



Governance and Priorities Committee Report

For the Meeting of January 22, 2015

To: Governance and Priorities Committee **Date:** January 7, 2015
From: Susanne Thompson, Director, Finance
Subject: Canada - British Columbia New Building Canada Fund - Small Communities Fund

Executive Summary

On October 16, 2014, the Province of British Columbia and the Government of Canada announced the first intake for the New Building Canada Fund – Small Communities Fund. The objective of this program is to provide infrastructure support to local governments to promote economic development, a clean environment and better communities.

The federal and provincial governments will each allocate \$109 million to support local government infrastructure projects in communities with a population of less than 100,000 people. This 10 year funding program runs from 2014 to 2024 and offers funding up to a maximum of two-thirds of the total eligible project costs shared equally between the federal and provincial governments. There is no maximum award, however it is likely there will be significant demand for limited funds.

Municipalities may only submit one application for funding with the first intake and must have Council approval. The first intake will allocate up to 50% of the total funds available. It is anticipated that there may be a total of two intakes in the 10 year period; the second will be announced at a later date.

Applications are due on February 18, 2015.

Staff reviewed the 20 Year Capital Plan and compiled a list of three potential projects. Upon a detailed evaluation of each project against the selection criteria, staff recommend that Council approve the submission of the application for the Point Ellice Bridge Rehabilitation/Painting project.

Recommendations:

That Council:

1. Instruct staff to submit a grant application for the Point Ellice Bridge Rehabilitation/Painting project for the Canada - British Columbia New Building Canada Fund - Small Communities Funding infrastructure grant program's first intake.
2. Authorize the Mayor and the Corporate Administrator to execute any agreement related to a successful grant application.

Respectfully submitted,



Jo-Ann O'Connor
Manager, Financial Planning




Susanne Thompson
Director, Finance



Dwayne Kalynchuk
Director, Engineering

Report accepted and recommended by the City Manager:

Date:


January 15, 2015

Purpose

The purpose of this report is to provide an overview of the New Building Canada Fund - Small Communities Fund and to seek Council approval to apply for funding.

Background

On October 16, 2014, The Province of British Columbia and the Government of Canada launched the New Building Canada Fund - Small Communities Fund. This 10 year funding program will invest up to \$218 million to support infrastructure projects in communities with a population of less than 100,000 people. The federal and provincial government will each contribute up to \$109 million of the total program funds with the remainder of the funds coming from the funding recipients.

Since 2003, the City has been awarded a total of \$9.6 million from the Canada - British Columbia New Building Canada Fund - Small Communities program for five separate projects ranging from \$640,000 to \$3.3 million (Attachment A).

Objective

The objective of this program is to provide infrastructure funding that will support economic growth, a clean environment and build stronger communities (Attachment B).

Applications

Eligible communities may submit only one application with the first intake. The application deadline is February 18, 2015.

Project Categories

The Ministry of Community, Sport and Cultural Development and the Ministry of Transportation and Infrastructure are responsible for the administration of this program. Below outlines the project categories and the Ministry responsible:

Ministry of Community, Sport and Cultural Development

- Drinking Water
- Green Energy
- Solid Waste Management
- Wastewater

Ministry of Transportation and Infrastructure

- Brownfield Redevelopment
- Connectivity and Broadband
- Disaster Mitigation
- Highway & Major Roads
- Innovation
- Local & Regional Airports
- Public Transit
- Short Sea Shipping
- Shortline Rail

Cost Sharing and Limits

This program offers funding up to a maximum of two-thirds of the total eligible project costs; one-third of total eligible costs plus all ineligible costs are the responsibility of the recipient.

In the first intake, up to 50% of the program funds; thus \$109 million will be allocated. City staff contacted the program administrators and it is anticipated there will be a second and final intake announced at a later date. There is no maximum award; however it is likely there will be significant demand for limited funds.

