

SDF Capital Stream SEED and GROW Pathway Qs & As

General (SEED and GROW Pathway) Questions

Application deadline

Q1. What is the closing date for applications to be submitted?

A1. There is no application deadline. The SDF Capital Stream SEED and GROW Pathways operate on a continuous intake basis and applications can be submitted year-round. However, the availability of funds is subject to demand. The application intake will run until funding is fully allocated.

Q2. Can an organization apply to both the SEED and GROW Pathway simultaneously?

A2. No. An organization cannot apply to receive SEED and GROW Pathway funding concurrently in the same application intake Round. The SEED Pathway supports eligible organizations with funding for technical planning costs required to develop a Capital Project proposal that meets the minimum technical requirements to apply for GROW Pathway funding. Therefore SEED pathway applicants cannot apply simultaneously to both funding Pathways in the same application intake Round.

GROW Pathway applicants will be required to provide minimum technical requirement that the SEED Pathway funds. Therefore, GROW Pathway applicants cannot apply simultaneously to both funding Pathways in the same application intake Round.

SEED Pathway Questions

Q3. Does SEED Pathway fund the development of economic plans or business cases?

A3. No. The SEED Pathway provides funding support specifically for technical planning costs required to develop a Capital Project proposal for a new or improved training facility that will be used to deliver a Skills Development Activity. This includes, for example, costs incurred for engineering or architectural plans, mechanical and electrical drawings, construction costs estimates, and other related costs and expenses incurred in order to reach 40% design status.

SEED supports the development of the minimum technical requirements for an SDF Capital Stream GROW Pathway application, should your organization subsequently choose to apply to the GROW Pathway.

Q4. Is it mandatory for Architectural/Engineering Planning Projects completed by a recipient under the SEED Pathway to apply to the GROW Pathway?

A4. No. SEED recipients are encouraged, but not required, to apply to the GROW Pathway after the successful completion of their SEED Architectural/Engineering Planning Projects in order to fully execute their Capital Project. The GROW Pathway provides funding to build new training centres, upgrade existing training centres or convert an existing building into a training centre.

GROW Pathway Questions

Q5. Is completion of an approved SEED Pathway project required before advancing to the GROW Pathway to develop the training facility?

A5. No. Applicants to the GROW Pathway are not required to first complete a SEED Pathway Architectural/Engineering Planning Project. Applicants that do not require support in developing the minimum application requirements may apply directly to the GROW Pathway.

Cost-Benefit Analysis

Q6. What is required for the cost-benefit analysis to be included in the Project Plan?

A6. The cost-benefit analysis (CBA) is a section of the Project Plan which quantifies and compares all potential tangible and intangible benefits of the project (including delivery of the Skills Development Activity) against all costs associated with completion of the Capital Project. This should include the expected benefits of the project for workers and employers in the community, and how activities relate to in-demand occupations and those experiencing labour shortages. The CBA is intended to compliment the submitted financial projection model and provide an estimate of the net benefit resulting from the completion of the project.

SDF Capital Stream GROW Pathway does not have a minimum page or word count for the CBA or the overall Project Plan. Applicants are expected to include a level of detail appropriate for the complexity and size of the proposed Capital Project.

A table of contents for the Project Plan can be found in Appendix B of the SDF Capital Stream GROW Pathway Guideline.

Cost Estimates

Q7. What is required in the strategy to seek comparable pricing for all Eligible Costs?

A7. The strategy should include a timeline and map out construction tendering activities that an applicant must undertake to deliver the proposed Capital Project.

Comparable pricing can be understood as the requirement for applicants to efficiently manage costs and resources to achieve value for money. This includes sourcing multiple bids to maximize cost effectiveness of the project (see Appendix B in the SDF Capital Stream GROW Pathway Guideline). Successful applicants are expected to execute this strategy when tendering for construction related costs and services.

Applicants may choose to submit their organization's procurement policy to demonstrate how they will achieve value for money.

