

NO: **R161**

COUNCIL DATE: **July 9, 2012**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **July 5, 2012**

FROM: **General Manager, Engineering
General Manager, Planning & Development
General Manager, Parks, Recreation & Culture**

FILE: **0430-01**

SUBJECT: **Support for “Target 2014: Building Our Future” - FCM's Campaign for a New Long Term Infrastructure Plan**

RECOMMENDATION

The Engineering Department, the Planning & Development Department, and the Parks, Recreation & Culture Department recommend that Council:

1. Adopt the resolution that is attached as Appendix I (including Appendix “A”) to this report, thereby indicating the City of Surrey’s strong support for the creation of a new long-term national infrastructure program and endorsement of the Federation of Canadian Municipalities (FCM) campaign titled “Target 2014: Building our Future”; and
2. Authorize the Mayor on behalf of City Council to forward to each of the Federal Minister of Transport, Infrastructure and Communities, the Provincial Minister of Transportation and Infrastructure, the Provincial Minister of Community, Sport and Cultural Development, the Surrey Members of Parliament, the Surrey Members of the Legislative Assembly, the FCM and the Union of BC Municipalities (UBCM) a copy of this report and the related Council resolution.

INTENT

The purpose of this report is to provide information about the status of the federal government’s actions in relation to developing a new national infrastructure program and about a campaign titled “Target 2014: Building our Future” by which FCM is mobilizing municipal and community participation in the consultations being held by the Federal Government regarding the creation of the new program. This report also seeks to obtain Council approval of a resolution that will be forwarded to the federal Minister of Transport, Infrastructure and Communities, the provincial Minister of Community, Sport and Cultural Development, the Surrey MPs, the Surrey MLAs, the FCM and the UBCM to indicate Surrey’s strong support of the FCM campaign and the creation of the new national infrastructure program.

BACKGROUND

In March 2014 the federal Building Canada infrastructure plan will expire. This plan has provided nearly \$2 billion per year of federal infrastructure funding to local governments for the construction of infrastructure on a cost-shared basis. The federal government has commenced dialogue with provincial, territorial, and municipal governments across the country in relation to the development of a new long-term national infrastructure program (refer to Corporate Report No. Roo2; 2012, attached as Appendix II) to replace the current Building Canada plan when it expires. The consultations commenced at the FCM 2012 annual conference in June 2012 in Saskatoon as did an FCM campaign titled “Target 2014; Building Our Future”, that is focused on demonstrating the need for and the broad national support for such a new long-term, predictable and stable federal infrastructure funding plan beyond 2014. The goal of the campaign is to ensure that the new plan reflects municipal priorities across the country and is fully in place when the existing program expires in 2014. The FCM campaign is designed to encourage each local government:

- to provide information on the state of their community infrastructure and the important role that federal funding has played and must continue to play in the development of strong communities; and
- to mobilize municipal and community leaders to participate in the federal consultations to demonstrate the importance of continued investment in the real needs of cities and communities.

DISCUSSION

As was noted in Corporate Report No. Roo2; 2012, (copy attached as Appendix II) the federal government process related to implementing a new infrastructure program involves three phases. The Federal Government has commenced the third phase of the process, which is focused on dialogue among all levels of government and other key stakeholders to explore the broad principles and future directions for public infrastructure in Canada and to identify key lessons from past plans and programs that can aid in the development of the next long-term plan.

The FCM has deemed it crucial at this stage that municipal governments participate in the process through a common FCM-led campaign to assist in ensuring that municipal priorities are reflected in the new long-term infrastructure plan. The campaign is intended to encourage local residents, businesses and other organizations to become involved, along with local governments, to show unified support regarding the need for continued federal investment in communities. As the first step in demonstrating such support, the FCM has requested that each municipal Council in Canada pass a resolution in the form attached as Appendix I to this report that indicates Council support for the development of a new federal infrastructure program. The FCM has requested that the resolution be sent to the FCM and the federal Minister of Transport, Infrastructure and Communities and that a copy of the resolution be forwarded to each of the provincial Minister of Municipal Affairs, local MLAs and local MPs.

