

Briefing Note

SUBJECT: Rural Development Institute -Agreement with Brandon University

STATUS:

The five year funding agreement in support of the Rural Development Institute at Brandon University ended March 31, 2016 and responsibility for this relationship has been transferred from the previous Department of Agriculture, Food and Rural Development to the Department of Growth, Enterprise and Trade. Renewal of the agreement and responsibility for managing the new agreement are to be identified.

BACKGROUND:

The government of Manitoba has provided funding in support of the Rural Development Institute for over 14 years with the most recent 5 year agreement ending March 31, 2016. From 2011-2016 MAFRD provided \$545.0 under this agreement. [REDACTED] Section 19(1)(a)

The purpose of the Agreement was to:

- facilitate research towards the advancement of rural economic development in Manitoba;
- build capacity through the development of knowledge and human resources required to advance community economic development;
- ensure knowledge transfer to participants and the broader community; and
- introduce new strategies and models for rural and northern community development.

A report on the 2011-16 achievements was provided to the department in November 2015. Research activities included: 80 research projects, 18 peer-reviewed articles and 168 Journal of Rural and Community Development entries. Eighty community outreach projects and Masters of Rural Development students were supported and 80 conferences and learning events and 26 guest lectures and webinars were delivered including the Rural Works! A Rural Policy Think Tank. Several new and emerging strategies and models were brought forward on topics such as commercialization of rural innovation, defining rural as place-based policy, welcoming and retaining newcomers, growth strategies in rural communities, rural broadband framework, and policy implementation with social marketing techniques. RDI's annual reports and publications are available on the Brandon University website.

The report indicates that the funding continued to be a catalyst to attract other partners and funding and brought considerable stability to the activities of RDI. Between 2011-2016, the total funding RDI attracted was over \$3.2 million from Brandon University, MAFRD and external funders. MAFRD funding represented 17% of total funding with 29% from Brandon University and 54% from other sources.

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The funding agreement was managed through an Agreement Steering committee composed of 2 members from each of the University and the department. This committee identified the projects and activities that would be funded under the agreement and established the measures for evaluating the outcomes. The Brandon University Vice-President Academic and Research, Dr. Steve Robinson and the Director of RDI, Dr. William (Bill) Ashton represented the University. D. Domitruk and M. Cornock were the MAFRD representatives.

NEXT STEPS:

[REDACTED]

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May 26, 2016

ADVISORY NOTE

Purpose Information Division Rural Economic Development Unit Date 2016-05-24

Title *Community Enterprise Development (CED) Tax Credit Program*

Key Messages

- The CED Tax Credit Program encourages Manitoba resident investors or an eligible corporation to invest in specific community enterprises or in community development investment pools in their communities.
- The aim is to assist community-based enterprise development projects in raising local equity capital.
- MAFRD is working with Canadian CED Network (CCEDNet) and the Manitoba Cooperative Association (MCA) to develop a plan that will create greater accessibility for clients interested in the program.

Current Activities

- Since the CED tax credit program was launched in 2005-06, 16 CED tax credits projects have been approved and completed. [REDACTED] **Section 18(2)**
- In June 2014, the following changes were introduced:
 - Maximum eligible amount that an enterprise can raise for the tax credit changed from \$1,000,000 to \$3,000,000.
 - Maximum annual shares an investor can acquire changed from \$30,000 to \$60,000
 - Corporations with a permanent establishment in Manitoba and which pay at least 25% of their payroll to Manitobans became eligible to acquire tax creditable shares
 - An eligible individual or corporation, who invests in the enterprise, can earn a tax credit of the lesser of \$27,000 and 45% of the total amount of an eligible investment. Investments made before June 12, 2014, the tax credit was the lesser of \$9000 and 30% of the total eligible investment.
- Each project has been reviewed by a committee with representatives of Manitoba Finance (Michael Rennie, Jesse Hajer / Zachary Saitis), Municipal Government (Caitlin Kotak), Jobs and the Economy (Kristal Benton) and MAFRD (Paige McDougall).
- Projects within the City of Winnipeg have been approved by both Minister of Municipal Government (Minister responsible for the City of Winnipeg) and the Minister of Agriculture Food and Rural Development (MAFRD). Projects outside the City of Winnipeg were approved by Minister of MAFRD.
- Currently efforts are being made to clarify and document program processes. This includes a Guide for Applicants which is currently being worked on, in collaboration with CCEDnet Manitoba, Manitoba Cooperative Association and SEED Winnipeg.

Recommendations for the Future

- [REDACTED]
- [REDACTED]
- [REDACTED]

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Position of Other Parties

- Manitoba Finance provided advice and guidance on the legislation and regulations around the CEDTCR, while MAFRD was responsible for the policy and process regarding the program.

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ADVISORY NOTE

Subject: Rural Broadband

Status: An informal inter-departmental working group has been meeting with the Rural Development Institute (RDI) and Indigenous and Northern Affairs Canada (INAC) to discuss broadband initiatives currently underway and opportunities for collaboration. RDI has partnered with industry to conduct a study, "State of Rural Information and Communication Technologies in Manitoba".

