



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	October 16, 2019
SUBJECT/REPORT NO:	Investing in Canada Infrastructure Program – Community, Culture and Recreation Stream Intake (FCS19080) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	John Savoia (905) 546-2424 Ext. 7298
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That the projects listed in Appendix “A” to Report FCS19080, be approved as the City of Hamilton’s submission for consideration to the Ontario Ministry of Infrastructure for the approximate requested funding amount of \$233.3 M for projects with total project costs of \$318.2 M in accordance with the terms and conditions associated with the Investing in Canada Infrastructure Program, Community, Culture and Recreation Stream;
- (b) That the Mayor and City Clerk be authorized to execute all necessary documentation, including Funding Agreements to receive funding under Investing in Canada Infrastructure Program, Community, Culture and Recreation Stream, with content satisfactory to the General Manager of Corporate Services and in a form satisfactory to the City Solicitor;
- (c) That, where required to give effect and authorize the signing of a Transfer Payment Agreement between the City of Hamilton and Her Majesty the Queen in right of Ontario as represented by the Minister of Infrastructure for the Province of Ontario, to receive funding under Investing in Canada Infrastructure Program, Community, Culture and Recreation Stream, Legal Services staff be directed to prepare a By-law in the form satisfactory to the City Solicitor for consideration by Council;

- (d) That, where required to give effect and authorize the signing of amendments to the Transfer Payment Agreement between the City of Hamilton and Her Majesty the Queen in right of Ontario as represented by the Minister of Infrastructure for the Province of Ontario, to receive funding under Investing in Canada Infrastructure Program, Community, Culture and Recreation Stream, Legal Services staff be directed to prepare By-law(s) in the form satisfactory to the City Solicitor for consideration by Council;
- (e) That, should the City's submission for the Investing in Canada Infrastructure Program, Community, Culture and Recreation Stream, be approved, staff be directed to report back to the General Issues Committee to seek approval of a financing strategy, inclusive of future tax supported levy increases related to eligible project costs between 2021 to 2026 (as outlined in Appendix "A" to Report FCS19080);
- (f) That copies of Report FCS19080 be forwarded to local Members of Parliament and local Members of Provincial Parliament.

EXECUTIVE SUMMARY

On September 3, 2019, the Province announced that it was now accepting funding applications for projects under the Investing in Canada Infrastructure Program's (ICIP) Community, Culture and Recreation (CCR) stream. The funding will go towards investing in community, culture and recreational projects that will help deliver vital services for communities, foster greater social inclusion and improve the quality of life for residents across the province. This announcement follows the signing of the Integrated Bilateral Agreement (IBA) by the federal government of Canada and the provincial government of Ontario for \$11.8 B in federal funding under the Investing in Canada Infrastructure Program (ICIP). The IBA included \$407 M of federal and \$320 M of provincial funding to support community, culture and recreational projects from 2017 to 2028.

The CCR Program is funded by the federal and Ontario governments along with eligible partners such as municipalities, Indigenous communities and not-for-profit groups. The following breakdown defines the maximum cost-share percentages of total eligible costs.

	Percentage
Federal Contribution	40.00
Provincial Contribution	33.33
Applicant Contribution	26.67

The CCR intake is a competitive process. Funding approval is not guaranteed. Priority will be given to projects that are community-oriented, non-commercial and open to the public. Projects must be substantially completed prior to March 31, 2027. Applications and all supporting documentation must be submitted by November 12, 2019. The Province will notify applicants if their project has been selected for nomination to the federal government for review and approval in winter 2020 (estimated). Applicants will be notified of the federal funding decision in spring / summer 2020 (estimated).

In addition to federal criteria, Ontario's objectives for the ICIP CCR stream project intake are noted below. Projects will be assessed based on their alignment with these objectives:

- Meets community and user needs or service gap
- Promotes good asset management planning
- Represents good value for money
- Fosters greater accessibility

Refer to the Analysis and Rationale for Recommendations section of Report FCS19080 for more details on the assessment criteria.

A number of projects were evaluated based upon staff's interpretation of the project approval assessment criteria, as specified within the application process and the CCR Program Guidelines. The proposed projects, as reflected in Appendix "A" of Report FCS19080, reflects the list of 43 projects requesting CCR funding of \$233.3 M, with a City share of \$84.9 M for total project costs of \$318.2 M.

