

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE
FROM:	ART ZUIDEMA CITY MANAGER
SUBJECT:	FIBRE OPTIC CONNECTION GRANT PROGRAM FOR DOWNTOWN, AMENDMENTS TO PURCHASE OF SERVICES AGREEMENT WITH LONDON ECONOMIC DEVELOPMENT CORPORATION MEETING ON MONDAY, MARCH 24, 2015

RECOMMENDATION

That, on the recommendation of the City Manager, the following actions **BE TAKEN**:

- a) That the attached proposed by-law **BE INTRODUCED** at the Municipal Council meeting on March 31, 2015 to approve an Agreement to Amend the Purchase of Services Agreement between the Corporation of the City of London and the London Economic Development Corporation; and,
- b) That the Mayor and City Clerk **BE AUTHORIZED** to execute the Agreement.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
--

None

BACKGROUND

London Economic Development Corporation (LEDC) is funded through a Purchase of Service Agreement between the City of London and the LEDC. The agreement sets out the services to be provided, payment and schedule of payments, the governance structure as it relates to the City and the reporting mechanism to City Council.

The City, in conjunction with the LEDC and Downtown London/MainStreet London, is proposing the Last Mile/Fibre Optic Connection Grant program. There is a fulsome report from the Managing Director, Planning and City Planner regarding this program on the agenda of the Planning and Environment committee for its meeting held on March 23, 2015.

In summary, this pilot program would focus on providing financial assistance to property owners and multi-year tenants to off-set the expense to bring fibre optic cable with high capacity fibre-optic broadband service to buildings within designated areas of the Downtown Community Improvement Project Area. This new program will promote economic development by funding 50% of the eligible costs to a maximum of \$20,000 to fund the installation and connection of high capacity fibre-optic broadband service. The target area for this two year pilot program is the central core of Downtown, focused on Dundas and King Streets between Wellington and Ridout Streets. The eligible area for this new program is centred on the traditional core of the Downtown where the existing stock of older buildings makes the connection to this high capacity network difficult.

It is intended that this two year pilot program will be funded by the City, Downtown London/MainStreet London and the LEDC. The total contribution will be placed in the Economic Development Reserve Fund. As applications are processed and approved, the grants will be paid from the Economic Development Reserve Fund, reducing the balance of the project commitment. Any surplus funding remaining at the end of the two year pilot project will be refunded proportionately, based on the contributions made to the Fund.

The current Purchase of Services Agreement between the City and the LEDC does not permit LEDC to contribute funds to the Last Mile/Fibre Optic Connection Grant program. It is therefore necessary to amend the Purchase of Services Agreement to specifically authorize the LEDC to provide funding for community improvement programs which enhance economic development opportunities in Community Improvement Project Areas.

CONCLUSION

By amending the Purchase of Services Agreement, LEDC will be authorized to provide funding for the Last Mile/Fibre Optic Connection Grant program. The attached By-law approves the amending Agreement and authorizes the Mayor and City Clerk to execute the Agreement on behalf of the City.

PREPARED AND SUBMITTED BY:	PREPARED AND SUBMITTED BY:
DAVID MOUNTEER SOLICITOR II	CATHY DZIEDZIC SPECIALIST II CORPORATE INVESTMENTS & PARTNERSHIPS
RECOMMENDED BY:	
ART ZUIDEMA CITY MANAGER	

March 10, 2015

APPENDIX “A”

Bill No.
2012

By-law No. A.-

A by-law to authorize and approve an amendment to a Purchase of Service Agreement between The Corporation of the City of London and The London Economic Development Corporation for economic development services and to authorize the Mayor and the City Clerk to execute the Agreement.

WHEREAS subsection 5(3) of the *Municipal Act, 2001* S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS The Corporation of the City of London (the “City”) and the London Economic Development Corporation (“LEDC”) entered into a Purchase of Service Agreement for economic development services, commencing July 1, 2012 (the “Agreement”);

AND WHEREAS The Corporation of the City of London (the “City”) and the London Economic Development Corporation (“LEDC”) wish to amend the Agreement;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. the amendment to The Purchase of Service Agreement between the City and the LEDC, attached as Schedule A to this by-law, is hereby authorized and approved.
2. The Mayor and the City Clerk are hereby authorized to execute the Purchase of Service Agreement authorized and approved under section 1 of this by-law.
3. This by-law shall come into force and effect on the date it is passed.

PASSED in Open Council on March , 2015.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First Reading – March , 2015
Second Reading – March , 2015
Third Reading – March , 2015