

<b>TO:</b>	<b>CHAIR AND MEMBERS FINANCE AND ADMINISTRATIVE SERVICES COMMITTEE MEETING ON MAY 28, 2012</b>
<b>FROM:</b>	<b>MARTIN HAYWARD CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>AGREEMENT BETWEEN THE CITY OF LONDON AND THE LONDON ECONOMIC DEVELOPMENT CORPORATION (LEDC)</b>

### RECOMMENDATION

That on the recommendation of the City Treasurer, Chief Financial Officer, on the advice of the City Solicitor and in accordance with the City of London Procurement of Goods and Services Policy, Section 14 Single Source, the attached proposed by-law (Appendix "A") **BE INTRODUCED** at the Municipal Council meeting to be held on June 12, 2012 to:

- a) approve an agreement between The Corporation of the City of London (City) and the London Economic Development Corporation (LEDC) (attached as Schedule "A") to the by-law); and
- b) authorize the Mayor and the City Clerk to execute the agreement approved in a), above.

### PREVIOUS REPORTS PERTINENT TO THIS MATTER

- Board of Control – February 27, 2008 – report authorizing agreement between City and LEDC until June 30, 2012.

### BACKGROUND

LEDC is funded through a Purchase of Service Agreement between the City of London and the London Economic Development Corporation. The agreement sets out the services to be provided, payment and schedule of payments, the governance structure as it relates to the City and reporting mechanism to the Investment and Economic Prosperity Committee and City Council. The current agreement expires on June 30, 2012. The Purchase of Service Agreement attached as Schedule "A" provides for a renewed agreement which extends to June 30, 2015. The major elements of the new agreement include the following sections:

- (3) Restricts the role of LEDC with respect to negotiations on real estate deals particularly the involvement in sale of industrial lands where representation may be made by LEDC that would result in violations of Section 106 of the *Municipal Act, 2001*.  
*Rationale – the role of LEDC is to attract businesses to London, the role of the City of London Realty Services Division is in part to acquire and sell land, at fair market value in compliance with all legislation and policies. In the past, too many people have been involved, made promises that did not comply with policy or legislation and created confusion and unnecessary delays. In order to avoid this, a clear delineation between the role of LEDC and the City of London Realty Services needs to be made to ensure that negotiations are clear, with one point of contact and comply with legislative requirements. City of London Realty Services has this responsibility.*
- (3) Reporting requirements have been enhanced.  
*Rationale – Annual reporting requirements have been introduced to provide Council with annual measuring of progress with respect to economic development, sectors and employment, as well as benchmarking.*



**APPENDIX "A"**

Bill No.  
2012

By-law No. A.-

A by-law to authorize and approve 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") wish to enter into a Purchase of Service Agreement for economic development services, commencing July 1, 2012

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

1. The Purchase of Service Agreement to be entered into 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 June 12, 2012.

Joe Fontana  
Mayor

Catharine Saunders  
City Clerk

First Reading – June 12, 2012  
Second Reading – June 12, 2012  
Third Reading – June 12, 2012