

SERVICE AGREEMENT

SUNSHINE COAST ECONOMIC DEVELOPMENT

This Service Agreement dated for reference the 11th day of May, 2017.

BETWEEN:

SUNSHINE COAST REGIONAL DISTRICT

1975 Field Road
Sechelt, BC V0N 3A1

(the "Regional District")

AND: **TOWN OF GIBSONS**

Box 340
Gibsons, BC V0N 1V0

(the "Town")

AND: **DISTRICT OF SECHELT**

Box 129
Sechelt, BC V0N 3A0

(the "District")

AND: **SECHELT INDIAN GOVERNMENT DISTRICT**

PO Box 740
Sechelt, BC V0N 3A0

(the "SIGD")

(referred to collectively as the "Funders")

AND: **SUNSHINE COAST REGIONAL ECONOMIC DEVELOPMENT ORGANIZATION**

Suite 204 – 5674 Teredo Street
Sechelt, BC V0N 3A0

(the "Society")

WHEREAS:

A. The Regional District has authority under the *Local Government Act* and the Town and the District have authority under *Community Charter* to provide assistance for the purpose of benefitting the community or any aspect of the community;

B. The SIGD has authority under the *Sechelt Indian Band Self-Government Act* and the *Sechelt Indian Government District Enabling Act* to provide assistance for the purposes of benefitting the community;

C. The Sunshine Coast has a sustainable, thriving and diverse regional economy that is aligned with community values, expands opportunities for all residents and improves overall community wellbeing;

D. The Funders wish to cooperate and coordinate regional economic development and have agreed in principle pursuant to the *Sunshine Coast Regional Economic Development Charter (the “Charter”)*, attached as Schedule “A”, to work together and fund such development;

E. The Society was incorporated on September 8, 2016 under the *Society Act* under number S-0065958 to undertake strategic economic development planning and provide economic development services to the Funders; and

F. The Funders and Society have entered into this agreement to set out a framework for the development, provision and funding of economic development services to benefit the communities that are governed by the Funders (**the “Community”**).

NOW THEREFORE, in consideration of the mutual promises set out herein, the Funders and the Society hereto agree as follows:

1. Services

1.1 The Society shall provide certain economic development services to the Funders for the benefit of the Community and the Funders shall pay the Society for providing such services, subject to the terms and conditions of this agreement.

1.2 The economic development services will address such matters as business attraction, retention and expansion in order to encourage job creation, a sustainable and diverse industrial, commercial and agricultural tax base and a strong economic future for the Community and such economic development services may include:

- (a) programs to support workforce development and education;
- (b) business retention and expansion (BRE) program;
- (c) attracting business investment, including entrepreneurial businesses, through regional marketing, information provision and other techniques;
- (d) development of new resident attraction;
- (e) information collection and dissemination;
- (f) working collaboratively on key regional facilities and infrastructure such as alternative energy development or tourism-related developments.

- 1.3 Following execution of this agreement, and every three to five years subsequently for the duration of this agreement, the Society shall undertake a strategic planning process to develop specific goals, priorities, projects, activities, deliverables and ongoing programs for such economic development services.
- 1.4 By January 31st of each year of the term of this agreement, the Society shall provide the Funders with an annual work plan for the Society’s fiscal year containing proposed services for such period (**“Annual Work Plan”**), together with a budget and payment schedule (**“Budget and Payment Schedule”**) for the Funders’ approval.
- 1.5 The Budget and Payment Schedule must:
 - (a) include any proposed disbursements and expenses; and
 - (b) be aligned with:
 - (i) the annual budget and reporting provided by the Society;
 - (ii) the period in which the disbursements and expenses may be incurred; and
 - (iii) Public Sector/Non-Profit Accounting Standards.
- 1.6 The Society must provide the Funders with progress reports on a regular basis and no less than semi-annually.

2. Funding Commitment

- 2.1 Subject to section 2.2 of this Agreement, the Funders agree to provide assistance to the Society for the years 2017, 2018, 2019 and 2020 in the combined total amount of up to \$291,865 per annum in accordance with the table, below, and section 2.5.

