

1980

c 117 Development Corporations Act

Ontario

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CHAPTER 117

Development Corporations Act

1.—(1) In this Act,

Interpre-
tation

- (a) "board" means the Board of Directors of Ontario Development Corporation, the Northern Ontario Development Corporation or the Eastern Ontario Development Corporation;
- (b) "corporation" means the Ontario Development Corporation, Northern Ontario Development Corporation or Eastern Ontario Development Corporation;
- (c) "Eastern Ontario" means the counties of Hastings, Prince Edward, Renfrew, Lennox and Addington, Frontenac, Lanark, Leeds, Grenville, Russell, Dundas, Stormont, Prescott and Glengarry and The Regional Municipality of Ottawa-Carleton;
- (d) "industry" includes any trade or other business undertaking of any kind, and "industrial" has a corresponding meaning;
- (e) "Minister" means the Minister of Industry and Tourism or such other member of the Executive Council, as the Lieutenant Governor in Council designates;
- (f) "Northern Ontario" means the districts of Algoma, Cochrane, Manitoulin, Nipissing, Sudbury, Timiskaming, Kenora, Rainy River and Thunder Bay.

(2) The Lieutenant Governor in Council may designate such areas in addition to those described in clauses (1) (c) and (f) as he considers advisable. 1973, c. 84, s. 1.

Designation
of areas

2.—(1) The Corporation known as the Ontario Development Corporation is continued, consisting of not more than sixteen directors appointed by the Lieutenant Governor in Council of whom four shall be appointed from the Board of Directors

Ontario
Development
Corporation
continued

of Eastern Ontario Development Corporation and four shall be appointed from the Board of Directors of Northern Ontario Development Corporation. 1973, c. 84, s. 2 (1); 1973, c. 125, s. 1; 1975 (2nd Sess.), c. 10, s. 1.

Share
capital

(2) The capital of the Ontario Development Corporation is \$7,000,000 divided into 7,000 shares, each having a par value of \$1,000. 1973, c. 84, s. 2 (2).

Northern
Ontario
Development
Corporation
continued

3. The Corporation known as the Northern Ontario Development Corporation is continued as a corporation without share capital consisting of not fewer than five and not more than fourteen directors appointed by the Lieutenant Governor in Council. 1973, c. 84, s. 3; 1975 (2nd Sess.), c. 10, s. 2.

Eastern
Ontario
Development
Corporation
continued

4. The Corporation without share capital known as the Eastern Ontario Development Corporation is continued consisting of not fewer than five and not more than fourteen directors appointed by the Lieutenant Governor in Council. 1973, c. 84, s. 4; 1975 (2nd Sess.), c. 10, s. 3, *revised*.

Creation of
other
corporations

5. The Lieutenant Governor in Council may by regulation constitute corporations with such powers and duties as are considered conducive to the attainment of the objects of the corporation and provide for its constitution and management. 1973, c. 84, s. 5.

Jurisdiction

6.—(1) The Northern Ontario Development Corporation shall carry out the objects of the Corporation in Northern Ontario.

Idem

(2) The Eastern Ontario Development Corporation shall carry out the objects of the Corporation in Eastern Ontario.

Idem

(3) The Ontario Development Corporation shall carry out the objects of the Corporation in Ontario. 1973, c. 84, s. 6.

Seal

7.—(1) Each corporation shall have a seal, which shall be adopted by a resolution or by-law of the corporation.

Fiscal year

(2) The fiscal year of each corporation commences on the 1st day of April in each year and ends on the 31st day of March in the following year.

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cc. 54, 95
do not apply

(3) The *Business Corporations Act* does not apply to the Ontario Development Corporation and the *Corporations Act* does not apply to the Eastern Ontario Development Corporation or the Northern Ontario Development Corporation. 1973, c. 84, s. 7.

8.—(1) The Lieutenant Governor in Council shall appoint a person to be the chief executive officer of the corporations. Chief executive officer

(2) Where the chief executive officer is not a director or an officer in the public service of Ontario, he shall be paid such remuneration and expense allowance as may from time to time be fixed by the Lieutenant Governor in Council. 1975 (2nd Sess.), c. 10, s. 4. Remuneration

9.—(1) The directors for the time being of each corporation form and are its Board of Directors, and the Lieutenant Governor in Council shall designate one of them as chairman and one of them as vice-chairman of the board. Board of Directors

(2) Each corporation may pay such of its directors as are not officers in the public service of Ontario such remuneration and expense allowance as may from time to time be fixed by the Lieutenant Governor in Council. Remuneration

(3) A quorum of directors for each board shall be such number of directors as the board may designate by by-law. Quorum

(4) The board of each corporation may make by-laws regulating its proceedings and generally for the conduct and management of the affairs of the corporation. By-laws

