Edmonton Edge Fund Phase 1

Program Guide

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OVERVIEW

Are you in need of funding that can help your business start, scale, and grow in Edmonton? The City of Edmonton has allocated $5M to the administration of Phase 1 of the Edmonton Edge Fund. Phase 1 is designed to address a current gap in capital available to organizations undertaking innovative projects in the local economy.

Please review this program guide in its entirety to see if your project may be eligible for funding.

KEY CONSIDERATIONS

- Before applying, it is important that applicants review all program materials, including this program guide, in their entirety. As a high volume of applications is expected, there will be limited opportunities for applicants to have questions answered by the City of Edmonton Program Team.
- Phase 1 of the Edge Fund will only be available in 2023. The development of potential future phases will be decided based on direction from City Council.
- If a term is capitalized throughout this program guide, it is likely defined in Appendix 1. Appendix 1 also includes definitions for other terms that are commonly used in the program guide; please refer to it if you are unsure of what something might mean in the context of the program Fund.
- The Edmonton Edge Fund does not exclusively support the technology sector; eligible businesses operating across all industries and sectors are encouraged to apply.
- The program will award non-repayable funding (i.e., grants) to support innovative projects being undertaken by successful applicants.
- Funding for the program is limited. Applications will be scored competitively, meaning not all projects will be awarded funding. The application pool is expected to be highly competitive.
- Funding will be paid to successful applicants in milestone payments upon the completion of key project deliverables and outcomes.
- Retroactive costs will not be reimbursed through the program. These are costs incurred before an application decision is communicated by the City to the applicant.

Therefore, applicants should take care to not start incurring project costs prior to the communication of an application decision. Please see How the Edge Fund Works for more information on the application process timelines.

- Applicants may receive a maximum of one grant from the program.

- Applicants are permitted to submit multiple applications. In the event that multiple applications are received from a single applicant, the application with the highest evaluation score will be considered for funding.

- Projects that are innovative in nature, and those that best support growth and transformation in the local economy, will be best positioned to be approved for funding.

- The City of Edmonton reserves the right, in its sole and unfettered discretion, to approve or reject any application. Please note that decisions surrounding the approval or rejection of applications are final, and may not be appealed.

EXPECTED OUTCOMES

Phase 1 of the Edmonton Edge Fund is designed to support the innovation and growth in the local economy through the advancement of four key Expected Outcomes. To be eligible for funding, projects must achieve one or more of the following Expected Outcomes:

- **Job Creation:**
  - Creates jobs in Edmonton that support the completion of the project and/or the long term operations of the organization.
- **Economic Benefits:**
  - Generates economic outcomes that support the local economy, including but not limited to increases in capital expenditure, investment attraction, intellectual property development, and property tax revenue.
- **Down/Upstream Benefits:**
  - Project generates outcomes that benefit other businesses within the local economy, including the local supply chain.
- **Social/Environmental Benefits:**
  - Project generates outcomes that benefit Edmontonians and/or the environment.

PROGRAM STRUCTURE

The Program will offer grant funding through two streams: the Start Stream and the Scale & Grow Stream. The Start Stream funds projects that will help businesses to advance the development of their innovations and begin commercializing them. The Scale & Grow Stream, funds large scale projects that, as the name suggests, support the scale and growth efforts of businesses, while also producing significant economic outcomes.

Please see the comparison table below to determine which stream best fits your project:

Stream Name:	Start	Scale & Grow
Grant Amount:	$75k to $100k	$250k to <$1M
Matching Funding Requirement:	None. However, projects with additional funding sources in place may receive special consideration	50% (i.e., grant covers half of project costs, applicant or other funding sources covers other half)
Maximum Project Term:	Two years	
Target Business Stages:	Pre-Revenue to Early Stage Commercialization	Revenue-Generating to Profit-Generating
Examples of Eligible Activities:	Prototype Development Product Maturation Product Testing Target Market Exploration/Testing	Improving Production Capacity/Efficiency Supply Chain Localization Product/Service Diversification Market Expansion[1]
Costs Supported:	See: *Project Financing Criteria*	
Eligible Applicants:	See: *Applicant Eligibility Criteria*	

[1] Refers to market expansion projects involving both domestic and foreign markets. May include the implementation of strategies relating to market penetration, foreign market exploration, and multi-domestic approaches.

