



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

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	December 9, 2020
SUBJECT/REPORT NO:	Investing in Canada Infrastructure Program – COVID-19 Resilience Infrastructure Stream (FCS20103) (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 FCS20103, be approved as the City of Hamilton’s submission for consideration to the Ministry of Infrastructure for the requested funding amount of \$7,434,008 for projects with a total project cost of \$9,464,000 in accordance with the terms and conditions associated with the Investing in Canada Infrastructure Program, COVID-19 Resilience Infrastructure Stream;
- (b) That levy funding capacity resulting from approved grant funding from the Investing in Canada Infrastructure Program, COVID-19 Resilience Infrastructure Stream be reallocated to the Unallocated Capital Reserve (108020);
- (c) That the Mayor and City Clerk be authorized to execute all necessary documentation or advisable, including Funding Agreements to receive funding under Investing in Canada Infrastructure Program, COVID-19 Resilience Infrastructure Stream with content satisfactory to the General Manager of Finance and Corporate Services and in a form satisfactory to the City Solicitor;

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- (d) That staff be authorized and directed to tender and implement projects contained in Appendix “A” to Report FCS20103 upon execution 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 Investing in Canada Infrastructure Program, COVID-19 Resilience Infrastructure Stream;
- (e) That the General Manager of Public Works be authorized to submit future project amendments that may be required to Infrastructure Canada and the Province of Ontario provided that no amendment shall result in the City’s maximum funding share being exceeded;
- (f) 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 the Investing in Canada Infrastructure Program, COVID-19 Resilience Infrastructure Stream, one or more By-law(s) be prepared in the form satisfactory to the City Solicitor for consideration by Council;
- (g) 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, COVID-19 Resilience Infrastructure Stream, one or more By-law(s) be prepared in the form satisfactory to the City Solicitor for consideration by Council.

EXECUTIVE SUMMARY

On October 28, 2020, the Province of Ontario announced it will be providing up to \$1.05 B in combined federal-provincial funding through a new COVID-19 Resilience Infrastructure Stream (Resilience Stream) to build or renovate health and safety related projects in long-term care, education and municipalities. The funding is part of the federal government's Investing in Canada Infrastructure Program and reinforces the commitment of both the federal and provincial governments to protect the health and well-being of individuals and families during the pandemic. It should be noted that funding for the Resilience Stream is to be drawn from existing ICIP funding streams. Ontario is re-allocating funding under the ICIP Green Stream to fund the Resilience Stream.

An allocation-based program will deliver \$250 M to municipalities to address critical local infrastructure needs through the Ministry of Infrastructure. On October 30, 2020, the City was advised that the total eligible allocation for the City is \$7,434,008. Municipalities will not be required to cost-share under this stream.

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The following summarizes the Resilience Stream allocation for Hamilton:

Federal Allocation	Provincial Allocation	Total
80%	20%	100%
\$5,947,206	\$1,486,802	\$7,434,008

Eligible projects under the Resilience stream will fall under four main Categories:

1. Retrofits, Repairs and Upgrades for municipal, provincial, territorial and indigenous buildings, health infrastructure and educational infrastructure;
2. COVID-19 Response Infrastructure, infrastructure to support physical distancing, safety retrofits and expansions;
3. Active Transportation Infrastructure, including parks, trails, foot bridges, bike lanes and multi-use paths; and
4. Disaster Mitigation and Adaptation, including natural infrastructure, flood and fire mitigation, tree planting and related infrastructure.

All projects in Categories 2 and 4 must have a clear rationale in the project description of how they will support responding to the COVID-19 pandemic and / or economic recovery.

Municipalities will have the opportunity to submit projects for review and approval, but eligible costs associated with any given project cannot exceed \$10 M. Projects submitted under the Local Government sub stream also cannot have total eligible costs that exceed the applicant's allocation amount.

For municipalities that have been allocated \$500 K and above, there is a project submission cap of five projects. Projects are limited to one of four categories as outlined above. Municipalities can bundle various assets, within one of the four categories, under one project submission. Total eligible costs for all submitted projects cannot exceed the municipality's allocation.

Project Timelines

- January 7, 2021 – Deadline for applicants with more than one project. Applications and all supporting documentation must be submitted through Grants Ontario.
- Winter / Spring 2021 (estimated) – The Province will review applications on a rolling basis and will notify applicants if their project has been selected for nomination to the federal government for review and approval.

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- Spring 2021 (estimated) – Applicants will be notified of the federal funding decision.
- September 30, 2021 – Construction on projects must have commenced. Contracts must be awarded after federal approval of funding. Contracts awarded before approval of funding are not eligible for reimbursement.
- December 31, 2021 – Projects must be substantially completed (i.e. the assets are ready for use).