(5) The affairs of each corporation are under the management and control of its board for the time being, and a chairman shall preside at all meetings of the board and, in his absence or if the office of chairman is vacant, the vice-chairman has all the powers and shall perform all the duties of the chairman. 1973, c. 84, s. 9. Management

10. All rights of the Minister or Her Majesty in right of Ontario under any agreement heretofore entered into by the Minister under *The Economic Development Loans Guarantee Act, 1962-63*, are vested in the Ontario Development Corporation. 1973, c. 84, s. 10. Rights of Minister under agreements to be rights of Ontario Development Corporation 1962-63, c. 40

11. The objects of the corporations are to encourage and assist in the development and diversification of industry in Ontario, including, without limiting the generality of the foregoing, Objects

- (a) the provision of financial assistance by loan, guarantee or purchase of shares or other securities;
- (b) the provision of sites, equipment, premises, facilities and services; and

- (c) the provision of technical, business and financial information, advice, training and guidance to persons or organizations, whether or not incidental to the provision of financial assistance. 1973, c. 84, s. 11.

Powers of
corporations

12.—(1) Notwithstanding any other Act, each corporation for the objects set out in section 11 possesses power to,

- (a) lend money to a person carrying on any industrial undertaking in Ontario where in the opinion of the board the funds in the circumstances are not available elsewhere on reasonable terms;
- (b) guarantee the payment of any loan, or any part thereof, and all or any part of the interest thereon, made by a lender approved by the corporation to a person carrying on any industrial undertaking in Ontario where in the opinion of the board the funds in the circumstances are not available elsewhere on reasonable terms;
- (c) lend money to a person establishing or substantially expanding any industrial undertaking in an area of equalization of industrial opportunity approved under section 6 of the *Ministry of Industry and Tourism Act* and forgive repayment of the loan in whole or in part;
- (d) take security by way of mortgage, charge, hypothecation or assignment of or on any real or personal property or otherwise;
- (e) buy, hold, own, hire, maintain, control, take, lease, sell, assign, exchange, transfer, manage, improve, develop or otherwise deal in and dispose of, either absolutely or by way of security or otherwise, any property real and personal, movable and immovable, and assets generally;
- (f) buy, acquire, accept, and hold, exchange, transfer, assign, sell, dispose of or deal in, either absolutely or by way of security or otherwise, all kinds of bills, notes, negotiable instruments, commercial paper, conditional sale agreements, lien notes, hire purchase agreements, chattel mortgages, bills of lading, bills of sale, warehouse receipts, guarantees, choses in action or instruments of assignment, conveyance, mortgage, pledge, charge or hypothecation, and shares, stocks, bonds, debentures, debenture stocks, securities, obligations, agreements and evidences of debt;

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c. 282

(g) do all things that are incidental or conducive to the attainment of the objects of the corporation. 1973, c. 84, s. 12 (1); 1973, c. 125, s. 2.

(2) The powers conferred by clause (1) (c) shall only be exercised with the approval of the Lieutenant Governor in Council and the Lieutenant Governor in Council may, by regulation, require the approval by the Lieutenant Governor in Council of the exercise of all or any of the powers of a corporation conferred by clauses (1) (a) and (b). Approvals by
Lieutenant
Governor in
Council

(3) In respect of loans made by Northern Ontario Development Corporation or Eastern Ontario Development Corporation under clause (1) (a) or (c), the Ontario Development Corporation shall be deemed to be the creditor. O.D.C.
deemed
creditor

(4) Where the approval of an area of equalization of industrial opportunity is rescinded, a corporation may proceed to exercise its power under clause (1) (c) in respect of any person whose application has been accepted before the rescission. Application
of rescission

(5) Every guarantee executed under the seal of a corporation and signed by the Treasurer of Ontario and given or purporting to be given under the authority of this section is binding upon the Province of Ontario and is not open to question upon any ground whatsoever. 1973, c. 84, s. 12 (2-5). Validity of
guarantee

(6) Each corporation may, for the objects set out in section 11 and subject to the approval of the Lieutenant Governor in Council, make a loan to a municipality mentioned in subsection (8) carrying on an industrial undertaking in Ontario, subject to such terms and conditions as the Lieutenant Governor in Council approves. Subsidies

(7) In the exercise of its powers respecting the acquisition, financing, use and development of land in connection with industrial undertakings, each corporation shall comply with any directions from time to time given to it in writing by the Lieutenant Governor in Council or the Minister expressing the policy of the Government of Ontario. Policy
directions

(8) In this section, "industrial undertaking" includes an undertaking by a city, town, village, township or county or a regional, district or metropolitan municipality to encourage or assist in the development and diversification of industry. 1975 (2nd Sess.), c. 10, s. 5. Municipalities