HOW THE EDGE FUND WORKS

Applications to the Edmonton Edge Fund will be subject to a competitive evaluation process to ensure responsible stewardship of public funds. The application will be divided into two stages: 1) the Expression of Interest (EOI) stage and 2) Full Application stage. An overview of the contents of the Expression of Interest and Full Application are included in Appendix 2 and Appendix 3, respectively.

Below, please find a breakdown of the Edge Fund program process, along with the associated timelines. While this process will be applied to most applications, some exceptions may be made to maximize the outcomes of each project. Additionally, please note that application volumes may impact the timelines listed below.

1. Program Launch	August 28, 2023

- The Edmonton Edge Fund is launched, and details are made available on Edmonton.ca/EdgeFund.
- Applicants are invited to review the program webpage and program materials, including this program guide, to determine if their organization and project ideas are eligible for funding.

2. Expression of Interest (EOI) Intake	August 28 - September 18

- The EOI will be made available on the program webpage on August 28, 2023.
- An overview of the contents of the EOI is available in Appendix 2.
- Applicants will have **three weeks** to submit their EOI (i.e., until midnight on September 18, 2023).

3. Evaluation of EOIs	September 18 - October 6

- Program Team evaluates EOIs, and shortlists those that: a) meet the eligibility and b) demonstrate clear alignment to the assessment criteria, including the Expected Outcomes.
- Applicants can expect to be notified of their EOI evaluation results by **October 6, 2023**.

- Applicants whose EOIs are shortlisted will then be invited to submit a Full Application.
- Applicants who are not advanced to the Full Application stage may be referred to other City programs that could support their project.
- Scale & Grow Stream: Applicants who are not advanced to the Full Application stage may be asked if they would like to instead apply to the Start Stream, should their project be better aligned with that stream.

4. Full Application Intake	October 9 - November 6

- Applicants will have **four weeks, starting October 9th,** to submit a Full Application. If a Full Application is not received within this timeline, the project will not be considered for funding.
- Applicants advanced to this stage will be provided with an information package, which will include guidelines on how to develop their Full Application.
- During this four week period, applicants are invited to book consultations with the Program Team to discuss their Full Application and ask questions.
- For an overview of what will be asked for in the Full Application, please see [Appendix 3](#).

5. Evaluation of Full Applications	November - December

- Program Team evaluates Full Applications and forwards shortlisted projects to the selection committee.
- Selection committee makes funding recommendations. Funding recommendations will be made based on the strength of the proposed projects, as well as on the availability of the program budget.

6. Notification of Funding Decisions	December

- Applicants are notified of their evaluation outcome. One of three outcomes will be assigned to each Full Application:
    1. Approved
    2. Approved with conditions
    3. Not approved

7. Funding Agreement Development	December - January

- Applicants with approved applications will work with the Program Team to develop the milestone and payment schedule for their funding agreement.
- The milestone and payment schedule will be tailored to each project. Completion of project milestones will be linked to the disbursement of funding throughout the project term.
- Examples of project milestones include deliverables such as: confirmations of hiring, issuance of a City of Edmonton Business Licence, proofs of payment for various project costs, and more.

8. Project Implementation & Reporting	February - Project End

- Projects must begin within a reasonable time after the funding agreement is signed by all parties.The maximum project term is two years.
  - E.g., If an Applying Organization is awarded funding, and their funding agreement is signed by February of 2024, their project should be completed by February of 2026, at the latest.
- Throughout the project term, the applicant will report progress back to the Program Team.
- At the end of the project, the applicant will report completion and submit a final report on the project.

PROGRAM REQUIREMENTS

To be eligible for funding through the Edmonton Edge Fund, all applications must align with the program requirements outlined below.

Applicant Eligibility Criteria

All applicants must meet the following eligibility criteria:

- Applying businesses must be registered as an active legal entity.
- Applying nonprofit organizations must have an Economic Mandate, and must be registered as an active legal entity.
- The Applying Organization must currently be operating in Edmonton, or it must have plans to relocate to or expand in Edmonton. For projects involving a relocation or

expansion to Edmonton, a limited amount of the total funding awarded will be provided until the relocation or expansion is complete. This amount will vary on a project-to-project basis, based on the specific needs of each project.