Previous Federal partnership funding programs such as the Building Canada Plan, the Economic Action Plan, the Infrastructure Stimulus Fund, the Building Canada Fund–Communities Top-Up and the Green Infrastructure Fund have been very instrumental in the development of infrastructure in the City of Surrey. Funding contributions from other orders of government in the amount of \$45.6 million have been received toward Surrey capital projects over the last 5 years.

The prospect of a new national long-term, stable and predictable infrastructure plan is a welcome prospect; both for the renewal of existing, aging infrastructure and for capital investment in support of growth and economic development.

Canada’s municipalities play the leading role in building, operating, managing, maintaining, rehabilitating and replacing public infrastructure in Canada. In fact, approximately two-thirds of all public infrastructure in Canada falls under the jurisdiction of local governments. The City of Surrey, as one of Canada’s most rapidly growing municipalities and with the pressures for provision of core public infrastructure associated with that growth, has appreciated the benefits that the current and previous federal infrastructure programs have provided. The implementation of a new long-term infrastructure investment plan and strengthened partnerships between all orders of government should be strongly supported.

Surrey’s Needs:

The following table documents the infrastructure renewal and capital improvement investments that the City of Surrey will need to make over the next ten-year period to support the on-going vibrancy of our City. These investment requirements are categorized by infrastructure type. The amounts documented in the following table are further defined in the tables that are attached to this report as Appendix “A”.

| Investment Type | Required Infrastructure Renewal Investment | Investment Required to Support Expected Growth | Total Required Investment over the next 10 years |
|---|---|---|---|
| Transportation | \$215 million | \$425 million | \$640 million |
| Water | \$105 million | \$60 million | \$165 million |
| Sanitary Sewer | \$60 million | \$80 million | \$140 million |
| Drainage | \$110 million | \$90 million | \$200 million |
| Civic Buildings and Facilities | \$100 million | \$400 million | \$500 million |
| Total Required Investment over the next 10 years | \$590 million | \$1,055 million | <u>\$1.645 billion</u> |

In working with TransLink, the Regional Transportation Authority, a substantive need for additional transit has been identified in Surrey to meet Provincial emission targets, achieve sustainable development goals and create a livable city.

The two key elements to achieve this are an expansion of transit (bus) service as defined through the South of Fraser Area Transit Plan and an LRT system operating on the key City routes (Fraser Highway, King George Boulevard and 104 Avenue). The amounts needed are identified in the following table:

| Investment Type | Required Infrastructure Renewal Investment | Investment Required to Support Expected Growth | Total Required Investment over the next 10 years |
|---|--|--|--|
| LRT System | | \$2 billion | \$2 billion |
| Transit Infrastructure Improvements | \$10 million | | \$10 million |
| Transit | | \$280 million | \$280 million |
| Total Required Investment over the next 10 years | \$10 million | \$2.28 billion | <u>\$2.29 billion</u> |

The City has also identified another \$150 million in required infrastructure investments that will need to be made to contribute directly to economic development and job creation on the City’s business land base. These investments are not included in the above tables.

Suggestions Regarding a New National Infrastructure Program:

Based on Surrey’s experience with the previous programs, the new infrastructure program should take the following factors into account:

- **Multi-year projects:** The new program should allow for multi-year project implementation. Given the time required for design, property acquisition, environmental review and approvals, restricted working windows such as the restrictions required by the Department of Fisheries and Oceans, etc., project schedules for larger projects can typically stretch well beyond one year. Previous federal infrastructure programs have been quite restrictive in relation to project timelines as dictated by funding deadlines.
- **Flexibility:** The new program should allow maximum flexibility for an individual municipality to allocate available funding across projects and fiscal years. When circumstances arise that create unexpected delays, the ability to transfer funding to another approved project would support effective project delivery and better outcomes.
- **Pavement Rehabilitation:** The new program should include pavement rehabilitation as an eligible capital infrastructure renewal project. Typically roadway pavements are the single largest municipal capital asset and the relative condition of that asset dictates the attractiveness of the community in relation to commerce and economic development and therefore the overall economic well-being of the community.
- **Equity:** Although equity of program funding between communities across Canada is an important consideration, the funding criteria for the new program should recognize those communities that are experiencing high growth rates, which bring increased infrastructure construction pressures in relation to responding effectively to such growth.

