

---

DATE: April 29, 2009

REPORT TITLE: **APPLICATION PROCESS FOR FEDERAL / PROVINCIAL  
INFRASTRUCTURE STIMULUS FUND**

FROM: Norma Trim, Acting Chief Financial Officer  
and Commissioner of Corporate Services

---

### **RECOMMENDATION**

**That staff be authorized to make all necessary applications for the Federal / Provincial Infrastructure Stimulus Fund in regards to the projects outlined in Appendix I of this report;**

**And further, that for all projects funded under the Infrastructure Stimulus Fund and Infrastructure Fund for Social Housing Renovation and Retrofit over \$250,000 (exclusive of applicable taxes) the Acting Chief Financial Officer be authorized to approve these awards and amendments.**

**And further, that the Acting Chief Financial Officer will report back with a summary of all awards issued under the Infrastructure Stimulus Fund and Infrastructure Fund for Social Housing and Retrofit.**

### **REPORT HIGHLIGHTS**

- The 2009 Federal budget announced a \$4 billion Infrastructure Stimulus Fund
- The application process was made available on April 14, 2009, and all applications are due by May 1, 2009
- All projects are to be shovel ready, without approved funding
- Preference given to projects where 50 percent of funds can be spent by March 31, 2010 and projects must be substantially completed by March 31, 2011
- The proponent must attest that the project would not otherwise have been constructed by March 31, 2011, were it not for funding from the Infrastructure Stimulus Fund
- In order to meet the extremely tight deadlines of the funding program it is necessary that the Acting CFO be authorized to approve awards and amendments over \$250,000 (exclusive of applicable taxes)
- The purpose of this report is to seek Council approval for the identified list of projects submitted for funding to the joint Federal and Provincial Infrastructure Stimulus Fund

## DISCUSSION

### 1. Background

On January 27, 2009, the Honorable Jim Flaherty Federal Minister of Finance presented the Government's Budget for the 2008/09 fiscal year. The announcement included several measures intended to address the economic environment including a \$4 billion Federal Infrastructure Stimulus Fund, for which applications are due by May 1, 2009.

This report will focus primarily on the Infrastructure Stimulus Fund. However, Council should be aware that staff is also preparing a list of projects eligible for funding under the Infrastructure Funding for Social Housing Renovation and Retrofit program. This fund is subject to different criteria and a May 8<sup>th</sup> application deadline. Staff will report back at a future date on the applications submitted under the Infrastructure Funding for Social Housing Renovation and Retrofit program.

The additional measures created in response to the global economic crisis that are not subject of discussion in this report include: the Green Infrastructure Fund, the Recreation Infrastructure Fund and the expedition of committed funding under the existing Canada Build Fund – Intake Two. Staff will continue to monitor the status of these funds and will provide further details at a later date.

The provincial and federal governments have been working in partnership to develop the necessary agreement required for the Infrastructure Stimulus Funds to flow through to municipalities in Ontario. On April 14, 2009 the joint application process and guidelines were announced, however, the turn-around time for applications to be submitted is extremely short, with all applications due on or before May 1, 2009.

The program calls for federal funding for 1/3 of the eligible project costs and Ontario is to contribute an amount equal to that contributed by Canada. On an exceptional basis, the federal share of funding may be up to 50 percent of total eligible project costs. The criteria calls for shovel ready projects with preference being given to those where 50 percent of the funds can be spent by March 31, 2010, and all projects must be substantially completed by March 31, 2011. Also the ability for a given project to leverage additional capital will be considered when making project selection, since there is no cap to the amount of federal or provincial funding that could be made available to an individual project funded under the Infrastructure Stimulus Fund.

All the eligible recipients are required to submit appropriate information necessary to determine if the project is construction-ready and likely to be substantially completed by March 31, 2011 (as stated above). According to the Infrastructure Stimulus Fund Guidelines, a project is deemed to have been substantially completed once all major construction work has been completed and the infrastructure is ready to be used for intended purpose.

The Infrastructure Stimulus Fund guidelines further stipulate that all proponents are required to attest, in conjunction with their project application, that the work to be undertaken is an incremental construction activity that would not otherwise have been constructed by March 31, 2011 were it not for this funding. Additionally, prior to final eligibility approval of this funding, all the proposed projects must be duly authorized or endorsed by a council resolution.

