

NO: R235

COUNCIL DATE: **NOVEMBER 25, 2013**

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## REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **November 20, 2013**

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

FILE: **0430-01**

SUBJECT: **New Federal Building Canada Plan**

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## RECOMMENDATION

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

1. Approve the list of projects as documented in Appendix I attached to this report as priority projects for submission to the Federal government for funding under the various funding programs of the New Federal Building Canada Plan; and
2. Request that the Mayor on behalf of the City of Surrey forward a letter to the Federal Minister of Transport, Infrastructure and Communities that includes the list of priority projects documented in Appendix I to this report with a request that the Federal Government provide funding for these priority projects under the various funding programs of New Building Canada Plan.

## INTENT

The purpose of this report is to provide information regarding the funding programs that form the New Building Canada Plan (“the Plan”), which is expected to be in place by March 31, 2014, and to seek authorization to submit a list of Surrey projects to the Federal government for consideration of funding under the Plan, which will demonstrate the City’s strong interest in the completion and roll-out of the Plan.

## BACKGROUND

The 2013/2014 Federal Budget (Economic Action Plan 2013), included a New Building Canada Plan. This Plan is intended to provide a ten-year funding commitment to support the construction of provincial, territorial and municipal infrastructure commencing in the 2014/15 fiscal year. The Plan will provide a total of \$53 billion in funding over ten years. The Plan is designed to encourage greater involvement of the private sector in the provision of public infrastructure and, as such, every project with a capital cost over \$100 million will be subjected to a P3 screening process to determine whether better value for money can be achieved through P3 procurement.

The New Building Canada Plan comprises three key funds as follows:

**1. Community Improvement Fund**

This Fund is designed to provide stable, predictable funding for Canadian municipalities of \$32.2 billion over ten years consisting of an indexed Gas Tax Fund (which in the Metro Vancouver area is currently directed to TransLink) and the incremental GST rebate for Municipalities. This fund will support community infrastructure projects such as roads, public transit and recreational facilities with approximately \$2.9 billion available nationally in 2014/15.

**2. National Infrastructure Fund**

This Fund will provide \$14 billion over ten years to support infrastructure projects of national, regional, and local significance. Of this amount, \$4 billion will be provided under the National Infrastructure Fund to support projects of national significance such as highways, public transit, and gateway and trade corridor related infrastructure and \$10 billion under the Provincial-Territorial Infrastructure Fund to support projects of national, regional, and local significance in communities across the country in a broader range of categories including drinking water, wastewater, connectivity and broadband, and innovation. The National Infrastructure Fund does not have a regional allocation and will be targeted to several major projects throughout the country.

**3. Renewed P3 Canada Fund**

This Fund provides \$1.25 billion to support public-private partnerships in the delivery of public infrastructure projects where faster delivery, better value, and/or reduced risk to taxpayers can be demonstrated.

## **DISCUSSION**

Previous Federal funding programs have been instrumental in the development of significant infrastructure in Surrey over the last six years with over \$75 million having been committed by the Federal Government towards capital projects in Surrey.

The New Building Canada Plan is slated to be operational for the 2014/15 federal fiscal year. Funding under the new Plan is being focused more directly (however, not exclusively) on hard engineering infrastructure such as roads, water and sewer in comparison to the previous Plan. It is anticipated that the project application process for the various funding programs of the Plan will commence in the next few months. It is likely that the programs will be based on cost-sharing on an equal basis between the federal, provincial, local governments, respectively (i.e., 1/3, 1/3).

It is unlikely that the National Infrastructure Fund program will be divided equitably throughout the country but rather will be allocated based on project merit and direct negotiations among the funding parties. Proponents who are the most aggressive and have done most preparatory work in planning, costing, business case preparation, due diligence and generating elected official support will have the greatest chance of success.

To enhance the potential for Surrey to obtain funding it is considered important that the City submit a prioritized project list under each of the various funding programs of the Plan as soon as possible. Staff has identified a number of high priority projects for Surrey as documented on the

list attached as Appendix I to this report that will likely meet the funding criteria under one or more of the funding programs of the Plan. For example, the Surrey Light Rail Transit project will probably fit the criteria for funding under the National Infrastructure Fund. Others are more appropriate for application under the Community Improvement Fund and/or the Provincial-Territorial Infrastructure fund.

By making a submission at this time Surrey will be registering its strong interest in the Plan. The Surrey list of projects may also assist in ensuring the funding criteria under each program element of the Plan are properly positioned in relation to the funding needs of local governments in Canada.

## **SUSTAINABILITY CONSIDERATIONS**

Participation in the new Building Canada Plan will assist in achieving the objectives of the City's Sustainability Charter; more particularly, the following action items:

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

## **CONCLUSION**

Based on the above discussion and to assist in securing Federal Government funding contributions for Surrey capital projects, it is recommended that Council:

- Approve the list of projects as documented in Appendix I attached to this report as priority projects for submission to the Federal government for funding under the various funding programs of the New Federal Building Canada Plan; and
- Request that the Mayor on behalf of the City of Surrey forward a letter to the Federal Minister of Transport, Infrastructure and Communities that includes the list of priority projects documented in Appendix I to this report with a request that the Federal Government provide funding for these priority projects under the various funding programs of New Building Canada Plan.

