



City of
Peterborough

To: Members of the Committee of the Whole

From: Sandra Clancy, Director of Corporate Services

Meeting Date: August 31, 2015

Subject: Report CPFS15-043
Municipal Infrastructure Funding- Next Intake (2015)

Purpose

A report to recommend which projects will be included in Expressions of Interest (EOI) for the next intake of the Ontario Community Infrastructure Fund (OCIF) application based funding and the Small Communities Fund - Intake Two (SCF).

Recommendations

That Council approve the recommendations outlined in Report CPFS15-043 dated August 31, 2015, of the Director of Corporate Services, as follows:

- a) That an Expression of Interest and, if successful, an application be submitted to the Ontario Community Infrastructure Fund for the Bears Creek Flood Reduction - Marina Boulevard Major System By-Pass Project; and
- b) That an Expression of Interest and, if successful, an application be submitted to the Small Communities Fund for the Simcoe Street and Water Street Rehabilitation Project.

Budget and Financial Implications

If the City is ultimately successful in securing the potential funding under the two application based funds, the provincial funding under the Ontario Community Infrastructure Fund for the Bears Creek Flood Reduction - Marina Boulevard Major System By-Pass Project would be \$2.0 million with the City's share being \$730,000, funded from the FRMP Capital Levy Reserve Fund.

The funding under the Small Communities Fund for the Simcoe Street and Water Street Rehabilitation Project would be \$16.0 million, with \$8.0 million from each of the provincial and federal governments. The City's share would be \$8.0 million, funded from the Sewer Surcharge Reserve Fund, FRMP Reserve Capital Levy, the FRMP Sewer Surcharge Reserve Fund and Capital Levy.

Background

On August 18, 2014, Ontario announced a new municipal infrastructure strategy as communicated to Council in Report CPFS14-025 dated September 2, 2014. After undergoing the EOI and application process, the City was successful in receiving two application based grants;

- The Ontario Community Infrastructure Fund application based funding yielded \$1,597,000 provincial funding for the Riverside Drive Sanitary Inflow and Infiltration Reconstruction Project as reported to Council in Report CPFS15-008 dated February 23, 2015; and
- The Small Communities Fund - Intake One resulted in \$7,970,150 each from the provincial and federal governments totalling \$15,940,300 for the Bethune Street project as communicated to Council in Report CPFS15-044 dated August 31, 2015.

On July 28, 2015 Ontario announced the next phase of funding opportunities through its new municipal infrastructure strategy, launching:

- The next intake for the Ontario Community Infrastructure Fund, which provides \$100 million per year to continue to support the revitalization and repair of roads, bridges and other critical infrastructure in small, rural and northern communities. The Ontario Community Infrastructure Fund includes \$50 million per year in application-based funding and another \$50 million per year in stable, predictable formula-based funding.
- A second intake to identify priority projects for the federal government's Small Communities Fund. Through the Small Communities Fund, Ontario and Canada will each provide \$272 million to support projects in municipalities with populations less than 100,000. The federal portion of the Small Communities Fund is part of the federal government's ten-year Building Canada Fund.

Two Sources of Application Based Grant Funding

Second intakes for the two independent application based funding sources have been launched to support municipal infrastructure investment:

1. The OCIF- Application –Based Funding; and
2. The Federal Government's Small Communities Fund (SCF).

The funding parameters are consistent with the first intake. Appendix A provides a chart of the two application based grant funds and the key components of each.

Expressions of Interest are required for both programs. The OCIF EOI is due September 11, 2015. The SCF EOI is due September 30, 2015. Eligible applicants may submit only one EOI per program and must submit two different projects, one for the OCIF and one for the SCF. If successful in passing the EOI stage, eligible applicants will be provided with an application package and will have a minimum of 30 days to complete application forms.

Ontario's priority will be projects that focus on renewal, rehabilitation and replacement. If expansion projects are proposed they will only be considered if the eligible applicant demonstrates that core infrastructure projects are being addressed and that there is a plan to fund the lifecycle costs of the expansion. EOIs will be assessed based on (a) preliminary evidence of current or future health and/or safety issues and (b) the applicant's economic conditions and fiscal situation based on a review of Financial Information Returns. If the City's EOIs are successful, applications will be assessed based on multiple criteria, including the following:

- a) Expected benefit in relation to health and/or safety and technical merit of proposed projects;
- b) Comprehensiveness of asset management plans; and
- c) Additional consideration given to joint projects, where two applicants submit for the same project.

OCIF funding recipients will be announced in January/February 2016.

The SCF application and approval timelines include a two stage vetting process through both higher levels of government. The review and approval timelines are significantly longer compared with the OCIF program and have not been specified.

OCIF – Application Based Component

The OCIF – Application Based Component provides up to 90% provincial funding (no federal component) of the total eligible costs of a project up to \$2 million maximum contribution for critical core roads, bridges, and water and wastewater infrastructure projects. Ontario's priority is projects that focus on renewal, rehabilitation and replacement projects. Projects must be completed by December 31, 2017. It is recommended that the City's EOI put forward the Bears Creek Flood Reduction - Marina Boulevard Major System By-Pass Project.

