

**Purpose:**

To protect the intent and value of resources used to support capital investments in the community. This policy includes municipal funds provided to community organizations in the form of a grant as well as investments administered by The City on behalf of other orders of government.

**Definitions:**

1. The City may be considered as a *primary* funder when investing City tax dollars or other municipal resources.
2. The City may be considered as a *secondary* funder when investing resources that were provided to The City from external sources
3. A *community entity* refers to any organization in the community legally authorized to conduct business in the community; including, but not limited to, not-for-profit, business or government organizations.

**Policy Statement(s):**

1. The City, when acting as a primary or secondary funder for the purchase of capital assets in the community will
  - a. Ensure that an agreement is in place between The City and the community entity,
  - b. Ensure that the funding agreement includes the following conditions:
    - i. The entity must provide The City with 90 days written notice of their intent to sell or transfer title of the capital asset; terminate, suspend and/or change the service for which the capital asset was intended; or dissolve the entity identified in the agreement,
    - ii. The intent of The City to recall all or part of the full value of the capital investment based on a ratio of funds invested to the total cost of the asset; and scaled to reflect the change over time using true market value.
    - iii. An agreement period of up to 25 years,
    - iv. An opportunity to re-evaluate the original ratio of funds invested to the total cost of the asset should the entity make major capital improvements that would change the future value of the asset,
    - v. The right of first refusal by The City to purchase the property once notified under Policy Statement section 1.b.i.

2. In consultation with legal counsel, the City will ensure that all capital funding contracts over \$100,000 contain appropriate security provisions to preserve the City's capital investment in the project.

**Scope/Application:**

This policy applies to all City Divisions and Departments that are overseeing agreements related to capital investments made by The City with community entities.

**Authority/Responsibility to Implement:**

1. The City Manager has the authority to implement this policy.
2. The City Manager through the Director of Corporate Services delegates the Financial Services Manager to implement this policy, and to Department Managers to monitor compliance with this policy relative to agreements within their respective Departments.

**References/Links:**

- Corporate procedure (in process)

**Inquiries/Contact Person:**

- Social Planning Manager
- Financial Services Manager

**Document History:**

Approved: September 10, 2007
Revised: March 10, 2008