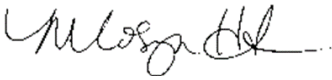
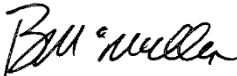




CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Transit Division
and
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	November 28, 2022
SUBJECT/REPORT NO:	Investing in Canada Infrastructure Program, Public Transit Stream - Allocation of Funding Balance (PW19083(a)/FCS18048(b)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Tanya Detmar (905) 546-2424 Ext. 1855 Craig Webb (905) 546-2424 Ext. 1870
SUBMITTED BY:	Maureen Cosyn Heath Director, Transit Public Works Department
SIGNATURE:	
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That Transit Staff be authorized and directed to submit project application(s) for the remaining Investing in Canada Infrastructure Program – Public Transit Stream funding allocation of \$6,280,500 to the Province by January 2, 2023;
- (b) That the amended Financing Strategy for the Investing in Canada Infrastructure Program attached as Appendix “A” to Report PW19083(a)/FCS18048(b), be approved;
- (c) That the operating budget related to approved ICIP projects as shown in Appendix “B” to Report PW19083(a)/FCS18048(b), be incorporated in the Tax Supported Operating Budget for the appropriate fiscal year;

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Allocation of Funding Balance (PW19083(a)/FCS18048(b))
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- (d) That the Mayor and Clerk be authorized to execute all necessary documentation and associated ancillary documents including Funding Agreements, to receive funding under Investing in Canada Infrastructure Program, Public Transit Stream with content satisfactory to the General Manager, Public Works and in a form satisfactory to the City Solicitor;
- (e) That where required to give effect and authorize the signing of a Transfer Payment Agreement and including any amendments between the City of Hamilton and His Majesty the King in right of Ontario as represented by the Ministry of Transportation for the Province of Ontario, to receive funding under the Investing in Canada Infrastructure Program, Public Transit Stream, Legal staff be directed to prepare a By-law in the form satisfactory to the City Solicitor for consideration by Council;
- (f) That staff be authorized and directed to tender and implement projects contained in Appendix “A” to Report PW19083(a)/FCS18048(b) upon execution of a Transfer Payment Agreement between the City of Hamilton and His Majesty the King in right of Ontario as represented by the Minister of Transportation for the Province of Ontario to Receive Funding Investing in Canada Infrastructure Program, Public Transit Stream;
- (g) That the Mayor and Clerk be authorized and directed to enter into and/or execute, on behalf of the City of Hamilton, all agreements and necessary ancillary documents required for Investing in Canada Infrastructure Program, Public Transit Stream as contained in PW19083(a)/FCS18048(b) with content acceptable to the General Manager, Public Works, and in a form satisfactory to the General Manager, Finance and Corporate Services and the City Solicitor; and
- (h) That staff be directed to prepare all By-law(s) to authorize and implement Investing in Canada Infrastructure Program, Public Transit Stream projects as contained in report PW19083(a)/FCS18048(b), including those By-laws necessary to negotiate, place and secure all required capital funding.

EXECUTIVE SUMMARY

On July 11, 2022, the Province of Ontario informed the City of Hamilton (City) of two (2) changes to the Investing in Canada Infrastructure Program (ICIP) that were highlighted in the Government of Canada’s 2022 Federal Budget, specifically:

- **Program Extension**

In recognition of the impact of the COVID 19 emergency, the Government of Canada has extended the deadline for substantial completion of projects from

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October 2027 to October 2033. The extended timeline applies to new and existing projects.

- **Accelerated Timelines to Submit Applications**
The deadline to fully commit the remaining ICIP funding allocation has been accelerated. This means the previously communicated deadline of March 28, 2024, has been cancelled and final applications to allocate the remaining ICIP funding must be submitted to the Province by November 30, 2022. Notwithstanding the announcement, due to the 2022 Municipal Election and the observed Restricted Acts Period, Hamilton has been granted a deadline extension to January 2, 2023, to submit project applications

Hamilton has \$6,280,500 in unallocated funding in the Investing in Canada Infrastructure Program – Public Transit Stream. Staff are requesting approval to submit the 2 project applications noted below and contained in Appendix “A” attached to Report PW19083(a)/FCS18048(b) for funding approval.