Q8. Will a quote from a pre-engineered building supplier be adequate for the GROW Pathway application requirement to provide an estimate of Hard Construction Costs?

A8. Pre-engineered building systems fall under Hard Construction Costs and are an Eligible Cost. The Province will accept quotes from pre-engineered building suppliers on the condition that it is comparable to market pricing.

Eligible Costs

Q9. How should applicants account for or factor in in-kind contributions such as land or buildings already owned by the applicant?

A9. In-kind contributions are not considered Eligible Costs for SDF Capital Stream funding, and therefore cannot be considered part of the applicant's minimum contribution or the calculation of Total Eligible Costs. Only expenses actually incurred that are supported by invoices and proof of payment will be considered Eligible Costs.

Q10. Is equipment an Eligible Cost?

A10. The purchase of equipment is not considered as an Eligible Cost under the SDF Capital Stream GROW Pathway program but may be accommodated as an eligible cost under the SDF Training Stream. Applicants are encouraged to review respective program guidelines to determine whether they are eligible to apply to both programs. Please refer to the SDF Training Stream Round 5 guidelines found here: [Skills Development Fund Training Stream - Forms - Central Forms Repository \(CFR\)](#)

Q11. Are costs incurred to deliver the Skills Development Activities considered an Eligible Cost?

A11. Costs related to the delivery of the Skills Development Activity or any other training or services provided by a recipient are not considered Eligible Costs under the SDF Capital Stream. Applicants can explore funding eligibility for these costs under the SDF Training Stream. Round 5 guidelines can be found here: [Skills Development Fund Training Stream - Forms - Central Forms Repository \(CFR\)](#)

Q12. Is AV/tech equipment an Eligible Cost?

A12. The purchase of equipment is not considered an Eligible Cost under the SDF Capital Stream but may be accommodated as an Eligible Cost in the SDF Training Stream. Applicants are encouraged to review respective program guidelines to determine whether they are eligible to apply to both programs. Please refer to the SDF Training Stream Round 5 guidelines found here: [Skills Development Fund Training Stream - Forms - Central Forms Repository \(CFR\)](#)

Q13. Are design drawing costs considered Eligible Costs?

A13. Yes. Design drawings are Eligible Costs under the SDF Capital Stream GROW Pathway. Applicants are required to submit design drawings at a 40% completion level. The costs related to advancing design drawings to 40% may be considered an Eligible Cost under the GROW Pathway .

Q14. Can an applicant apply for the renovation of multiple training rooms that are not connected and the retrofit of a new training space?

A14. Yes, an SDF Capital Stream GROW project can include multiple capital improvements on the property that are not directly and physically connected to each other. Only Eligible Costs directly associated with building or improving the training area(s) where the Skills Development Activity will be delivered will be considered under the SDF Capital Stream GROW program.

Q15. Can a successful applicant claim construction costs already incurred prior to their project being approved?

A15. Eligible Costs incurred by a GROW Pathway recipient after the launch of the SDF Capital Stream in June 2023, but prior to receiving notice of their approval from the Province for their project, may be considered for GROW Pathway project funding, including Soft Costs, Hard Costs, and Land and Building Acquisition Costs (see Section 3.8 of the GROW Pathway Guideline for details on Eligible Costs), subject to the terms and conditions of the TPA. These costs must be directly related to and necessary for the Capital Project at the time they are incurred, including being aligned with the SDF Capital Policy Objective.

Applicants should note that SDF Capital Stream funding will be conditional on and subject to the successful execution of the Transfer Payment Agreement and that any incurrence of costs prior to the execution of the agreement will be made at the applicant's own risk.

The Province will make best reasonable efforts to notify applicants in a timely manner.

Financial Standing

Q16. Can the Letter of Credit or Surety Bond be provided by the Partner organization?