- Applying organizations must have a valid City of Edmonton Business Licence, or must have plans to obtain a valid City of Edmonton Business Licence during the course of their project.

- Applicants must be a registered owner and/or director of the Applying Organization, or they must obtain permission from an owner and/or director to apply on behalf of the organization.

- A joint application may be submitted between two, or more, eligible applicants. In the case of a joint application, one of the eligible applicants must be identified as the lead applicant.

- For the Start Stream, specifically:
  - Applying organizations must have been registered as an active legal entity for at least three months prior to the submission of an Expression of Interest.

Ineligible Applicants

- Religious organizations without an Economic Mandate are not eligible to apply for funding.

- Applicants that are in arrears with the City of Edmonton and/or those that are in dispute with the City of Edmonton, will not be eligible to apply for funding.

Project Eligibility Criteria

To be eligible for funding, all projects must meet the following project eligibility criteria:

- Funding must be applied to a specific project (i.e., not to the general operating costs of a business).
- The project must be physically located in Edmonton.
- The project must be a new initiative and not a continuation of an existing initiative.
- The maximum project term is two years.
- For the Scale & Grow Stream, specifically:
  - The Applying Organization must be able to finance at least 50% of eligible project costs. Confirmation of matching funds must be provided at two

separate points in the application process: 1) as part of the Full Application and 2) prior to the signing of the funding agreement.

Project Financing Criteria

Eligible Costs

Eligible costs include costs that are essential to the project. These costs include:

- Direct capital costs (e.g., equipment, materials, etc.).
- Direct labour costs (i.e., salaries or wages of new employees[2], contractor costs, etc.).
- Marketing costs, provided that these costs are related to marketing the product(s) and/or service(s) related to the project.
- Professional, advisory, and technical services.
- Reasonable travel expenses related to the project. These costs must be in accordance with the National Joint Council Travel Directive.

Ineligible Costs

Ineligible costs for the program include those that are not directly related to the project, as well as those that are deemed unreasonable. Examples of these costs include:

- Retroactive costs (i.e., costs incurred before a funding decision is communicated to the applicant).
- General overhead costs of the Applying Organization
- Costs related to the development of an application to the program
- The purchase of land and buildings
- Permit and licence fees
- Salaries, wages, and bonuses of existing employees
- Entertainment costs (e.g., food, alcohol, hosting, etc.)
- Debt financing
- Lobbying or government relation activities
- Donations, dues, and membership fees

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[2] Applicants that are successful in receiving funding approval for salaries/wages of new employees will be required to submit documentation to demonstrate that funding has been applied appropriately. This documentation includes, but is not limited to, payroll reports, financial statements, offers of employment, and employee profiles of new hires.

- Contingency fees
- Sponsorship

ASSESSMENT CRITERIA AND CONSIDERATIONS

Funding decisions will be made through a competitive evaluation process. For each application, this process will evaluate if the proposed project meets the Program Requirements, and how well it meets the assessment criteria. All applications will be evaluated based on how well they align with the Primary Assessment Criteria. In addition, special consideration may be given to projects that meet the Secondary Assessment Criteria.

Primary Assessment Criteria

Expected Outcomes

- **Both Streams:**
   - Project clearly supports the advancement of one or more of the Expected Outcomes.
   - Projects that support the advancement of multiple Expected Outcomes may be evaluated more favourably. However, if a project only supports the advancement of one of the Expected Outcomes, but does so strongly, it may still receive a favourable evaluation.
- **Scale & Grow Stream only:**
   - Preference will be given to projects that **strongly** support the advancement of Job Creation and/or Economic Benefits.

The Expected Outcomes of the Edmonton Edge Fund are:
 	
- **Job Creation:**
   - Creates jobs that support the completion of the project and/or the long term operations of the organization.
   - Preference will be given to projects that create jobs for Highly-Qualified Personnel (HQPs).
- **Economic Benefits:**

- ○ Project generates outcomes that support the local economy, including but not limited to increases in capital expenditure, investment attraction, and property tax generation.
  - ○ Preference will be given to projects that generate capital expenditure within the local economy.
- **Down/Upstream Benefits:**
  - ○ Project generates outcomes that benefit other businesses within the local economy, including the local supply chain.
- **Social/Environmental Benefits:**
  - ○ Project generates outcomes that benefit Edmontonians and/or the environment.
  - ○ Examples include: jobs created for members of underrepresented groups, outcomes supporting the advancement of the City's Climate Change Adaptation and Resilience Strategy, etc.