13.—(1) In this section, Interpre-
tation

(a) "building repairs" means repairs to a building or structure required by reason of damage to the

building or structure caused by high water levels of or the impact of ice on a lake, river or other body of water or by damage to or erosion of the shore of a lake, river or other body of water caused by the elements;

- (b) "owner" includes any person holding a licence, concession or contract under which there had been acquired from the Crown any right to be exercised in respect of, or over, or upon lands;
- (c) "works" means retaining walls, dykes, breakwaters, groynes, cribs and other structures designed for the rehabilitation or protection, or both, of property on the shores of lakes, rivers or other bodies of water that have been damaged or eroded by the elements, and includes repairs and improvements to existing works.

N.O.D.C. may
lend for works
or building
repairs

(2) The Northern Ontario Development Corporation may lend money to an owner of land in any territory without municipal organization for the purposes of constructing works or building repairs on such terms and conditions as may in writing be agreed upon between the owner and Northern Ontario Development Corporation.

Where works
or repairs on
Crown land

(3) Where money is borrowed to construct works or make building repairs on Crown lands, it shall be deemed to be borrowed in respect of the land or interest of the owner who borrowed the money.

Moneys
repayable
deemed tax

R.S.O. 1980,
c. 399

(4) The money from time to time repayable under the terms of any agreement made under subsection (2) shall be deemed to be tax under the *Provincial Land Tax Act*, and the provisions of that Act as to the collection and recovery of taxes and the proceedings that may be taken in default thereof apply but such money shall not be deemed to be tax for the purpose of any other Act. 1973, c. 84, s. 13.

Borrowing
powers

14.—(1) Subject to the approval of the Lieutenant Governor in Council, a corporation may from time to time borrow or raise by way of loan such sums of money as the corporation considers requisite for any of the purposes of the corporation in any one or more, or partly in one and partly in another, of the following ways,

- (a) by issue and sale of debentures, bills or notes of the corporation in such form or forms, in such denomination or denominations, bearing interest at such rate or rates and payable as to principal and interest at

such time or times, in such currency or currencies and at such place or places as the corporation may determine; and

- (b) by temporary loans or loans from any chartered bank or banks or from any person either by way of bank overdraft or loan or in any other manner whatsoever as the corporation may determine.

(2) The purposes of each corporation, without limiting the generality thereof, include, Purposes of corporations

- (a) the carrying out of the objects of the corporation mentioned in section 11;
- (b) the payment, refunding or renewal from time to time of the whole or any part of any sum or sums of money raised by way of loan or of any securities issued by the corporation;
- (c) the repayment in whole or in part of any advances made by the Province of Ontario to the corporation or of any securities of the corporation issued and delivered to the Treasurer of Ontario in respect of any advances; and
- (d) the payment of the whole or any part of any obligation, liability or indebtedness of the corporation.

(3) Subject to the approval of the Lieutenant Governor in Council, each corporation may sell any debentures, bills or notes of the corporation either at, or at less or more than, the par value thereof and may charge, pledge or otherwise deal with any such debentures, bills or notes as collateral security. Sale, etc., of corporations' securities

(4) A recital or declaration in any resolution or minute of a corporation authorizing the issue and sale of debentures, bills or notes of the corporation to the effect that it is necessary to issue and sell such debentures, bills or notes for the purposes of the corporation in the amount authorized is conclusive evidence to that effect. Authori- zation

(5) Debentures, bills or notes of a corporation shall be sealed with the seal of the corporation and may be signed by the chairman or vice-chairman of the corporation and by the secretary or other officer of the corporation, and any interest coupon that may be attached to any debenture, bill or note of the corporation may be signed by the secretary or other officer of the corporation. Sealing, signing, etc.

Mechanical reproduction of seal and signature authorized

(6) The seals of the corporations may be engraved, lithographed, printed or otherwise mechanically reproduced on any debenture, bill or note and any signature upon any debenture, bill or note and upon any coupon may be engraved, lithographed, printed or otherwise mechanically reproduced, and the seals of the corporations when so reproduced have the same force and effect as if manually affixed, and any such signature is for all purposes valid and binding upon the appropriate corporation notwithstanding that any person whose signature is so reproduced has ceased to hold office. 1973, c. 84, s. 14.

Securities of corporation redeemable in advance

15. Any debenture, bill or note of a corporation may be made redeemable in advance of maturity at such time or times at such price or prices and on such terms and conditions as the corporation may determine at the time of the issue thereof. 1973, c. 84, s. 15.

Lost debentures

16. Where a debenture, bill or note of a corporation is defaced, lost or destroyed, the board of the corporation may provide for its replacement on such terms and conditions as to evidence and as to indemnity as the board may require. 1973, c. 84, s. 16.