A16. Yes, the Letter of Credit or Surety Bond can be provided by a Partner organization and must be valid through the Intended Use Period. The Province will have the right to draw on the Letter of Credit or Surety Bond to satisfy any amounts owing by the Recipient pursuant to the TPA.

Q17. What is considered good financial standing?

A17. Applicants must demonstrate reasonably sufficient financial capacity to successfully deliver the contemplated project during construction and the Intended Use Period. The Province will assess the applicant's audited financial statements (3 years), a bank reference letter, as well as the project's financial projections to determine the financial feasibility of the project as well as the applicant's ability to successfully deliver the project.

Funding Contribution Requirement

Q18. For not-for-profit organizations, can the 30% minimum contribution requirement come from capital campaign fundraising?

A18. The SDF Capital Stream recipient is expected to independently source and contribute funding for at least 30% of Total Eligible Costs. This can be funded through equity, debt or other source of capital, including capital campaign fundraising.

Key Performance Indicators (KPIs)

Q19. How do applicants determine their Key Performance Indicator targets?

A19. GROW Pathway applicants must identify the intended outcomes/Key Performance Indicator(s) related to the contemplated Capital Project and Skills Development Activities proposed in the application package. This will include the identification of the incremental increase in trainee enrollment volume expected to be attributable to the Capital Project and achieved over the Intended Use Period. This metric will be considered in the assessment process.

Applicants are required to provide targets and commentary on the following metrics in their project plan:

- (i) **Training Capacity:** Applicants must project the number of incremental training seats attributable to the Capital Project and expected to be achieved over the Intended Use Period. Recipients will be required to

report on their Training Capacity KPI achieved during the Intended Use Period.

- (ii) **Training Volume:** Applicants must commit to an incremental annual trainee enrollment attributable to the Capital Project that will be achieved over the Intended Use Period. Recipients will be required to meet certain Training Volume KPI targets during the Intended Use Period as a performance obligation.
- (iii) **SDF Capital Participant Groups:** Applicants must project the annual enrollment volume for the target demographic groups identified in their application. Recipients will be required to report on their Participant Group KPI achieved during the Intended Use Period.

SDF Capital Stream GROW Pathway recognizes that there may be variability in training demand and is providing flexibility to offset potential fluctuations in the market. Recipients are expected to achieve 50% of their Training Volume KPI target in Year 1 followed by 80% in Years 2 to 5.

Please refer to the [SDF Capital Stream GROW Pathway Program Guideline](#) for more details.

Land/Building Acquisitions

Q20. If a project includes purchasing land and/or buildings, what supplemental material is required in the application?

A20. In addition to meeting all other pre-requisite requirements for a standard SDF Capital Stream GROW Pathway application, applicants that are requesting funding support for land and/or building acquisition are required to provide the following:

- (i) An independent third-party appraisal of the land and/or building with their submitted budget at time of application. The Primary Applicant must ensure that the appraisal is prepared by a professional that is accredited by the Appraisal Institute of Canada – Ontario (AIC-ON) and issued within one year of application submission. The appraisal produced must be at the comprehensive report/narrative appraisal report level;
- (ii) Any other additional supporting documentation requested by the Province to assess the application.

Q21. Is there a preference between the different types of Capital Projects (e.g., new build over renovation) or a preference for projects that involve acquisition of land and/or building?

A21. The Province will consider all Capital Projects that meet the eligibility criteria and may prioritize projects that deliver a greater degree of intended policy outcomes relative to the funding requested.

Q22. Will land and/or building purchases made prior to receiving an approval notification from the ministry be considered an Eligible Cost?

A22. Eligible Costs incurred by a GROW Pathway Recipient after the launch of the SDF Capital Stream in June 2023, but prior to receiving notice of their approval from the Province for their project, may be considered for GROW Pathway project funding, including Land and Building Acquisition Costs (see Section 3.8 of the GROW Pathway Guideline for more details on Eligible Costs), subject to the terms and conditions of the TPA. These costs must be directly related to and necessary for the Capital Project at the time they are incurred, including being aligned with the SDF Capital Policy Objective.