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Appendix I: Priority Capital Projects

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PRIORITY CAPITAL PROJECTS

Transportation

Project Name	Project Description	Project Cost
<p>Surrey Rapid Transit Project</p>	<p>TransLink and the City of Surrey have undertaken extensive planning work to develop plan options for Rapid Transit in Surrey. The City of Surrey’s population will grow by 50% by 2041, from 500,000 today to approximately 750,000. Rapid Transit is critical to ensure the City is able to shape this growth to create liveable, sustainable communities around rapid transit stations and accommodate complementary economic growth.</p> <p>A Light Rail Transit (LRT) network is planned to link communities South of the Fraser along three lines as follows:</p> <ol style="list-style-type: none"> <li>1. Surrey City Centre to Guildford town centre, along 104 Avenue, with a connection to Highway 1;</li> <li>2. Surrey City Centre to Newton town centre, along King George Boulevard, with the opportunity for extensions further south in the future to Semiahmoo town centre and White Rock; and</li> <li>3. Surrey City Centre to Langley (Willowbrook town centre through Fleetwood and Clayton along Fraser Highway).</li> </ol> <p>LRT is a cost effective, high quality and flexible form of rapid transit that businesses and residents in Surrey support. This project will best achieve local and regional goals for land use shaping and mobility now and into the future, and encourage increased transit use. Early implementation will enable the biggest impact in relation to shaping the on-going growth in Surrey (one of the fastest growing cities in Canada).</p>	<p>\$1.8 billion</p>

<b>Project Name</b>	<b>Project Description</b>	<b>Project Cost</b>
Highway 99/152 Street Interchange	<p>When the 32 Avenue /Highway 99 interchange was implemented, the second phase (152 Street interchange) was planned to proceed by 2006 to serve the rapidly growing community of South Surrey. This is a significant interchange project that involves two structures with a full movement interchange along a key route that links White Rock/Semiahmoo (South Surrey) to Newton, Fleetwood and Guildford Town Centres as well as Highway 1. This corridor is a truck route and carries up to 38,000 vehicles per day.</p> <p>The existing structure is aging, does not meet current standards and has only two lanes, and is creating a bottleneck along this 4-lane corridor.</p> <p>The BC Ministry of Transportation and Infrastructure has approved the interchange design, but due to the significant costs the City has been unable to proceed with this project.</p>	\$35 million
Highway 99 / 24 Avenue Interchange Ramps	<p>In order to facilitate the development of a large commercial and business park area along with future residential neighbourhoods, the City replaced the old 24 Avenue bridge over Highway 99 in 2005/2006 with a new 4-lane structure that was designed to allow for the future addition of freeway ramps.</p> <p>This project will implement the planned freeway ramps (to/from the north) between 24 Avenue and Highway 99 and will provide an important alternative to the existing congested 32 Avenue interchange, particularly for the large commercial and business park area immediately east of Highway 99. It will also support the growing residential area (planned for over 30,000 residents) and the need for many to access Highway 99 for access to work.</p>	\$6 million

### Civic Buildings and Facilities

<b>Project</b>	<b>Description</b>	<b>Estimated Cost</b>
Newton Fitness Addition	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 the Newton area of Surrey. The proposed facility expansion will integrate the goals of the Newton Town Centre Plan by activating the Centre along 72 Avenue and by supporting active living and healthy community.	\$16 million
East Clayton Recreation Centre	Construction of a new Recreation Centre is needed to address the needs of the new community of East Clayton within the Cloverdale area and the projected growth in West Clayton. A new facility including a large gymnasium, fitness facilities and multi-purpose spaces will allow a broad range of recreation programming for all ages.	\$18 million
Surrey Museum – Phase 2	Phase 2 of the Surrey Museum includes public service and collections preservation spaces that fulfill the vision of the Museum, adopted through extensive public planning in 1999. Phase 2 will add 5,000 sq. ft. of critical functional space to the 2005 Museum building for galleries to host national travelling exhibitions and to engage families and children in hands-on experiential learning.	\$3 million

**Flood Control**

<b>Project</b>	<b>Description</b>	<b>Estimated Cost</b>
Serpentine-Nicomekl Rivers Sea Dams Replacement	<p>The Serpentine-Nicomekl Rivers Sea Dams were originally constructed in the early 1900's to provide flood protection and irrigation capabilities to farms within the Serpentine and Nicomekl Rivers Floodplains. Various assessments on the dams' integrity have been undertaken throughout the years. The most recent assessment, in 2006, demonstrated that the dam structures are not capable of withstanding most earthquakes. The loss of these structures could impair agriculture production and flood protection in the River Basins and would cause significant damage and loss.</p> <p>The City is currently developing a replacement design for the structures. The new design will be seismically stable and have an allowance for future sea level rise scenarios and coastal protection requirements. The designs are being initiated as a precautionary measure in case of a seismic event. Construction is not being initiated due to the significant reconstruction cost.</p>	\$20 million