



Report to: General Committee June 9, 2014

Date Report Authored: May 28, 2014

---

**SUBJECT:** *New Building Canada Plan - Infrastructure Fund Application*  
**PREPARED BY:** Mavis Urquhart, Business Planning and Innovation (Acting)  
Community and Fire Services  
Robert Muir, Manager, Stormwater, Asset Management

---

**RECOMMENDATION:**

- 1) That the report “*New Building Canada Plan - Infrastructure Fund Application*”, be received;
- 2) That staff be authorized to apply for infrastructure funding for Markham’s flood control program to the Ministry of Infrastructure as soon as applications are formally accepted;
- 3) That a copy of this staff report and Council’s approval, be forwarded to the Ministry of Infrastructure, signaling that Markham’s Flood Control Program is a priority and that Markham intends to apply for funding for it under the *New Building Canada Plan – Infrastructure Fund*;
- 4) That staff report back on how to allocate the funds if a favourable response is received from the Ministry of Infrastructure; and,
- 5) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

The purpose of this report is to seek authorization to apply to the province for Federal government funding under the *New Building Canada Plan - Infrastructure Fund*, for Markham’s Flood Remediation program.

**BACKGROUND:**

The government recently announced that additional Federal infrastructure funding has been made available to provinces, cities and small communities under the \$53 billion *New Building Canada Plan*, which encompasses:

- *Infrastructure Fund*
- *Gas Tax Fund (GTF)*
- *Goods and Services Municipal Tax Rebate, and*
- *Public-Private Partnerships (P3) Fund*

The Infrastructure Fund has been increased from \$8.8 billion over 7 years, to \$14 billion over 10 years.

---

Also, starting in 2014 -15, a 2% permanent index is to be added to *Gas Tax Fund*, while the *GST rebate* and *P3 Canada Fund* programs remain the same.

On May 26, 2014, following an update presentation to Markham General Committee on the stormwater fee implementation and communication plan, staff was directed to apply for a grant for the stormwater program to reduce impact on residents for the costs of flood controls.

### **OPTIONS/ DISCUSSION:**

There are 3 components to *New Building Canada Plan* Infrastructure Fund:

1. **National Infrastructure Component (NIC)** - this for nationally significant projects over \$1 million. Funding available is \$4 billion over 10 years.
2. **Provincial/Territorial Infrastructure (PTIC)** – this for large projects of national, regional and local significance. Funding available is \$9 billion over 10 years (Province of Ontario share is \$2.7 billion over 10 years).
3. **Small Communities Fund (SCF)** – this is only for smaller communities less than 100,000 population.

This City of Markham project funding application would fall under #2 (PTIC) category above.

A list of the NIC projects is identified in Appendix 1. A list of the PTIC projects eligible for Federal funding is identified in Appendix 2.

### **Program Eligibility and Criteria**

Sport, cultural and recreation facilities and local roads are **not** eligible to access this funding, post secondary institutions can now apply, as well as “for-profit” organizations, under certain conditions.

The maximum Federal government contribution **from all sources** is one-third (33.3%) of the total eligible costs of a project, except for:

- provincially-owned Highways and Major Roads and public transit projects (covers 50%);
- projects with for-profit private sector proponents/P3 projects (covers 25%).

Municipalities can no longer use GTF investments as part of their municipal share, so if a project is funded through the Gas Tax Fund and the City is successful in receiving funding from this grant program as well, the total funding received cannot exceed 1/3<sup>rd</sup> of project costs. Public Private Partnerships are strongly encouraged and all projects with total eligible costs over \$1 million will be screened by PPP Canada Inc. to determine if there is value in proceeding as a public/private partnership.

Applications under the NIC component are now being received by Infrastructure Canada.

Because the recommended candidate program falls under PTIC component, funding will flow through the province. At this time, the Ontario government is not yet receiving funding

applications as they are working out the terms of the funding agreement with the Federal government. This report, however, seeks authorization for staff to proceed in anticipation of the province establishing its review process and priorities.

### **Recommended Application for Funding - Markham's Flood Control Program**

PTIC funding is available to support infrastructure projects that contribute to the Federal objectives related to economic growth, a clean environment and stronger communities. The category, Disaster Mitigation Infrastructure, identifies construction and improvements to public infrastructure that prevent, or reduce damage from natural hazards, including climate change, as eligible for funding. Markham's \$186 million Flood Control Program is a large, multi-phase program that will result in many community, economic and environmental benefits that align well with the government's stated objectives and outcomes. These benefits include reducing hazard risks and increasing resiliency to protect residential communities, employment areas and the natural environment from flooding, backups and contamination of waterways. These hazards negatively impact residents, disrupt businesses and degrade the environment.

As a first phase, Staff recommends that funding be allocated to the West Thornhill Stormwater Flood Remediation project.

### **West Thornhill Stormwater Flood Remediation Project – Phase 1**

The West Thornhill community was impacted by a severe storm in August 2005, which exceeded drainage system capacity and contributed to flooding and water quality impacts due to wastewater system overflow. Storm drainage capacity improvements to manage the flooding risk and reduce environmental impacts were identified in a Class Environmental Assessment (EA) Study approved in 2011. The Class EA and an implementation strategy were subsequently approved by Council. This is a multi-phased project with a variety of works, prioritized under an approved Class Environmental Assessment. Construction for Phase 1 is to commence in 2014 and will integrate water quality treatment components within the upgraded drainage system.

## **CONCLUSIONS**

This staff report recommends that staff be authorized to apply for Federal infrastructure funding for Markham's flood control program to the Ministry of Infrastructure under the PTIC component of the *New Building Canada Plan* Infrastructure Fund.

Because the recommended candidate program falls under the PTIC component, Federal funding will flow through the province. At this time, the Ontario government is still working out the terms of the funding agreement with the Federal government. In the meantime, this report, seeks authorization for staff to proceed in anticipation of the province formally receiving applications.

## **FINANCIAL CONSIDERATIONS AND TEMPLATE: (external link)**

Financial considerations are described in this report.

## **HUMAN RESOURCES CONSIDERATIONS**

Not applicable.

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

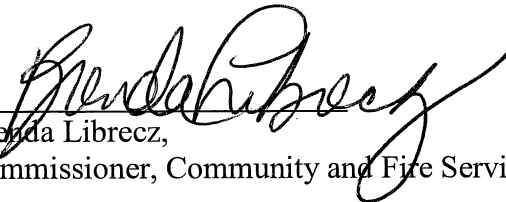
This initiative aligns with the strategic focus by supporting Municipal Services.

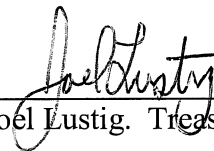
**BUSINESS UNITS CONSULTED AND AFFECTED:**

Finance Department.

**RECOMMENDED**

**BY:**

  
Brenda Librecz,  
Commissioner, Community and Fire Services

  
Joel Lustig, Treasurer

**ATTACHMENTS:**

National Infrastructure Component #1  
Provincial Infrastructure Component #2