Request for Decision
City Council

Greater | Grand Sudbury
www.greatersudbury.ca

Type of Decision

Meeting Date	April 22, 2009			
Decision Requested	x	Yes		No
	Direction Only			

Report Date	April 20, 2009			
Priority	x	High		Low
Type of Meeting	x	Open		Closed

Report Title

Infrastructure Stimulus Fund Application

Policy Implication & Budget Impact

x	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.

A detailed financial plan to fund the municipality's one-third share of the total infrastructure investments will be prepared, once the projects are approved by the Senior Levels of government. Funding options include reserve and reserve funds, future year's capital envelopes, Investing in Ontario Grant, Federal Gas Taxes, reallocation of any internal savings or efficiencies, and/or capital levy.

X	**Background Attached**

Recommendation

WHEREAS the City of Greater Sudbury has a significant Infrastructure funding shortfall of approximately $500 million over the next 10 years;

WHEREAS the 2009 Federal Budget has announced opportunities for infrastructure funding for municipal assets;

WHEREAS the City of Greater Sudbury has already identified in excess of $200 million capital infrastructure projects that can be constructed within the next one to two years;

WHEREAS these local projects if funded by the three levels of government, would require Canadian materials and labour, thus being an effective economic stimulus tool;

WHEREAS infrastructure investments would generate new jobs and spin off benefits which would greatly benefit the local and Canadian economy;

THEREFORE be it resolved that Council approve the list of Shovel Ready Infrastructure Projects and that staff be directed to complete the required Infrastructure Stimulus Fund applications, with a copy to the local MPPs.

	Recommendation Continued

Recommended by the Department

L. Hayes
Chief Financial Officer / Treasurer

Recommended by the C.A.O.

D. Nadorozny
Acting Chief Administrative Officer

Report Prepared By	Division Review

BACKGROUND

The 2009 Federal Budget, established a $4 billion Infrastructure Stimulus Fund that provides funding towards the rehabilitation or construction of provincial, territorial, municipal and community infrastructure projects. Funding is available for two years for projects that can begin construction quickly and be built during the 2009 and 2010 construction seasons.

Municipalities were advised on April 15th, 2009, that they can complete a very short on-line application form for "up to three" projects. These applications are due on May 1, 2009 and it is anticipated that municipalities will be notified shortly thereafter. Prior to the final approval and the conclusion of a financial agreement with the Province, the municipality must provide proof of Council's support for each approved project and the municipal contribution.

The purpose of this report is to:

- Provide a summary of the key highlights from the Infrastructure Stimulus Fund guidelines
- Seek direction from Council regarding the three projects to be submitted by May 1, 2009 under the Infrastructure Stimulus Fund

Also, should the three project limit be removed by the Federal and Provincial government, staff are requesting approval to submit applications for the entire list of additional "shovel ready" projects in Appendix "A".

Council will recall that additional stimulus programs are available under the Green Fund, Recreation Fund, Social Housing and Building Canada. The Green Fund is a five-year fund which will support green projects including generation and transmission of clean energy, carbon capture storage, wastewater treatment, and solid waste management. The Recreation Fund will be administered by the regional development agencies (ie: Fednor) and the maximum federal contribution is $1 million to any one project. Staff will be contacting Fednor for further clarification and information. Staff will prepare additional Council reports as further information becomes available.

Also, Council will recall that staff received direction to submit the Maley Drive Project to the Federal and Provincial government for consideration through the Major Infrastructure Component of the Building Canada Plan. Introductory letters have already been submitted to the Federal and Provincial Infrastructure Ministers. On the April 29th Council agenda staff will submit to Council, for final approval, a detailed project proposal document which must be submitted to the senior levels of government.

I

Infrastructure Stimulus Fund

Funding Allocation

The $4 billion is notionally allocated on a per capita basis for projects in each province and territory. However, should progress be slow, or provinces and territories be unable to match federal funding, funds may be reallocated to federal infrastructure in that province or to other regions of the country where they can be quickly injected into the economy.