The main focus of the Infrastructure Stimulus Fund has remained the same as stated in the budget, with emphasis on the rehabilitation or retrofit of existing infrastructure, or the

construction of new infrastructure assets. The following are eligible project categories for Local Government Assets under the Infrastructure Stimulus Fund:

- i. Water and Waste Water Infrastructure;
- ii. Public Transit Infrastructure;
- iii. Local Road Infrastructure;
- iv. Disaster Mitigation Infrastructure;
- v. Solid Waste Management Infrastructure;
- vi. Brownfield Redevelopment Infrastructure;
- vii. Cultural Infrastructure;
- viii. Airport Infrastructure;
- ix. Port and Cruiseship Infrastructure;
- x. Municipal Buildings;
- xi. Parks and Trails.

In addition to the above criteria, any project receiving federal and provincial funding may require environmental assessment standards to be met (including the Canadian Environmental Assessment Act) in order to be considered for eligibility under the Infrastructure Stimulus Fund. This will be determined based on the supplementary information submitted as a part of the application guideline.

Furthermore, municipalities in excess of 100,000 people may submit an unlimited number of applications for consideration under the Infrastructure Stimulus Fund; whereas municipalities and communities with less than 100,000 will be restricted to three project submissions. Although the Region does qualify for the unlimited number of applications, the proposed projects can not be bundled or grouped; rather, a separate application is required for each and every project. This application process presented staff with a laborious task and very tight deadlines to be met. A detailed list of the projects staff felt most closely meet the guidelines is attached as Appendix I.

It must also be clarified that not all of the costs associated with the proposed projects will be reimbursed under the Infrastructure Stimulus Fund. The list provided below represents all the ineligible costs as specified by the Infrastructure Stimulus Fund guidelines:

- i. Cost incurred prior to the date of approval of project, as indicated in writing to the applicant by the federal and provincial minister;
- ii. Costs incurred for projects that are intended to be substantially completed after March 31, 2011;
- iii. Land acquisition, leasing land, buildings, equipment and other facilities, real estate fees and related costs;
- iv. Financing charges, legal fees and loan interest payments (including those related to easements (e.g. surveys));
- v. Any goods and services which are received through donations or in-kind;
- vi. Employee wages, benefits, overhead costs as well as other direct or indirect operating, maintenance and administrative costs incurred by the ultimate recipient for the eligible project(s), and more specifically costs relating to services delivered directly by permanent employees of the ultimate recipient, or a Crown corporation or corporation owned and controlled by the ultimate recipient; and
- vii. Provincial Sales Tax and Goods and Services Tax, for which the ultimate recipient is eligible for a rebate, and any other costs eligible for rebates.

Due to the rigorous eligibility criteria and extremely tight deadlines of the Infrastructure Stimulus Fund and the Infrastructure Fund for Social Housing Renovation and Retrofit, the Acting CFO will require authorization to approve awards and amendments for projects over \$250,000

(exclusive of applicable taxes) which are approved through these programs. Staff will report back with a summary of all awards issued under the Infrastructure Stimulus Fund.

## 2. Findings

After consulting with various program areas, staff has compiled a list of projects that are believed to most closely match the strict requirements. The total list of the Region's eligible infrastructure projects considered for the funding application contains a broad cross section of Regional programs including water and sewer, roads and facilities. The detailed list of projects which have been submitted through the application process is attached as Appendix I of this report.

## FINANCIAL IMPLICATIONS

Should the submitted projects be successfully selected for funding under the Infrastructure Stimulus Fund, the Region is committed towards 1/3 of the total eligible project cost, with the other 2/3 being shared between the Federal and Provincial governments. The Region is financially responsible for all of the ineligible project costs incurred as a result of this undertaking. Staff will report back to Council once the outcome of the application process is known with a list of the approved projects.

Appendix 1 below shows the recommended list of projects and the funds required by the Region, should the complete list be approved. The Region's funding obligation would be \$70.307 million, which is the sum of the Municipal Funding plus the Ineligible Funding. The majority of these projects represent acceleration of items in the Region's Ten Year Plan.

## CONCLUSION

The Infrastructure Stimulus Fund offers an opportunity for significant investment and job creation to occur in the Region while at the same time allowing for the development of new or retrofit of existing public infrastructure. With this in mind staff has submitted the recommended list of projects as outlined in Appendix I to the Infrastructure Stimulus Fund Office before the May 1, 2009 deadline. Prior to accepting any funds for successful applications through this program, Council will be required to pass a resolution supporting the projects.