Eligible Projects

In order to be eligible for funding, projects must:

- demonstrate that it will be able to operate and maintain the resulting infrastructure over the long term
- fall within one of the applicable project categories, be consistent with the objectives of the category and directly related to one of its subcategories, meet one or more of the project outcomes of the category and meet the specific project criteria of the category
- be for the acquisition, construction, renewal, rehabilitation or material enhancement of infrastructure, excluding normal maintenance or operation
- be supported by a project justification/business case or a project specific supplementary form dependent on the project category
- the application and supporting documents should be comprehensive, credible, and feasible
- stipulate a construction completion date of no later than March 31, 2023
- be implemented in communities served by Local Governments with a population of less than 100,00 people, as set out in the Statistics Canada Final 2011 Census
- be duly authorized or endorsed by, as applicable in the case of a local government applicant, a resolution of its council/board; or in the case of a private sector body, including for-profit and not-for-profit organizations, a resolution of its board of directors and a resolution of the local government where the proposed project to be located

Ineligible Projects

A project will be deemed ineligible if:

- the tender has been awarded or construction has already begun or project is completed prior to approval
- the project will be completed after March 31, 2023
- the project deals with assets owned by the Government of Canada including federal Crown Corporations

Selection Process

Applications will be evaluated based on how well the project meets the program objectives. In addition, projects will be assessed based on the following:

- represents good value for money
- enhances and protects public health and environmental health
- supports sustainability principles
- consistent with integrated long-term planning and management
- utilizes best technologies and practices
- efficient use of resources
- uses new and innovative approaches
- supports sustainable long-term economic growth
- is situated within, and advances, the sponsoring local governments' development and financial plans
- exhibits long-term sustainability, including operational viability, asset management (maintenance) and environmental sensitivity
- contributes to environmental, economic, community and innovative objectives

- requires the federal and provincial government's financial support to enable the project to be implemented, its scope enhanced or its timing accelerated
- the best available economically feasible technology, if applicable

Award Date

It is anticipated that the funding decisions will be announced in the fall of 2015.

Additional Grant Opportunities

Another source of funding available to all local governments outside the Greater Vancouver Regional District is the Federal Gas Tax Fund Strategic Priorities Fund. The deadline for this application is April 15, 2015. Staff will be bringing forth potential projects that meet the Gas Tax criteria for Council consideration.

Issues & Analysis

Staff reviewed the Capital Plan and identified three potential projects: Bicycle Master Plan Implementation, Point Ellice Bridge Rehabilitation/Painting and Stormwater Treatment Unit at Public Works.

Staff carefully assessed the potential projects based on eligible categories, objectives and selection criteria (Attachment C) and sought input and clarification from the grant program administrators. Below are the two of the three projects that meet the criteria:

1. Point Ellice Bridge Rehabilitation/Painting

The Point Ellice Bridge serves as a major east-west commuter route linking the Victoria West neighbourhood on the west side with the Rock Bay and the Downtown area on the east side. The existing bridge is a two lane structure approximately 200 meters in length spanning the Upper Harbour. In 2001, the bridge was seismically upgraded with some minor repairs.

The scope of this project is to complete major repair work on the Point Ellice Bridge. This includes replacing the main expansion joints, repairing concrete at the abutments, adding nodes to the bridge structure to reduce future steel corrosion, remove the asphalt deck to add a waterproof membrane, resurface the bridge deck with asphalt, prepare and refinish pedestrian handrails and light standards and prepare and repaint the existing steel structure.

The estimated cost of this project is approximately \$4 million. The project is identified in the 20 Year Capital Plan to commence in 2017. A successful application would enable the City to accelerate the timing of the project to 2016.

2. Stormwater Treatment Unit at Public Works

The Stormwater Treatment Unit is part of continuing efforts to address potential storm water impurities from reaching the marine environment. The catchment area is primarily industrial in nature and contains automotive and recycling based businesses that are recognized as potential sources of pollutants in the storm drain systems.

The project scope includes the design, construction and installation of a Stormwater Treatment Unit on the 900mm main located in the Public Works Yard. The treatment unit is designed to capture sources of pollutants such as litter, heavy metals and oils.

The estimated cost of this project is approximately \$340,000. The project is identified in the 20 Year Capital Plan to start and complete in 2015.

Based on staff analysis of the selection criteria as outlined in Attachment B and discussions with grant administrators, the Point Ellice Bridge Rehabilitation/Painting appears to have the highest likelihood of success.

