

MEMBER BULLETIN

June 25, 2018

Canada-Ontario Integrated Bilateral Agreement for the Investing in Canada Infrastructure Program

The federal and provincial government's have reached and agreement that establishes the guidelines for how Ottawa will invest \$10.37 billion in infrastructure in Ontario over the next decade. The funding is largely backloaded, with only 15% of the committed investments set to be made before 2022.

Through its *Investing in Canada Plan*, the federal government has committed to significant investments in Ontario infrastructure in four broad asset categories:

- Public Transit (\$7.5 billion);
- Green Infrastructure (\$2.24 billion);
- Community, Culture, and Recreation (\$407 million); and,
- Rural and Northern Communities (\$250 million).

The cost-sharing ratios on approved municipal projects will be 40% federal, 33% provincial, and 27% municipal.

Investment Categories:

Public Transit: the federal government will invest \$7.46 billion (with matching requirements from the province and municipal governments), with funding being allocated based "...solely on ridership." The 40-37-33 funding ratio noted above will apply for the cost of new construction or expansion, while the feds have agreed to pay for up to 50% of rehabilitation projects. To be eligible, projects *must* be consistent with a land-use or transportation plan, be part of a local transit network, and where applicable, be consistent with approved regional transportation plans.

Green Infrastructure: \$2.25 billion in federal dollars will be invested, focussed on three project sub-streams: 1) Climate Change Mitigation (CCM); 2) Adaptation, Resilience, Disaster Mitigation (ARDM); and, 3) Environmental Quality. There is no indication how funding will be allocated to municipalities, though close to 50% *must* be allocated through the Climate Change Mitigation project stream. The 40-37-33 funding ratio noted above will apply to all municipal projects in this stream. Special project assessments will be required for funding approval to ensure projects are meeting the intent of the program. Water quality and flood mitigation are two central objectives of this program.

Community, Culture, and Recreation Infrastructure: \$407 million in federal dollars will be invested in social infrastructure projects aimed at building “stronger communities and improving social inclusion.” To be eligible, projects must be “...community-oriented, non-commercial in nature and open for use to the public...” Projects serving “vulnerable populations” will be prioritized. For-profit daycares or those associated with a school board or funded under Canada’s Early Learning and Child care initiative, religious sites, or semi-professional sports facilities are *not* eligible for funding under this program.

Rural and Northern Communities Infrastructure: \$250 million will be invested through this stream. More details on the eligibility of projects are to be released.

Additional Program Details:

Project Approval: Like Phase I of the *Investing in Canada Plan*, funding will be allocated on a per-project basis, with municipalities required to apply for project funding to the province (Ministry of Infrastructure) who act as the “gatekeeper” for applications for federal funding. Every project application will be scrutinized by the province, followed by the federal government, before funding approval is granted. This is likely the reason for the backloading of the funding commitments, as both levels of government will need time to properly consider all applications. The deadline for submitting projects is March 31, 2025, with approvals happening on an “as received” basis.

Project Requirements: There are a number of special project requirements built into this funding that will have to be addressed in the tendering process. For instance, any project with estimated expenditures over \$10 million must include a community benefit agreement workforce development plan for at least three federal target groups.

Additionally, “best efforts” must be made to meet targets set out as funding objectives for each asset category, such as: increase by at least 25% the modal share for public transit and active transportation; contribute to the national 10-mega-tonne reduction of GHG; increase the number of wastewater systems achieving compliance with federal effluent regulations; etc. Nevertheless, no penalties or cancelled funding will result from not meeting these targets.

If you have any questions or comments about this federal-provincial agreement, please contact Patrick McManus (905-629-7766 ext. 222 or patrick.mcmanus@oswca.org).