- Transit Hub Planning & Development \$1,280,500; and
- Integrated Transit Accessible Vehicles \$5,000,000

These projects will expend the remaining funding allocation and leverage \$4,605,490 of senior government grants for transit projects that will improve the quality, safety, and capacity of public transit in Hamilton.

Alternatives for Consideration – See Page 8

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Appendix “A” attached to Report PW19083(a)/FCS18048(b) includes the Financing Strategy for the remaining allocation of \$4,605,490 under the Investing in Canada Infrastructure Program – Public Transit Stream. The submission for use of these funds includes two (2) projects: Transit Hub Planning & Development and Integrated Transit Accessible Vehicles; with a gross cost of \$6,280,500. The municipal share of the projects, totalling \$1,675,010, are proposed to be funded through the Unallocated Capital Levy Reserve. Funds will be set aside from the Capital Levy in future capital budgets to ensure sufficient funding is available in the reserve to meet the City’s financial obligations under the program.

Operating budget impacts for these capital projects of \$1,641,000, as reported in Appendix “B” attached to Report PW19083(a)/FCS18048(b), will impact the Transit Tax Supported Operating Budget in the years 2024 through 2028. These impacts include \$739,000 in maintenance costs,

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\$259,000 in fuel costs and \$643,000 in contributions to reserve to replace vehicles in future years.

Staffing: N/A

Legal: The City will be required to enter into an amended transfer payment agreement with the Government of Ontario to receive the Investing in Canada Infrastructure Program, Public Transit Stream grants.

HISTORICAL BACKGROUND

The Investing in Canada Infrastructure Program (ICIP), announced on March 14, 2018, 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 Public Transit Stream of ICIP is intended to primarily build new urban transit networks and service extensions that will transform the way Canadians move, live and work.

The following table summarizes the maximum funding allocation available to Hamilton.

Federal Allocation	Provincial Allocation	Hamilton Contribution	Total
40%	33.33%	26.67%	100%
\$204,382,600	\$170,301,801	\$136,272,099	\$510,956,500

In October 2019, Hamilton submitted applications to the Province for a series of projects including fleet replacement and acquisition, a secondary maintenance and storage facility with related works on Birch Avenue, A Line priority measures and active transportation connections, totalling \$504,676,000. The total approved funding allocation was \$510,956,500, with a remaining balance of \$6,280,500 as one project for PRESTO device refresh was not approved.

On July 11, 2022, the Province of Ontario informed the City of Hamilton of two (2) changes to the Investing in Canada Infrastructure Program that were highlighted in the Government of Canada's 2022 Federal Budget.

- i. Program Extension to 2033; and
- ii. Accelerated Timelines to Submit Applications for remaining allocation.

In this regard, the previously communicated application deadline of March 28, 2024, has been cancelled and final applications to utilize remaining ICIP funding must be submitted to the Ministry of Transportation by November 30, 2022. Notwithstanding the announcement, due to the 2022 Municipal Election and the observed Restricted Acts

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Period, Hamilton has been granted a deadline extension to January 2, 2023, to submit project applications for the remaining allocation.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

Corporate Services Department – Financial Planning, Administration and Policy Division and Legal Services Division

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Hamilton must prepare and submit new project applications by the January 2, 2023, deadline or uncommitted funds will be reallocated by Canada to other priorities.

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 system
- Improved access to a public transit system

Based on the ICIP Program Guide, the following projects are recommended to be forwarded for funding approval. These projects will exhaust Hamilton's ICIP funding allocation.

