



PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 7**

**Halifax Regional Council  
August 11, 2009**

**TO:** Mayor Kelly and Members of Halifax Regional Council

A handwritten signature in blue ink, appearing to read "P. Townsend".

**SUBMITTED BY:** \_\_\_\_\_  
Phillip Townsend, Director, Infrastructure and Asset Management

**DATE:** July 28, 2009

**SUBJECT:** Federal Funding Programs

## INFORMATION REPORT

### ORIGIN

On July 7, 2009 Regional Council requested an update on various federal infrastructure funding programs that relate to HRM, and the status of applications made under the programs.

## **BACKGROUND**

There were a number of new funding opportunities announced by the federal government in its January 2009 budget. Many of these are “economic stimulus” programs intended to have a short-term effect and combat the recession. However there are also some programs that are longer-term or permanent in nature. This report gives an overview of each of the major funding programs for which HRM is eligible, and the status of any applications HRM has made. There are other funding programs available, most of which have more specific mandates. Staff continues to seek opportunities that align with HRM’s infrastructure priorities and specific capital project needs.

The following report provides a status update on HRM's applications to the following programs:

- Build Canada Major Infrastructure
- Infrastructure Stimulus
- Recreation Infrastructure Canada (RInC)
- Gas Tax
- Public Transit
- Municipal Rural Infrastructure Fund (MRIF)
- National Historic Sites
- Eco-Mobility

## **DISCUSSION**

Economic stimulus programs all have a deadline of March 31, 2011 for project completion. The reason for the deadline is so money can be injected into the economy quickly to counter the effects of the recession. Originally, projects not complete by that date would have the federal contribution clawed back. This was a concern for HRM, along with many other municipalities, as despite the June 11, 2009, federal report card stating that 80% of economic stimulus funding is being implemented, it appears that some of this funding may only have been nominally allocated and is not yet being used. HRM’s funding is a case in point: The report card says \$14 million has been given to HRM and CBRM, however there are no “shovels in the ground” yet due to the lack of an agreement among HRM and the Provincial and Federal governments on which projects will be funded. The FCM has been advocating for an extension of the March 31, 2011 deadline, and in July the federal Minister of Infrastructure announced a change in funding rules. Projects still must be complete by March 31, 2011 to be eligible and applications must attest to this, the federal government no longer plans to claw back their share should a project encounter delays, as long as the municipality commits to completing the project as soon as possible. The federal government will pay its share of costs up to the March 31, 2011 deadline and will not provide funding beyond that date.

The existing Building Canada Fund for Major Infrastructure projects has essentially been turned into a stimulus fund by accelerating its allocation, but its deadline for project completion is 2015.

Following is a list of some of the federal funding programs that relate to infrastructure and that apply to HRM.

**Economic Stimulus Programs**

**Building Canada: Major Infrastructure Fund**

This program applies to major municipal infrastructure projects. There is no formal application process. Municipalities are to submit their priority projects, and federal and provincial governments will decide which projects will receive funding.

\$25 million is estimated to be the federal contribution to all of Nova Scotia from this fund (provincial and municipal cost-sharing required). Applications made under this program assume equal cost-sharing among Federal, Provincial, and Municipal partners and are summarized below:

<b>Project</b>	<b>Project Cost</b>	<b>External Funding Requested</b>	<b>Status</b>
Halifax Central Library	\$55,000,000	\$36,666,666	application submitted April 29/09
New Woodside Ferry	\$12,000,000	\$8,000,000	application submitted April 29/09

**Infrastructure Stimulus Fund**

The stimulus fund is aimed at shovel-ready projects and projects must be completed by March 31, 2011.

Eligible projects in the municipal sector include water & wastewater, transit, roads, bridges, parks & trails, solid waste, and culture. The primary focus is on rehabilitation of infrastructure, but new construction is also eligible. In addition to provincial and municipal governments, eligible applicants include public sector, not-for-profit organizations and, in limited cases, private companies

There is no call for applications; rather, existing programs will be used wherever possible to accelerate approvals and flow funding. Funding is expected to be available by July 2009.

\$14 million is available from federal government for HRM and CBRM (provincial and municipal cost-sharing required). HRM initially applied for funding on the Four-Pad Arena. When that application was rejected by the Federal government, the following application under this program was submitted:

<b>Project</b>	<b>Project Cost</b>	<b>External Funding Requested</b>	<b>Status</b>
Roads, Sidewalks, Trails, and Traffic Infrastructure	\$30,479,687	\$20,319,791	application submitted July 24/09

**Other Infrastructure Funding Programs**

**Recreation Infrastructure Canada (RInC)**

This program funds new construction, renewal and upgrades of community recreation facilities. Projects will be selected based on merit and construction readiness. Calls for Proposals begin in Spring 2009 with funding expected in summer 2009.

Projects are to be cost-shared with federal government providing one-third to a maximum of \$1 million. Nova Scotia's share of the \$500 million available in this fund is estimated to be \$12.8M. Applications made under this program are summarized below:

<b>Project</b>	<b>Project Cost</b>	<b>External Funding Requested</b>	<b>Status</b>
Centennial Pool Retrofit	\$3,100,000	\$1,000,000	application submitted May 27/09
East Region (Burnside) Artificial Field Support Facility	\$2,100,000	\$700,000	application in development
Bedford Lions Outdoor Pool Upgrades	\$350,000	\$117,000	application in development
Halifax Wanderers Grounds Field Support Facility ('Dry' Canteen)	\$800,000	\$200,000	application in development
Sports Court Upgrades	\$772,000	\$257,000	application in development
Halifax North Common	\$1,392,000	\$464,000	application in development

Lake Banook Improvements	\$3,600,000	\$1,000,000	application in development
Various Trails Development	\$2,250,000	\$750,000	application in development
Various Major Facilities Upgrades	\$4,690,000	\$1,000,000	application in development

**Gas Tax Fund**

Municipal Gas Tax allocation has been doubled and made a permanent increase. This program is “block funded”, which means HRM can direct funding to eligible projects and submit annual expenditure reports to verify program criteria are met. Eligible project categories include public transit, water and wastewater systems, solid waste, community energy systems, active transportation infrastructure, and capacity building projects focused on collaboration and/or use of new technology.