The federal government is to be applauded for recognizing the importance of Canadian cities to the welfare of Canada and the need for a strong funding partnership between orders of government to ensure that infrastructure investments are made in communities across Canada in a timely manner to ensure strong and vibrant communities in support of a strong nation.

As one of Canada's fastest growing municipalities with the associated demands for municipal infrastructure, a long-term predictable and stable program for further partnership funding is vitally important. Showing support, by means of a Council Resolution, for a new infrastructure plan is a first step in achieving such a plan. A resolution for Council's consideration is attached to this report as Appendix I.

SUSTAINABILITY CONSIDERATIONS

A new long-term national infrastructure plan and the City's participation in such a plan would assist in achieving the objectives of the City's Sustainability Charter; more particularly, the following action items, among others:

- EC1; Corporate Economic Sustainability; and
- EC3: Sustainable Infrastructure Maintenance and Replacement.

CONCLUSION

Based on the above discussion and to assist the FCM in their campaign to secure a new long-term infrastructure program for Canadian local governments, it is recommended that Council:

- Adopt the resolution that is attached as Appendix I (including Appendix "A") to this report, thereby indicating its strong support for the creation of a new long-term national infrastructure program and endorsement of the Federation of Canadian Municipalities (FCM) campaign titled "Target 2014: Building our Future"; and
- Authorize the Mayor on behalf of City Council to forward to each of the Federal Minister of Transport, Infrastructure and Communities, the Provincial Minister of Transportation and Infrastructure, the Provincial Minister of Community, Sport and Cultural Development, the Surrey Members of Parliament, the Surrey Members of the Legislative Assembly, the FCM and the UBCM a copy of this report and the related Council resolution.

Laurie Cavan
General Manager,
Parks, Recreation & Culture

Jean Lamontagne,
General Manager,
Planning & Development

Vincent Lalonde, P. Eng.
General Manager, Engineering

JB/KZ/brb

Appendix I: Council Resolution (including Appendix "A")

Appendix II: Corporate Report No. Roo2; 2012

APPENDIX I

COUNCIL RESOLUTION

Development of a New Long-Term Federal Plan for Municipal Infrastructure Funding

WHEREAS The Building Canada Plan and a number of important federal-provincial transfer agreements vital to Canada's cities and communities will expire in March 2014;

WHEREAS Federal investments over the last few years have helped to slow the decline of our cities and communities, and the Government of Canada has committed to develop a new long-term plan for municipal infrastructure funding in consultation with municipal and provincial/territorial governments;

WHEREAS a seamless transition from the Building Canada Plan to a new long term plan is necessary to ensure that municipalities can continue planning their capital spending effectively;

WHEREAS The Federation of Canadian Municipalities (FCM) has launched a campaign to ensure the new plan reflects municipal priorities across the country and asks its member municipalities to pass a Council resolution supporting the campaign;

AND WHEREAS the City of Surrey has continuing infrastructure needs, such as those that are listed in Appendix "A" that can only be met with the kind of long-term planning and investment made possible by a national plan;

THEREFORE BE IT RESOLVED that Council endorses the FCM campaign and urges the federal Minister of Transport, Infrastructure and Communities to work with FCM to ensure the new long-term infrastructure plan meets the core infrastructure needs of cities and communities; and

BE IT FURTHER RESOLVED that Council urges the Minister of Transport, Infrastructure and Communities to ensure that the new long-term plan is fully in place when existing programs expire in 2014; and

BE IT FURTHER RESOLVED that a copy of this resolution be sent to the federal Minister of Transport, Infrastructure and Communities, to the provincial Minister of Community, Sport and Cultural Development, to the Surrey Members of Parliament, to the Surrey Members of the Legislative Assembly, to the Federation of Canadian Municipalities and to the Union of BC Municipalities.