Source of Funding by Area	2017	2018	2019	2020
Regional District on behalf of Egmont/Pender Harbour Electoral Area A	\$37,589	\$37,589	\$37,589	\$37,589
Regional District on behalf of Halfmoon Bay Electoral Area B	\$33,941	\$33,941	\$33,941	\$33,941
Regional District on behalf of Roberts Creek Electoral Area D	\$30,733	\$30,733	\$30,733	\$30,733
Regional District on behalf of Elphinstone Electoral Area E	\$20,228	\$20,228	\$20,228	\$20,228

Regional District on behalf of West Howe Sound Electoral Area F	\$33,089	\$33,089	\$33,089	\$33,089
District of Sechelt	\$87,826	\$87,826	\$87,826	\$87,826
Town of Gibsons	\$40,583	\$40,583	\$40,583	\$40,583
Sechelt Indian Government District	\$7,876	\$7,876	\$7,876	\$7,876
TOTAL	\$291,865	\$291,865	\$291,865	\$291,865

- 2.2 The funding contributions set out in section 2.1 and allocation of such funding for economic development projects are subject to each Funder's approval of the Society's Annual Work Plan and Budget and Payment Schedule on annual basis. Each Funder commits to fund its respective allocation for a given year only if the Funder approves the Annual Work Plan and Budget and Payment Schedule for that year.
- 2.3 The Society acknowledges and agrees that there is a general prohibition against local governments providing assistance to business and the Society must use any funding provided by the Regional District, District, or Town, in accordance with the requirements imposed on those funders under the *Local Government Act* and *Community Charter*.
- 2.4 The Society must use any funding provided by the SIGD in accordance with the requirements imposed on that funder under the *Sechelt Indian Band Self- Government Act* and the *Sechelt Indian Government District Enabling Act*.
- 2.5 The Funders will provide a funding disbursement schedule to the Society no later than March 31st of each year of the term of this agreement.
- 2.6 The Society shall be responsible for any service agreements or third party contracts that it enters into.
- 2.7 The Society will keep the Funders apprised of its financial situation by a final written report by January 31st of each year, substantially in the form attached as Schedule "B", which shall include:
- Annual Financial Statement
 - Description of Society Activities
 - Description of Fund Allocation
 - Key Performance Indicators (KPI's).
- 2.8 The Society may request additional special project funding by providing the Funders with individual business case analysis for review and approval by the Funders.

- 2.9 If the Society uses funds from the Funders or grants funding to any third party from funds provided by the Funders in a manner that is not in accordance with an approved Annual Work Plan and Budget and Payment Schedule, the Society must reimburse the Funders such funding on a pro rata basis.
- 2.10 The Society shall indemnify and hold harmless the Funders, and their respective directors, councillors, officers, employees, successors and assigns (**collectively, the “Indemnified Parties”**), against and from any and all actions, causes of actions, claims, suits, costs and expenses of any kind in connection with:
- (a) any property damage or personal or bodily injury arising out of the acts or omissions of the Society;
 - (b) any use by the Society of funds from the Funders or granting of funding by the Society to any third party from funds provided by the Funders in a manner that is not accordance with an approved Annual Work Plan and Budget and Payment Schedule;
 - (c) any breach of this agreement by the Society;
 - (d) any act or omission by the Society or its invitees, licensees, employees, agents, contractors, officers or any other person for which the Society is liable; or
 - (e) any wilful misconduct or negligent act or omission by the Society.
- 2.11 The indemnity described in this section will survive the term of this agreement and continue in full force and effect for the benefit of the Indemnified Parties.
- 2.12 No provision or purpose of this agreement shall be construed to create a partnership or joint venture relationship, or an employer-employee, landlord-tenant or principal agent relationship between the Funders and the Society.
- 2.13 The Funders and the Society will jointly prepare and issue press releases for any significant projects funded through this agreement.
- 2.14 The Society shall seek the approval of Funders on press releases related to significant projects. Funders will provide comments and concerns within 24 hours of receipt and approval within 72 hours of receipt. Timelines can be extended with the approval of all Funders and the Society.

3. Counterparts

- 3.1 This agreement may be executed in any number of original counterparts, with the same effect as if all the Funders and the Society had signed the same document, and will become effective when one or more counterparts have been signed by all the Funders and the Society and delivered to each of the parties. All counterparts shall be construed together and evidence

only one agreement, which, notwithstanding the dates of execution of any counterparts, shall be deemed to be dated the reference date set out above, and only one of which need to be produced to any purpose.