Options & Impacts

There are two options available to Council.

1. Instruct staff to submit a grant application for the Point Ellice Bridge Rehabilitation/Painting project for the Canada - British Columbia New Building Canada Fund - Small Communities Funding infrastructure grant program's first intake. (Recommended)

This option authorizes staff to complete and submit an application for the first intake. Submitting the application for this project provides the greatest likelihood to receive funding.

2. That Council receive this report for information.

This option would result in an application not being submitted to the first intake. It is expected that a second intake will be announced; however that date is not known

Recommendations

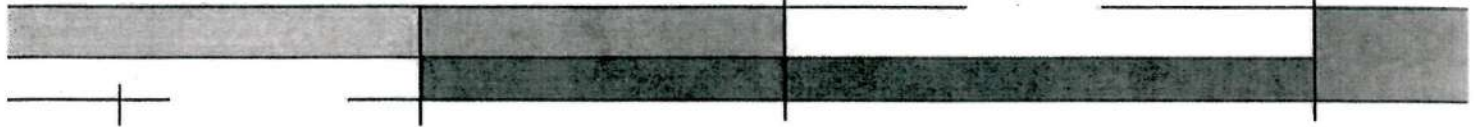
That Council:

1. Instruct staff to submit a grant application for the Point Ellice Bridge Rehabilitation/Painting project for the Canada - British Columbia New Building Canada Fund - Small Communities Funding infrastructure grant program's first intake.
2. Authorize the Mayor and the Corporate Administrator to execute any agreement related to a successful grant application.

Attachment A

City of Victoria
Canada - British Columbia New Building Canada Fund - Small Communities Fund
Grants Awarded

Year Awarded	Grant Program	Project Description	Approved Grant
2003	Canada/BC Infrastructure Works Program	Victoria Harbour Environmental Protection Program	\$ 1,620,402
2003	Canada/BC Municipal Infrastructure Program	Burnside Gorge Community Centre	\$ 2,000,000
2004	Canada/BC Municipal Infrastructure Program	Finlayson Artificial Turf Field	\$ 638,378
2007	Canada/BC Municipal Rural Infrastructure Fund	Victoria Conference Centre Expansion	\$ 2,000,000
2009	Building Canada Fund - Communities Component	Steel Watermain Rehabilitation - Stage 2	\$ 3,346,000
			\$ 9,604,780



The New Building Canada Fund:

Provincial-Territorial Infrastructure Component Small Communities Fund

What is it?

The \$10-billion Provincial-Territorial Infrastructure Component (PTIC) provides support for projects of national, local or regional significance. This includes the Small Communities Fund (PTIC-SCF) that will provide \$1 billion for projects in municipalities with fewer than 100,000 residents.

Why is it important?

Smaller communities will be able to build projects that deliver on local needs. Through the Small Communities Fund, our Government continues to provide dedicated funding for small communities, building on the successful practices established under the 2007 Building Canada Fund and the Infrastructure Stimulus Fund. In addition, communities can use the Gas Tax Fund towards a wider range of projects, including highways, disaster mitigation, broadband, brownfield redevelopment, recreation, culture, tourism and sport.

How does it work?

To ensure that small communities receive funding opportunities, ten per cent (10%) of the PTIC allocation of each province and territory will be set aside for the PTIC-SCF.

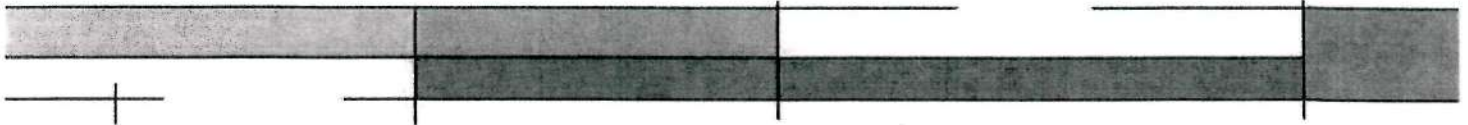
Infrastructure Canada will enter into funding agreements with the provinces and territories who will be responsible for identifying and proposing projects for consideration.