APPENDIX "A"

TRANSPORTATION – ARTERIAL ROAD REQUIREMENTS

| PROGRAM | INFRASTRUCTURE TO SUPPORT GROWTH (\$) | INFRASTRUCTURE RENEWAL (\$) | TOTAL (\$) |
|--|--|--|-----------------------|
| 1000 – Arterial New Construction | 57,800,000 | | 57,800,000 |
| 1002 – Arterial Ultimate Widening | 174,375,000 | | 174,375,000 |
| 1004 – Arterial Interim Widening | 36,875,000 | | 36,875,000 |
| 1006 – Arterial Property Acquisition | 10,000,000 | | 10,000,000 |
| 1008 – Arterial DCW | 3,500,000 | | 3,500,000 |
| 1012 – Arterial Intersection Improvements | 17,250,000 | | 21,250,000 |
| 1016 – Arterial Paving | | 70,000,000 | 70,000,000 |
| 1018 – Arterial Bridges | 5,250,000 | 1,250,000 | 10,000,000 |
| 1020 – Provincial Hwy Cost-Sharing | 21,300,000 | | 21,300,000 |
| 1102 – Traffic Signals & Major Signs | 8,760,000 | 2,850,000 | 20,610,000 |
| 1112 – Pavement Repair | | 13,000,000 | 13,000,000 |
| 1120 – Bicycle On-Street Network | 1,667,000 | 3,333,000 | 5,000,000 |
| 1122 – Bicycle Off-Street Network | 5,000,000 | 10,000,000 | 15,000,000 |
| 1142 – Transit Projects | 3,000,000 | 1,500,000 | 4,500,000 |
| 1150 – Arterial Sidewalks | 8,000,000 | | 8,000,000 |
| 1160 – Pedestrian Signals | 3,750,000 | | 3,750,000 |
| TOTAL | 356,527,000 | 101,933,000 | 474,960,000 |

APPENDIX "A"

TRANSPORTATION – COLLECTOR AND LOCAL ROAD REQUIREMENT

| PROGRAM | INFRASTRUCTURE TO SUPPORT GROWTH (\$) | INFRASTRUCTURE RENEWAL (\$) | TOTAL (\$) |
|--|---|-----------------------------------|--------------------|
| 1022 – City Centre Upgrading | 4,000,000 | 3,000,000 | 7,000,000 |
| 1030 – Non-Arterial New Construction | 9,494,250 | | 9,494,250 |
| 1032 – Non-Arterial Ultimate Widening | 5,765,750 | | 5,765,750 |
| 1034 – Non-Arterial Upsizing | 5,000,000 | | 5,000,000 |
| 1036 – Non-Arterial Property Acquisition | 11,500,000 | 9,200,000 | 20,700,000 |
| 1038 – Non-Arterial DCW | 4,500,000 | 300,000 | 4,800,000 |
| 1042 – Non-Arterial Intersection Improvements | 7,500,000 | | 7,500,000 |
| 1046 – Non-Arterial Paving | | 20,000,000 | 20,000,000 |
| 1070 – Local (Road) Paving | | 60,000,000 | 60,000,000 |
| 1076 – Local (Road) Strategic Links | 1,650,000 | | 1,650,000 |
| 1102 – Traffic Signals & Major Signs | 640,000 | 150,000 | 790,000 |
| 1104 – Street Lights Replacement | | 4,000,000 | 4,000,000 |
| 1108 – Traffic Calming Measures | 1,500,000 | 500,000 | 2,000,000 |
| 1112 – Pavement Repair | | 4,000,000 | 4,000,000 |
| 1120 – Bicycles On-Street Network | 1,000,000 | 2,000,000 | 3,000,000 |
| 1142 – Transit Related Projects | 1,500,000 | 1,500,000 | 3,000,000 |
| 1146 – Park and School Frontages | 5,000,000 | | 5,000,000 |
| 1152 – Collector Sidewalks | 8,500,000 | | 8,500,000 |
| 1154 – Local (Road) Sidewalks | | 10,000,000 | 10,000,000 |
| 1160 – Pedestrian Signals | 1,250,000 | | 1,250,000 |
| TOTAL | 68,800,000 | 114,650,000 | 183,450,000 |

APPENDIX "A"