Background:

- Internet and broadband connectivity are essential services for business, industry, education, health and quality of life in rural Manitoba and is widely considered to be a core infrastructure.
- The availability and quality of broadband and cell service is not consistent across Manitoba and there is not a coordinated effort in place to expand services to un-served and underserved areas.
- Communities and businesses have voiced concerns for many years about the negative impacts the lack of adequate broadband and cell service has on economic development. Most recently, this issue was consistently raised during consultations for the rural economic development strategy and the tourism framework.
- In Manitoba, private enterprise has led the development of increased broadband and cell coverage throughout the province. Examples of private and public investments include:
 - RFnw in SW and SE Manitoba provides internet, voice and data communication to 1200 clients in 40 communities;
 - Netset Communication in Brandon has a \$25 million dollar project (\$9 million in federal support through the connecting Canada program) which will build 16 new towers connecting 10,000 homes in 48 municipalities and first nations in northwest Manitoba. This will bring the total number of homes in rural Manitoba served to be 45,000 by the end of 2017;
 - [REDACTED] Section 23(1)(a)
 - Erickson, R.M. of Clanwilliam and R.M. of Park received funding through Partner 4 Growth in 2014 (\$8,000) for a \$20,545 project to review current state of connectivity, sightline requirements and feasibility of broadband connectivity for their region.
- The Government of Canada announced \$500 million over 5 years in Budget 2016 to extend and enhance broadband services in rural and remote communities. The Government of Canada is seeking input into the development of the new program and provincial staff participated in an initial discussion with the federal department of Innovation, Science and Economic Development on May 30, 2016.
- On May 2, 2016, Bell announced an agreement to acquire MTS along with a \$1 billion, 5-year commitment to contribute new communications infrastructure and technologies to expand broadband networks and services throughout the province. The agreement is expected to be finalized in late 2016 or early 2017.

The First Nations Health and Social Secretariat of Manitoba, in partnership with INAC, is undertaking a First Nations Network of the Future project with the goal of connecting all FN's by developing a First Nation owned and operated fibre optic network.

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Analysis and Next Steps:

- Any efforts to expand broadband and cell service across the province in areas where expansion is not supported by the market, has the potential to be extremely costly. Existing communication providers and potential new start up community providers may request financial support.

- There are currently many moving parts related to broadband and cell service that impact Manitoba including Bell's recent agreement to acquire MTS and the CRTC's review of broadband services across Canada.
- Broadband and cell service expertise is currently available through the Rural Development Institute at Brandon University. The current study, "State of Rural Information and Communication Technologies in Manitoba", that is in progress will include:
 - Current state of rural broadband services in Manitoba;
 - Policy scan of national and provincial policies related to broadband;
 - Provision to identify current and future targets and standards; and,
 - Engagement of information, communication and technology stakeholders and providers to build a better understanding of current and future projects.
- Communities across Canada have used a variety of business models to enhance access to broadband, including cooperatives (Annapolis Valley, NS), existing small business owners in communities (Virder, The Pas) and municipal ownership (Olds, AB and Stratford, ON). All have accessed existing fibre optic cabling to support wireless tower expansion to provide increased service across larger areas. Each tower can reach approximately 15 km radius in wireless support.
- Areas without access to fibre optic cabling currently resort to DSL (phone internet), satellite or mobile wireless internet access. These systems are not as fast or as consistent as found with fibre optic broadband service.

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- The Government of Canada is currently seeking input from the provinces, territories, service providers and organizations with fibre infrastructure (such as Manitoba Hydro) into the development of a new federal broadband program. Provincial departments will be meeting to review the proposed new federal program parameters and will provide further feedback.

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- Options for next steps include

[REDACTED]

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May 30, 2016

ADVISORY NOTE

Purpose Information Division Rural Economic Development Unit Date 2016-05-30

Title Rural Economic Development Functions

Key Messages

- **The rural economic development (RED) team provides a number of supports to communities and regions working on local economic development initiatives**

Current Activities

- RED Staff help community leaders to build capacity for economic development. Staff:
 - Develop, promote and provide training, resources and consulting services to communities and organizations in topics related to RED community and leadership.
 - Identify and promote best practices to community, and economic development leaders.
 - Encourage and assist communities and regions with economic development planning.
 - Provide analysis of regional strengths and opportunities using the Regional Economic Analysis Process (REAP) and other resources and tools.
- Staff functions can be categorized as follows:
 - Resource Development
 - Develop printed documents, web based material, webinars, workshops.
 - Training and Information Sharing
 - Provide training on topics related to rural economic development and economic analysis.
 - Maintain a contact list and communicate regularly through email to provide information, promote programs, resources and training activities.
 - Planning/ Consultation
 - Conduct Regional Economic Analysis Processes, facilitate RED planning and provide individualized consulting support
 - Research
 - Research current trends in RED, collect data for analysis in RED reports and economic regional profiles and support the Rural Development Institute in its research activities
 - Administration
 - Monitor and administer various responsibilities under Corporations Act related to Community Development Corporations, programs such as Partner 4 Growth and Hometown Manitoba and agreements such as the Community Economic Development Fund.
 - Departmental support
 - Participate in various projects and committees such as the Employee

