

MEMORANDUM OF
UNDERSTANDING (MOU)

Peterborough
ECONOMIC DEVELOPMENT



Agreement made this 17 day of Dec, 2012

AMONG:

THE CORPORATION OF THE CITY OF PETERBOROUGH

Hereinafter called "City"

of the FIRST PART

- and -

THE CORPORATION OF THE COUNTY OF PETERBOROUGH

Hereinafter called "County"

of the SECOND PART

- and -

GREATER PETERBOROUGH AREA ECONOMIC DEVELOPMENT CORPORATION

Hereinafter called "GPAEDC"

of the THIRD PART

WHEREAS the City and the County entered into an agreement with respect to the operations of the GPAEDC, for the four-year period January 1, 2009 to December 31 2012;

AND WHEREAS the City, County and GPAEDC wish to renew the agreement on certain terms and conditions, in order to maintain the relationship between the City and County and the GPAEDC, by continuing to delegate to GPAEDC the responsibility for the delivery of economic development and tourism services, upon the terms and conditions hereinafter contained;

NOW THEREFORE the parties hereto agree as follows:

1.0 Governance of the GPAEDC

- 1.01 The Corporation is governed by a board of directors consisting of:
 - The Chief Administrative Officer of the County of Peterborough
 - The Chief Administrative Officer of the City of Peterborough
 - Five directors appointed by the County of Peterborough
 - Five directors appointed by the City of Peterborough
 - Two directors nominated by the Greater Peterborough innovation Cluster Board of Directors

- 1.02 Directors shall serve for the following terms:
- a) The Chief Administrative Officers of the County and the City shall hold office during their term of employment;
 - b) All other directors shall serve for a term of three (3) years, with four (4) directors being elected each year, so that the Board is elected and retires on a three (3) year rotation. Not more than two (2) of the retiring directors may be re-elected in any one year.
- 1.03 Directors shall serve as such without remuneration. No Director shall directly or indirectly receive any profits from his or her position as such, provided that a Director may be reimbursed by GPAEDC for reasonable expenses incurred by him or her in the performance of their duties.
- 1.04 For the purpose of electing Directors in each year after the first Board is elected, the following recruitment process shall be followed to fill pending Director vacancies on the GPAEDC Board:
- a) The Nominating Committee of the Board shall annually and publicly solicit and advertise pending vacancies on the GPAEDC Board.
 - b) The Nominating Committee shall, from the slate of individuals who applied recommend the names of two (2) proposed new or returning Directors to County Council and two (2) proposed new or returning Directors to City Council for consideration and nomination. In 2014 and 2015, one of these individuals will be will be a nominee of the GPIC Board of Directors
 - c) Should County or City Council not approve of the names so recommended, the Nominating Committee of the Board shall advance any proposed additional names for consideration until such a time as approval has been given by County and City Council. Only individuals so approved for the Director appointment by the respective Councils may be elected to the Board at the Annual General Meeting of the members.
 - d) It is acknowledged and agreed that the membership of the GPAEDC consists of the directors.
 - e) Any vacancy created by the resignation of a director prior to the end of his or her term shall be filled for the balance of the term through appointment by the Board of Directors.

2.00 GPAEDC General Mandate

- 2.01 The GPAEDC's mandate is to facilitate an environment which will contribute to the creation of wealth, the growth of new employment and the development of an improving quality of life for area residents. The GPAEDC will promote, facilitate and develop a strong unified economic development presence for the Greater Peterborough area (being the entire geographic region consisting of the County of Peterborough and the City of Peterborough). The GPAEDC will work cooperatively with local municipalities and other organizations to ensure that investment opportunities throughout the entire Region are effectively developed. The GPAEDC, in working to fulfill its general mandate, will be guided by the corporation's strategic plan.

3.00 Services to be provided by GPAEDC

- 3.01 The parties hereby agree that GPAEDC shall act as the primary economic development organization of the Region of Peterborough. The GPAEDC shall have the responsibility for the provision of economic development and tourism activities within the City and County of Peterborough as described in Appendix A. The Core Economic Development Activities described in Appendix A shall be reviewed annually to ensure the activities are aligned with the Corporations' Strategic Plan and the strategic direction of the City and County of Peterborough.
- 3.02 In carrying out the economic development activities, the Board of Directors shall create a five- year strategic plan every 5 years which will be updated annually, and shall create an operating budget annually.
- 3.03 GPAEDC will operate with written policies and procedures approved by the board and in accordance with all requirements of the Municipal Act, 2001.

