

City of Mississauga
Corporate Report



<p>Date: August 30, 2024</p> <p>To: Chair and Members of General Committee</p>	<p>Originator's files:</p>
<p>From: Geoff Wright, P.Eng, MBA, City Manager and Chief Administrative Officer</p>	<p>Meeting date: September 18, 2024</p>

Subject

Canada Public Transit Fund Update

Recommendation

That the corporate report dated August 30, 2024 from the City Manager and Chief Administrative Officer, entitled "Canada Public Transit Fund Update" be received for information.

Executive Summary

- The Canada Public Transit Fund (CPTF), launched on July 17, 2024, will provide \$3 billion annually (nationwide) in permanent federal public transit funding to support public transit and active transportation infrastructure beginning in 2026/27.
- Funding will be distributed through three-streams: Baseline Funding, Metro-Region Agreements, and Targeted Funding.
- Applicants for Baseline Funding and Metro-Region Agreements will be required to take actions that directly unlock housing supply.
- As part of a two-stage application process, the City of Mississauga has submitted an Expression of Interest to the Baseline Funding stream prior to the September 16, 2024, deadline. A formal invitation to submit a Capital Plan Application and communication of a notional allocated is pending.
- Further information on the Metro-Region Agreement process will be provided by the province who is leading the submission of an Expression of Interest. A formal launch of the Targeted Funding stream has yet to take place.

Background

In February 2021, the federal government announced a plan to establish the creation of a Permanent Public Transit Fund now called Canada Public Transit Fund (CPTF). Launched on July 17, 2024, the CPTF will provide \$3 billion annually (nationwide), in permanent federal

public transit funding to support public transit and active transportation infrastructure beginning in 2026/27.

The CPTF aims to provide stable and predictable funding to achieve long-term transit goals, specifically to:

- Increase the use of public transit and active transportation relative to car travel.
- Increase the housing supply and affordability as part of complete, transit-oriented communities.
- Help mitigate climate change and improve climate resilience.
- Improve public transit and active transportation options for all, especially Indigenous People and equity-deserving groups.

Funding will be distributed through three streams:

1. Baseline Funding

Offers stable, predictable funding to communities seeking transit-related funds for routine growth and rehabilitation and will include capital transit and active transportation infrastructure projects on non-capital projects (e.g., planning or design). Intake opened upon launch of the CPTF.

2. Metro-Region Agreements

Offers predictable funding to support partnerships between provinces and large urban areas with the highest demand for public transit and active transportation, and where travel patterns often cross municipal boundaries. Agreements encourage long-term integrated planning, and a commitment to work together to make informed, impact focused investments. The City of Mississauga is currently awaiting further information from the Province's Ministry of Transportation who is leading the formation of Metro-Regions and submission of an Expression of Interest.

3. Targeted Funding

Offers flexible, call-specific funding to address federal priorities that meet local needs, building on previous transit programs such as the Active Transportation Fund and Zero-Emission Transit Fund. This stream has not yet launched for application intake.

Applicants for Baseline Funding and Metro-Region Agreements will be required to take actions that directly unlock housing supply, based on best practices from the Housing Accelerator Fund. This includes measures to:

- Eliminate all mandatory minimum parking requirements within 800 metres of a high-frequency transit line.
- Allow high-density housing within 800 metres of a high-frequency transit line.
- Allow high-density housing within 800 metres of post-secondary institutions.

- Complete a Housing Needs Assessment for all communities with a population greater than 30,000.

Baseline Funding Stream Details

The Baseline Funding stream has an annual envelope of approximately \$500 million (nationwide), with allocations determined based on a formula that considers both ridership and population metrics. The federal contribution is up to 40% of eligible costs for capital projects and up to 80% for non-capital projects (e.g., planning, design). Projects receiving funding from the Canada Community Building Fund, CMHC, or Canada Infrastructure Bank may use these funds as a top-up to reach a maximum federal contribution of 100%. Funding will be delivered through multi-year contribution agreements aligned with community capital plans.

To be eligible for Baseline Funding, the applicant must have at least three years of historical ridership, population served, and capital investment data, must operate a public transit system with fixed-route service, have a minimum annual capital expenditure of \$100,000 and serve a minimum ridership of 30,000 annually.

