

2

Investment and Economic Prosperity Proposal Assessment Process

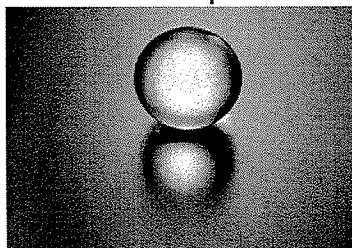


HARVEY FILGER
DIRECTOR OF CORPORATE INVESTMENTS AND PARTNERSHIPS

By way of background:

The “Developing a Strategic Investment and Economic Prosperity Plan” (January 2012) report proposed a specific process for the purpose of developing the Strategic Investment and Prosperity Plan.

The report outlined a proposed process by which selected projects would move from conception to implementation.



2

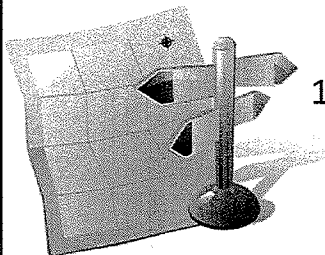
49 Ideas/Proposals Were Received

Direction:

Where appropriate delegates were asked to complete a due diligence checklist for short listing purposes

Checklist Results:

12 proposals submitted completed checklists



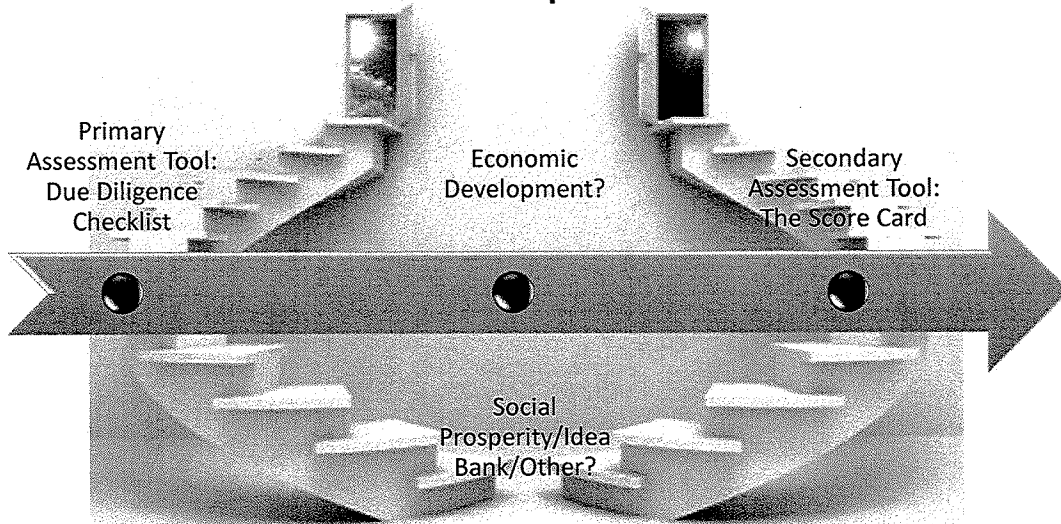
The Multi-Step Process:

Primary
Assessment Tool:
Due Diligence
Checklist

Economic
Development?

Secondary
Assessment Tool:
The Score Card

Social
Prosperity/Idea
Bank/Other?



2

The Multi-Step Process:

- Was a due diligence checklist response received?

1. Initial Review		List of previous projects developed and managed	
Detailed request of what city is being asked to contribute		Signed agreement for City to communicate with clients, suppliers and financial stakeholders	
Economic spinoffs summary		Are proposed timelines reasonable?	
Does it meet 25-75 funding criteria		Review of proponents internal due diligence procedures	
Does not require "bonusing"			
Proponent justifies investment risk of project			
2. Financial Due Diligence		4. Evaluation of Economic Spinoffs	
Receipt of bank reference letters for last 5 years		Evaluation of direct economic benefits of project	
Last 5 years of financial statements and management review letters		Analysis of multiplier effects	
Document support for how project to be financed		Is proponent funded "fairness report" required	
Financial intermediation highly confident letters re: ability to finance		Preparation of terms of reference for "fairness report"	
Copies of letters patent (for private companies)			
3. Managerial Due Diligence		5. Legal Review and Conditions	
Proponents organization chart and key person bios		Review of agreements by City Solicitor's Office	
		Development of written agreement of times for proponent to complete project	
		Is performance bond required?	

