

City of Mississauga
Corporate Report



<p>Date: November 27, 2020</p> <p>To: Mayor and Members of Council</p>	<p>Originator's files:</p>
<p>From: Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer</p>	<p>Meeting date: December 9, 2020</p>

Subject

Investing in Canada Infrastructure Program (ICIP) - COVID-19 Resilience Infrastructure Stream

Recommendation

1. That the report dated November 27, 2020 entitled "Investing in Canada Infrastructure Program (ICIP) – COVID-19 Resilience Infrastructure Stream" from the Commissioner of Corporate Services and Chief Financial Officer be received.
2. That staff be directed to prepare and submit applications for projects identified in Appendix 2 entitled "ICIP – COVID-19 Resilience Infrastructure Stream Recommended Project List" under the Investing in Canada Infrastructure Program – COVID-19 Resilience Infrastructure Stream".
3. That staff be granted the authority to single-source as required on approved ICIP COVID-19 Resilience Infrastructure Stream projects to the satisfaction of legal and materiel management in order to meet program completion timelines.
4. That PN's be created where required for the projects identified in Appendix 2 upon Federal Government approval.

Report Highlights

- The Investing in Canada Infrastructure Program (ICIP) is a 10-year cost-shared federal infrastructure program providing \$33B in federal infrastructure funding. This report addresses the newly launched COVID-19 Resilience Infrastructure stream.
- On August 5, 2020 the Federal government announced that it would be adapting the ICIP program in order to respond to the impacts of COVID-19. As a result, a new temporary COVID-19 Resilience Infrastructure stream was developed with over \$3B available in existing funding.
- The new ICIP stream provides provinces and territories the flexibility to transfer up to 10% of original ICIP stream allocations to the COVID-19 Resilience Infrastructure stream. For

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Ontario this maximum allocation is \$1.184B.

- Mississauga's allocation under the new stream is \$14,847,170. Applications are required to be submitted for provincial and federal government review and approval by January 7, 2021. A maximum of 5 project applications can be submitted by the City for consideration. Appendix 2 outlines the list of recommended projects.

Background

The Investing in Canada Infrastructure Program (ICIP) is a ten-year federal infrastructure program designed to create long-term economic growth, build inclusive, sustainable and resilient communities and support a low-carbon economy.

Through ICIP, the Federal government is providing \$33B in federal infrastructure funding to cost-share projects under the following four streams:

- Public Transit
- Green Infrastructure
- Community, Culture and Recreation
- Rural and Northern Communities (the City is not eligible under this stream)

Present Status

On August 5, 2020 the Federal government announced that it would be adapting ICIP in order to respond to the impacts of COVID-19. As a result a new temporary COVID-19 Resilience Infrastructure stream, with over \$3B in existing funding, was created to provide provinces and territories with added flexibility to fund quick-start, short-term projects that might not otherwise be eligible under the existing funding streams.

Delivered through bilateral agreements, this new stream provides provinces and territories the ability to transfer up to 10% of their original stream allocations to the new COVID-19 Resilience Infrastructure stream to help mobilize their remaining funds under ICIP. For Ontario, this maximum allocation is \$1,184,648,346.

On October 28, 2020, the Provincial government announced up to \$1.05B in combined federal-provincial funding through the new COVID-19 Resilience Infrastructure stream. This funding has been re-allocated from the ICIP Green stream.

The COVID-19 Resilience Infrastructure stream will deliver:

- Up to \$700M for education-related projects to be nominated and administered by the Ministry of Education;
- Up to \$100M for long-term care projects to be identified and administered by the Ministry of Long-Term Care; and

- An allocation-based program that will deliver \$250M to municipalities to address critical local infrastructure needs, including \$6.5M that will be directed toward Indigenous and on-reserve education, through the Ministry of Infrastructure in collaboration with the Ministries of Education and Indigenous Affairs.