The Bears Creek Flood Reduction Master Plan was approved by Council on March 25, 2008 through Report USEC08-005. Report USEC14-006 entitled "Flood Reduction Watershed EA Capital Projects Update" adopted by Council on April 7, 2014, prioritized the watershed capital projects. This project substantially increases the flow-carrying capacity along Marina Boulevard from Hilliard Street to the Royal Drive intersection.

The project will include the installation of a high capacity, roadside inlet, increased storm sewer pipe size and re-grading of portions of properties and the right of way in the area. The project also reduces the likelihood of flooding through residential areas south of Marina Boulevard adjacent to Hilliard Street.

Detailed design is proposed for 2016 with construction anticipated in 2017. The total project cost is \$2,730,000 with the provincial share being \$2,000,000 and the City's share being \$730,000, funded from the FRMP Capital Levy Reserve Fund.

Federal Government's Small Communities Fund (SCF)

The SCF program provides financial support for critical core infrastructure projects including roads, bridges, public transit, disaster mitigation, connectivity of broadband, innovation, wastewater, green energy, drinking water, solid waste management, brownfield redevelopment, local and regional airports, short line rail and short sea shipping.

There is no cap on project size for SCF projects, however, typically federal/provincial funding will be capped at two-thirds of the total eligible cost of the project. The project must be completed by October 31, 2021.

It is recommended that the EOI be submitted to the Small Communities Fund for the Simcoe Street and Water Street Rehabilitation Project. Due to the deteriorating condition of the sanitary sewer forcemain along Simcoe Street, between Queen Street and the Simcoe Street Pumping Station, replacement is proposed. Operational issues experienced in the last 10 years have included three ruptures. Repairs undertaken not only created inconvenience to people using this street but also degraded the condition of the road in the area.

The project will also include the installation of additional catch basins and 100 year storm pipe on Simcoe Street, between Jackson Creek and the Otonabee River and on Water Street, between Simcoe Street and Dublin Street as recommended through the Jackson Creek EA. Some remediation of the coal tar at Simcoe Street, the waterfront entrance at Simcoe Street, and the remediation of a large Inflow and Infiltration (I-I) related discovery through the downtown I-I project are also included.

Detailed design is ongoing with phased construction anticipated in 2017 through to 2021. Another major project anticipated to occur in the same time frame is the reconstruction of Bethune Street. It is possible that sections of Water Street and Bethune Street may be closed at the same time which would put added pressure on downtown streets.

Preliminary estimates for the total project cost is \$24.0 million with the Provincial Share being \$8.0 million, the Federal share being \$8.0 and the City's share being \$8.0 million, funded from the Sewer Surcharge Reserve Fund, FRMP Reserve Capital Levy, the FRMP Sewer Surcharge Reserve Fund and Capital Levy. Project cost estimates will be further refined as the EOI is developed.

Summary

The Municipal Infrastructure funding will assist the City of Peterborough in alleviating capital pressures and implementing these priority capital projects.

Submitted by,

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Attachments:

Appendix A – Municipal Infrastructure Funding – Key Components

Appendix A

Municipal Infrastructure Funding – Key Components

Ref	Description	Ontario Community Infrastructure Fund (OCIF) Application based	Small Communities Fund (SCF)
1.	Process for applying	Two stage process - EOI deadline is September 11, 2015. If successful, full application will be required.	Two stage process - EOI deadline is September 30, 2015. If successful, full application will be required.
2.	Can a municipality apply for both?	Yes, must be different project than SCF.	Yes, must be different project than OCIF.
3.	Funding available	\$2 million max (Province only, no Federal funding); up to 90% of eligible costs.	No cap; Federal and Provincial shares will be 1/3 each of eligible costs.
4.	Project Completion	December 31, 2017	October 31, 2021
5.	Eligible Projects	Roads, bridges, water and wastewater	Major roads, drinking water, wastewater, public transit, solid waste, green energy, innovation, brownfield, airports with scheduled passenger traffic
6.	Length of Funding	Second intake; Proposed as permanent funding	One-time funding; this is the second intake.
7.	Condition re: City FIR submission	2014 FIR must be submitted by September 30, 2015	2014 FIR must be submitted by September 30, 2015
8.	Condition re Asset Management (AM) Plans	Up-to date AM Plan must be provided. If there are no changes to the plan then no need to submit.	Up-to date AM Plan must be provided. If there are no changes to the plan then no need to submit.
9.	Initial Assessment Criteria	Project's health and safety benefits. Municipality's fiscal health and economic conditions.	Project's health and safety benefits. Municipality's fiscal health and economic conditions. Feds evaluate project's contribution to economic growth, clean environment and stronger communities.
10.	Date for final approval	January/February 2016	Not available

The program guidelines for both programs are available at:

<http://www.ontario.ca/page/ontario-community-infrastructure-fund-and-small-communities-fund-program-guidelines>