The Baseline Funding application process has two stages:

1. Expression of Interest (EOI): assesses eligibility and determines notional allocations. Housing conditions do not need to be met at this stage. The City of Mississauga submitted an EOI prior to the September 16, 2024, deadline. No project specific information is required for the EOI.
2. Application: following closure of the EOI, an invitation to submit a capital plan application will be provided to eligible applicants and includes communication of a notional allocation. Capital Plan applications must outline a community's planned use of Baseline Funding over several years and meet other program conditions. Detailed information on the application stage is not yet available.

For more information, please refer to Appendix– CPTF - Baseline Funding Guide.

Comments

MiWay is seeking to capitalize on the Baseline Funding that is being offered through the CPTF. There are three key streams of transit infrastructure projects that would benefit: a new zero emission bus storage and maintenance facility, growth related fleet and customer-facing transit infrastructure projects.

- MiWay's two existing garages are currently operating at capacity and are home to the existing diesel and hybrid-electric fleet. With continued growth in service to support both Council direction and the Province's Housing Strategy and with the need to meet the City's Climate Change Action Plan emission reduction targets, MiWay requires the construction of a third transit garage. The third garage will be constructed as a zero-emission facility and will be located at 7300 West Credit in the northwest end of the City.

The detailed design and construction costs of this facility are currently unfunded. A high-level order of magnitude cost estimate for the design and construction of the third garage is upwards of \$500 million.

- Funding investments are also required for growth related buses to support the increased ridership numbers and service growth. The construction of the third garage will provide the storage capacity to house these new buses and support the transition of buses from the hybrid-electric fleet to zero emission buses. A high-level order of magnitude cost estimate for the purchase of Fuel Cell Electric Buses (FCEB's) is \$340 million.
- MiWay is also continuously improving the customer experience through transit infrastructure projects that facilitate the customer journey. As service grows and as ridership continues to increase, MiWay will require funding to support the customer facing infrastructure projects that can include new and/or upgrades to transit stations/terminals, transit priority infrastructure and customer amenities at bus stops and terminals. A high-level cost estimate for building new or upgrading and expanding stations/terminals and including Operators facilities, increasing on-road transit infrastructure priorities and upgrading of customer amenities would range between \$70 to \$80 million.

The City is currently waiting for the funding guidelines related to the Metro-Region Agreement stream. Below is the list of potential projects that are in consideration for this stream of funding and the staff will reassess the projects once the detailed information becomes available.

- Investment in a new priority east/west corridor providing vital rapid transit that connects our key employment and commercial areas to established and growing residential areas. The City is currently in the process of identifying this priority corridor.
- Continuing to expand our BRT network with investments in Dundas West BRT providing key linkages to UTM, dedicated BRT lanes along Dundas from the Mississauga border to the Kipling subway station to complete the linkage from the Dundas East BRT in Mississauga into the TTC system improving the efficiency inter-municipal transit connections; and dedicated BRT lanes along Lakeshore from the Mississauga border to the Long Branch streetcar loop to complete the linkage from the Lakeshore BRT in Mississauga into the TTC system improving the efficiency inter-municipal transit connections
- Development of a new multi-system City Centre Transit Terminal in downtown Mississauga. The new terminal would provide a more integrated regional transit hub bringing together Mississauga, Brampton and GO Transit services along with the new Hazel McCallion line providing vital interregional connections beyond the GTHA and Person International Airport.

Once the detailed application guideline become available for these funding streams, staff will provide an update report to Council on the actual projects to submit based on the application criteria.

Financial Impact

There is no direct financial impact as a result of this corporate report.

Conclusion

The CPTF offers a stable and predictable federal funding opportunity to support the City of Mississauga's public transit and active transportation infrastructure. It also aligns with the City's Transportation Master Plan, Climate Change Action Plan, and Growing Mississauga: An Action Plan for New Housing.

Upon receiving an invitation to apply for Baseline Funding, staff will update Mayor and Council on the application process, the project selection criteria, and the final recommended project submissions. Additionally, staff will provide updates as more information becomes available on the Metro-Region Agreement and Targeted Funding streams.

Attachments

Appendix 1: CPTF - Baseline Funding Guide



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