



Eastern Ontario Wardens' Caucus

## Briefing/Speaking Note

### EODF Eligibility Requirements

AMO CONFERENCE 2009

**Issue:**

The four year \$80 million dollar Eastern Ontario Development Fund (EODF) continues to be recognized by the EOWC as a key program and important statement of the province's support for Eastern Ontario. This kind of direct, targeted investment has been one of our priorities for many years and we applaud you for it. In the Appendix attached, we have highlighted three examples of the success to date of the EODF.

When we were last together at the ROMA/OGRA conference this past February, we raised two concerns about eligibility requirements in the program. To the best of our knowledge, we have not been informed that our concerns have been addressed, so we thought it important to raise them with you again.

The first is the minimum requirement for eligibility based on a company with a minimum of 10 employees and three years of financial statements\*. This requirement makes sense in the GTA and South-western areas of Southern Ontario, but in rural Eastern Ontario it excludes literally thousands of our smaller companies from participating. Eastern Ontario has learned the hard way in recent years, the importance of having diversified, adaptive businesses and so strategically we would like to focus on supporting small entrepreneurial businesses.

The second is the exclusion of municipal governments whose role in economic development is a critical piece in business attraction, expansion and retention. The existing regional component would benefit from some greater flexibility in terms of utilization of funds and an adjustment in contribution requirement. As employers within our own right, we could benefit and leverage funding far more effectively by utilizing regional funding in a community development context. This would in turn spur further business development initiatives from the private sector.

**Action Requested:**

The EOWC respectfully asks the Minister to review the eligibility requirements for the current minimum number of employees component of the program and place program eligibility on the three year financial history and business experience component of the company. In turn, the Minister could consider dedicating a portion of the fund to be applied under these criteria and allow greater access for eligible companies based on expertise, creativity and innovation.

In the case of municipal eligibility, we would ask that the Minister consider the allocation of a portion of the regional component for economic development project criteria related to community capacity building and development initiatives at a local level, utilizing a staff team to team approach to create satisfactory criteria. Our request would be that these changes could be implemented prior to the end of 2009 and we would dedicate related staff whose area of expertise is economic development to work with provincial staff to achieve this objective.

## APPENDIX A

The EODF is making a valuable contribution to the growth of our regional economy as illustrated by the recent announcements of the successful applicants.

- [KIMCO Steel Sales Limited](#) in Kingston plans to purchase new equipment that will increase the competitiveness of its automobile recycling operation. The province is investing \$129,153 under the Eastern Ontario Development Fund to help KIMCO purchase this new equipment, which will improve the company's operational efficiencies. The investment will help create 10 new jobs and help the company divert less waste to landfill sites, while recovering more metals to increase their sales. KIMCO Steel Sales Limited specializes in new steel sales and scrap metal recycling. The company employs 120 people at its 45-acre site in Kingston's Industrial Park.
- [Electrolab Training Systems](#) in Belleville has embarked on a multi-year expansion of its highly successful proprietary SafeStart training system to American and international markets. The company's expansion will create 25 full-time jobs over five years and support the creation of additional jobs at one of its suppliers. The Ontario government is investing \$178,000 under the Eastern Ontario Development Fund to assist with the company's expansion. Electrolab Training Systems designs and markets safety awareness and training products, serving primarily large manufacturing companies. It employs over 41 people at its Belleville location.
- [Tulmar Safety Systems Inc.](#) in Hawkesbury is designing new safety systems for the aerospace and defence industries, which will open up export opportunities overseas and potentially increase sales by 15 per cent. The Ontario government is investing \$101,625 under the Eastern Ontario Development Fund to assist with this product expansion. The growing company will create 12 new jobs and upgrade three current ones over five years. Tulmar Safety Systems is a fully integrated manufacturer and distributor of engineered

protective solutions for the aerospace, defence and security industries. Tulmar employs over 90 employees at its Hawkesbury location.