



MANAGEMENT REPORT

Date: March 24, 2025
To: Mayor and Council
From: Joan Thomson, Chief Administrative Officer
Report Number: COU25-033
Attachments: Management Report COU21-116

Title: Consideration of Renewal and Expansion of Purchase of Service Agreement with Stratford Economic Enterprise Development Corporation (SEEDCo.)

Objective: To consider entering into a renewal of a purchase of service agreement with Stratford Economic Enterprise Development Corporation for an additional five-year term and to expand the services provided.

Background: As outlined in Management Report COU21-116, the City of Stratford created the Stratford Economic Enterprise Development Corporation in 2013. City Council continues to appoint members to the SEEDCo. Board and has three members of Council serving on the Board.

A subsequent review of SEEDCo. was completed and included the concern to SEEDCo. of the absence of a long-term funding agreement and defined deliverables and reporting criteria. The Board of Directors at the time authorized research to be conducted regarding other external economic development corporations and their associated service agreements and to develop a draft framework for the purchase of services, remuneration and reporting between the City of Stratford and SEEDCo.

Following consultations between the City and the SEEDCo. Board of Directors, legal review and approval by Council, a Purchase of Service Agreement between the parties was entered into in 2021.

Analysis: This Purchase of Service Agreement was for an initial term of five years and is set to expire on December 31, 2025. The Parties have the option to renew the agreement for one additional five-year term under the terms of the 2021 agreement.

Following discussion, both parties are desirous of renewing the agreement for a further five-year term. During discussion regarding delivery of service and completion of Council's strategic priorities, an expansion of the services purchased from SEEDCo. by

the City has been proposed which would take effect at time of signing of this agreement, if approved by Council.

In addition to the current mandate, it is proposed to expand the Purchase of Service Agreement to include the following services to be purchased by the City and provided by SEEDCo.

1. Land management services for all municipally-owned lands [zoned industrial, commercial, residential and institutional] including strategic acquisition and disposal of land, obtaining all necessary Council approvals to purchase or dispose of land and maintenance of an inventory, including property leased by the City of Stratford, subject to the direction of the Chief Administrative Officer of the City of Stratford.
2. Project coordination services for the Grand Trunk Railway Development Project, subject to the direction of the Chief Administrative Officer of the City of Stratford.

Over the past year, SEEDCo. has taken more of a leading role in both initiatives, with the Housing Specialist contract position driving new affordable housing projects on City-owned lands and the CEO of SEEDCo. taking a leadership role in the Grand Trunk Railway Development Project. Adding these initiatives to the 2021 agreement serves to formalize those arrangements.

The SEEDCo. Board of Directors has reviewed the draft renewal agreement and proposed an increase in fee for service from \$514,414 to \$617,300 per annum, effective 2026. The original agreement also provides for a fee for the management and operation of the Small Business Enterprise Centre, provided that SEEDCo. continues to receive funding from the Province for this program. A fee increase from \$108,202 to \$129,842 per annum, effective 2026, has been proposed. The duration of the draft renewal agreement aligns with the existing lease agreement between the City and SEEDCo. for space at 82 Erie Street, which is proceeding separately from this purchase of service agreement, for renewal.

It is recommended that the extension of the agreement and the added services be approved at this time to give clarity to both Parties. There is a great deal of work to be accomplished by SEED Co and the City to support this community with the disruptions currently taking place. There is a strong collaborative working relationship in place and certainty with a purchase of service agreement to 2030 would be an important step in continuing this relationship.

Financial Implications:

Financial impact to current year operating budget:

The small increases to the fees for service are proposed for 2026 and beyond. There is no current year financial impact other than what is already approved in the 2025 budget by Council.

Financial impact on future year operating budget:

The financial impact is noted and is also tied to an inflationary index. Council approves the budgets annually so this would be reflected in subsequent budget presentations.

Insurance considerations:

The City of Stratford as Landlord maintains SEEDCo. as Tenant as an additional insured under the City’s insurance policy.

Alignment with Strategic Priorities:

Enhance our Infrastructure

This report aligns with this priority as SEEDCo. works closely with the Infrastructure Services Department and the Building and Planning Department to bring forward new industrial development.

Build Housing Stability

This report aligns with this priority as the increased scope of work for SEEDCo. includes land management services, including strategic acquisition and disposal of municipally-owned lands.

Work Together For Greater Impact

This report aligns with this priority as this partnership is an excellent example of partner organizations working together for mutual gain and community benefit.

Alignment with One Planet Principles:

Equity and Local Economy

Creating safe, equitable places to live and work which support local prosperity and international fair trade.

Staff Recommendation: THAT the request to renew the Purchase of Service Agreement with the Stratford Economic Enterprise Development Corporation, to include the additional services, for a five year term to December 31, 2030, be approved;

THAT the renewal take effect at time of signing of this agreement;

AND THAT the Mayor and Clerk, or their respective delegates, be authorized to execute the renewal agreement on behalf of The Corporation of the City of Stratford.

Prepared by: Joan Thomson, Chief Administrative Officer

Recommended by: Joan Thomson, Chief Administrative Officer