Guarantee of payment by Ontario

17.—(1) The Lieutenant Governor in Council may authorize the Treasurer of Ontario to guarantee payment by the Province of Ontario of any debentures, bills or notes issued by or of any temporary loan made to a corporation under the authority of this Act.

Form of guaranty

(2) The form of guaranty and the manner of execution shall be determined by the Lieutenant Governor in Council.

Validity of guaranty

(3) Every guaranty given or purporting to be given under the authority of this section is binding upon the Province of Ontario and is not open to question upon any ground whatsoever.

Guaranteed debentures, etc., to be indefeasible

(4) Any debenture, bill or note issued by or temporary loan made to a corporation, payment whereof is guaranteed by Ontario under this section, is valid and binding upon the corporation and its successors and assigns according to its terms, and the validity of any debenture, bill or note or temporary loan so guaranteed is not open to question upon any ground whatsoever. 1973, c. 84, s. 17.

Debentures lawful trustee investments

18. Notwithstanding anything in any other Act, debentures issued by a corporation are at all times a lawful investment for municipal, school and trust funds. 1973, c. 84, s. 18.

19.—(1) The Lieutenant Governor in Council may authorize the Treasurer of Ontario,

Sale of corporations' securities and of O.D.C.'s shares to Ontario and provincial advances to corporations authorized

(a) to purchase shares of the Ontario Development Corporation from time to time for an amount equal to their par value;

(b) to purchase any debentures, bills or notes of a corporation; and

(c) to make advances to a corporation in such amounts, at such times and on such terms and conditions as the Lieutenant Governor in Council considers expedient.

(2) The moneys required for the purposes of subsection (1) shall be paid out of the Consolidated Revenue Fund. Idem

(3) The Ontario Development Corporation, with the approval of the Lieutenant Governor in Council, may redeem its own shares from time to time. 1973, c. 84, s. 19. Redemption of O.D.C. shares

20. A corporation may temporarily invest any surplus moneys not immediately required for the objects of the corporation in, Investment of surplus moneys

(a) securities issued by or guaranteed as to principal and interest by the Province of Ontario, any other province of Canada, or Canada;

(b) guaranteed investment certificates of any trust company that is registered under the *Loan and Trust Corporations Act*; R.S.O. 1980, c. 249

(c) deposit receipts, deposit notes, certificates of deposits, acceptances and other similar instruments issued or endorsed by any chartered bank to which the *Bank Act* (Canada) applies. 1973, c. 84, s. 20. 1980-81, c. 40 (Can.)

21.—(1) Such officers, clerks and servants may be appointed under the *Public Service Act* as are considered necessary for the proper conduct of the business of the corporations. Officers and employees R.S.O. 1980, c. 418

(2) Each corporation may engage persons other than those appointed under subsection (1) to provide professional, technical or other assistance to or on behalf of the corporation, and may prescribe the duties and other terms of engagement and, subject to the approval of the Lieutenant Governor in Council, provide for payment of the remuneration and expenses of such persons. 1973, c. 84, s. 21. Professional and other assistance

Moneys for
admini-
stration

22. - (1) The moneys required for the purpose of defraying the administrative expenses of the corporations shall be paid out of the moneys appropriated by the Legislature for the purpose.

Forgivable
loans and
guarantees
Provincial
expenses

(2) The moneys required for the purposes of clauses 12 (1) (b) and (c) shall be paid out of the moneys appropriated therefor by the Legislature. 1973, c. 84, s. 22 (1, 2).

Limitation
of liability

23. No member, officer or employee of a corporation, or other person acting on behalf of the corporation, is personally liable for anything done or omitted in good faith in the exercise or purported exercise of the powers conferred by this Act. 1973, c. 84, s. 23.

Audit

24. The accounts and financial transactions of each corporation shall be audited annually by the Provincial Auditor, and reports of the audit shall be made to the corporation and to the Minister. 1973, c. 84, s. 24.

Annual
report

25.—(1) The corporations shall make to the Minister an annual report of all the loans made and of all the guarantees given for the payment of loans under section 12, setting out the amounts and the terms of the loans and the guarantees together with the names and the addresses of the persons to whom the loans are made or in respect of whom the guarantees are given, and the Minister shall submit the report to the Lieutenant Governor in Council and shall then lay the report before the Assembly if it is in session or, if not, at the next ensuing session.

Other
reports

(2) The corporations shall, in addition to making an annual report under subsection (1), make to the Minister such other reports of its affairs and operations as he may require. 1973, c. 84, s. 25.

R S O 1980,
c 295 does
not apply

26. The *Mortgage Brokers Act* does not apply to a corporation. 1973, c. 84, s. 26.