Once the City is notified which projects have been approved, staff will report back to a future General Issues Committee meeting with a financing strategy and related operating budget impacts.

Alternatives for Consideration – N/A

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Appendix "A" of Report FCS19080 reflects the list of 43 projects requesting ICIP CCR funding of \$233.3 M, City share of \$84.9M, total project costs of \$318.2M, with the cashflow of planned expenditures and the estimated Operating Budget impacts for each proposed project submission. The sources of financing of the City's contribution will vary and are dependent on the specific projects approved and the amount of funding approved. Once the City is notified which projects have been approved, staff will report back to Council with a financing plan.

SUBJECT: Investing in Canada Infrastructure Program – Community, Culture and Recreation Stream Intake (FCS19080) (City Wide) – Page 4 of 9

Staffing: Appendix “A” of Report FCS19080 outlines the estimated staffing impacts for each proposed project submission under the ICIP CCR Intake. Once the City is notified which projects have been approved, staff will report back to Council with the related budgetary impacts.

Legal: Successful municipal applicants will be required to obtain a municipal by-law or council resolution to execute the project level transfer payment agreement with the provincial government. The City will have to enter into a Transfer Payment Agreement with the Ministry of Infrastructure should the City be successful with its applications to the CCR Stream intake that will encompass the terms and conditions of the CCR Program.

HISTORICAL BACKGROUND

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 \$11.8 B through the Investing in Canada Plan from 2017 to 2028. The Investing in Canada Infrastructure Fund Program (ICIP) is a federal infrastructure program designed to create long-term economic growth, build inclusive, sustainable and resilient communities and support a low-carbon economy. The IBA included \$407 M of federal and \$320 M of provincial funding to support community, culture and recreational projects from 2017 to 2028.

On September 3, 2019, the Province announced that it was now accepting funding applications for projects under the Investing in Canada Infrastructure Program's (ICIP) Community, Culture and Recreation (CCR) stream. The funding will go towards investing in community, culture and recreational projects that will help deliver vital services for communities, foster greater social inclusion and improve the quality of life for residents across the province. Community infrastructure is defined as publicly accessible, multi-purpose spaces that bring together a variety of different services, programs and / or social and cultural activities to reflect local community needs.

The CCR Program is funded by the federal and Ontario governments along with eligible partners such as municipalities, Indigenous communities and not-for-profit groups. The following breakdown defines the maximum cost-share percentages of total eligible costs.

	Percentage
Federal Contribution	40.00
Provincial Contribution	33.33
Applicant Contribution	26.67

The CCR intake is a competitive process. Funding approval is not guaranteed. Priority will be given to projects that are community-oriented, non-commercial and open to the public. Projects must be substantially completed prior to March 31, 2027. Applications and all supporting documentation must be submitted by November 12, 2019. The Province will notify applicants if their project has been selected for nomination to the federal government for review and approval in winter 2020 (estimated). Applicants will be notified of the federal funding decision in spring/summer 2020 (estimated).

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

Healthy and Safe Communities Department – Recreation Division has provided project proposals for submission consideration under the ICIP CCR Intake.

Public Works Department – Facilities, Landscape Architecture and Energy Initiatives Divisions provided project proposals for submission consideration under the ICIP CCR Intake.

Planning and Economic Development Department – Heritage Resource Management Division provided project proposals for submission consideration under ICIP CCR Intake.

Corporate Services Department – Legal Services provided a review of Report FCS19080.

ANALYSIS AND RATIONALE FOR RECOMMENDATIONS

In addition to federal criteria, Ontario's objectives for the ICIP CCR stream project intake are noted below. Projects will be assessed based on their alignment with these objectives:

- Meets community and user needs: identified and demonstrable community-level need or service gap, including barriers to social inclusion and accessibility for Ontarians with disabilities, and underserved small communities;
- Promotes good asset management: demonstrates optimization of assets, including through multi-purpose and integrated service delivery; aligns with municipal asset management plans (municipalities only);
- Represents good value for money: demonstrated efficiency and value for money. The most cost-effective option for delivering a similar level of service should be sought, maximizing population/communities served;

- Foster greater accessibility: commitment to meeting minimum highest level of accessibility standards; use of Universal Design Principles and innovative solutions to increase accessibility beyond minimum standards.