DRAINAGE – PROGRAM REQUIREMENTS

| PROGRAM | INFRASTRUCTURE TO SUPPORT GROWTH (\$) | INFRASTRUCTURE RENEWAL (\$) | TOTAL (\$) |
|---|--|--|-----------------------|
| 1660 – General Items | | 17,300,000 | 17,300,000 |
| 1662 and 1663 – Existing System Upgrades | 700,000 | 50,600,000 | 51,300,000 |
| 1664, 1665, and 1666 – Lowlands Flood Control | 5,000,000 | 23,750,000 | 28,750,000 |
| 1670 – Relief and Trunk System | 33,000,000 | 2,660,000 | 35,660,000 |
| 1672 – Community Detention | 25,500,000 | 2,150,000 | 27,650,000 |
| 1673 – Habitat Compensation | 200,000 | 800,000 | 1,000,000 |
| 1675 – Grandview Heights – Area 2 | 6,700,000 | | 6,700,000 |
| 1678 and 1679 – Erosion and Ravine Stabilization & Operation | 2,675,000 | 6,100,000 | 8,775,000 |
| 1680 – DCW Upsizing | 18,250,000 | | 18,250,000 |
| 1682 – Environment | | 4,600,000 | 4,600,000 |
| 1690 – Operations & Maintenance | | 2,700,000 | 2,700,000 |
| TOTAL | 92,025,000 | 110,660,000 | 202,685,000 |

WATER – PROGRAM REQUIREMENTS

| PROGRAM | INFRASTRUCTURE TO SUPPORT GROWTH (\$) | INFRASTRUCTURE RENEWAL (\$) | TOTAL (\$) |
|--------------------------------------|--|--|-----------------------|
| 1600 – General | | 5,700,000 | 5,700,000 |
| 1602 – Distribution Mains (<= 300mm) | 20,000,000 | 45,000,000 | 65,000,000 |
| 1604 – Cross Connection Control | | 750,000 | 750,000 |
| 1606 – Minor Projects | | 3,000,000 | 3,000,000 |
| 1609 – Demand Management | | 28,000,000 | 28,000,000 |
| 1610 – Supply Works & Feeder Mains | 19,200,000 | 12,000,000 | 31,200,000 |
| 1620 – DCW Upsizing | 21,000,000 | 10,500,000 | 31,500,000 |
| TOTAL | 60,200,000 | 104,950,000 | 165,150,000 |

APPENDIX "A"

SEWER – PROGRAM REQUIREMENTS

| PROGRAM | INFRASTRUCTURE TO SUPPORT GROWTH (\$) | INFRASTRUCTURE RENEWAL (\$) | TOTAL (\$) |
|---------------------------------------|---------------------------------------|-----------------------------|--------------------|
| 1630 - General | | 4,200,000 | 4,200,000 |
| 1632 - Minor Mains (< 450mm diameter) | 12,500,000 | 13,850,000 | 26,350,000 |
| 1634 - Inflow & Infiltration | | 15,000,000 | 15,000,000 |
| 1644 - Major Facilities | 55,850,000 | 28,300,000 | 84,150,000 |
| 1650 - DCW Upsizing | 10,143,000 | | 10,143,000 |
| TOTAL | 78,493,000 | 61,350,000 | 139,843,000 |

INFRASTRUCTURE – PROGRAM REQUIREMENTS TO SUPPORT ECONOMIC DEVELOPMENT / JOB CREATION

| PROGRAM | INFRASTRUCTURE TO SUPPORT ECONOMIC DEVELOPMENT / JOB CREATION (\$) | INFRASTRUCTURE RENEWAL (\$) | TOTAL (\$) |
|----------------|--|-----------------------------|--------------------|
| TRANSPORTATION | 94,275,200 | | 94,275,200 |
| DRAINAGE | 12,700,000 | | 12,700,000 |
| WATER | 10,270,000 | | 10,270,000 |
| SEWER | 14,863,000 | | 14,863,000 |
| TOTAL | 132,108,200 | | 132,108,200 |