Business Case

- Clearly details how the project will be implemented and who will be doing the work involved.
- Clear indication of why the Applying Organization needs program funding to implement their project.
- Clearly identifies potential risks associated with the project, and mitigations that can be applied to address those risks.
- Objectives and outcomes of the project are realistic.
- Timelines are reasonable and include adequate detail.
- **Scale & Grow Stream only:**
  - ○ Experience of the Applying Organization in delivering large-scale projects.
  - ○ Strength of the project outcomes relating to Job Creation and Economic Benefits.

Growth Potential

- Clearly describes:

- ○   the long-term growth expected as a result of the project and:
- ○   how the project will enable the Applying Organization to achieve this long-term growth.
- Value proposition of the product(s) or service(s) offered by the company is strong and based on reasonable rationale.
- Long term growth potential of Applying Organization is apparent, based on:
  - ○   How innovative the project is.
  - ○   If the Applying Organization operates in an industry/sector with growth potential.
  - ○   If the company is well-positioned to compete in its target market.

Financial Assessment

- Project costs are reasonable and justified.
- Project budget provides sufficient detail.
- Requested grant amount aligns with the scope and scale of the project.
- **Scale & Grow Stream only:**
  - ○   Matching funding is confirmed at the time of application.
  - ○   Clearly identifies how sources of matching funding will be applied to the project.

Secondary Assessment Criteria

- Supports an organization founded and/or owned by a newcomer (i.e., an individual who has migrated to Canada within the last 5 years).
- Supports an applicant who has previously faced systemic barriers to accessing business funding (e.g., individuals from Underrepresented Groups).
- Company has participated in a business development program, including those offered by organizations such as Edmonton Unlimited, Business Link, City of Edmonton, etc.
- **Start Stream only:**

> ○ Other funding sources are in place to support the implementation of the
> project.[3]

Assessment Considerations

- Although the City of Edmonton may engage applicants directly to obtain additional information, applicants are advised to submit a complete and thorough application.
- Funding decisions are final and may not be appealed.
- It is not guaranteed that the funding amounts that are awarded will be equal to the amount that was requested.
- The City of Edmonton reserves the right to give special consideration to factors such as diversity, equity, and government priorities.

HOW TO APPLY

- Applicants are encouraged to review the program materials, including this program guide, in their entirety prior to submitting an EOI.
- The application process for the Edmonton Edge Fund begins with the submission of an Expression of Interest (EOI). Please see How the Edge Fund Works for an overview of the whole application process.
- On August 28, 2023, a link to the digital EOI form will be made available on Edmonton.ca/EdgeFund. EOIs will be accepted until **midnight on September 18, 2023**.
- Applicants whose EOIs are shortlisted will then be invited to submit a Full Application. The intake period for full applications will run from **October 9, 2023 to November 6, 2023**.
- Final funding decisions are expected to be made by **December 2023**.

TIPS FOR SUBMITTING A SUCCESSFUL APPLICATION

- As funding awards are not expected to be made until late Q4 of 2023, applicants should not apply to fund projects that will begin before then.

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[3] The Start Stream does not have a matching funds requirement. However, projects with additional funding sources in place may receive special consideration in the evaluation process.

- When determining the project term, allow for enough time to successfully implement your project.
- Applicants are encouraged to apply for grant amounts that best fit the scope and scale of their project.
- Project budgets should be detailed and specific. Applicants should use care and consideration when determining project costs.
- Applications that demonstrate how a project meets multiple Expected Outcomes are likely to be evaluated more favourably. However, if a project only meets one Expected Outcome, but does so strongly, it may still be scored favourably.

CONTACT US

Questions about the program may be directed to EdgeFund@edmonton.ca.

Response times from the program team may be affected by the volume of inquiries received. With this in mind, applicants are encouraged to read the program materials, including this program guide, in their entirety before reaching out with questions.

APPENDIX 1: DEFINITIONS

- **Applicant:** Refers to the individual that is submitting an application on behalf of the Applying Organization.

