







**PROGRAM GUIDE** 



BC MANUFACTURING JOBS FUND





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## **Program Overview**

The BC Manufacturing Jobs Fund (MJF) will help manufacturing companies modernize and grow their operations by funding capital projects in all regions of B.C., particularly in communities affected by economic impacts or downturns. MJF will invest up to \$180 million in projects that contribute to economic resilience and diversification and create and maintain stable, well-paying jobs for local workers.

The program welcomes applications from all manufacturing sectors. Forestry sector projects featuring new, sustainable value-added business lines to reduce dependency on old growth logging and make innovative use of biomaterials will be prioritized for funding.

#### **Program Summary**

- Eligible applicants include businesses, for-profit organizations and entities with for-profit manufacturing operations (including First Nations and Indigenous- and First Nation-owned enterprises).
- Non-repayable funding contributions are provided through two streams:
  - Project Readiness: Up to \$50,000 contributions for final-stage planning to prepare for a capital project
  - > Capital Investments: From \$100,000 up to \$10 million contributions for new or renovated infrastructure, technology, equipment and processes
- To apply, applicants first submit a high-level proposal to assess eligibility and alignment with program goals before moving to the second stage of providing more detailed project and business documentation.

### **Program Goals**

- > Invest in high-value, high-growth manufacturing sectors
- > Contribute to clean, inclusive growth and economic resilience and diversification, particularly in regional and Indigenous communities
- > Support innovation and sustainability in the forestry value-added sector
- > Create and maintain long-term well-paying jobs
- > Help companies leverage other funding sources and bring investment into B.C.
- > Boost productivity, strengthen supply chains and drive competitiveness in domestic and international markets

Contact us at <u>ManufacturingJobsFund@gov.bc.ca</u> to discuss your project, explore eligibility or seek guidance on the proposal process.



- > Forestry
- > Aerospace
- > Food and beverage processing and agritech
- > Metals and machinery
- > Biomanufacturing
- > Industrial marine/shipbuilding

### The program uses the following definitions:

- Manufacturing: The process of converting raw materials into a finished product that can be traded or sold. This can be done by mechanical, physical or chemical means.
- > **Value-added**: Additional processing of raw or semi-processed materials (such as lumber) into higher value items and can include processing of what would be waste or unused product into something of value.

## **When To Apply**

The program will accept proposals on a continuous basis beginning in early 2023 for approximately two years, or until funds are allocated. Annual funding maximums have been set to ensure program funds are not fully expended in the first year.

Your business can apply for **Stream 1 - Project Readiness** and **Stream 2 - Capital Investment** at any time during the open intake. It is not required to have received Stream 1 funding prior to applying for Stream 2.

## **Who Can Apply**

#### Eligible applicants include:

- · Businesses and for-profit organizations
- Entities with for-profit manufacturing operations, including Indigenous and First Nationowned enterprises

#### Eligible applicants must:

- Be registered to do business in B.C.
- Operate in the manufacturing sector
- Have established operations\*, for example, have operations in a physical location with employees, including organizations intending to establish a new operating site with a commercial-ready product and defined operating plan
- Be in a demonstrated viable financial position, for example:
  - > Not in foreclosure or for sale
  - A business plan and financial records that show current or projected growth, profits, and/or ability to pay off short-term debts
  - > Be in a financial position that demonstrates capacity to undertake the proposed project

Businesses and for-profit organizations of all sizes are eligible to apply.

Partnerships are encouraged, including with local municipalities or non profits, as long as the primary applicant is an eligible entity.

\*First Nations and Indigenous-owned enterprises that are preparing to fully acquire or buy into an established manufacturing operation may be eligible to receive funding; please contact us to discuss.

If you would like to discuss your eligiblity, please contact us at <a href="ManufacturingJobsFund@gov.bc.ca">ManufacturingJobsFund@gov.bc.ca</a>

## **Eligible Project Types and Funding Maximums**

MJF provides non-repayable funding contributions through two funding streams: **Stream** 1 - Project Readiness and Stream 2 - Capital Investment. The streams fund final-stage planning and capital project implementation.

