

NO: **R156** COUNCIL DATE: **July 27, 2009**

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **July 24, 2009**

FROM: **General Manager, Engineering** FILE: **1855-20**
General Manager, Parks, Recreation & Culture

SUBJECT: **Update on Infrastructure Grants**

RECOMMENDATION

The Engineering Department and the Parks, Recreation, and Culture Department recommend that Council receive this report as information.

INTENT

The purpose of this report is to:

- advise Council of the various infrastructure grant programs under the Building Canada Plan and Canada's Economic Action Plan for which the City is eligible to apply for funding;
- advise Council of the infrastructure grants that the City has received to date in 2009; and
- seek Council's continued support of applying for funding opportunities for the remainder of 2009 and beyond.

DISCUSSION

In 2007, the Federal Government introduced the Building Canada Plan which involves \$33 billion in funding targeted to strategic investments in projects that will assist in achieving results in three areas of national importance: a growing economy; a clean environment; and strong and prosperous communities.

The Building Canada Plan includes the following Funds/programs:

- Building Canada Fund made up of two sub-programs:
 - Communities Component;
 - Major Infrastructure Component;
- Provincial/Territorial Base Fund;
- Gas Tax Fund; and
- Municipal Rural Infrastructure Fund.

Building Canada Fund

The Building Canada Fund has base funding of \$20 billion over 7 years (2007-08 to 2013-14). Nationally, the funding is allocated to the following components:

- Building Canada Program;
- Asia-Pacific Gateway and Corridor Initiative;
- Gateway and Border Crossings Fund;
- Private-Public Partnerships Fund;
- RINC
- Cultural Spaces Canada

Building Canada Program

The funding under the Building Canada Program is \$1.04 billion and is allocated over a 7-year period (2007 to 2014).

The Building Canada Program is made up of the Major Infrastructure Component and the Communities Component. A total of \$904 million is allocated to the Major Infrastructure Component to fund public infrastructure projects that have a national or regional impact and generate significant benefits in terms of growing the economy, a cleaner environment or stronger communities. The majority of funding under the Major Infrastructure Component will be directed at National priority projects with a minimum total eligible cost of \$35 million and non-National priority projects with a minimum total eligible cost of \$15 million. The Major Infrastructure Component is not application based. Projects are brought forward by the federal or provincial governments based on program parameters and priorities.

The remaining \$100 million is allocated to the Community's Component. The focus of the Communities Component is to fund infrastructure projects in communities with a population of less than 100,000. Surrey is not eligible for this Component.

The City has not received any funding directly through the Major Infrastructure Component of the Building Canada Plan.

Asia Pacific Gateway and Corridor Initiative

The Asia-Pacific Gateway and Corridor Initiative is an integrated set of investment and policy measures focused on trade with the Asia-Pacific Region. Its focus is to establish Canada's Asia-Pacific Gateway and Corridor as the best transportation network facilitating global supply chains between North America and Asia. Projects benefiting Surrey funded through this initiative include:

- Roberts Bank Rail Corridor Road/Rail Grade Separations - \$75 million
- South Fraser Perimeter Road - \$365 million

Gateway and Border Crossings Fund

Eligible investment categories for the Gateways and Border Crossings Fund have yet to be established.

Recreational Infrastructure Canada (RInC) Program

The RInC program provides funding to rehabilitate recreational facilities across Canada subject to projects being completed by March 31, 2011. This program is targeted at upgrades and repairs to existing recreational assets such as gymnasiums, arenas, swimming pools, sports fields, sport courts, parks, fitness and bike paths and other multi-purpose physical recreational facilities.

The initial RInC funding allocation for Western Canada, which is delivered by Western Economic Diversification Canada, amounts to about \$54 million. The Program funds up to 33 per cent of the costs of selected projects with the remaining funding to be sourced internally by the City or from possible funding from the Provincial Government, community organizations or the private sector.

As part of the RInC Program, the City submitted 9 applications to this program. We have recently been advised that our application for the Newton Fitness Centre Programming Rooms has been successful and will receive \$133,333 (1/3 funding) from the RInC program.

Cultural Spaces Canada

The objective of the Cultural Spaces Canada Fund is to improve physical conditions for artistic creativity and innovation. It is also designed to increase access for Canadians to performing arts, visual arts, media arts, and to museum collections and heritage displays. The Program supports the improvement, renovation and construction of arts and heritage facilities, and the acquisition of specialized equipment as well as conducting feasibility studies.