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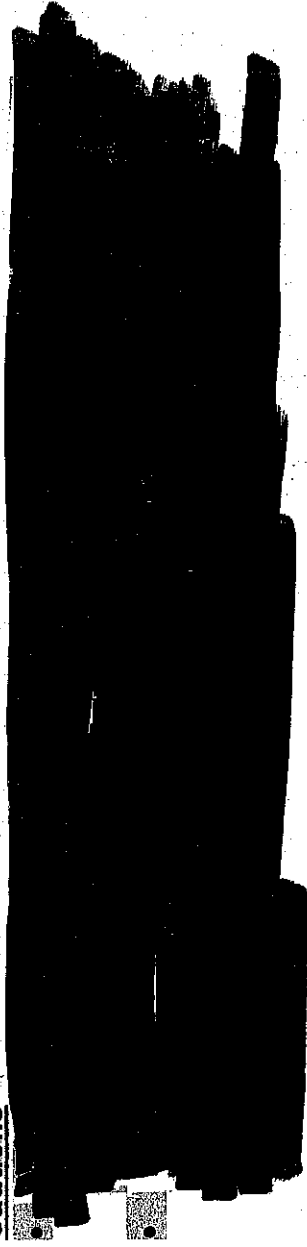
- Engagement committee
- Assist in other departmental duties such as planning and tracking results.

What has been the department's response?

Response to date

- In the last fiscal year, staff have:
 - Researched and completed 7 regional economic profiles
 - Coordinated and delivered a pilot "Building Capacity" training initiative to 40 EDO's and municipal councillors in 5 topic areas
 - Presented 7 informational webinars on topics of interest to RED organizations and practitioners
 - Facilitated over 20 community planning and discussion sessions with RED organizations and municipal councils.
 - Prepared regional economic development reports in conjunction with 14 Regional Economic Analysis Process (REAP) projects.
 - Prepared 2 informational handbooks and 3 powerpoint presentations.
 - Communicated 97 times via email with the RED network of over 200 RED practitioners and community leaders.

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ADVISORY NOTE

Subject: Rural Economic Development Strategy

Status: A rural economic development strategy has been developed by a stakeholder Steering Committee. The Steering Committee will be requesting a meeting with Deputy Ministers of Growth, Enterprise and Trade and Indigenous and Municipal Relations to present the strategy and discuss potential provincial contribution towards implementation.

Key Messages:

- Rural Manitoba is an important contributor to Manitoba's economic prosperity.
- Economic development is the responsibility of many stakeholders, including the Manitoba Government.
- The province will be reviewing the strategy developed by the stakeholders to strengthen rural economic development and grow Manitoba's economy.

Background:

- The Association of Manitoba Municipalities (AMM) has been a strong proponent for the development of a rural economic development strategy and this process was a result of a proposal from AMM.
- A Steering Committee to lead the development of a shared rural economic development strategy was formed in September 2015 and included representatives from across rural Manitoba and from various areas such as business/entrepreneurship, all levels of government, aboriginal community, economic development organizations and academia. Joe Masi, Executive Director of AMM and Donna Morken, Rivers Community Development Corporation are the Co-Chairs of the Steering Committee.
- The Province participated on the Steering Committee as a stakeholder. Other key stakeholders include AMM, Manitoba Chambers of Commerce, Economic Developers Association of Manitoba, Community Futures, Rural Development Institute and CDEM.
- The development of the strategy was funded by Manitoba Agriculture through Rural Opportunities for Growth (\$75.0). MNP was contracted to work with the Steering Committee.
- The department coordinated a multi-departmental meeting in November 2015 to provide an opportunity for departments to have input into the development of the strategy. Internal discussions are ongoing.
- The strategy defines a vision and goals for what rural Manitoba will be in 10 years.
 - Vision: Rural Manitoba – Where Innovation, Business and Communities Thrive
 - Goals:
 - To increase the population across rural Manitoba by 150,000;
 - To grow existing businesses in rural Manitoba by 20%; and,
 - To increase the number of businesses by 3,000 in rural Manitoba
- The strategy identifies seven strategic directions to meet its goals: coordinated, evidence-based planning; strong leadership and organizational capacity within all regions; supported entrepreneurs and successful businesses; impactful, coordinated marketing and promotion; diverse, dynamic skilled labour; business friendly, flexible environment; and, investment.

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Analysis and Next Steps:

- The intent for the strategy was to refresh previous consultations on rural development rather than initiating another comprehensive consultative process. Stakeholders felt there had been adequate consultation and wanted to move forward with the development of a strategy and action plan.
- The Steering Committee has contacted key stakeholders asking for confirmation in writing of their support for the strategy and commitment to implementation including identifying a representative to an implementation committee.
- Options related to the role of the Province include:

[REDACTED]

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May 26, 2016