



INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
DATE:	April 18, 2018
SUBJECT/REPORT NO:	Public Transit Infrastructure Fund Phase Two (PTIF II) (FCS18048) (City Wide)
WARD(S) AFFECTED:	City Wide
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

Council Direction:

Not applicable.

Information:

On March 14, 2018, the Honourable Amarjeet Sohi, Minister of Infrastructure and Communities, and the Honourable Bob Chiarelli, Ontario Minister of Infrastructure, announced the signing of a bilateral agreement that will provide more than \$11.8B through the Investing in Canada Plan over the next decade in federal funding dedicated to infrastructure projects.

This Plan includes Public Transit Infrastructure Fund Phase II with investments in public transit in Hamilton of \$511.0M with funding support from Canada of \$204.4M, Ontario of \$168.6M and City of Hamilton of \$138.0M. The News Release is attached as Appendix "A" to Report FCS18048 and the Backgrounder is attached as Appendix "B" to Report FCS18048.

This news follows information previously released on March 22, 2017 in the Federal 2017 Budget with a second phase of federal investments for the rehabilitation, repair and modernization of existing infrastructure. One key element of the plan is \$33B in infrastructure funding to be delivered through bilateral agreements currently being negotiated between the Federal government and each of the provinces and territories.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

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This Federal investment includes four funding streams to be delivered nationally over the next decade (2018 to 2028):

- \$20.1B for public transit – Ontario's allocation is \$8.3B (41%)
- \$9.2B for green infrastructure – Ontario to receive \$2.8B (30%)
- \$1.3B for community, culture and recreation infrastructure – Ontario to get \$407M (31%)
- \$2.4B for rural and northern communities – Ontario to receive \$250M (10%)

Under the integrated bilateral agreements, Canada will invest up to:

- 40% of municipal* and not-for-profit projects;
- 50% of provincial* projects;
- 75% of territorial and Indigenous partners' projects;
- 25% of for-profit private sector projects (except in the Community, Culture and Recreation Stream, where for-profit private sector projects are not eligible).

** For public transit, Canada will provide up to 50% for rehabilitation projects and up to 40% for new public transit construction and expansion projects.*

Provinces will have to cost-share on municipal projects at a minimum of 33.33% of eligible costs. Municipalities will be required to contribute at least 27% of total project costs.

Public Transit Infrastructure Fund Phase Two (PTIF II)

PTIF II will provide funding to address the construction, expansion and improvement of public transit infrastructure and support active transportation projects that integrate "first-mile, last-mile" connectivity with a public transit system. Public transit investments are to enhance mobility options and strengthen communities. In order to focus long-term public transit investments on new construction and expansion, a cap for investment that can be directed to rehabilitation projects is set at 15% nationally. This national cap will allow for regional variation.

Projects must meet one of the following outcomes in order to be eligible for funding:

- Improved capacity of public transit infrastructure
- Improved quality and safety of existing and future transit systems
- Improved access to a public transit system

The provincial and territorial allocation is determined by a formula based on ridership (70%) and population (30%). This blended formula balances demands on existing systems, while providing support for expected population growth. Within each jurisdiction, funding will be further allocated to existing public transit systems based solely on their respective ridership, with some flexibility possible to address regional requirements.

The PTIF II allocation for Ontario is \$8,340,401,116 over the next 10 years. As Table 1 demonstrates, approximately 20% of the Federal commitment of \$20.1B will occur over the next four years (2018-2022) with the remainder in the final six years of the program.

Table 1
National Allocation of PTIF II
(millions of dollars)

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	Total
\$950	851	977	1,150	2,003	2,227	2,551	3,068	3,150	3,200	\$20,127
5%	4%	5%	6%	10%	11%	13%	15%	15%	16%	

The bilateral agreement, as announced on March 14, 2018, will provide more than \$11.8B in federal funding dedicated to infrastructure projects with a total value of over \$31B.

The Public Transit stream will provide provinces, territories and municipalities with funding to address the new construction, expansion and improvement and rehabilitation of public transit infrastructure.

Table 2 provides an overview of the maximum transit allocations for Hamilton over the next decade for a total transit investment of nearly \$511M.

Table 2
PTIF II Maximum Allocation in Hamilton over Next 10 Years

Federal Allocation	Provincial Allocation*	Hamilton Contribution	Total
\$204,382,601	\$168,615,646	\$137,958,256	\$510,956,503

* Provincial allocation is assumed based on a 33% cost share with the Government of Canada

Assuming the allocation of funding to Hamilton is cash flowed as per Table 1, Hamilton expects to receive nearly \$75M in senior government transit funding over the next four years (2018-2022). With Hamilton's required 27% funding share of \$27M, nearly \$102M will be invested in local transit by 2022.

Staff will report back on funding terms and conditions once the PTIF Transfer Payment Agreement (TPA) is provided to the City.

Appendices and Schedules Attached

Appendix "A" – News Release March 16, 2018 - New public transit funding available for transformative infrastructure projects in Hamilton

Appendix "B" – Backgrounder March 16, 2018 - New public transit funding available for transformative infrastructure projects in Hamilton

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