Norma Trim  
Acting Chief Financial Officer  
and Commissioner of Corporate Services

## Approved for Submission:



---

D. Szwarc, Chief Administrative Officer

April 29, 2009

**APPLICATION PROCESS FOR FEDERAL / PROVINCIAL INFRASTRUCTURE STIMULUS FUND**

*For further information regarding this report, please contact  
Rob Elliott at extension 4218 or via email at [rob.elliott@peelregion.ca](mailto:rob.elliott@peelregion.ca)*

c. Legislative Services

April 29, 2009

## APPLICATION PROCESS FOR FEDERAL / PROVINCIAL INFRASTRUCTURE STIMULUS FUND

## Infrastructure Stimulus Funding - Option List

## Acceleration of 10 Year Plan

<u>Project Description</u>	<u>Total Project Budget \$</u>	<u>Municipal Funding \$</u>	<u>Ineligible Funding \$</u>
1 Road Resurfacing on Airport Road from Steeles Ave. to Queen St.	3,327,000	1,109,000	0
2 Road Resurfacing on Dixie Road from Hwy. 401 to Derry Rd.	6,723,000	2,241,000	0
3 Road Resurfacing on Cawthra Road from Lakeshore Rd. to North Service Rd.	3,031,000	1,010,333	0
4 Road Resurfacing on Hwy. 50 from Countryside Dr. to Coleraine Dr.	1,204,580	401,527	0
5 Road Resurfacing on King Street from Creditview Rd. to Mississauga Rd.	429,390	143,130	0
6 Road Resurfacing on Mayfield Road from McLaughlin Rd. to Mississauga Rd.	900,000	300,000	0
7 Meadowvale North Pumping Station Expansion	7,467,000	2,489,000	0
8 Silverthorn Pumping Station Improvements and Upgrades	3,271,000	1,090,333	0
9 Palgrave - Caledon East Watermain Interconnection	4,184,590	1,394,863	0
10 Repair and Replacement of Watermains in Mississauga	36,786,050	7,847,691	13,242,978
11 Repair and Replacement of Watermains in Brampton	25,129,762	5,361,016	9,046,714
12 Port Credit Trunk Sewer and Forcemain	8,832,800	848,000	6,288,800
13 Intermodal Sewage Pumping Station Pump Replacement	550,000	55,556	383,333
14 Clarkway Drive Trunk Sewer from Castlemore Rd. to Countryside Dr.	4,738,249	1,579,416	0
15 McVean Drive Trunk Sewer from Castlemore Rd. to Countryside Dr.	4,485,775	1,495,258	0
16 Major Repairs and Rehabilitation works to Municipal Facilities at Copper Rd.	1,596,000	425,600	319,200
17 New Police - Fleet Garage and Inventory Stores Facility	10,000,000	3,000,000	1,000,000
18 Malton Paramedic Satellite Station	900,000	266,667	100,000
<b>Totals for Projects Within the 10 Year Plan</b>	<b>\$ 123,556,196</b>	<b>\$ 31,058,390</b>	<b>\$ 30,381,026</b>

## Not Within 10 Year Plan

<u>Project Description</u>	<u>Total Project Budget \$</u>	<u>Municipal Funding \$</u>	<u>Ineligible Funding \$</u>
19 Road Resurfacing on the Forks of the Credit Road from Hurontario Street to app. 6 km westerly	3,900,000	1,300,000	0
20 Replacement of Roof Membrane at Beckett Sproule Reservoir	1,500,000	\$500,000	0
21 Reservoir Rehabilitation Project - East Brampton Cells 1 & 2	1,000,000	\$333,333	0
22 Reservoir Rehabilitation Project - East Brampton Cells 3 & 4	1,200,000	\$400,000	0
23 Reservoir Rehabilitation Project - Meadowvale North Cells 1 & 2	850,000	\$283,333	0
24 Reservoir Rehabilitation Project - Silverthorn Reservoir	1,500,000	\$500,000	0
25 Water Servicing for Campbell's Cross and Victoria	5,151,300	\$1,717,100	0
26 Lionhead Pumping Station Decommissioning and Gravity Sewer Connection	1,500,000	\$500,000	0
27 Renovation of the existing Peel Heritage Complex	10,000,000	\$3,333,333	0
<b>Totals for Projects Outside of the 10 Year Plan</b>	<b>\$ 26,601,300</b>	<b>\$ 8,867,100</b>	<b>\$ -</b>

<b>Totals for All Projects Applying for Infrastructure Stimulus</b>	<b>\$ 150,157,496</b>	<b>\$ 39,925,490</b>	<b>\$ 30,381,026</b>
---------------------------------------------------------------------	-----------------------	----------------------	----------------------