Eligible Recipients

Eligible recipients under the Infrastructure Stimulus Fund include:

A. A province, territory or local regional government established by or under provincial or territorial statute;

B. A public sector body that is established by or under provincial or territorial statute or by regulation or is wholly owned by a province, territory or local government;

C. A non-profit private sector entity; and

D. A for-profit private sector entity.

Eligible Projects

Eligible projects under the Infrastructure Stimulus Fund are for the rehabilitation or retrofit of existing infrastructure assets, or the construction of new infrastructure assets, in eligible categories, that can be substantially completed before March 31, 2011. For the purposes of the Infrastructure Stimulus Fund, a project is deemed to have been substantially completed once all major construction work has been completed and the infrastructure is ready to be used for its intended purpose.

To be eligible for funding under the Infrastructure Stimulus Fund, projects will be required to meet requirements with regards to the incrementality of the project, project readiness and merit.

A. Project Incrementality

All eligible recipients will be required to attest, in conjunction with their project application, that the work to be undertaken is an incremental construction activity that would not otherwise have been constructed by March 31, 2011, were it not for funding from the Infrastructure Stimulus Fund. Federal funding could be used to provide missing funding that allows a project to proceed, or could be used to accelerate a project planned for future years to be built by March 2011.

B. Project Readiness

All eligible recipients will be required to provide information necessary to determine if the project is construction-ready and likely to be substantially completed by March 31, 2011.

C. Project Merit

The project's merit will focus largely on the extent to which a project is construction-ready, and for rehabilitation projects, the extent to which the proposed work is needed to maintain the safety and prolong the economic life of assets.

D. Financial leverage

The Government of Canada is seeking to leverage additional funds from either the province, municipality, not-for profit sector or the private sector to provide additional economic stimulus. The ability for a given project to leverage additional capital will be considered when making project decisions as well.

The following are eligible project categories for municipalities:

- Water and Waste Water Infrastructure
- Public Transit Infrastructure
- Local Road Infrastructure
- Disaster Mitigation Infrastructure
- Solid Waste Management Infrastructure
- Brownfield Redevelopment Infrastructure
- Cultural Infrastructure
- Airport Infrastructure
- Port and Cruiseship Infrastructure
- Municipal Buildings

Based on a review of the fund guidelines, the application forms, as well as discussions with senior Provincial staff, bundling of small like projects is not acceptable.

Cost Sharing

Federal funding from the Infrastructure Stimulus Fund for local government and non-profit sector assets will be one-third (33.3%) of total eligible project costs. On an exceptional basis, the federal share of funding may be up to 50 percent (50%) of total eligible project costs. The federal share of the project, from all federal sources (for example, Gas Tax) cannot exceed 50 percent (50%) of total eligible project costs. The Provincial Funding will be one-third (33.3%), leaving the municipal share equal to 33.3%.

It is anticipated that the projects will be approved before the end of May 2009. As directed by the Finance Committee on February 19th, 2009, staff will prepare a financial plan, with options to fund the municipal 1/3 share of the Infrastructure investments.

SUMMARY

Staff is seeking direction from Council regarding the selection of projects to be submitted to the Federal and Provincial governments for consideration under the Infrastructure Stimulus Fund.

Decision #1

Council must select the top three projects for submission under the Infrastructure Stimulus Fund. See Appendix A and B for the list of shovel ready projects that meet the program eligibility requirements.

Decision #2

Should the senior levels of government eliminate the restriction on the number of funding applications, staff is requesting approval from Council to submit all projects detailed in Appendix A. Council may wish to revised Appendix A by eliminating projects or add arena related infrastructure projects from Appendix B.