In January 2009, the Federal Government announced \$60 million over two years (2009-2011) to support infrastructure for local and community cultural and heritage institutions. The program has temporarily increased its maximum level of support to 50% of eligible costs.

The City has submitted 4 applications to this program, but has not received any funding to date.

Provincial/Territorial Base Funding

Recognizing that an investment approach that is flexible and responsive will assist in addressing the diverse public infrastructure needs across Canada, the P/T Base Funding will complement other initiatives under the Building Canada Plan by \$25 million in annual support over the next seven years for public infrastructure projects in British Columbia. Although the exact scope or eligibility for this fund is not clearly understood, our understanding is that the entire allowance of \$25 million per year over the next seven years has already been allocated to projects outside of Surrey.

Gas Tax Fund

The Gas Tax Fund makes capital investments in environmentally sustainable municipal infrastructure that improves water and air quality and reduces greenhouse gas emissions. The Union of British Columbia Municipalities is party to the bilateral agreement between the Provincial and Federal governments and delivers the programs to British Columbia municipalities. The Metro Vancouver share of this Fund is entirely dedicated to TransLink and is used as capital funding.

The City has not received any funding through the Gas Tax Fund as this funding goes directly to TransLink.

Municipal Rural Infrastructure Fund

The Municipal Rural Infrastructure Fund was established to ensure continuity of funding particularly for small communities to address infrastructure priorities such as water, wastewater, roads and transit. To achieve a balance between the infrastructure needs of urban and rural parts of the country, at least 80 percent of funding under the Municipal Rural Infrastructure Fund has been dedicated to municipalities with a population of less than 250,000. The remaining funds have been made available to municipalities with a population of over 250,000.

The application process for accessing funding under the Municipal Rural Infrastructure Fund began on October 12, 2006 and ended January 31, 2007.

Through the Municipal Rural Infrastructure Fund, Surrey received \$3.4 million in 2008 to expand the Newton Recreation Centre, build a synthetic sports field and expand the field house in Newton Athletic Park.

Infrastructure Stimulus Fund as Part of Canada's Economic Action Plan

In addition to the Building Canada Plan, the 2009 federal budget included a \$4 billion Infrastructure Stimulus Fund as part of Canada's Economic Action Plan. The Infrastructure Stimulus Fund complements existing federal infrastructure funding by targeting shorter-term projects for the purpose of economic stimulus. To further the goal of rapid economic stimulus, construction-readiness and the extent to which the project will maintain the safety and prolong the life of the asset are both important project selection criteria.

Funding under this plan is nationally allocated on a per-capita basis, which provides approximately \$520 million for projects in British Columbia administered through the Provincial government.

There are currently no application programs underway in this component and funding that has been awarded to date has been for projects for which applications were received under the Towns of Tomorrow, LocalMotion and the Build Canada Fund Communities Component.

As part of the Infrastructure Stimulus Fund, resulting from applications through LocalMotion and the Build Canada Fund communities component, Surrey has received funding support (amount of grant money that will be received) for the following projects:

- Cycling and pedestrian pathway improvement initiatives \$7.5 million
- Bridgeview Sewer System replacement \$5.6 million

Because there is no direct application process for the infrastructure stimulus fund, the City has sent various requests through different channels to highlight our readiness and desire to help stimulate the economy by fast-forwarding "shovel-ready" infrastructure projects.

Appendix I contains the latest City of Surrey letter requesting funding for infrastructure projects through these various programs.

Next Steps

In an effort to ensure that the City's funding priorities are clearly established and kept current, staff are reviewing and prioritizing infrastructure projects on an on-going basis to be ready for any new funding opportunities that may arise in the remainder of 2009 and beyond.

CONCLUSION

Given Surrey's ongoing need for capital funding for infrastructure projects and the lack of clarity with respect to the process for receiving funding, especially in relation to programs under Canada's Economic Action Plan, staff will continue to monitor, identify and pursue infrastructure cost sharing opportunities that become available either through the Provincial or Federal governments.



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VL/JA/brb

Appendix I - Mayor's letter to Minister Bond

APPENDIX I

Mayor's letter to Minister Bond