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DATE: June 9, 2009

REPORT TITLE: **INFRASTRUCTURE STIMULUS FUNDING (ISF) APPROVAL**

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

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### **RECOMMENDATION**

**That the Regional Chair write to the Federal and Provincial Governments and thank them for the Federal / Provincial Infrastructure Stimulus Funding (ISF) that has been awarded to the Region of Peel in the amount of \$89.713 million;**

**And further, that the allocation of \$46.276 million, equivalent to 1/3 of total project cost, be approved;**

**And further, that staff be authorized to amend the 2009 Capital Budget and ten year Capital Plan to accommodate the approved projects, for the total of \$135.989 million;**

**And further, that the Chief Financial Officer provide council with regular updates on the progress of these projects.**

### **REPORT HIGHLIGHTS**

- The 2009 Federal budget announced a \$4 billion Infrastructure Stimulus Fund (ISF)
- The application process and guidelines were made available on April 14, 2009
- Applications for 27 projects were submitted by the May 1, 2009 deadline
- On May 7, 2009 Council resolution endorsed the May 1, 2009 applications
- On June 5, 2009, the Region of Peel was awarded \$89.713 million of Infrastructure Stimulus Funding
- Council must now approve the Region's portion of the funding in the amount of \$46.276 million for projects approved for ISF
- The total value of projects under the ISF program will be \$135.989 million
- Projects must be substantially completed by March 31, 2011

### **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, which announced a \$4 billion Federal Infrastructure Stimulus Fund, for which applications were due by May 1, 2009.

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The provincial and federal governments worked together and on April 14, 2009 the joint application process and guidelines were announced. The program called for federal funding for 1/3 of the eligible project costs and Ontario was to contribute an amount equal to that contributed by Canada. The criteria called for shovel ready projects with preference being given to those where 50 percent of the funds could be spent by March 31, 2010, and all projects would have to be substantially completed by March 31, 2011. The Infrastructure Stimulus Fund guidelines further stipulated that all proponents were required to attest, in conjunction with their project application, that the work to be undertaken would be an incremental construction activity that would not otherwise have been constructed by March 31, 2011, were it not for ISF funding.

Staff compiled a list of 27 proposed projects and subsequently submitted their applications by the May 1, 2009 deadline set in the guidelines. These projects were later endorsed by a council resolution on May 7, 2009; RECOMMENDATION GC-64-2009.

On June 5, 2009 it was announced that the Region of Peel was awarded \$89.713 million for 24 of the 27 applications for Infrastructure Stimulus funding. Staff is now seeking council approval to bring forward the 1/3 funding that is required from the Region, in order to begin these projects. In total, Regional requirements are in the amount of \$46.276 million. Of that, \$37.692 million has already been recognized within the Regions 10 Year Plan, however, there is additional funding required in the amount of \$8.584 million that has not been recognized within the 10 Year Plan.

## 2. Findings

The ISF funding approved for the region will be a significant investment in the Region. It will boost our economy through the creation of over 1,600 jobs and make it possible for us to enhance our roadways, water and sewer systems, as well as some important public facilities.

## FINANCIAL IMPLICATIONS

By accepting the approval of \$89.713 million of ISF, the region is committed to fund 1/3 or \$46.276 million 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. Funding will be made available from a number of reserve and reserve funds, including growth related development charge reserve funds, non growth related capital financing / infrastructure reserves, as well as working fund reserves. Staff will determine appropriate sources of funds as project details emerge throughout the process.

\$37.692 million of this sum has already been recognized within the Regions 10 Year Plan, and thus represents an acceleration of items in the Region's 10 Year Plan. However, there is additional funding required in the amount of \$8.584 million that has not been recognized within the 10 Year Plan.

The 2009 Capital Budget will be amended to include the total funding of \$135.989 million.

The Province and Federal governments have the right to cancel funding in whole or in part, and further, they shall have the right to be repaid any funding advanced, in whole or in part, for any project that is not substantially completed by the end of the program in March 31, 2011.

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Appendix 1 shows the list of approved projects and the funds required by the Region.

**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 is recommending that council support and approve funding for the list of projects which was approved by the Federal and Provincial governments for ISF.