Applicants should note that funding provided by SDF Capital Stream will be conditional on and subject to the successful execution of the Transfer Payment Agreement and that any incurrence of costs prior to the execution of the agreement will be made at the applicant's own risk. The Province will make best efforts to notify applicants in a timely manner.

Primary Applicant

Q23. Do Primary Applicants need to be the one delivering the Skills Development Activity, or can it be the Partner organization?

A23. Training can be delivered by a Primary Applicant's Partner. However, as the Transfer Payment Agreement signatory and Recipient of funding, the Primary Applicant is responsible and accountable for complying with the terms and conditions contained in the Transfer Payment Agreement, including the management and delivery of the Capital Project, as well as meeting the performance obligations over the Intended Use Period.

Note: Primary Applicants who intend to deliver apprenticeship in-class training must be, or must partner with, a minister-approved Training Delivery Agent (TDA). Only minister-approved TDAs may deliver apprenticeship in-class training.

Q24. What does the ministry define as a long-term lease agreement?

A24. The length of the lease agreement (including lease extension options) must meet or exceed the project term (beginning from the effective date of the Transfer Payment Agreement to the completion of the Intended Use Period). The lease agreement must be submitted as part of the application to ensure that the contractual duration satisfies the projected timelines.

Project Timeline

Q25. When is the Construction Start deadline for an applicant proposing to expand an existing building?

A25. All construction (whether new construction, renovation, or expansion to an existing building) is required to start within 12 months of the effective date of the Transfer Payment Agreement. If a project includes the acquisition of land and/or buildings, the 12-month time period will start from the later of the date of closing of the acquisition and the effective date of the TPA.

Q26. When is the Substantial Performance Payment made?

A26. The Substantial Performance Payment is disbursed when Substantial Performance of the project is achieved, as described in subsection 2(1) of the *Construction Act*, and all funding requirements are met, including delivery of the Letter of Credit or Surety Bond. Timing of this milestone is subject to the individual project's construction timeline but must occur within 5 years of Construction Start.

See Section 5.1.2 of the [SDF Capital Stream GROW Pathway Program Guideline](#) for more information on funding structure.

Transfer Payment Ontario (TPON)

Q27. Are there any limitations regarding the size of attachments?

A27. Maximum file size per attachment is 5 MB.

Q28. Who can Applicants contact when experiencing technical difficulties on TPON?

A28. Any technical related query should be redirected to contact the TPON Customer Service Line at (416) 325-3408 or 1-855-216-3090, Monday to Friday from 8:30 a.m. to 5:00 p.m. Eastern Standard Time, or by email at TPONCC@ontario.ca.

Project Training Space Requirements and Methodology

Q29. Can a project include training equipment storage?

A29. Yes, any required storage space for training equipment that is essential to the delivery of training is applicable for construction costs as well as satisfying the floor-space requirement.

Q30. How is training space defined and determined?

A30. Training space is defined as floor space that will be built or improved through the Capital Project, and that supports and facilitates the delivery of the Skills Development Activity. This can include space used for related functions that are essential to delivery of the Skills Development Activity, such as office space for staff who will be responsible for delivering or managing the training programs. Applicants are responsible for providing a rationale to the Province to demonstrate how the training space is required to deliver the intended training activity.

Training spaces that may occasionally be used for purposes other than training may be considered as long as training delivery is the primary intended use (i.e., the space is used for training activities a majority of the time).

In addition to providing information about the size of the proposed project/facility, the applicant must identify the percentage of net floor area that **will not be** supporting the Skills Development Activity. The Province reserves the right to prorate Total Eligible Costs based on the percentage of useable or net floor area that will support delivery of the Skills Development Activity.

The allocation of training space versus non-training space will be reviewed by the Province to determine appropriateness and will be approved on a case-by-case basis.