### **Stream 1 - Project Readiness**

Funding to develop final-stage business and project planning and operational/technical assessments for a proposed capital project. Project Readiness proposals must lead to a planned capital project aligned with **Stream 2 - Capital Investment** criteria.

Funding Request	Maximum: \$50,000
Percentage of Project Costs Eligible for Funding	Up to 50%
Project size	Any

### **Project Examples:**

- Complete a business case to expand operations or diversify product lines
- Conduct an operational or technical assessment to improve productivity or introduce new technology

### **Stream 2 - Capital Investment**

Funding for new or renovated manufacturing infrastructure, technology, equipment, and processes.

Funding Request	Minimum: \$100,000 Maximum: \$10 million
Percentage of Project Costs Eligible for Funding	Variable: Up to 20% of eligible project costs
Project size	Approximately \$500,000 - \$100 million

#### **Project Examples:**

- · Refitting idle community assets such as an unused mill site
- Building or expanding a manufacturing facility
- Upgrading equipment or machinery to support new product lines
- Adopting innovative processes to manufacture value-added forestry products from biomass or other alternatives
- Retrofitting a processing facility to expand or adopt new technology or processes

Successful recipients of Stream 1 funding may apply for Stream 2 support when ready; however, receipt of Stream 1 funding does not guarantee approval through Stream 2.



# **Project Timelines**

The program supports projects that have a high degree of readiness and can ideally begin within three months of funding approval for Stream 1 planning projects, and within one year of approval for Stream 2 capital projects.

Projects should be completed within two to three years of commencement. When applying for a single phase of a larger capital project, the phase you are applying for must be completed and demonstrate benefits within those timelines. If you have an eligible project that does not meet these project timelines, please contact us to discuss.

# **Applicant Contribution**

Applicants are encouraged to demonstrate a project budget with secured and/or notional funding from a variety of sources, including but not limited to private investments, repayable loans and/or federal grants, to demonstrate wide-ranging support and commitment to the project's success.

Applicants should have a variety of potential and confirmed funding sources, including at least 25% from the applicant organization or partner.

Stacking with other provincial or federal funding programs is permitted. Applicants will be asked to disclose confirmed and potential funding sources.

Projects that have confirmed other funding sources and/or demonstrate a strong likelihood to leverage other funds may be prioritized.

## **Eligible Projects**

#### **Projects must:**

- Be located in B.C.
- Contribute to long-term regional economic growth, sustainability and/or diversification
- · Be financially viable and leverage market demand
- Create, maintain, or diversify stable, well-paying job opportunities for local workers
- Have a high degree of readiness and bring direct benefits to regional communities
- Demonstrate alignment with program goals

## **Eligible Project Costs**

### **Stream 1: Project Readiness**

Eligible costs should be specifically related to business and project planning to prepare for investment, including but not limited to, direct or contractual costs to produce:

- > Business and/or operational plans
- > Market assessments
- > Financial plans and costing
- > Risk analyses
- > Operational and technical assessments
- > Construction drawings, architectural plans and/or engineering reports

### Stream 2: Capital Investment

### Eligible costs are those that are essential to project delivery, including:

- > Capital expenditures (equipment, machinery, technology and construction materials)
- > Wage or contract costs for net new project-specific labour
- > Professional, contractor and subcontractor fees
- > Freight or material transportation costs
- > Installation and implementation costs
- > Other time-limited costs directly related to project implementation



# **Ineligible Project Costs**

### **Ineligible Costs**

- > Costs not directly related to the project
- > Costs for which the recipient is eligible for a rebate from government sources, including taxes
- > Early research, concept development, scoping and feasibility studies, including basic and applied Research and Development (<u>Technology Readiness Level 1-7</u>)
- > Extraordinary or abnormal fees beyond customary market rates
- > Entertainment and marketing costs
- > Operating costs (e.g., core staff salaries, bonuses, repayment loans, cost-share obligations or refinancing of debts, fines or penalties, membership fees, dues, taxes, depreciation of assets, etc.)
- > Cost related to the development of MJF application
- > Acquisition of land and existing buildings (except for First Nations and Indigenous or First Nationowned enterprises acquiring or buying into an existing manufacturing operation)

## **How to Apply and What to Expect**

Before applying, we welcome you to reach out to our team by email at Manufacturing Jobs Fund@gov.bc.ca to discuss your project, explore eligibility or seek guidance on the proposal process.