Projects funded through the PTIC-SCF must meet the following program objectives:

- Economic growth;
- A clean environment; and
- Stronger communities.

Eligible recipients under the PTIC-SCF:

Eligible recipients are restricted to those whose projects are situated within or are for the benefit of, communities with a population of fewer than one hundred thousand people (100,000) as determined by Statistics Canada — Final 2011 Census.

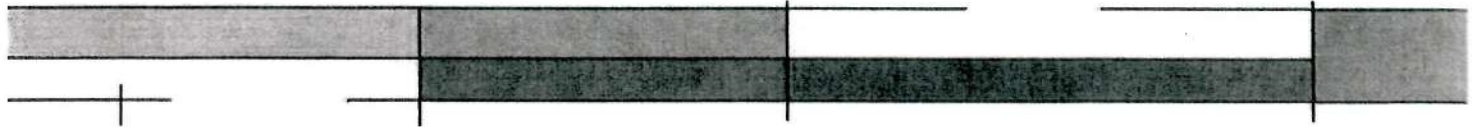


The following are eligible recipients for the purposes of the PTIC-SCF:

- a. A municipal or regional government established by or under provincial or territorial statute;
- b. A municipal or regional government established by or under provincial or territorial statute;
- c. A band council within the meaning of section 2 of the Indian Act; or a government or authority established pursuant to a Self-Government Agreement or a Comprehensive Land Claim Agreement between Her Majesty the Queen in right of Canada and an Aboriginal people of Canada, that has been approved, given effect and declared valid by federal legislation;
- d. A public sector body that is established by or under provincial or territorial statute or by regulation or is wholly owned by a province, territory, municipal or regional government which provides municipal-type infrastructure services to communities; and
- e. A private sector body, including for-profit organizations and not-for-profit organizations, whose application is supported by a municipal or regional government referred to above. Such support could take the form of a resolution from the municipal or regional government council.

Eligible Categories under the PTIC-SCF:

- Public transit
- Drinking water
- Wastewater
- Solid waste management
- Green energy
- Innovation
- Connectivity and broadband
- Brownfield redevelopment
- Disaster mitigation infrastructure
- Local and regional airports
- Short-line rail
- Short-sea shipping
- Highways and major roads
- Northern infrastructure (applies to Yukon, Nunavut and Northwest Territories only).



Federal Cost-Sharing and Stacking

In the provinces, most projects will be federally cost-shared on a one-third basis. In the case of provincially-owned highways and major roads, as well as public transit projects, the maximum federal contribution to any single project will be 50 per cent. The maximum contribution is 25 per cent for projects with for-profit private sector proponents.

For projects located in the Northwest Territories, Yukon and Nunavut, the federal government will fund up to 75 per cent of total eligible costs. For projects with a for-profit private sector proponent, however, the cap would be 25 per cent. More information on cost-sharing and stacking at <http://www.infrastructure.gc.ca/plan/cs-pc-eng.html>.

How to apply?

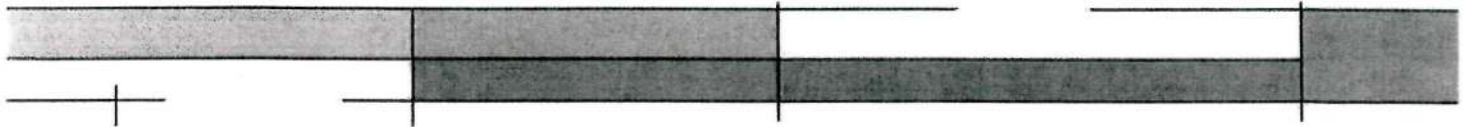
Canada will enter into Funding Agreements (FA) with each province and territory for the implementation of the PTIC–SCF. In turn, provinces and territories will manage the project identification process in keeping with PTIC–SCF program parameters.

All proposed projects must provide basic information that includes the name of the municipality, title of the project, the eligible category and subcategory, a brief description of the project, financial information, project location as well as planned start and end dates.

If you are an eligible recipient and would like to have your project considered for funding under the PTIC, you are encouraged to contact your respective provincial or territorial ministry responsible for infrastructure as outlined below. You can also learn more about how the Small Communities Fund works by reading the Program Overview.