APPENDIX A

Project	Estimated Cost[1]	Estimated Start Date	Estimated Completion Date	Notes (See attached project descriptions for additional details)	Number of New Jobs Created[2]	Economic Benefits[3]
Infrastructure Stimulus Fund						
MR 86 (Falconbridge Hwy.) Rehabilitation Project	$13,000,000	Jun-09	Nov-10	It is proposed to rehabilitate MR 86 (Falconbridge Highway) for 9.9 km from the Kingsway to Skead road. This arterial route carries 10,500 to 27,000 vehicles per day. It is the major ore route for the mining sector and links the airport to the City's downtown. As part of the capital improvements, two turning lanes will be constructed at high accident driveways, which were budgeted for 2009 and 2010.	148	$18,000,000
MR 55 (Old Hwy 17/Lorne/Douglas/Brady/Kingsway) Rehabilitation Project	$18,100,000	Jun-09	Nov-10	It is proposed to rehabilitate MR 55 for 9.7 km from Power Street to Bancroft Drive. This arterial route carries 19,500 to 45,000 vehicles per day. It provides the westerly link between the Provincial Highway system and the City's core, which includes one of two major east-west arterial routes through the former City.	207	$24,000,000
MR 80 (Paris/Notre Dame) Rehabilitation Project	$11,500,000	Jun-09	Nov-10	It is proposed to rehabilitate MR 80 (Paris Street and Notre Dame Avenue) for 2.7 km from Kathleen Street to York Street. This arterial route carries 21,000 to 31,000 vehicles per day. It is the major north-south arterial route through the former City, and is the major connection for the City to Highway 69 and the proposed four-laning to Southern Ontario.	131	$16,000,000
MR 71 (LaSalle Blvd.) Rehabilitation Project	$14,100,000	Jun-09	Nov-10	It is proposed to rehabilitate MR 71 (LaSalle Boulevard) for 4.5 km from Falconbridge Highway to Notre Dame Avenue. This arterial route carries 17,000 to 36,000 vehicles per day. It is one of two major east-west arterial routes through the former City, and is the major ore route linking the east end of the City with the west.	161	$19,000,000
MR 15 Rehabilitation Project	$20,000,000	Jun-09	Nov-10	It is proposed to rehabilitate MR 15 for 16.4 km from Belisle Drive to Highway 144. This arterial route carries 4,400 to 10,500 vehicles per day. It has become an ore route for the recently opened Nickel Rim Mine and links the communities of Val Caron and Chelmsford. As part of this project three bridges will also be rehabilitated.	228	$27,000,000
Wanapitei Water Treatment Plant Phases 2 & 3	$9,700,000	Mar-10	Mar-11	This project is required to bring the water treatment facility into compliance with the Ontario Drinking Water Standards. The proposed improvements will improve the safety, reliability and efficiency of the plant and, allow the City to continue to meet or exceed the Guidelines for Canadian Drinking Water Quality and Ontario's drinking water quality requirements.	111	$13,000,000

Project	Estimated Cost[1]	Estimated Start Date	Estimated Completion Date	Notes (See attached project descriptions for additional details)	Number of New Jobs Created[2]	Economic Benefits[3]
Transit Garage	$29,000,000	Jun-09	Nov-10	A new transit garage will replace the existing facility to meet the current and future demands of delivery of transit operations. Building a new Transit garage will achieve several municipal, functional, program and operational objectives that are currently lacking in the existing accommodation and delivery of services. A new facility would be constructed near the existing facility and would accommodate 80 buses (20 more than the existing facility). Improvements would be made in design, health and safety, accessibility, efficiency, functionality and expandability	331	$38,000,000
Bell Park/Grace Hartman Amphitheatre & park entrance upgrades	$5,000,000	Sep-09	Mar-11	Bell Park has cultural and recreational significance for many Sudburians. It's location in the heart of the city has provided a natural retreat for many citizens. This project would ensure that the park continues to be a destination for summer activities, is more accessible and the amphitheatre renewal will enhance the park's appeal. Improvements would include rebuilding the existing amphitheatre along with upgrades to the main entrance consisting of access road , pathways , parking , site lighting , box office and perimeter controls.	57	$7,000,000
Northern Water Sports Centre	$5,000,000	Sep-09	Mar-11	This project would see the construction of a 16,000 sq.ft. year round facility that would enable the partners to expand their local programs and host new provincial, national and international competitive aquatic events, attracting athletes and spectators to northern Ontario. The creation of this world class training and coaching facilities will allow the project partners to expand the range and depth of outreach services they can provide to developing aquatic clubs throughout northern Ontario. Community partners have already raised $1M towards the construction of this facility.	57	$7,000,000