Investments under the COVID-19 Resilience Infrastructure Stream are to support public infrastructure, defined as tangible capital assets, including temporary infrastructure related to pandemic response, primarily for public use and/or benefit.

To be eligible, projects must fit within a specific a project category and asset type:

- Category 1: Retrofits, Repairs and Upgrades for municipal, provincial, territorial and indigenous buildings, health infrastructure and educational infrastructure;
- Category 2: COVID-19 Response Infrastructure, including building or modifying infrastructure to support physical distancing, safety retrofits and expansions;
- Category 3: Active Transportation Infrastructure, including parks and, trails, foot bridges, bike lanes and multi-use paths; and
- Category 4: Disaster Mitigation and Adaptation, including natural infrastructure, flood and fire mitigation, tree planting and related infrastructure.

All projects in Category 2 and 4 must have a clear rationale of how they will support responding to the COVID-19 pandemic and/or economic recovery. Appendix 1 outlines all eligible project categories, asset types and sub-asset types.

In addition, projects must start construction no later than September 30, 2021; and must have substantially completed construction by December 31, 2021. Projects cannot start nor have contracts awarded before federal approval is received. Federal approval is anticipated spring 2021.

Municipal Allocation Program

All 444 municipalities in Ontario are eligible to apply for funding under the COVID-19 Resilience Infrastructure stream. Each municipality will receive a minimum allocation of \$100,000, with some municipalities receiving additional funding determined through indicators, similar to Ontario's Community Infrastructure Fund, such as core infrastructure value, total weighted assessment, and median household income. Mississauga's total allocation is \$14,847,170.

The Federal government will be responsible for cost-sharing 80% of project costs and the remaining 20% will be cost-shared by the Province. Municipalities will not be required to participate in cost-sharing, to ensure they receive as much fiscal support as possible.

While this is an allocation based program, applications are required to be submitted for approval by January 7, 2021. As a municipality that is receiving greater than \$500k, the City is permitted to submit up to 5 project applications. The total eligible cost of all projects cannot exceed the municipal allocation and each project's eligible costs cannot exceed \$10 million.

Applicants can bundle projects, which have the same ultimate recipient, project category and asset type as noted above. Bundled projects can include multiple sub-asset types. Each bundle counts towards the municipalities' project application cap.

Comments

City staff has completed a review of projects to determine the best approach to maximize the ICIP funding allocation while ensuring that the identified projects meet the eligibility criteria, project cost limitations and substantial completion date requirements.

No extensions will be considered. If applications are not submitted on time, or the project does not start and/or complete by the deadlines required by the Federal government, the municipality will lose any opportunity to access their funding allocation.

Appendix 2 provides a detailed list of recommended ICIP COVID-19 Resilience Infrastructure stream projects.

Financial Impact

If all ICIP COVID-19 Resilience Infrastructure stream projects are approved as submitted, the City expects to receive its full allocation of \$14,847,170 from federal and provincial partners. Funding will be provided through a claims based process and has no cost-sharing requirement from the municipality.

Conclusion

The ICIP COVID-19 Resilience Infrastructure Stream offers the City an opportunity to complete short-term infrastructure projects that require no municipal funding contribution and strengthen accessible public infrastructure for the future.

Based on the information and recommendations provided in this report, staff will complete funding applications for the projects endorsed by Council prior to the submission deadline. Upon notification of successful applications, staff will bring a report forward to Council in order to enter into a Transfer Payment Agreement with the Province.

Projects will provide the below relief per funding category:

Fund Category Description	Total (\$Ms)
DC Funded	5.93
Tax Funded	4.82
Federal Gas Tax	0.16
Debt Management	0.35
Not Funded	3.59
Total	14.85

Attachments

Appendix 1: ICIP COVID-19 Resilience Infrastructure Stream Eligible Project Categories, Asset Types and Sub-Asset Type

Appendix 2: ICIP – COVID-19 Resilience Infrastructure Stream Recommended Project List



Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer

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