    |
| Ignore Case Changes                   | OFF    |
| Ignore Text Boxes                     | OFF    |
| Ignore Field Codes                    | OFF    |

|                                |     |
|--------------------------------|-----|
| Compare field contents as text | ON  |
| Ignore Tables                  | OFF |
| Detect Changes to Images       | OFF |