The Multi-Step Process:

- Is the focus of the proposal Economic Development?

Economic Development:

To determine if a proposal is classified as economic development, the proposal, or elements of the proposal, must create jobs and/or generate wealth within the boundaries of the City of London.

Proposals that have no ongoing job creation and/or wealth generation elements will not be considered for this round of short listing.



2

The Multi-Step Process:

- Is the focus of the proposal Social Prosperity?

Proposals that do not meet the essential parts of the “Economic Development” definition/description and/or “Due Diligence Checklist” will be placed in either one of the below noted categories:

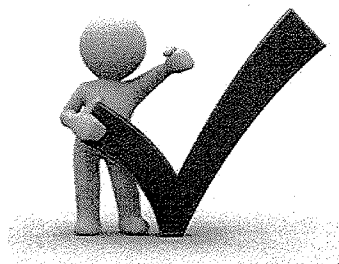
- **Social Prosperity:** focuses on “Wealth Redistribution” and falls outside of the mandate of economic development.
- **Idea Bank:** focuses on proposals that may be considered at a future date and is intended to serve as a temporary place holder.
- **Other:** focuses on proposals that do not fall within the above identified categories.



The Multi-Step Process:

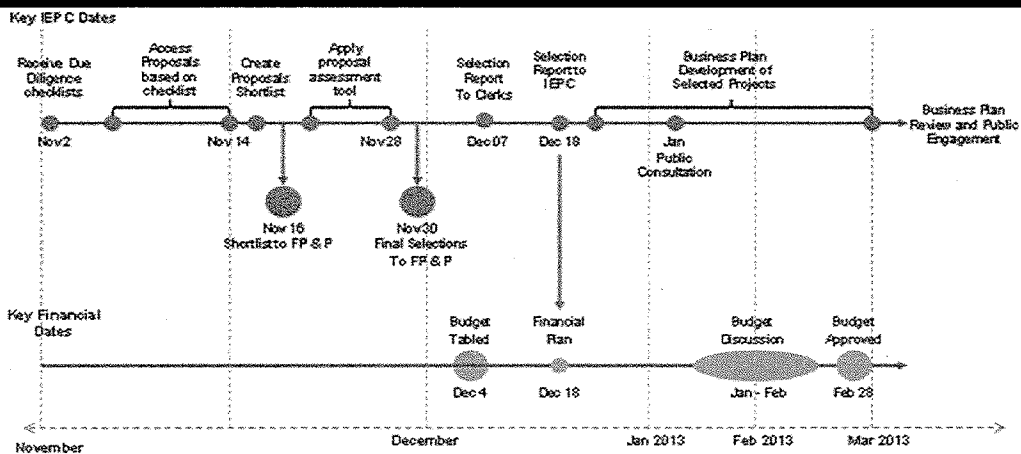
Secondary Assessment Tool based upon the six identified objectives of London’s Prosperity Plan:

- Create Jobs
- Leverage Investment
- Stimulate spin-off benefits
- Build beneficial partnerships
- Benefit key sectors
- Fuel transformational change in London’s economy

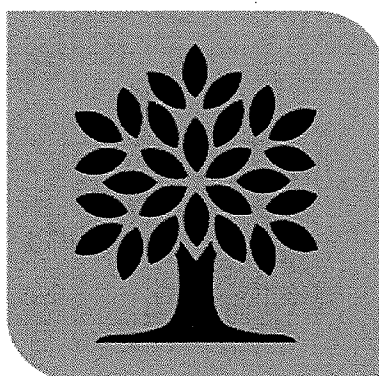


2

Building on the January 2012 report and in response to a variety of ideas received this diagram outlines the timelines by which proposals will move from presented ideas to implementable projects:



All dates are tentative and contingent upon responses from delegates and timelines from other service areas



London
CANADA