CIVIC BUILDINGS AND FACILITIES – PROGRAM REQUIREMENTS

| PROJECT | DESCRIPTION | ESTIMATED COST |
|---|---|--------------------|
| South Surrey Recreation Centre Expansion | South Surrey Fitness Facility – A new fitness facility will be added to the South Surrey Recreation Centre to provide service to the growing South Surrey Community. | \$6,000,000 |
| | Community Arts Space – An addition to the South Surrey Recreation Centre will provide arts programming and arts and heritage display space. | \$1,500,000 |
| | Total South Surrey Recreation Centre Expansion | \$7,500,000 |

| PROJECT | DESCRIPTION | ESTIMATED COST |
|---|--|-----------------------|
| Newton Athletic Park | The City will construct on an annual basis additional recreational amenities in Newton Athletic Park including volley ball courts, children's play area, spray park, cricket pitch, additional parking facilities, etc. Total Project \$9,165,000 2010 to 2016; phased development proposed. | \$2,500,000 |
| Fleetwood Recreation Centre Gymnasiums | A pair of gymnasiums will be added to the Fleetwood Recreation Centre to allow for a broader range of recreation programming to be offered in Fleetwood. | \$16,500,000 |
| Performing Arts Centre | Design plans for the Performing Arts Centre with 1,200 seat flexible theatre and a 300 seat studio theatre. | \$6,000,000 |
| Performing Arts Centre | Construction of a 1,200 seat theatre with a 300 seat black box theatre, multipurpose rooms, commercial space and multi functional lobby | \$150,000,000 |
| Newton Fitness Facility | A significantly expanded fitness facility will be constructed at the Newton Recreation Centre/Wave Pool to better meet the demands of the continuing growth in Newton. | \$15,000,000 |
| Cloverdale Covered Youth Park | A new covered outdoor youth park will be constructed in Cloverdale similar in scope to the recently constructed youth park at Chuck Bailey. | \$1,500,000 |
| Grandview Heights Aquatic Centre | This will be the second swimming pool in the South Surrey area (will include 10 lanes – 52 metre plus diving, leisure pool & fitness space) to provide service to this rapidly growing community and will relieve some of the high demand currently being experienced at the existing South Surrey Pool. | \$52,500,000 |
| Guildford Aquatic Centre | This pool (8 lane – 52 metre with leisure pool) will be added to the Guildford Recreation Centre complex and will serve the North Surrey area, particularly the communities of Guildford and Fraser Heights. It will complement the service being provided by the pool at the North Surrey Recreation Centre and the pool at the Surrey Sport and Leisure Complex. | \$40,700,000 |
| West Newton Cricket Park | This new community park will feature a cricket and soccer field, pathway system, washrooms, parking lot and children's play area. | \$3,400,000 |

| PROJECT | DESCRIPTION | ESTIMATED COST |
|--|--|-----------------------|
| North Surrey RCMP Detachment | New 80,000 square feet municipal policing facility. | \$36,000,000 |
| Main Central Works yard | New Main works yard that will include Engineering Operations, Civic Facilities and Parks Operations | \$39,000,000 |
| New South Works yard | New South Works yard that will include Engineering and Parks Operations and satellite administration services to residents. | \$5,000,000 |
| New South Surrey Arts Centre | Space to be built within a commercial project, 25,000 square feet including a theatre, black box theatre and gallery space – Tenant Improvements | \$15,000,000 |
| North Surrey Arena Replacement | Two new arenas to replace the North Surrey Arenas that have reached the life of the building. | \$30,000,000 |
| New Ice Rink co-located with the Grandview Aquatic Centre | This new ice sheet which is part of the Build Surrey program would serve Cloverdale and South Surrey. | \$12,000,000 |

NO: **R002**

COUNCIL DATE: **January 9, 2012**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **January 4, 2012**

FROM: **General Manager, Engineering**

FILE: **0430-01**

SUBJECT: **Government of Canada - Long-term Infrastructure Plan**

RECOMMENDATION

The Engineering Department recommends that Council:

1. Receive this report as information, and
2. Authorize staff to engage in processes that the federal government establishes to obtain local government input into the development of a new Long Term Infrastructure Plan (the "Plan") for Canada and to provide further reports to Council complete with recommendations as appropriate to ensure that local government interests and opportunities are fully addressed in the new Plan.

INTENT

The intent of this report is to advise Council of the Government of Canada's proposed process for developing a long-term infrastructure plan and to obtain Council's support for participation in this process.