4.00 Reporting and Accountability

- 4.01 The Board of Directors will be responsible and accountable to the Councils of the City and the County, through the Joint Services Steering Committee, in the performance of the activities and services provided, and for performance standards and expectations as determined in the approved annual operating budget.
- 4.02 The Board of Directors shall communicate with the City and the County as follows:
- a) Annually, by way of the draft budget, annual work plan and the board's strategic plan update, to the Joint Services Steering Committee;
 - b) Annually, by way of an annual budget and related work plan, and the board's strategic plan update document, to each Council;
 - c) In the first year of this agreement (2013) in the first quarter of the year, present to the Joint Services Steering Committee and to each Council a set of metrics that will be used to monitor and guide the GPAEDC's actions in the upcoming year. In each subsequent year, the proposed metrics will accompany the draft budget, annual work plan and the board's strategic plan update as referenced in paragraphs 4.02 a) herein. These metrics will be communicated and be used to demonstrate the progress of the GPAEDC in achieving the strategic plan and will also demonstrate the impact of the GPAEDC's actions and programmes on key measures of Economic Development in the City and County. The metrics, when agreed upon by the City and County, will be documented in Appendix B of this agreement.

- d) Once every five years, by way of a new five year strategic plan, to the Joint Services Steering Committee and to each Council (the next five year strategic plan will be created in 2014 for implementation in 2015). If requested by either the City or County, a meeting with the requesting Council and the full Board of Directors of the GPAEDC will be arranged as part of the Strategic Plan review; and
- e) Quarterly attendance and communication and/or as requested by Joint Services Steering Committee, or by the Councils of the City and County.

4.03 GPAEDC covenants and agrees that it shall not, without the prior written approval of the City and the County, enter into any contract with, or incur any financial obligation to, any third party which contract or obligation extends beyond the term of this agreement, except with respect to any funding programs as contemplated in Section 5.04. The City and County agree this clause shall not apply to prevent the hiring of permanent employees, so long as such business and/or employment is reflected in the approved budget.

5.00 Financial Arrangements

5.01 GPAEDC shall have a fiscal year end of December 31st.

5.02a For the term of this agreement, the City and the County agree to provide funding to GPAEDC to undertake Core Economic Development Activities as set out in Appendix A that is at least equal to the approved 2012 budget, increased by at least the increase in the National Consumer Price Index for the previous year.

5.02b The GPAEDC may also request from the City and/or County additional funds to carry out specific programmes or projects on behalf of the City and/or County. The City and/or County may also ask the GPAEDC to undertake specific programmes or projects on behalf of the City and/or County. These funds will not be considered part of the base funding for the purpose of calculating the minimum budget increase for the following year. These programmes or projects may be economic development activities or the provision and management of routine services that are closely related to the GPAEDC's economic development activities. These additional services shall be covered by separate agreements, as necessary, between the County and/or City and shall be included in Appendix C.

5.03 The GPAEDC annual net costs to undertake Core Economic Development Activities as set out in Appendix A shall be allocated to the City and County based upon their proportionate share of total combined permanent population, as established by the latest available official census.

5.04 GPAEDC shall actively promote private project funding, and seek to obtain grants, contributions, bequests, gifts and assets from sources other than the City and the County, in furtherance of its objectives.

- 5.05 The City through an agreement shall provide support services to GPAEDC, including the Greater Peterborough Region DNA Cluster operating as the Greater Peterborough Innovation Cluster (GPIC), with respect to finance, banking, accounting, payroll, human resources and purchasing. Such services shall be billed to GPAEDC on a reasonable basis.
- 5.06 The auditor for the City shall be the auditor for GPAEDC. The auditor shall audit the GPAEDC books annually and provide a Management Letter, commenting on the financial management of the GPAEDC to the Board. The auditor will also provide a summary of any audit difference that may have been noted during the audit. The Board shall make the Management letter and summary of audit differences available to the Joint Services Steering Committee.