Required Project Eligibility Criteria:

- a) A project must include a capital component. A project may also include pre-construction planning and design work. However, planning and design work are not eligible as stand-alone projects.
- b) A project must meet the outcome of improving access to and /or increasing quality of cultural, recreational and / or community infrastructure for Ontarians. Facilities must be publicly accessible.
- c) A project must meet the following minimum technical requirements:
 - i. Project meets federal criteria and is aligned with provincial objectives and priorities
 - ii. Demonstrated organizational capacity to implement the project
 - iii. Demonstrated ongoing financing to manage operating pressures without creating operating and / or capital cost-pressures for the Province, municipalities, Consolidated Municipal Service Managers and District Social Service Administration Boards, from new infrastructure
 - iv. Demonstrated availability of cost-shared funding to proceed with project
 - v. Demonstrated project readiness
 - vi. Operational plan developed (alignment with asset management plans for municipal projects)
 - vii. Demonstrated community need for proposed project/service (e.g. service delivery gap / lack of access to services)

Eligible asset types:

- recreation facilities (e.g. hockey arenas, multi-purpose recreation centres, playing fields except for a professional or semi-professional sport facility that is primarily a commercial operation, such as those that serve major junior hockey leagues)
- cultural facilities (e.g. theatres, libraries, museums, cultural centres, civic squares, performing arts centres)
- community centres / hubs (e.g. multi-purpose spaces that bring together a variety of different services, community centres including recreation facilities)

- education and health facilities advancing Truth and Reconciliation Commission Calls to Action (e.g. funding for new and / or existing Indigenous healing centres, spaces in education facilities for traditional teaching / programming)

Eligible project types:

Multi-Purpose Category

This project category focuses on the principle of integrated service delivery to address identified service gaps. The individual project cap will generally be \$50 M in total project cost, but exceptions may be made in some cases. Eligible projects consist of:

- new build / construction projects
- larger scale renovation
- expansion of existing facilities

Rehabilitation and Renovation Category

This project category focuses on maximizing the funding impact of small-scale projects that would improve the condition of existing facilities. The individual project cap is \$5 M in total project cost. Eligible projects consist of:

- renovation and rehabilitations to address functionality and use of existing facilities
- Small-scale improvements to address accessibility (e.g. hand rails, ramps, accessible doors / parking / elevators, wayfinding and signage etc.)
- Small new build / construction projects of recreation, cultural or community centre infrastructure (e.g. playing fields, tennis courts, small community squares)

Other requirements:

Projects must meet the following other criteria to be considered eligible:

- Capital components must be owned by an eligible entity.
- Projects must be substantially completed by March 31, 2027.
- Projects must be informed by and consistent with an applicants' asset management plan (municipalities only).
- Projects components must meet or exceed the requirement of the highest published accessibility standard in Ontario in addition to applicable provincial building codes and relevant municipal by-laws, and any applicable accessible design guidelines.

- Project components must meet or exceed any applicable energy efficiency standards for buildings outlined in the Pan-Canadian Framework on Clean Growth and Climate Change.
- Asset ownership: Municipalities must attest to owning the infrastructure assets put forward for funding.

A number of projects were evaluated based upon staff's interpretation of the project approval assessment criteria, as specified within the application process and the CCR Program Guidelines. The proposed projects as reflected in Appendix "A" of Report FCS19080 reflect the list of 43 projects requesting CRC funding of \$233.3 M, City share of \$84.9M for total project costs of \$318.2M.

Some of the proposed projects are growth related projects and assumptions about the collection of development charges (DC) and sustainability of DC reserves will be reflected in the future financing strategy. Additional information about the impact of Bill 108, *More Homes More Choice Act*, may also impact these assumptions.

Once the City is notified which projects have been approved, staff will report back to a future General Issues Committee meeting with a financing strategy and related operating budget impacts.

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Healthy and Safe Communities

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

Culture and Diversity

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS19080 – Community, Culture and Recreation Stream Intake Projects Submission

JS/dt