BACKGROUND

Canada's public infrastructure investments in the 1800's focused on canals and railways, uniting sparse populations and forming a basis for Confederation. In the first half of the twentieth century, public works throughout Canada responded to the new industrial reality and booming cities by means of electrification, reliable water, waste management, public transit, and other transportation investments. In the post World War II boom, the automobile became the symbol of prosperity, individuality and modernity and infrastructure investment mirrored this in the creation of the world's longest national highway. Enthusiasm for public infrastructure as nation building also extended to cultural facilities with libraries, arenas and art galleries constructed across the country. Following a decline in public infrastructure spending in the 1970's and 1980's, renewed interest in public works investments has emerged. In 2006 the Building Canada Plan committed \$33 billion to infrastructure with a further \$2 billion annual increase in 2009 under the Gas Tax Fund. In 2009, in response to the global economic downturn, additional billions of dollars in short-term funding were added under the Economic Action Plan, including the Infrastructure Stimulus Fund, the Building Canada Fund-Communities Top-Up, and the Green Infrastructure Fund.

Moving forward, the federal government is proposing to engage in a dialogue with provincial, territorial, and municipal governments to develop a new long-term public infrastructure plan, as outlined in the Backgrounder document attached as Appendix I. This process will be undertaken in three phases as follows:

Phase I: Taking Stock (Fall 2011 – Winter 2012) – This phase will take stock of past infrastructure investments to identify the many factors that have contributed to the success of thousands of projects throughout the country with a focus on the successes accomplished through strong partnerships.

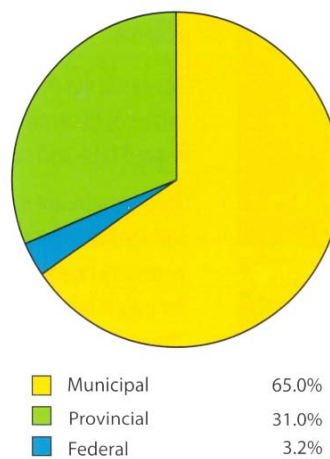
Phase II: Identifying Priorities (Winter – Summer 2012) – This phase will build on the first round of analysis to build the technical and policy knowledge that will serve as the basis for the development of a long-term infrastructure plan and inform the broader discussions that will be the focus of the third phase of the process. During Phase II the federal government will work with other levels of government, stakeholders, experts, and leading practitioners to undertake research and analysis around the themes of the economy, the environment, stronger communities, infrastructure financing, and asset planning and sustainability.

Phase III: Informing the Next Agenda (Summer – Fall 2012) – This phase will focus on a constructive dialogue among all orders of government and other key stakeholders, building on the work of the first two phases, to explore the broad principles and future directions for public infrastructure in Canada and to identify key lessons from past plans and programs that can aid in the development of the next long-term public infrastructure plan.

DISCUSSION

In Canada, municipalities play the leading role in managing, building, operating, maintaining, rehabilitating and replacing public infrastructure. Municipalities own 65% of Canada’s core public infrastructure (CPI) followed by Provinces who own 31% and the Federal Government at only 3.2% (see Figure 1 below). Considering that municipal government’s share of the total public revenues is only 8%, there is a clear need for federal and provincial participation in infrastructure capital programs.

Figure 1
Net Stock of Public Capital Share
2009



Source: Statistics Canada, Survey of Capital and Repair Expenditures.
Core Public Infrastructure (Water, wastewater, recreation, culture, transit, roads, bridges)

Recent investments by all orders of government through infrastructure programs have contributed to the renewal of Canada's Critical Public Infrastructure (CPI) (defined as bridges, roads, water, wastewater, transit, and cultural and recreational facilities). After remaining fairly stable throughout the 1980's and 1990's, investments in CPI increased rapidly over the last decade. The average age (used as an indication of the state of infrastructure) of Canada's CPI, peaked in 2001 at 17 years and then during the period 2001 – 2010 fell to 14.7 years. However, the Association of Consulting Engineers of Canada estimates that 50 percent of Canada's public infrastructure will have reached the end of its serviceable life by 2027. To maintain competitiveness and our standard of living and to safeguard a fragile economic recovery while supporting continued growth, prudent investment in public infrastructure remains very important. A predictable, stable, long-term funding plan will be necessary to plan for and meet continued infrastructure needs, building on the Partnership approach between Municipal, Provincial, and Federal governments that has proved very effective in the past decade.