4. Term

- 4.1 This agreement shall be in effect from the date of execution and shall terminate on December 31, 2020.
- 4.2 This agreement may be renewed, modified or terminated only with the express written consent of each Funder and the Society.
- 4.3 The Funders may, by mutual consent, review and modify the funding assistance allocation, within the total outlined in Section 2.1, before the Funders have approved an Annual Work Plan and Budget and Payment Schedule in any year of the term of this agreement.
- 4.4 The Funders and the Society shall meet one year prior to the expiration of the term of this agreement to discuss renewal or replacement of this agreement.
- 4.5 The Society, by giving written notice to all Funders before September 30th in any year, may terminate or modify its participation in this agreement, effective December 31st of that year.
- 4.6 In the event any Funder or the Society provides notice of termination or a modification from this agreement, all parties will agree to meet within 30 days to determine the impact of such termination or modification on this agreement.
- 4.7 If any of the Funders withdraws from this agreement, and in the event that “additional” special project funding has been approved over more than one year, regardless of withdrawal, all Funders commit to their share of the “additional” special project funding.

5. Society Governance

- 5.1 It is intended that the board of directors of the Society shall have representation from a cross-section of the key sectors of the regional economy; provided, however, the Funders shall not seek a return of funds solely on the basis that the board of directors of the Society fails, in the opinion of the Funders, to adequately meet such requirement.
- 5.2 The Society shall notify the Funders in writing of any proposed changes to the Society’s constitution or bylaws prior to the constitution or bylaws being changed, except such changes as may be mandatorily required to transition the Society to the new *Societies Act* (British Columbia).

6. Confidentiality and Ownership of Documents

- 6.1 The Society acknowledges that the Regional District, Town, and District are subject to the *Freedom of Information and Protection of Privacy Act* of British Columbia and agrees to collect and disclose of any personal information under this agreement in accordance with that Act.
- 6.2 Without limiting the generality of the foregoing, the Society agrees to take steps to ensure that any information that is disclosed to it in confidence or as privileged information by the Funders, or that comes to its knowledge by reasons of this agreement, is treated as confidential, and in particular that records containing personal information, as defined under the *Freedom of Information and Protection of Privacy Act*, are protected from unauthorized access, use, disposal or further disclosure except as required or authorized by that Act or other applicable law.

7. Conflict of Interest

- 7.1 If a director of the Society considers that he or she is not entitled to participate in the discussion of a matter, or to vote on a question in respect of a matter, because the member has:
- (a) a direct or indirect pecuniary interest in the matter, or
 - (b) another interest in the matter that constitutes a conflict of interest,
- the director must declare this and state in general terms the reason why the director considers this to be the case.
- 7.2 After a director makes a declaration under section 7.1, the Society must advise the Funders in writing and the person presiding at that meeting or any following meeting in respect of the matter must ensure that the director is not present at any part of the meeting during which the matter is under consideration.
- 7.3 If a director has a direct or indirect pecuniary interest in a matter, then regardless of whether the member has made a declaration under section 7.1, the director must not:
- (a) remain or attend at any part of a meeting:
 - during which the matter is under consideration,
 - participate in any discussion of the matter at such a meeting,
 - vote on a question in respect of the matter at such a meeting, or
 - attempt in any way, whether before, during or after such a meeting, to influence the voting on any question in respect of the matter;

- (b) use his or her position to attempt to influence in any way a decision, recommendation or action to be made or taken by the Society if the member has a direct or indirect pecuniary interest in the matter to which the decision, recommendation or other action relates.
- 7.4 Directors of the Society must not, directly or indirectly, accept any fee, gift or personal benefit that is connected with the provision of services under this Agreement with the following exceptions:
- (a) a gift or personal benefit that is of nominal value, creates no obligation, occurs infrequently and may be easily reciprocated; and
- (b) compensation authorized by law.
- 7.5 If a director of the Society receives a gift or personal benefit referred to in section 7.5 (a) that exceeds \$250 in value, or the total value of such gifts and benefits, received directly or indirectly from one source in any 12 month period, exceeds \$250, then:
- (a) as soon as reasonably practicable the Society must provide the Funders with a disclosure statement indicating:
- the nature of the gift or benefit;
 - its source, including, if it is from a corporation, the full names and addresses of at least 2 individuals who are directors of the corporation;
 - when it was received; and,
 - the circumstances under which it was given and accepted.
- 7.6 A director or former director of the Society must not use information or a record that:
- (a) was obtained in the performance of or as a result of providing services under this Agreement; and
- (b) is not available to the general public,
- for the purpose of gaining or furthering a direct or indirect pecuniary interest of the director or former director of the Society.
- 7.7 If a director or former director of the Society has
- (a) contravened this Part 7, and
- (b) realized financial gain in relation to that contravention, then in addition to any other remedies available under this Agreement or at law or in equity, the Society shall pay to the Funders an amount equal to all or part of the person's financial gain.