Norma Trim  
Chief Financial Officer  
and Commissioner of Corporate Services

**Approved for Submission:**



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D. Szwarc, Chief Administrative Officer

*For further information regarding this report, please contact  
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c. Legislative Services

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INFRASTRUCTURE STIMULUS FUNDING (ISF) APPROVAL

**Approved Infrastructure Stimulus Funding - Project Listing**

**Acceleration of 10 Year Plan**

<b>ISF Project ID</b>	<b>Project Description</b>	<b>Total Project Budget \$</b>	<b>Federal Funding \$</b>	<b>Provincial Funding \$</b>	<b>Peel's Required Contribution</b>
2155	Road Resurfacing on Airport Road from Steeles Ave. to Queen St.	3,327,000	1,109,000	1,109,000	1,109,000
2268	Road Resurfacing on Dixie Road from Hwy. 401 to Derry Rd.	6,723,000	2,241,000	2,241,000	2,241,000
2310	Road Resurfacing on Cawthra Road from Lakeshore Rd. to North Service Rd.	3,031,000	1,010,334	1,010,333	1,010,333
2320	Road Resurfacing on Hwy. 50 from Countryside Dr. to Coleraine Dr.	1,204,580	401,527	401,527	401,526
2333	Road Resurfacing on King Street from Creditview Rd. to Mississauga Rd.	429,390	143,130	143,130	143,130
2338	Road Resurfacing on Mayfield Road from McLaughlin Rd. to Mississauga Rd.	900,000	300,000	300,000	300,000
2299	Meadowvale North Pumping Station Expansion	7,467,000	2,489,000	2,489,000	2,489,000
2336	Silverthorn Pumping Station Improvements and Upgrades	3,271,000	1,090,333	1,090,333	1,090,333
2668	Palgrave - Caledon East Watermain Interconnection	4,184,590	1,394,863	1,394,863	1,394,864
2696	Repair and Replacement of Watermains in Mississauga	36,786,050	12,262,016	12,262,016	12,262,018
2712	Repair and Replacement of Watermains in Brampton	25,129,762	8,376,587	8,376,587	8,376,588
2658	Intermodal Sewage Pumping Station Pump Replacement	550,000	183,334	183,333	183,333
2436	Clarkway Drive Trunk Sewer from Castlemore Rd. to Countryside Dr.	4,738,249	1,579,417	1,579,416	1,579,416
2665	Major Repairs and Rehabilitation works to Municipal Facilities at Copper Rd.	1,596,000	425,600	425,600	744,800
2453	New Police - Fleet Garage and Inventory Stores Facility	10,000,000	3,000,000	3,000,000	4,000,000
2341	Malton Paramedic Satellite Station	900,000	266,666	266,666	366,666
<b>Totals for Projects Within the 10 Year Plan</b>		<b>\$ 110,237,621</b>	<b>\$ 36,272,807</b>	<b>\$ 36,272,804</b>	<b>\$ 37,692,007</b>

**Not Within 10 Year Plan**

<b>ISF Project ID</b>	<b>Project Description</b>	<b>Total Project Budget \$</b>	<b>Federal Funding \$</b>	<b>Provincial Funding \$</b>	<b>Peel's Required Contribution</b>
2360	Road Resurfacing on the Forks of the Credit Road from Hurontario St. to app. 6 km westerly	3,900,000	1,300,000	1,300,000	1,300,000
2351	Replacement of Roof Membrane at Beckett Sproule Reservoir	1,500,000	500,000	500,000	500,000
2372	Reservoir Rehabilitation Project - East Brampton Cells 1 & 2	1,000,000	333,333	333,333	333,334
2404	Reservoir Rehabilitation Project - East Brampton Cells 3 & 4	1,200,000	400,000	400,000	400,000
2505	Reservoir Rehabilitation Project - Silverthorn Reservoir	1,500,000	500,000	500,000	500,000
2724	Water Servicing for Campbell's Cross and Victoria	5,151,300	1,717,100	1,717,100	1,717,100
2578	Lionhead Pumping Station Decommissioning and Gravity Sewer Connection	1,500,000	500,000	500,000	500,000
2270	Renovation of the existing Peel Heritage Complex	10,000,000	3,333,334	3,333,333	3,333,333
<b>Totals for Projects Outside of the 10 Year Plan</b>		<b>\$ 25,751,300</b>	<b>\$ 8,583,767</b>	<b>\$ 8,583,766</b>	<b>\$ 8,583,767</b>

<b>Totals for All Projects Applying for ISF</b>		<b>\$ 135,988,921</b>	<b>\$ 44,856,574</b>	<b>\$ 44,856,570</b>	<b>\$ 46,275,773</b>
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