CONCLUSION

Surrey, as one of Canada's most rapidly growing municipalities, is experiencing pressure for the on-going expansion of core public infrastructure and can only benefit from a federal long-term infrastructure investment plan and strengthened partnerships between all orders of government. Based on the above discussion, it is recommended that Council authorize staff to engage in the processes that the federal government establishes to obtain local government input into the development of the new Long Term Infrastructure Plan (the "Plan") for Canada and to provide further reports to Council complete with recommendations as appropriate to ensure that local government interests and opportunities are fully addressed in the new Plan.

Vincent Lalonde, P.Eng.
General Manager, Engineering

VL/KDZ/brb

Appendix I - Backgrounder

Background

November 30, 2011

The Engagement Process for Developing a Long-Term Infrastructure Plan

The Government of Canada is engaging its key partners – provinces, territories, the Federation of Canadian Municipalities and other stakeholders to develop a long-term infrastructure plan. Building on past achievements while strengthening partnerships between all orders of government, the process will roll out in three phases:

Phase 1: Taking Stock (Fall 2011-Winter 2012)

Taking Stock is about working with our partners to review the accomplishments and results of past infrastructure investments. The Government of Canada will work together with provincial, territorial and municipal partners to review past infrastructure investments and initiatives and examine their benefits for communities.

Phase II – Identifying Priorities (Winter-Summer 2012)

To help ensure all levels of government have the right information to make informed decisions on infrastructure investments, we will work with our partners and stakeholders, as well as with technical experts and academics, to build knowledge around five broad themes:

- 1) Infrastructure and the Economy
- 2) Infrastructure and the Environment
- 3) Infrastructure and Stronger Communities
- 4) Financing Infrastructure
- 5) Asset Planning and Sustainability

Phase III – Informing the Next Agenda (Summer-Fall 2012)

Building on the work of the first two phases, we will have in-depth and constructive discussions with our provincial, territorial and municipal partners and other key stakeholders. Together, we will explore the broad principles and future directions for public infrastructure in Canada, and discuss key lessons learned from past plans and programs that can help develop the next long-term public infrastructure plan.

As this engagement process unfolds, www.infrastructure.gc.ca will feature regular updates, along with research publications as they are developed.



**GOVERNMENT OF CANADA INVITES PARTNERS
TO JOIN IN DEVELOPING A LONG-TERM INFRASTRUCTURE PLAN**

November 30, 2011

OTTAWA, ONTARIO – The Honourable Denis Lebel, Minister of Transport, Infrastructure and Communities, and Minister of the Economic Development Agency of Canada for the Region of Quebec, today launched the formal engagement process that will bring together the Government of Canada, provinces, territories, the Federation of Canadian Municipalities and others to develop a new long-term plan for public infrastructure beyond the expiry of the Building Canada Plan in 2014.

“Completing the economic recovery remains our Government’s top priority. Our new plan will help identify Canada’s infrastructure priorities to meet the needs of Canadians and build a more prosperous, competitive, and sustainable economy,” said Minister Lebel. “Working together with partners, we will take stock, identify opportunities, and build the foundation of a new infrastructure plan that supports economic growth and job creation.”

The engagement process will take place in three phases over the next year. First, the Government of Canada will work together with its partners to take stock of recent accomplishments and their impacts, and examine the results of the significant investments that have been made by all orders of government. The second phase will be working with our partners and leading experts to collaborate on research and analysis that will inform and guide the long-term infrastructure plan.

This important work will lay the foundation for the third phase that will include a series of in-depth discussions with partners to confirm the principles and priorities of the plan. The result: an effective, sustainable, long-term infrastructure plan for Canadians.

As the Government of Canada develops this new plan, it will continue to deliver significant infrastructure investments through the \$33-billion Building Canada Plan. It has also tabled legislation to make the \$2 billion Gas Tax Fund permanent, providing stable and predictable funding for municipalities to help support their local infrastructure priorities.

Through strong partnerships with provinces, territories, municipalities and other stakeholders, the Government of Canada is leading the way in investing in public infrastructure.

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