- 7.8 Without limiting the foregoing, the Society will adopt a conflict of interest policy before it initiates any economic development projects. The Society will not use any funds provided by the Funders hereunder to provide any direct or indirect pecuniary benefit to any directors of the Society or to any Society members in return for professional or business services provided to the Society.

8. Dispute Resolution

8.1. Mediation

Where there is an unresolved dispute arising out of this agreement, then, within 7 days of written notice from one party to the other, or such time as agreed by both the Funders and the Society, the parties will participate in good faith in order to resolve the dispute within 14 days of the first written notice, or such other time period agreed to by both the Funders and the Society, each party will agree to use a mutually agreed upon independent mediation practitioner versed in the resolution of commercial disputes. Each party will bear their own costs of the mediation process.

8.2. Arbitration

The Funders and the Society may, by mutual agreement, participate in resolving all unresolved disputes arising out of or in connection with this agreement, or in respect of any legal relationship associated therewith, or derived or entered into, by arbitration. The Arbitrator shall be mutually agreed upon by the participants. Matters not settled through the process in Section 8.1 within 45 day notice of the dispute may go to arbitration unless the parties agree to extend the 45 day period. Each party will bear its own costs of the arbitration regardless of the Arbitrator's decision. The Arbitrator's decision will be final and binding on all Parties.

9. Interpretation

- 9.1 Time shall be of the essence with this agreement;
- 9.2 Nothing in this agreement affects the Funders' rights and powers in the exercise of their respective statutory functions under statutes, bylaws, resolutions, orders, or regulations, all of which may be fully exercised as if this Agreement had not been executed and delivered by the parties.
- 9.3 No amendment or waiver of any portion of this agreement shall be valid unless in writing and executed by the parties to this Agreement.
- 9.4 Waiver of any default by any party shall not be deemed to be a waiver of any subsequent default by that party.
- 9.5 If any clause or portion of this agreement is declared or held invalid for any reason, the invalidity shall not affect the validity of the remainder of that clause or this Agreement, and the terms and provisions of this agreement shall continue to be in force and in effect and be construed as if it had been executed without the invalid portion.

10. Signatures

This agreement has been executed by authorized signatories on behalf of each of the parties.

IN WITNESS WHEREOF the Corporate Seal)
of the SUNSHINE COAST REGIONAL)
DISTRICT was hereunto affixed in the)
presence of:)



Chair)



Corporate Officer)

C/S

IN WITNESS WHEREOF the Corporate Seal)
of the TOWN OF GIBSONS was hereunto)
affixed in the presence of:)

Mayor)

Corporate Officer)

C/S

IN WITNESS WHEREOF the Corporate Seal)
of the DISTRICT OF SECHELT was hereunto)
affixed in the presence of:)

Mayor)

Corporate Officer)

C/S

IN WITNESS WHEREOF the Corporate Seal)
of the SECHELT INDIAN GOVERNMENT)
DISTRICT was hereunto affixed in the)
presence of:)

Chief)

C/S

Chief Administrative Officer)

IN WITNESS WHEREOF the Corporate Seal)
of the SUNSHINE COAST REGIONAL)
ECONOMIC DEVELOPMENT)
ORGANIZATION was hereunto affixed in the)
presence of:)

Chair)

C/S

Alternate)

SCHEDULE 'A'

Sunshine Coast Regional Economic Development Charter

June 2015

Revised April 2017

Prepared by:



Prepared for:



With funding support from:



SUNSHINE COAST ECONOMIC DEVELOPMENT CHARTER

PREAMBLE

The Sunshine Coast Economic Development Charter establishes the parameters of a regional economic development partnership between communities in the Lower Sunshine Coast, including the shíshálh Nation, the Town of Gibsons, the District of Sechelt, and the five Electoral Areas of the Sunshine Coast Regional District.

The Charter establishes the broad principles on which the partners agree to cooperate and will be supplemented over time with specific agreements and policies, which may include Memoranda of Understanding regarding funding, Articles of Incorporation if and when the partnership manifests in a new organization, and strategic planning documents that establish more specific priorities, actions and budgets over a specified time frame.