Submitted projects must comply with the guidelines outlined in the Program Guide (for details refer to the Analysis and Rationale for Recommendation(s) section of Report FCS20103) to be considered for nomination by the Province to the federal government. No deadline extensions will be considered. Failure to submit applications on time, or where a project does not start and / or complete by the deadlines required by the federal government, will result in the loss of the opportunity to access the Resilience stream allocation.

City staff evaluated a number of proposed projects based on the criteria specified in the ICIP (Resilience Stream) Program Guide and recommend the projects as reflected in Table 1 to Report FCS20103.

TABLE 1

Funding Category	Project Title	Funding Request
Category 1	HVAC Upgrades Program	\$ 3,354,000
Category 2	Public Service Counter Enhancements	1,000,000
Category 3	Gage Park Walkways Redevelopment	1,550,000
Category 3	Andrew Warburton Memorial Park and Pipeline Trail	960,000
Category 3	Cycling Network Enhancements	570,000
Total Submission		\$ 7,434,000

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: As detailed in Appendix “A” to Report FCS20103, City of Hamilton’s ICIP COVID-19 Resilience Infrastructure Stream submission includes projects with total gross project costs of \$9.46 M, funding from the Government of Canada of \$5.95 M, funding from the Province of Ontario of \$1.49 M. The City will have to fund expenditures that exceed the City’s total eligible allocation of \$7,434,008.

Staffing: No identified impact.

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Legal: It is anticipated that the City will be required to enter into a transfer payment agreement with the Government of Ontario to receive the Investing in Canada Infrastructure Program, COVID-19 Resilience Infrastructure Stream Grants, and further may need to enter into other ancillary agreements or pass by-laws to receive funding.

HISTORICAL BACKGROUND

On October 28, 2020, the Province of Ontario announced it will be providing up to \$1.05 B in combined federal-provincial funding through a new COVID-19 Resilience Infrastructure Stream (Resilience Stream) to build or renovate health and safety related projects in long-term care, education and municipalities.

The funding is part of the federal government's Investing in Canada Infrastructure Program (ICIP) and reinforces the commitment of both the federal and provincial governments to protect the health and well-being of individuals and families during the pandemic. ICIP is a 10-year, \$30 B federal, provincial and municipal program that provides funding to improve: public transit; community, culture and recreation; green; and rural and northern community infrastructure. Ontario is investing \$10.2 B in this program. It should be noted that funding for the Resilience Stream is to be drawn from existing ICIP funding streams. Ontario is re-allocating funding under the ICIP Green Stream to fund the Resilience Stream.

The Resilience Stream will deliver:

- \$250 M to municipalities through an allocation-based program to address critical local infrastructure needs, including \$6.5 M that will be directed toward Indigenous and on-reserve education, through the Ministry of Infrastructure in collaboration with the Ministries of Education and Indigenous Affairs;
- Up to \$700 M for education-related projects to be nominated and administered by the Ministry of Education; and
- Up to \$100 M for long-term care projects to be identified and administered by the Ministry of Long-Term Care.

On October 30, 2020, the City was advised that the total eligible allocation for the City is \$7,434,008. Municipalities will not be required to cost-share under this stream. The funding distribution is based on a guaranteed minimum allocation of \$100 K to all 444 municipalities in the Province. Additional “top up” funding has been allocated to municipalities based on a variety of factors including the value of infrastructure and median household income in each municipality. This formula is in alignment with the Ontario Community Infrastructure Fund.

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The following summarizes the Resilience Stream allocation for Hamilton:

Federal Allocation	Provincial Allocation	Total
80%	20%	100%
\$5,947,206	\$1,486,802	\$7,434,008

The federal timelines of this program require all parties to work together quickly to implement funding. Applications will be reviewed and prioritized by the Province based on a rolling intake (i.e. first-come, first-served). However, applications for multiple projects must be submitted to the Province by January 7, 2021.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Not applicable.

RELEVANT CONSULTATION

Healthy and Safe Communities Department - provided project proposals for submission consideration under the Resilience stream.

Public Works Department – provided project proposals for submission consideration under the Resilience stream.

Planning and Economic Development Department – provided project proposals for submission consideration under the Resilience stream.

ANALYSIS AND RATIONALE FOR RECOMMENDATIONS

On October 30, 2020, the City was advised that the total eligible allocation for the City is \$7,434,008 from the recently announced Investing in Canada Infrastructure Program, COVID-19 Resilience Infrastructure Stream.