Contact Information

- **British Columbia**
 - Ministry of Transportation and Infrastructure
- **Alberta**
 - Alberta Infrastructure
- **Saskatchewan**
 - Ministry of Government Relations
- **Manitoba**
 - Manitoba Municipal Government
- **Ontario**
 - Ministry of Infrastructure
- **Quebec**
 - Secrétariat du Conseil du Trésor – Sous-secrétariat aux infrastructures publiques



- **New Brunswick**
 - Regional Development Corporation
- **Nova Scotia**
 - Finance and Treasury Board
- **Prince Edward Island**
 - Department of Transportation and Infrastructure Renewal
- **Newfoundland and Labrador**
 - Department of Transportation and Works
- **Yukon**
 - Department of Community Services
- **Northwest Territories**
 - Department of Municipal and Community Affairs
- **Nunavut**
 - Community and Government Services

Infrastructure Canada contact information

General questions and comments on the PTIC program can be addressed to Infrastructure Canada:

Email: info@infcc.gc.ca

Telephone Infrastructure Canada: 613-948-1148

Toll Free Number: 1-877-250-7154

Mailing Address:

Provincial-Territorial Infrastructure Component
180 Kent Street, Suite 1100
Ottawa, ON K1P 0B6

Attachment C

Canada-British Columbia New Building Canada Fund – Small Communities Fund Grant Selection

Selection Criteria

	Bicycle Master Plan	Point Ellice Bridge Rehabilitation / Painting	Stormwater Treatment Unit at Public Works
• Eligible Category (Mandatory before Proceeding Further)	X	1	1
• Economic Growth		1	0
• Clean Environment		1	1
• Building Stronger Communities		1	1
• Good Value for Money		1	1
• Enhances & Protects Public Health		1	1
• Supports Sustainability Principles		1	1
• Consistent with Long Term Planning		1	1
• Utilizes Technologies & Best Practices		1	1
• Demonstrates Efficient Use of Resources		1	1
• Uses New & Innovative Approaches		1	1
• Supports Sustainable Long-Term Economic Growth		1	1
• Situated within, & Advances the City's Development and Financial Plans		1	1
• Exhibits Long-Term Sustainability: Operational Viability, Asset Management and Environmental Sensitivity		1	1
• Contributes to Environmental, Economic, Community and Innovative Objectives		1	1
• Requires Federal & Provincial Financial Support to Enable the Project's Implementation, its Scope Enhanced or its Timing Accelerated		1	0
• The Best Available Economically Feasible Technology, if applicable		1	1
Total Score	0	17	15
Total Project Cost	0	\$4 million	\$340,000
Total Grant Request (2/3 of total project cost)	0	\$2.7 million	\$227,000

Attachment C

Canada-British Columbia New Building Canada Fund – Small Communities Fund Grant Selection

Selection Criteria

	Bicycle Master Plan	Point Ellice Bridge Rehabilitation / Painting	Stormwater Treatment Unit at Public Works
• Eligible Category (Mandatory before Proceeding Further)	X	1	1
• Economic Growth		1	0
• Clean Environment		1	1
• Building Stronger Communities		1	1
• Good Value for Money		1	1
• Enhances & Protects Public Health		1	1
• Supports Sustainability Principles		1	1
• Consistent with Long Term Planning		1	1
• Utilizes Technologies & Best Practices		1	1
• Demonstrates Efficient Use of Resources		1	1
• Uses New & Innovative Approaches		1	1
• Supports Sustainable Long-Term Economic Growth		1	1
• Situated within, & Advances the City's Development and Financial Plans		1	1
• Exhibits Long-Term Sustainability: Operational Viability, Asset Management and Environmental Sensitivity		1	1
• Contributes to Environmental, Economic, Community and Innovative Objectives		1	1
• Requires Federal & Provincial Financial Support to Enable the Project's Implementation, its Scope Enhanced or its Timing Accelerated		1	0
• The Best Available Economically Feasible Technology, if applicable		1	1
Total Score	0	17	15
Total Project Cost	0	\$4 million	\$340,000
Total Grant Request (2/3 of total project cost)	0	\$2.7 million	\$227,000