The Charter recognizes and acknowledges the inherent title and rights of First Nations peoples, their role in the use of lands and resources, and the need for government relationships and agreements to be based on recognition.

PART ONE: ECONOMIC VISION

The Sunshine Coast has a sustainable, thriving and diverse regional economy that is aligned with community values, expands opportunities for all residents and improves overall community wellbeing.

PART TWO: ROLES AND RESPONSIBILITIES

The intent of the regional partnership is to fill service gaps and enhance the work of those agencies currently receiving local funding to undertake economic development initiatives.

Priority roles and responsibilities that can be effectively undertaken through regional cooperation include:

- Programs to support workforce development and education.
- A business retention and expansion (BRE) program.
- Lobbying on topics of shared regional interest.
- Attracting business investment, including entrepreneurial businesses, through regional marketing, information provision and other techniques.
- New resident attraction.
- Regional information collection and dissemination.

- Working collaboratively on key regional facilities and infrastructure. Examples may include alternative energy development or tourism-related developments.

Additional roles and responsibilities, or deletions from the list above, can be considered through the strategic planning process (occurring at inception and subsequently at three to five year intervals) or through the annual work plan and budget approval process.

PART THREE: ORGANIZATIONAL STRUCTURE

The Sunshine Coast Regional Economic Development Agency is an arms-length non-profit society with its own articles of incorporation and independent board of directors.

It is to be contracted by local governments in the Lower Sunshine Coast to undertake economic development services of the type generally established under Part Two above and with specific direction established through a regular strategic planning process and annual budget approval by the funding partners. It will be independent from but accountable to its local government funders.

The agency may be newly incorporated or a pre-existing organization. Issues of corporate structure are to be determined at the time of incorporation (if a new organization) or when developing terms for an economic development services contract (if an existing organization).

PART FOUR: GOVERNANCE

The Board of Directors of the Sunshine Coast Regional Economic Development Agency will have 9 directors. Eight directors are at-large community members who are selected for their expertise in key sectors of the regional economy or with respect to specific projects and projects being undertaken. The ninth director is appointed by the shishálh Nation.

Potential board members are identified through a formal application process and are appointed by the funding partners. The partners appoint a committee to establish application criteria, evaluate the applications, and propose a slate of directors for approval by each Council and the rural area directors on the Regional District Board. All Councils/Board must approve the slate of directors and the appointments are formalized at the agency's Annual General Meeting.

The agency undertakes a strategic planning process at its inception and every three to five years subsequently. The purpose is to expand on the high-level roles and responsibilities established in Part Two of this Charter and to establish more specific goals, priorities, projects and ongoing programs. This process

also incorporates input from local governments, community stakeholders, the business community and the general public.

The agency provides regular reports to its funders, including an annual work plan and budget that must be approved each year. The annual work plan includes a report on the results of the previous year, using key performance indicators (KPI) that are established through the strategic planning process. It also sets out planned initiatives and associated budget requirements for the coming year.

PART FIVE: FUNDING

Funding for the Sunshine Coast Regional Economic Development Agency will be up to \$291,865 per year. The formula to share costs among partner local governments is based on the following formula, to be calculated on an annual basis:

- 50% of funding is based on assessed values (converted) and 50% based on population, with the exception of Electoral Area E, which is based on assessment only.

The total funding allocation on an annual basis must be formally approved by each funding partner and based on the strategic priorities for that year. Alternative funding sources may be identified in the future to minimize reliance on the local tax base.

The initial Memorandum of Understanding between local government partners should include a four-year funding commitment.

SCHEDULE 'B'

SOCIETY NAME Annual Report

DATE: *(date report was written)*

TO: **Corporate and Administrative Services Committee**

FROM: Coordinator, SUNSHINE COAST REGIONAL ECONOMIC
DEVELOPMENT ORGANIZATION

RE: **YEAR ANNUAL REPORT**

Background

The Sunshine Coast Regional District, Town of Gibsons, District of Sechelt and Sechelt Indian Government District have provided funding to the SUNSHINE COAST REGIONAL ECONOMIC DEVELOPMENT ORGANIZATION in the amount of \$ funded from SCRD Regional Economic Development. This funding was for the period January 1 - December 31, YEAR.

(please insert data under the following headings)

- Annual Financial Statement;
- Description of the Society Activities;
- Description of Fund Allocation;
- Key Performance Indicators (KPI's)