- **Applying Organization:** Used to collectively refer to all organizations that may be eligible to apply to the program. This includes registered businesses and registered nonprofit organizations that have an Economic Mandate.

- **Commercialization**: the process associated with converting ideas, inventions, and prototypes into sellable products and/or services.

- **Economic Mandate:** A mandate held by a nonprofit organization that demonstrates its focus on economic growth and development.

- **Expression of Interest:** A high level project proposal that is requested as the first step in the program's application process. An overview can be found in Appendix 2.

- **Full Application:** A project proposal that includes more detail than the Expression of Interest. An overview can be found in Appendix 3.

- **Funding Agreement:** The funding agreement will set the terms and conditions of the project, including but not limited to the project term, milestone schedule, and reporting requirements.

- **Highly-Qualified Personnel:** Refers to individuals who hold post-secondary degrees at the bachelor's level and above.

- **Innovation:** The development and creation of a new idea, product or service that introduces a novel way to meet the needs of a target market.

- **Local Economy:** Refers to the economy within the city of Edmonton, Alberta.

- **Program:** Refers to Phase 1 of the Edmonton Edge Fund.

- **Project Budget:** Includes a breakdown of the total project cost, including the eligible and ineligible costs involved. A more detailed project budget will be requested as part of the Full Application.

- **Program Team:** The team of staff from the City of Edmonton that is responsible for the administration of Phase 1 of the Edmonton Edge Fund.

- **Project Term:** The amount of time it takes to complete a project. The maximum project term is two years.

- **Prototype:** The initial version of a product or service. This may be improved upon before a product or service is ready for commercialization.

- **Supply Chain Localization:** Initiatives to bring certain steps in a given supply chain closer together, geographically speaking. This can include building a manufacturing facility in a domestic location to replace the outsourcing of manufacturing.

- **Systemic Barriers:** Obstacles or barriers that intentionally or unintentionally exclude individuals, groups and/or communities, and are often out of the control of any individual person.

- **Underrepresented Groups:** Groups of people that are not present in the economy at the same rates that they are present in the larger population.

APPENDIX 2: OVERVIEW OF EXPRESSION OF INTEREST

Below, please find a high level overview of what applicants will be asked to provide when submitting their Expression of Interest[4]:

- **Applicant Information**
  - Current location of Applying Organization and/or, if applicable, the proposed location of the Applying Organization.
  - Overview/description of Applying Organization
  - Industry/sector
  - Years in business/operation
  - Is the Applying Organization wholly, or mostly, owned:
    - by an individual from an underrepresented group?
    - by a newcomer (i.e., an individual who has migrated to Canada within the last 5 years)?
- **Project Description**
- **Financials**
  - Project budget (includes total project costs, eligible costs, and ineligible costs)
  - Funding amount requested
  - Other funding sources
    - Start Stream:
      - Optional: Identify any other sources of funding that will be used to support the implementation of the project.
    - Scale & Grow Stream:
      - Required: Identify sources of matching funding, amounting to at least 50% of the total eligible project costs.

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[4] Additional due diligence may be required on a project-by-project basis. The City reserves the right to request materials and/or information in addition to what is listed above.

APPENDIX 3: OVERVIEW OF FULL APPLICATION

Below, please find a high level overview of what applicants will be asked to provide when submitting their Full Application[5]:

- **Pitch Deck (or equivalent)**
- **Project Financials**
  - Funding amount requested
  - Detailed project budget, including all eligible and ineligible costs
  - Quotes (if hiring contractors)
  - Cashflow projections and forecasted income for the project term
  - **Start Stream:**
    - Optional: Confirmation of any other funding sources that will be used to support the implementation of the project
  - **Scale & Grow Stream:**
    - Required: Confirmation of sources of matching funding
- **Project Milestone Schedule[6]**
  - Detailed outcomes, and expected ETAs
  - Funding amount requested by completion of each milestone
- **Business Case**
  - Additional information that outlines the case for the funding request
- **Can your project be implemented with less funding than requested?**
  - If yes: detail how the project will differ if awarded a lesser amount than requested

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[5] Additional due diligence may be required on a project-by-project basis. The City reserves the right to request materials and/or information in addition to what is listed above.

[6] This schedule will be used to help inform the structure of the payment schedule in the funding agreement.