Project 1 – Transit Hub Planning & Development

This project will undertake functional and/or detailed design planning for transit hubs across Hamilton that will support the goals and objectives of the 10 Year Local Transit Strategy and the network redesign through (Re)envision the HSR. While the network redesign is still in its conceptual phase, based on the City's growth plans and considering the desired future-state network, transit hubs and amenities will play an important role in attracting new riders to transit from single occupied vehicles.

Design elements will include transit bus bays, transit shelters, secure bike facilities, wayfinding, benches, PRESTO equipment, lighting, and other amenities as required on a per-location basis to enhance the customer experience, safety, accessibility, and multi-modal travel opportunities.

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Transit Hub locations under review include:

- Ancaster Fairgrounds Gateway (new)
- Centre Mall (new)
- Elfrida Gateway (new)
- Meadowlands Terminal (rehabilitation and expansion)
- Stoney Creek Gateway (rehabilitation and expansion)
- Upper Sherman Loop (new)
- Winona Crossing Terminal (new)

This preparatory design work will ensure Hamilton is ready to implement transit hub infrastructure once Capital Budget and/or additional funding opportunities become available.

The total project cost to be submitted is \$1,280,500.

Project 2 – Integrated Transit Accessible Vehicles

Integrated transit combines different transportation options to maximize choice for customers in terms of convenience, time, comfort, safety and accessibility, while balancing cost and efficiency for the transit agency. It is accomplished by having a variety of different sized vehicles available for use for service options such as paratransit (Accessible Transportation Services) to conventional transit connections, community bussing and on-demand transit.

The existing HSR fleet is fully accessible; all vehicles are equipped with ramps and kneel. The 294-bus fleet is comprised of eleven 30-foot buses, two hundred and thirty-two 40-foot buses, forty-nine 60-foot articulated buses and 2 replica trollies. No on-road supervisory vehicles are accessible (equipped to carry a passenger in a wheelchair) at present.

This project will support HSR in acquiring smaller vehicles, for example, cutaways or 25 footers, for deployment in service and the replacement of four (4) supervisory vehicles with accessible vehicles.

Transit will identify potential geographic zones and connecting high frequency HSR fixed routes where integrated service can be implemented to support efficiency improvements. These efficiency improvements will arise from the combination of demand-responsive booked trips connecting to HSR fixed-route service, demand-responsive service for ATS customers and development of community bus routes for common destinations.

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Four (4) supervisor vehicles will transition to accessible supervisor vehicles to provide for incident response and equipment failure on accessible fixed routes. This is necessary to increase the reliability of an integrated service model and enhance safety, particularly for ATS customers who take some or a portion of their trip on conventional service.

This project will improve systemwide efficiency by right-sizing vehicles to match demand, provide more flexible travel options, encourage the use of accessible fixed-route transit, and enhance customer safety.

The total project cost to be submitted is \$5,000,000

The following summary provides the overall Capital costs associated with the new ICIP projects under consideration and the funding shares being recommended for Project Approval.

Project Description	Total Cost	Cost Sharing Breakdown		
		Federal (40%)	Provincial (33.33%)	City (26.67%)
1. Transit Hub Planning & Development	\$ 1,280,500	\$ 512,200	\$ 426,790	\$ 341,510
2. Integrated Transit Accessible Vehicles	\$ 5,000,000	\$ 2,000,000	\$ 1,666,500	\$ 1,333,500
Total:	\$ 6,280,500	\$ 2,512,200	\$ 2,093,290	\$ 1,675,010

ALTERNATIVES FOR CONSIDERATION

Council can opt not to direct staff to submit new project applications; however, the remaining funding allocation of \$6,280,500 will be forfeited.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Built Environment and Infrastructure

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

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

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APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PW19083(a)/FCS18048(b) – City of Hamilton ICIP Project
Submission and Financing
Strategy

Appendix “B” to Report PW19083(a)/FCS18048(b) – Operating Costs