



CITY OF VANCOUVER
ADMINISTRATIVE REPORT

A8

Report Date: August 17, 2005
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TO: Vancouver City Council
FROM: City Manager
SUBJECT: Bell Canada Contributions to the Vancouver Agreement Trust

RECOMMENDATION

THAT City Council approve a grant of \$1.5 million to the Vancouver Agreement Trust, the source of funds to be donations to be received by the City from Bell Canada in the aggregate amount of \$1.5 million over the next five years (the "Bell Donation"); with payment schedule as follow: 2005-\$275,000; 2006-\$375,000; 2007-\$375,000; 2008-\$375,000; and 2009-\$100,000.

Bell Canada has agreed to pay these amounts to the City on the condition that:

- (a) the City will issue a receipt under Section 110.1 of the Income Tax Act of Canada; and*
- (b) the Bell Donation is to be used to implement the Downtown Eastside Economic Revitalization Project being undertaken by the parties to the Vancouver Agreement 2005, as well as a specific "Inclusive Initiative" selected by Bell Canada.*

COUNCIL POLICY

On February 1, 2000, Council approved the signing of the Vancouver Agreement, confirming the City's cooperation with the Provincial and Federal governments in a five year urban development initiative.

In 2001, Council approved the establishment of the Vancouver Agreement Secretariat (co-ordination unit) with operation costs shared between the three levels of government. Council also approved annual funding of \$50,736 to provide office space for the Vancouver Agreement Secretariat, as well as operational and administrative support.

On March 29, 2005, Council approved the renewal of the Vancouver Agreement, confirming the City's cooperation with the Provincial and Federal governments in a second five-year urban development initiative (2005-2010). This also approved the continuation of the Vancouver Agreement Secretariat, annual funding/in-kind contributions and the lease of the Vancouver Agreement Secretariat office space.

Approval of grants requires eight affirmative votes of Council.

SUMMARY

Council's approval of the renewal of the Vancouver Agreement (VA) opens the door for the parties to the VA to build on the progress and successes of the last five years. Other organizations have come forward offering financial assistance to further the programs and strategic initiatives of the VA. These organizations generally put specific direction on the donations they give to the City, that they be used for the VA initiatives and programs.

Bell Canada has now offered to provide \$1.5 million over a five year period (2005-2010) to assist the Vancouver Agreement in the implementation of the Downtown Eastside Revitalization Plan. Bell Canada wants to make this contribution to the City, a party to the Vancouver Agreement, in return for an income tax receipt (see Appendix A).

It is essential for Council to set a precedent that any donations and/or contributions received by the City, where donors have stipulated the funds be used for VA initiatives and programs, can be released as a grant to the Vancouver Agreement Trust. The Trust is administered by the City under the direction of the VA Policy Committee on behalf of the parties to the Vancouver Agreement.

This will accommodate private business and other non-government organizations who wish to invest in the work of the Vancouver Agreement. It will also assist the VA in achieving its objective of working more closely together with community and business groups to achieve long-term, sustainable solutions.

PURPOSE

This report seeks Council's approval to accept the Bell Donation totalling \$1.5 million over a five year period, to issue an Income Tax receipt to Bell Canada as donations are received, and to transfer the Bell Donation by way of a grant to the Vancouver Agreement Trust Fund. The VA Trust fund is used for implementation of strategic initiatives and programs of the Vancouver Agreement, managed by the City of Vancouver, administered by the VA Policy Committee.

BACKGROUND

The Vancouver Agreement is a five-year urban development agreement signed in March 2000 and it is expected that it will be renewed in September 2005 by the City, Provincial and Federal governments. The agreement commits all parties to cooperate in promoting and supporting sustainable economic, social and community development in Vancouver.

The Vancouver Agreement was formed because the governments of Canada, British Columbia, and Vancouver recognized that by coordinating efforts and working more closely together, and with community and business groups, they could achieve long-term, sustainable solutions.

Governance of the Vancouver Agreement consists of a Policy Committee and a Management Committee. The Policy Committee consists of the Mayor of Vancouver, Provincial Minister of Community Services and Minister Responsible for Seniors and Women's Issues, and the Federal Minister of Western Economic Diversification, and provides leadership and policy direction. The Management Committee consists of three representatives from each of the three levels of government and oversees the implementation of all Vancouver Agreement activities. The City representatives are the City Manager, the Chief Constable and the General Manager of Community Services.

DISCUSSION

Since the approval of the VA Strategic Plan by the Policy Committee, the Provincial Government has paid \$13.25 million towards implementation of the VA Strategic Plan, the sum of which has been paid to the City of Vancouver to be held in trust for the parties to the Vancouver Agreement. The Federal government has matched this by making commitments from several federal ministries to support Vancouver Agreement initiatives.

The Vancouver Agreement also affords the opportunity for governments to work more closely with community and business groups in an effort to create more long-term, sustainable solutions.

The Vancouver Agreement Coordination Unit, which coordinates the activities between the three levels of government under the Vancouver Agreement, is under the administrative purview of the City as the parties to the Vancouver Agreement did not create a separate legal entity with its own administrative and financial structure to carry out the Vancouver Agreement initiatives. Instead, in an arrangement facilitated by the City, the Vancouver Agreement Coordination Unit is legally included within the organizational structure of the City.

Although it is possible for business and other non-government organizations to make investments and donations directly to the Vancouver Agreement Trust, there may be instances where the contribution must be made through the City of Vancouver (e.g. where the donor requires a tax deductible donation receipt). Where there is the requirement of the donor, staff must seek approval from City Council, upon receipt of the donation, to provide a grant equalling the donated amount to the Vancouver Agreement Trust.

It is for this reason that Council's approval of a grant to the VA Trust is needed, because the Bell Donation to the City is conditional upon it being used to fund VA strategic initiatives and programs. Council approval of this grant in advance of the City receiving the Bell Donation will provide assurances to Bell Canada that the Bell Donation will reach its intended target.

FINANCIAL IMPLICATIONS

Bell Canada has made a commitment to support the Vancouver Agreement Downtown Eastside Economic Revitalization Project by donating funds over a five year period: \$275,000 in 2005; \$375,000 in 2006; \$375,000 in 2007, \$375,000 in 2008, and \$100,000 in 2009. The donations will be made to the City of Vancouver as a party to the Vancouver Agreement. Upon receiving the donations the City will issue an income tax receipt to Bell Canada, and Council will provide a grant equal to the amount donated, to the VA Trust fund. There are no direct financial implications to the City of Vancouver. The City's obligations to the Vancouver Agreement are not affected by redirecting private contributions for the Vancouver Agreement into the Vancouver Agreement Trust. Rather, the redirection is a mechanism by which the City can facilitate non-government support of and participation in Vancouver Agreement work.

CONCLUSION

The next phase of the Vancouver Agreement's work will build on the progress and successes of the last five years of operation. In order to facilitate broader support for the Vancouver Agreement and its activities, it will be necessary for the City to demonstrate that any contribution or investment by non-government organizations to the City for the Vancouver Agreement can be accepted and made available to the Vancouver Agreement Trust as a grant. This will provide assurances to potential contributors that their support will reach its intended target. Therefore, Council's approval is requested to accept the \$1.5 million donations from Bell Canada over a five year period, to issue an Income Tax receipt to Bell Canada as donations are received, and to transfer the Bell Donation by way of a grant to the Vancouver Agreement Trust Fund.

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