[1] - All costs are in 2009 dollars

[2] -Estimates the number of new jobs in the national economy directly created by the specific municipal infrastructure investment.
Based on the Federation of Canadian Muncipalities Infrastructure Calculator, available at http://www.fcm.ca/english/View.asp?x=929

[3] - Estimates the new economic activity, or increased spending within the economy, generated by the specific municipal investment.
Based on the Federation of Canadian Muncipalities Infrastructure Calculator, available at http://www.fcm.ca/english/View.asp?x=929

APPENDIX B

In the event that application requirements are relaxed to permit more than three submissions, the following list is provided to allow Council the option of adding arena related infrastructure projects. Given that the City is limited to submitting only three proposals to the Infrastructure Stimulus Fund, the inability to bundle projects together as a single submission and the relatively low project cost of individual arena projects, the following list of arena projects is not included on the draft list of projects included in Appendix "A".

The municipality currently is facing an immediate capital crisis in terms of funding requirements to retrofit and renew existing areas . The average age of City rinks is 36 years (1971) and significant capital upgrades are required. The existing arenas do not offer the level of amenity now common in modern facilities such as additional dressing rooms. The arena renewal projects will include the construction of an additional dressing room at the majority of the municipal arenas to accommodate girls hockey. Projects also focus on mechanical / electrical upgrades , rink board replacement , new flooring and facade improvements. Projects also include energy and accessibility retrofits.

Arena/Halls Renewal Projects

	Arena Cost	*Hall Cost*	*Total Cost*
Cambrian Arena	$1,958,000	$0	$1,958,000
Coniston Community Centre/Arena	$599,500	$0	$599,500
Dr. Edgar Leclair Community Centre/Arena	$935,000	$80,337	$1,015,337
Chelmsford Community Centre/Arena	$718,000	$100,690	$818,690
I.J. Coady Memorial Arena	$1,210,000	$0	$1,210,000
Countryside Sports Complex	$533,500	$0	$533,500
T.M. Davies Community Centre/Arena	$1,196,967	$89,673	$1,286,640
McClelland Community Centre/Arena	$478,500	$53,190	$531,690
Capreol Community Centre/Arena	$1,091,750	$75,770	$1,167,520
Centennial Community Centre/Arena	$863,500	$114,536	$978,036
Raymond Plourde Arena	$662,750	$0	$662,750
Garson Community Centre	$688,600	$139,140	$827,740
Carmichael Arena	$1,436,050	$0	$1,436,050
Sudbury Community Arena	$2,838,000	$0	$2,838,000
Arena/Halls Renewal Projects Total			***$15,863,453***

The Multi-Use Recreation Complex and the twin padding of Countryside Sports Complex have also been included in this appendix should Council want to consider new arena/playfield infrastructure. Construction plans exist for both projects.

MURC - LaSalle & Frood Road Site [1,2]	***$80,000,000***
Twin Pad - Country Side Site [1,3]	***$37,202,000***

[1] - Includes: Air supported dome for turf field, 3 additional open air fields (one turf, two natural), Splash pad, Basketball court, Skateboard park, Walking trails, Restaurant/concession area.

[2] - Does NOT include aquatics component (approx. cost $18M)

[3] - Includes a small allowance for property acquisition costs, which are ineligible