

THE REGIONAL MUNICIPALITY OF YORK

**REPORT NO. 4
OF THE REGIONAL
COMMISSIONER OF FINANCE**

**For Consideration by
The Council of The Regional Municipality of York
on November 22, 2001**

1

SENIOR GOVERNMENT PARTNERSHIP FUNDING FOR CAPITAL PROJECTS

1. RECOMMENDATIONS

It is recommended that this report be received for information.

2. PURPOSE

The purpose of this report is to provide Council with information regarding the senior government funding announcements for capital projects under the Canada-Ontario Infrastructure Program (COIP) and the Province of Ontario's Superbuild Partnership Program.

3. BACKGROUND

The Province established the Ontario Superbuild Corporation in November, 1999 as the central agency responsible for strategic management of the government's entire capital infrastructure envelope, including transfers to municipalities, hospitals and educational institutions for capital purposes.

Since inception, the Province has offered three partnership initiatives with municipalities totalling \$1.4 billion to be funded over five years under the Ontario Small Town and Rural (OSTAR), Sports, Culture and Tourism Partnerships (SCTP), and Millennium Initiatives.

In October 2000, the Prime Minister announced the signing of the "Infrastructure Canada-Ontario Partnership and Investments" program (also known as Canada-Ontario Infrastructure Program). Under this program approximately \$681 million of federal funding will be available to municipalities over a period of six years. This commitment was to

supplement the \$1.4 billion of funding to be provided by the province under the Superbuild Program.

These funds exclude the \$1 billion previously committed by the federal and provincial governments to the Toronto Waterfront project.

In September 2001, the Premier of Ontario proposed a new partnership among the Province, the Government of Canada and municipalities to facilitate building \$9.0 billion of additional transit infrastructure. The announcement indicated that the Province would provide \$3 billion of new funding for transit capital needs over ten years, which also included the establishment of an operating authority to take responsibility for 100 per cent of GO Transit's operating and base capital funding. Under this proposal the municipalities' share of transit capital costs would also be \$3 billion. MTO staff have advised that the distribution of these funds will be announced shortly.

4. ANALYSIS AND OPTIONS

4.1 Funding Available to York Region – Provincial Component

The \$1.4 billion funding initially committed by the Province under the Superbuild program include the following three initiatives:

- (i) Ontario Small Town and Rural (OSTAR) - \$600 million
 - \$240 million of the total amount is currently earmarked for projects required to comply with new Drinking Water Protection Regulations
- (ii) Sports, Culture and Tourism Partnerships (SCTP) - \$300 million
 - Includes upgrades to capital assets used for sport, recreation, cultural, heritage and tourism purposes. Projects can include expansion, renovation, as well as improvements to bring facilities up to public health and safety standards
- (iii) Millennium Initiative - \$500 million, split as follows:
 - Eight urban areas outside the GTA and Golden Horseshoe regions for strategic infrastructure projects - \$250 million
 - GTA and Golden Horseshoe Transit Investment Partnership Fund (GTIP) - \$250 million

4.2 Funding Available to York Region- Federal Component

Funding provided under the Canada-Ontario Infrastructure Program may be used for any of the initiatives identified in this report.

The OSTAR initiative is currently the only project for which each level of senior government has agreed to one-third of the funding. OSTAR projects by definition are geared to smaller municipalities and have typically included water and wastewater treatment facilities.

Since the Province has committed \$600 million towards this program, the federal government could be required to allocate a similar amount out of the announced \$681 million under COIP.

The federal government's commitment under the SCTP and Millennium initiatives will be determined on a case by case basis up to a maximum of one-third of the cost of the project.

Some federal funding may be available through Millennium's GTA and Golden Horseshoe Transit Investment Partnership Fund, however the level of commitment and funding formula have yet to be determined. With respect to the SCTP, funding from this source would be limited at best, since it relates to programs not normally provided by the Region.

In conclusion, funding for Regional purposes from the \$681 million previously announced by the federal government will be limited due to commitments to OSTAR and allocations to SCTP and other urban areas.

5. FINANCIAL IMPLICATIONS

As certain aspects of the funding for capital projects are still to be determined, a clear determination of the financial implications is not possible at this time. Based on information received to date, federal participation in the transit infrastructure program has not been committed match the Province's contribution.

This report summarizes the limited information available to date. As more information is released by the senior government agencies involved, regional staff will prepare updates to this report as required.

It should be noted that the 2002 Business Plan and Budget and Capital Forecast have been prepared on the basis of one-third provincial funding for Transit Capital Projects.

6. LOCAL MUNICIPAL IMPACT

A determination of the local municipal impact of these funding announcements by the provincial and federal government will be delayed pending further information from the senior government agencies involved.

7. CONCLUSION

The federal and provincial governments have proposed initiatives to assist municipalities fund major capital improvements under the Canada-Ontario Infrastructure Program and Ontario's Superbuild Partnership Program. Eligibility criteria and the method to access those funds still need clarification from senior government officials and Regional staff will report further as information is provided.

Respectfully submitted,

**November 21, 2001
Newmarket, Ontario**

**Sandra Cartwright
Commissioner of Finance**

***(Report No. 4 of the Commissioner of Finance was adopted, without amendment,
by Regional Council at its meeting on November 22, 2001.)***