6.00 Term and Termination

- 6.01 This agreement shall have a term of four (4) years, commencing on January 1, 2013, and being fully complete on December 31, 2016.
- 6.02 This agreement may be terminated by either the City or County prior to the expiration of the agreement upon at least six (6) months written notice to the other parties, and only in the event that GPAEDC is in breach of the terms and conditions of the agreement as determined by the City or County. Particulars of the breach shall be set out in the notice, and the termination shall be effective only if GPAEDC fails to remedy the breach within the six month period, to the satisfaction of the City and the County. Regardless of which party gives notice of termination, the County and the City shall share in any reasonable costs arising from termination, using the same cost-sharing formula as established in paragraph 5.03 of this agreement, at the time of the notice of termination.
- 6.03 This agreement shall be automatically renewed for successive four- year terms on such terms and conditions as agreed to, unless either the City or the County provides written notice prior to January 1 in any year that it does not wish to renew the agreement. Regardless of which party gives notice of non-renewal, the County and the City shall share in any reasonable costs arising from termination, using the same cost-sharing formula as established in paragraph 5.03 of this agreement, at the time of the notice of non-renewal.

6.04 The City and the County hereby specifically agree to indemnify and save harmless the Board of Directors of GPAEDC in respect of any costs provided for in Section 6.02 hereof.

Dated at Peterborough, this 17 day of December, 2012

SIGNED, SEALED AND DELIVERED
In the presence of:

THE CORPORATION OF THE
CITY OF PETERBOROUGH




Daryl Bennett, Mayor

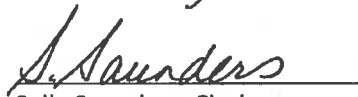


John Kennedy, Clerk

THE CORPORATION OF THE
COUNTY OF PETERBOROUGH

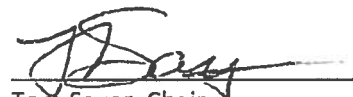


J. Murray Jones, Warden



Sally Saunders, Clerk

GREATER PETERBOROUGH AREA
ECONOMIC
DEVELOPMENT CORPORATION



Tom Sayer, Chair

APPENDIX A

CORE ECONOMIC DEVELOPMENT ACTIVITIES

1. Attract, target, cultivate and manage external investment opportunities which will create new jobs in the Greater Peterborough Region
 - a. Market and promote the Greater Peterborough Region with the cooperation and participation of available community resources by encouraging, facilitating and supporting community Strategic Planning and increasing self-reliance, investment and job creation within the community.
 - b. Act as a liaison with Federal and Provincial development agencies, including a proactive promotion of the Greater Peterborough Region to these agencies.
 - c. Provide professional and confidential service to external clients (including their agents and consultants) considering investments in the region.
 - d. Inventory and promote available sites for industrial location.
2. Facilitate the strengthening of our current regional economic base, including the stimulation and support for entrepreneurship and new company creation
 - a. Support business retention and expansion, existing and emerging business clusters and skill bases through skills upgrading, communication and co-ordination
 - b. Develop and assist in the promotion of tourism and convention trade through operation of the regional Destination Marketing Organization (DMO), Peterborough & the Kawarthas Tourism, as a division of the GPAEDC and participation in Regional Tourism Organization 8 (RTO8).
 - c. Sustain, develop and assist the Agri-food sector expansion as identified in the GPA-EDC Strategic Plan
 - d. Act as a resource to contributing municipalities (City, County and Townships) through the provision of economic information and research
 - e. Provide Professional Development Training and Business Advisory Services.
3. Staff from the GPAEDC will provide input to Senior Staff of the City and County on the possible impact on economic development in the Peterborough Region of planning, taxation and other policy decisions. This will be accomplished by the quarterly attendance of appropriate GPAEDC staff at a Senior Staff meeting of the City and of the County. Additional support may be made available by request of the City and/or County as required.

APPENDIX B

GPAEDC 2013 ANNUAL PERFORMANCE METRICS

Corporate Mission

1. Business Retention and Expansion

- 1.1 Achieve 60 business start-ups, relocations or expansions by GPA EDC clients
- 1.2 GPA EDC client announcements of job retention or additions which will over the course of one year result in the net addition/retention of 100 jobs
- 1.3 Facilitate the process for GPA EDC clients in getting over \$1,000,000 in Federal, Provincial or other external agency grants.