The program uses a two-step application process. The first step includes submitting a high-level project proposal found on our <u>website</u>. Program staff will use this proposal to assess project eligibility and alignment with program goals. This will save applicants the time and effort of completing a more detailed application if a project is not likely to be funded under the program.

The second step includes submitting a detailed application with project and business information and documentation.

Once you have submitted your initial proposal, you can expect to hear back from us within four weeks about next steps in the process. You are welcome to contact us at any time to provide additional information or ask questions – you will have a dedicated program contact that is assigned to your file.

### Accessing the proposal with Business BCeID:

To access the online form, you will need to log in with a <u>Business BCeID</u>, which enables a designated representative of an organization (Primary User) to administer sign-in IDs and passwords for other members of the organization (Secondary Users).

Follow these steps below to get a Business BCeID if you do not already have one (please note that it may take a few business days):

- 1. Go to the <u>BCeID website</u> and follow the registration instructions for a Business BCeID. This must be done by someone who is authorized to act as a Primary User.
- 2. You will receive notification from BCeID, including your Business BCeID log in information, when registration processing is complete. Contact BCeID if you have not received notification within six business days.
- 3. After you have received your Business BCeID, log on to the BCeID website to set up your account information and reset your password. You can then use your BCeID to log in to the MJF project proposal.
- 4. (Optional) Create usernames and passwords for Secondary Users. Each individual must then logon to the BCeID website and reset their password before attempting to log-in to the project proposal.

If you represent a business that is located outside of B.C. but you plan to relocate your operations to regional B.C., please contact us to discuss alternative options for completing the form.



## **Step One: Project Proposal**

**Information requested:** High level business and project information

**What to expect:** You will be asked a series of questions about your business and the project you are planning.

It should take approximately 30 – 60 minutes to complete the proposal form.

### Information that will be requested includes:

- Business/organization name and registration number
- Business contact information
- High level information such as the location(s) of the operation(s) and approximate number of full-time and part-time employees
- Self-assessment of whether the business is in a financially viable position, including optional highlevel revenue/profit and net income
- Description of the project, where it will take place, what you hope to achieve, and what planning has been undertaken
- Information about whether there is a stable supply of materials and market demand
- High level project timelines
- High level project budget, including the contribution amount requested from the program

#### **Optional program materials:**

You may also choose to include optional supporting documentation to expedite your request, including:

- Business financial statements
- Business and project planning documentation (e.g., business plan, market assessment, financial forecasts)
- Quotes for planning/assessment activities
- Letters of support
- Confirmation of other funding sources

Please <u>contact us</u> to request a fillable PDF proposal form if you are not able to or would prefer not to complete an online form.

## **Step Two: Detailed Application**

**Information requested:** Detailed project information and supplementary materials

**What to expect:** If your project is selected to move to the detailed application stage, we will ask you for more information about your business and project, and collect additional materials that demonstrate project viability.

The length of time to complete the detailed application will depend on what stream you apply for, and how big or complex your project is. Stream 1 will request higher-level information and Stream 2 will ask for more specific details.

#### Information that will be requested includes:

Details relating to your project and business to confirm how they align with the program's goals, such as:

#### Clean and Inclusive Growth:

- > Supports local workers with inclusive, high-quality employment opportunities
- > Supports reconciliation with Indigenous peoples, inclusion and equity
- > Considers environmental responsibility, clean manufacturing and circular economies
- > Contributes to sustainable growth in the sector and supply chains
- Aligns with other government priorities

#### **Economic Impact and Viability:**

- > Demonstrates sufficient operational capacity, workforce and sustainable access to supplies or materials
- > Demonstrates market demand
- > Has a financially viable and sustainable business plan with a high degree of readiness
- > Contributes to economic resilience, diversification and growth in the region





### **Supplementary Materials:**

You will be asked to submit supplementary materials applicable to your project and funding stream (if they were not provided with your initial project proposal) which may include:

