



City of Hamilton Report for Consideration

To: Chair and Members
Public Works Committee

Date: April 7, 2025

Report No: PW25016

Subject/Title: Investing in Canada Infrastructure Program (ICIP) –
Debt Financing Reappropriation

Ward(s) Affected: City Wide

Recommendations

That debt financing related to Investing in Canada Infrastructure Program (“ICIP”) Public Transit Stream Projects be reappropriated as outlined in Appendix “A” attached to Report PW25016 **BE APPROVED.**

Key Facts

- In 2018, Council approved a financing strategy to fund the City’s matching contribution of the Investing in Canada Infrastructure Program (Public Transit Stream) funded projects, including contributions from tax supported debt.
- In 2023, the province advised municipalities that they could review projects and move funds between them with approval to address price increases, etc.
- Staff completed a review and determined that funds could be reallocated between projects to address cost pressures and uploaded Project Modification requests per delegated authority contained in PW19083-FCS18048(a) Recommendation (e).
- In 2024, the province approved the City’s request to reallocate funding between four Investing in Canada Infrastructure Program projects.
- The City’s Debt Management Policy requires Council approval for the reappropriation of debt and this report seeks that authority.

Financial Considerations

While funds will be shifted between projects, no new debt will be incurred resulting from the recommended reappropriation of the approved Investing in Canada Infrastructure Program debt financing. As such, there is no negative financial impact from approving the recommended reallocations.

Background

In 2018, Hamilton was allocated nearly \$511M in funding under the Investing in Canada Infrastructure Program (Public Transit Stream) and subsequently received approvals to support 10 transit related projects:

Project Name	Amount
HAM-01 Birch Bridge & associated road works	\$39,965,000
HAM-03 Computer Aided Dispatch/Automatic Vehicle Locator	\$9,000,000
HAM-04 Expansion Fleet	\$73,334,000
HAM-05 Active Transportation Connections	\$9,800,000
HAM-06 Aline Priority Bus	\$8,500,000
HAM-07 Replacement Fleet	\$114,077,000
HAM-08 New Maintenance & Storage Facility	\$250,000,000
HAM-09 Transit Hub Development	\$1,280,500
HAM-10 Integrated Accessible Vehicles	\$5,000,000
Total:	\$510,956,500

In July 2023, and because of changing economic conditions, the province announced time-limited flexibilities to reallocate funding between approved projects so that municipalities could maximize use of Investing in Canada Infrastructure Program funds.

In response to this call, the City submitted four project modification requests, which were subsequently approved by the Ontario Ministry of Transportation and Housing, Infrastructure and Communities Canada in late 2024.

Project	Modification	Project Balance
HAM-01 Birch Bridge & road works	-\$28,000,000	\$11,965,000
HAM-08 Maintenance & Storage Facility	+\$28,000,000	\$ 278,000,000
HAM-06 A-Line Priority Bus	-\$5,500,000	\$3,000,000
HAM-04 Expansion Fleet	+\$5,500,000	\$78,834,000

Analysis

After reviewing the budget and scope of all Investing in Canada Infrastructure Program Projects, the Transit Division uploaded project modification requests affecting the following Projects:

HAM-01 Birch Bridge Project: Reduced funding allocation by \$28M. Meetings with Canadian National indicated a shift in their position which would impact timelines for bridge replacement and potentially push project completion beyond the 2033 funding deadline. This would deem the project incomplete and would require the City to forfeit funding. Director of Engineering Services, Jackie Kennedy and Director of Transportation, Carolyn Ryall, have indicated their support to descope funds from this project and will continue work with Canadian National to determine next steps.

HAM-08 Maintenance & Storage Facility: Increased funding allocation by \$28M. The Maintenance & Storage Facility project cost, including construction contract and contingencies, came in approximately ~\$146M over the approved budget through the competitive procurement process. The transfer of funding to this project will help offset the total project cost.

HAM-06 A-Line Priority Bus Measures: Reduced funding allocation by \$5.5M. The project scope included both transit signal priority technology and queue jump lanes. In consultation with Director of Transportation, Carolyn Ryall, it was determined queue jump lanes could be descope so transit signal priority measures could be evaluated as a stand-alone solution prior to constructing physical measures. Queue jump lanes, if/when required, could be submitted in future funding programs or through the city's capital planning process.

HAM-04 Expansion Fleet: Increased funding allocation by \$5.5M. Costs to procure transit vehicles have risen steadily since ICIP funding was introduced. The transfer of funding to this project will help offset cost increases associated with rising bus prices.

As the City's Investing in Canada Infrastructure Program funding share (26.67%) was supported through the city's debt financing plan, the debt requires re-appropriation relative to the changes associated with the four modification approvals. No new debt is incurred with the approval of Report PW25016; it is solely a re-appropriation of the original debt financing to align with approvals.

An amended Transfer Payment Agreement (TPA) between the City and the Province will be required, specifically amendments to Sub-Schedule C.1 which will be forwarded by the Province.

Staffing will not be affected by changes to the reappropriation of debt.

Alternatives

The City's Debt Management Policy requires Council approval for the reappropriation of debt.

Relationship to Council Strategic Priorities

Report PW25016 aligns with the following Council Priorities:

1. Sustainable Economic & Ecological Development
 - 1.1. Reduce the burden on residential taxpayers.

Continued review of funding programs and their associated projects ensures City resources are managed efficiently.

Previous Reports Submitted

- [PW19083-FCS18048\(a\) Investing in Canada Infrastructure Program - Public Transit Stream Grant Program](#)
- [PW19083-FCS18048\(b\) Investing in Canada Infrastructure Program – Transit Stream Allocation of Funding Balance](#)

Consultation

Jackie Kennedy, Director of Engineering Services
Carolyn Ryall, Director of Transportation
Kirk Weaver, Director of Financial Planning, Administration and Policy
Craig Webb, Business Administrator, Corporate Services Department

Appendices and Schedules Attached

Appendix A: ICIP Debt Reappropriations Summary

Prepared by: Tanya Detmar, SPM Transit Capital Planning
Public Works Department, Transit Division/Strategic Planning

Submitted and recommended by: Maureen Cosyn Heath, Transit Director
Public Works Department, Transit Division