2. Key Economic Development Priority Achievements

- 2.1 Build, maintain and support a Key Relationship files with a minimum of 5 clients considering new business investments in the next two years of over \$5 million
- 2.2 Build, maintain and support a Key Relationship file of over 5 clients considering new investments at the Airport or in the Aviation segment
- 2.3 Achieve a minimum of 2.5% growth in tourism revenues in the region
- 2.4 Co-ordinate and promote a local food initiative that includes a minimum of 20 local food producer clients
- 2.5 Jointly with GPIC, build, maintain and support a Key Relationship file which includes a minimum of 5 clients in process of launching innovative technology companies in the region.

3. Quality of Life – Regional Income Level Increase

- 3.1 New jobs created will have an average wage rate that is 2.5% higher than the previous year's average wage for the region.

Financial

4. Financial Responsibility

- 4.1 Manage a balanced budget

5. Financial value added leverage to the City and County investment in the GPA EDC

- 5.1 Leverage a minimum of \$250,000 of additional investment for economic development activities in the region from sources external to the City and County

Stakeholder Awareness and Satisfaction

6. Service Satisfaction

- 6.1 Achieve a minimum 90% satisfaction rate from business stakeholders in the service and value of their interaction with the GPA EDC
- 6.2 Achieve a minimum 90% satisfaction rate from visitors interfacing with GPA EDC Tourism operations
- 6.3 Achieve a minimum 90% satisfaction rate from City/County politicians and senior administration on Peterborough Economic Development's management of City and County priorities.

7. Awareness of GPA EDC role

- 7.1 Achieve an awareness level by key stakeholders about the GPA EDC's role

APPENDIX B

GPAEDC 2014 ANNUAL PERFORMANCE METRICS

Corporate Mission

1. Business Retention and Expansion

- 1.1 Achieve **67 business start-ups, relocations or expansions** by Peterborough Economic Development clients
- 1.2 Peterborough Economic Development client announcements of additional job retention which will over the course of one year result in the net addition/retention of **140 jobs**.
- 1.3 Achieve an economic impact on the community of **\$2,000,000** measured in Gross Domestic Product (or equivalent) not including tourism impact.
- 1.4 Achieve an economic impact on the community from Tourism operations of **\$1,000,000** as measured with Tourism Regional Economic Impact Model (TREIM). Includes meetings, conference and events secured.

2. Key Economic Development Priority Achievements

- 2.1 Build, maintain and support a Key Relationship file with a **minimum of six (6) clients** considering new business investments in the next two years; each representing over **\$5 million**. (investment includes real estate, payroll, operations and capital/ Does not include Airport and Aviation Key Relationship files).
- 2.2 Build, maintain and support a Key Relationship file of **over 8 clients** considering new investments at the Airport or in the Aviation segment
- 2.3 Collaborate with Greater Peterborough Innovation Cluster (GPIC) on an innovation technology company file with a **minimum of ten (10) clients** considering new business investments in the next two years.

3. Quality of Life – Regional Income Level Increase

- 3.1 20% of the jobs created by Peterborough Economic Development clients will have an average wage rate greater than \$17.78/hr, the average wage rate for the region.

Financial

4. Financial Responsibility

4.1 Manage a **balanced budget**

5. Financial value added leverage to the City and County investment in the Peterborough Economic Development

5.1 Leverage a **minimum of \$275,000 of additional investment** for economic development activities in the region from sources external to the City and County

Stakeholder Awareness and Satisfaction

6. Service Satisfaction

6.1 Achieve a **minimum 90% satisfaction rate** from business stakeholders in the service and value of their interaction with the Peterborough Economic Development

6.2 Achieve a **minimum 90% satisfaction rate** from visitors interfacing with Peterborough Economic Development Tourism operations

6.3 Achieve a **minimum 90% satisfaction rate** from City/County politicians and senior administration on Peterborough Economic Development's management of City and County priorities.

7. Awareness of Peterborough Economic Development role

7.1 Maintain a **75% awareness level** by the community of Peterborough Economic Development's role

APPENDIX C ADDITIONAL SERVICE AGREEMENTS

(For illustrative purposes only. Individual Agreements would be entered into, and contained in Appendix C on an as requires basis)

- 1 Agreement between GPAEDC and City of Peterborough for Airport Marketing

- 2 Agreement between GPAEDC and the City of Peterborough and the County of Peterborough for coordination of Sustainable Peterborough and delivery of administration and support services