Eligible projects under the Resilience stream will fall under four main Categories:

Category 1: Retrofits, Repairs and Upgrades for municipal, provincial, territorial and indigenous buildings, health infrastructure and educational infrastructure. Note only project components in or on buildings are eligible for funding – components outside buildings are not. Additionally, non-profits / broader public sector (BPS) are not eligible to partner with a municipality for projects under the asset type Government Building;

Category 2: COVID-19 Response Infrastructure, including building or modifying infrastructure to support physical distancing, safety retrofits and expansions;

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Category 3: Active Transportation Infrastructure, including parks and, trails, foot bridges, bike lanes and multi-use paths; and

Category 4: Disaster Mitigation and Adaptation, including natural infrastructure, flood and fire mitigation, tree planting and related infrastructure.

All projects in Categories 2 and 4 must have a clear rationale in the project description of how they will support responding to the COVID-19 pandemic and / or economic recovery.

For municipalities that have been allocated \$500 K and above, there is a project submission cap of five projects. Projects are limited to one of four categories as outlined above. Municipalities can bundle various assets, within one of the four categories, under one project submission. Total eligible costs for all submitted projects cannot exceed the municipality's allocation.

Municipalities will have the opportunity to submit projects for review and approval, but eligible costs associated with any given project cannot exceed \$10 M. Projects submitted under the Local Government sub stream also cannot have total eligible costs that exceed the applicant's allocation amount.

Funding for the Resilience stream cannot be stacked with other ICIP funding to support projects. Additionally, recipients cannot apply for funding under the Resilience stream with a project already approved under a different ICIP stream.

Municipalities and / or one of their partners must attest to owning the capital components infrastructure assets put forward for funding. Where the municipality is partnering with another organization, they must attest that either the lead applicant (municipality) or the partner owns the infrastructure asset. The municipality must be the Ultimate Recipient, even if they do not own the asset. The indicated owner of the asset must retain ownership for the duration of the Asset Disposal Period (i.e. five (5) years after the project is substantially completed).

Municipalities must comply with environmental assessment and determination obligations, as well as, Indigenous consultation obligations and modern treaty obligations.

Eligible projects must begin by September 30, 2021 and be completed by December 31, 2021. Contracts must be awarded after federal approval of funding. Contracts awarded before approval of funding are not eligible for reimbursement.

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The following projects are deemed ineligible under the Resilience stream:

- Tourism infrastructure (e.g. visitor information centre, etc.)
- Facilities that are home to a professional sports team
- Stand-alone planning projects (planning costs can be included as part of a project but cannot be its own project)
- Any project which has already started construction or contracts awarded
- Projects submitted under other Investing in Canada Infrastructure Program streams that have been nominated to the federal government
- Projects submitted under the Ontario Ministry of Long-Term Care and Ministry of Education COVID-19 funding streams

A number of projects were evaluated, based upon staff's interpretation of the criteria as specified within the application processes and the Program's guidelines. As such, Table 2 to Report FCS20103 reflects the projects for Council's endorsement of the projects submitted under the Resilience stream.

TABLE 2

Funding Category	Project Title	Total Project Cost	Funding Request
Category 1	HVAC Upgrades Program	\$ 3,689,000	\$ 3,354,000
Category 2	Public Service Counter Enhancements	1,100,000	1,000,000
Category 3	Gage Park Walkways Redevelopment	1,705,000	1,550,000
Category 3	Andrew Warburton Memorial Park and Pipeline Trail	2,400,000	960,000
Category 3	Cycling Network Enhancements	570,000	570,000
Total Submission		\$ 9,464,000	\$ 7,434,000

Staff reviewed projects that potentially could be submitted under Category 4 (Disaster Mitigation and Adaptation). Given the substantial completion deadline of December 31, 2021 and that tenders are recommended to not be issued prior to federal funding approval; no application submission is recommended under Category 4. It should be noted that in April 2019, the City received federal funding of \$12.74 M from the Disaster Mitigation Adaption Fund towards its Shoreline Protection Resilience project. This project budgeted with a total project cost of \$31.85 M, with the remaining \$19.11 M funded by the City (refer to Report FCS19038), is a multi-year project with construction to occur from 2020 to 2027.

Funding decisions are expected to be announced in Spring 2021, pending federal approval timelines.

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If the projects in the City’s submission in Table 2 are approved, there may be revenues in the approved project budgets available to be transferred to the Unallocated Capital Levy Reserve (108020) for future capital investments.

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.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS20103 – City of Hamilton ICIP Resilience Infrastructure Stream Projects Submission

JS/dt