- Previous years' business financial statements from the past three to five years, including a balance sheet, income statement, and statement of cash flow
- Projects with funding requests of \$1,000,000 or more will also be asked to provide detailed project financials that five years of projected revenues
- Detailed project budget including quotes or estimates and confirmation of other funding sources
- Business plans and/or more detailed information about the project including market assessment, workforce planning, access to materials
- Design plans, architectural and engineering reports, environmental assessments
- Planning documentation, including feasibility studies, pilot/demonstration reports, and other pre-work that has taken place
- Proof of partnerships and endorsements, including community and First Nations letters of support, as relevant
- Depending on the size of your business, we may also ask for additional resources such as Diversity, Equity, and Inclusion policies, Indigenous employee recruitment and training plans, and other materials

The amount of time required to assess your detailed application will vary depending on the funding stream and complexity of the project. Stream 1 requests and smaller or more straight-forward Stream 2 projects will take less time to assess as compared to larger funding requests or more complex capital projects that will require detailed financial due diligence.

Only projects that pass the assessment process and financial due diligence, including alignment with Clean and Inclusive Growth and Economic Impact and Viability outcomes outlined above, will move on to Step Three: Funding Decision.



# **Step Three: Funding Decision**

Throughout the continuous intake, project applications will be grouped together in batches and reviewed.

An internal review panel with cross-government representatives will meet to assess the group of applications and determine which will be funded, at what time, and to what amount. The review panel will use the following prioritization principles when determining funding allocations:

- Projects within the forestry sector
- Projects located in rural, remote or forestry-dependent communities
- Projects that have a high degree of readiness (in terms of both secured funding and ability to break ground on the project), need and direct impact
- Projects that are Indigenous-led or benefit Indigenous Peoples

MJF will prioritize projects that contribute to meaningful reconciliation including creating business and employment opportunities for Indigenous Peoples. What this looks like will be different for each project, but could include:

- > Entities that are Indigenous-led or businesses that have partnered with the Local First Nation
- Creating an ongoing business opportunity for Indigenous or First Nation-led entities (in roles such as investor or contractor)
- Engaging with local First Nation(s) to understand needs and offer long-term training and job opportunities to community members



# **Step Four: Funding Agreement and Project Implementation**

If your project has been selected to receive funding, you will enter a Contribution Agreement (Agreement) with the Province that spells out the terms of the funding provided.

What to expect: We will mutually decide on the terms of the Agreement, including:

Funding release: Agreements will include payments made in stages, typically tied to project milestones. The total amount provided will not exceed the amount in the Agreement; you are responsible for all costs over and above the approved program contribution amount, including cost overruns, ineligible/eligible costs, ongoing maintenance and operating costs associated with the operations of the completed project.

**Reporting requirements:** You will be required to report on progress and provide documentation throughout the term of the Agreement using templates we provide, including:

- **Progress updates** tied to funding release, including activities completed and progress made towards deliverables and program outcomes
- **Financial reports** that provide information to ensure funding is being applied to eligible costs. Please keep all receipts and budget documentation for this purpose, and if you are subject to an audit by the Province or other officials.
- **Final Report** that will describe the process, performance, outcomes, impacts and key learning from the project
- **Follow-up Survey** submitted up to two years after project completion that will focus on measurable outcomes of the project.
- Any other terms and conditions unique to your project

Once your full application has been submitted with all required documentation, we will strive to provide a funding decision within 12 weeks, depending on project complexity and applicant readiness.

If your project is not selected for funding when initially reviewed by the panel, it may be carried forward to a future round of funding decisions.



# **Contact Information and Support**

If you have questions about the program or want to discuss your project, contact us at: ManufacturingJobsFund@gov.bc.ca

Find the proposal form, frequently asked questions, and other program information on the MJF website at: <a href="mailto:gov.bc.ca/ManufacturingJobsFund">gov.bc.ca/ManufacturingJobsFund</a>

Additionally, ministry staff are located throughout the province to support your communities with economic development planning. Find your Regional Manager's contact information at <a href="mailto:gov.bc.ca/RegionalEconomicOperations">gov.bc.ca/RegionalEconomicOperations</a>