HRM’s allocation for 2009/10 is \$25,604,043, of which \$5.1 million has been committed to water and wastewater projects submitted by Halifax Water. HRM’s gas tax funds have not been tied to specific projects yet, pending confirmation of active applications under RInC and Economic Stimulus. Gas tax funding was factored into developing the 2009/10 Gross Capital Budget and the project-by-project application will be the subject of an Information Report this Fall.

The Canada-Nova Scotia Infrastructure Secretariat has recently confirmed HRM’s gas tax funding for the next four years at \$24,661,265 per year. This will be the subject of a new Municipal Funding Agreement that will be brought to Council in Spring 2010.

**Public Transit Funds**

This is a combination of two funds: Federal Public Transit Capital Trust and the Canada-Nova Scotia Agreement on the Transfer of Federal Public Transit Fund, which were consolidated by the Province. This is another block-funded program - HRM directs funding toward urban and community transit infrastructure and submits annual expenditure reports to verify program criteria are met. 2009/10 is the final year of the program which began in 2006. HRM has received \$40,982,835 to date and will receive \$6,107,978 for 2009/10.

Projects funded under this program are summarized in attachment “B”.

**Municipal Rural Infrastructure Fund (MRIF)**

The Municipal Rural Infrastructure Fund is a \$133 million program to fund municipal and rural infrastructure within Nova Scotia. Federal and Provincial governments each contribute \$44 million to this program. All funds under this program have been committed. HRM's is receiving/has received funding for the following projects:

<b>Project</b>	<b>Project Cost</b>	<b>External Funding Requested</b>	<b>Status</b>
Municipal Services Extension to Lively Subdivision	\$5,900,000	\$2,878,600	Halifax Water-final claim submitted
North Preston Water and Sewer	\$4,550,000	\$3,033,332	Halifax Water-in progress
East Dartmouth Community Centre	\$3,301,202	\$1,100,601	HRM-final claim submitted
HRM Rural Broadband Access	\$4,548,950	\$1,553,139	HRM-final claim submitted
District 2 Community Recreation Centre	\$8,478,650	\$2,000,000	HRM-final claim submitted
Potable Water in Rural Fire Departments	\$499,500	\$333,000	HRM-in progress
Bedford Highway Bikeway-Phase 2	\$400,000	\$235,000	HRM-in progress
Dartmouth Harbourfront Trails	\$771,222	\$352,000	HRM-in progress
Prospect Road Community Recreation Centre	\$4,000,000	\$2,000,000	HRM-in progress
Shubie Canal Trail	\$450,000	\$257,000	HRM-in progress
Halifax Urban Greenway-Phase 1	\$1,091,423	\$600,000	HRM-in progress

**National Historic Sites Program**

This program assists with maintaining the physical health or integrity of national historic sites, and the cost to present the importance of the site and its role in Canadian history. Funding can be used in two ways:

- Preparatory Assistance - to develop technical & planning documents to ensure site's commemorative integrity. Provides up to 50% of projects costs to a maximum of \$25,000.
- Conservation Projects - to conserve, rehabilitate and/or restore components of a national historic site. May also include development of communication materials about the site's historical significance. Provides up to 50% of project costs to a maximum of \$1 million.

Sites must be official National Historic Sites to be eligible. There will be calls for applications twice per year for 5 years.

Applications made under this program are summarized below. Other possible sites within HRM are Africville and the Hydrostone Market, as these are the National Historic Sites owned by HRM.

<b>Project</b>	<b>Project Cost</b>	<b>External Funding Requested</b>	<b>Status</b>
Halifax Public Gardens	\$65,000	\$25,000	application submitted April 23/09 (confirmation of receipt of app rec'd May 7/09)
Halifax Memorial Tower (Dingle)	\$985,134	\$492,567	application submitted April 23/09 (confirmation of receipt of app rec'd May 7/09)
Halifax City Hall Stone Restoration	\$5,000,000	\$1,000,000	application being prepared for Fall '09 submission

**ecoMOBILITY**

The ecoMOBILITY program focuses on reducing emissions from the urban passenger transportation sector. It provides financial support to municipalities to encourage alternate, less polluting forms of transportation. There are two components to the ecoMOBILITY program:

- Financial support to implement Transportation Demand Management (TDM) projects
- Research and information to build capacity to implement TDM

HRM has applied for and received cost-sharing for two separate but related projects:

<b>Project</b>	<b>Project Cost</b>	<b>External Funding Requested</b>	<b>Status</b>
Guaranteed Ride Home Program & TDM Migration	\$245,000	\$105,000*	funding confirmed Jan. 8/09

\*A further \$45,000 was received from Conserve NS and the Halifax-Dartmouth Bridge Commission.

The biggest challenge facing HRM's infrastructure is funding. There is simply not enough funding available to maintain HRM's aging streets, sidewalks, fleet, parks, and buildings and to respond to community requests for new and/or improved facilities and services. Council has approved a Five Year Capital Plan that focuses largely on recapitalization of existing infrastructure, with only 20% of the capital budget dedicated to new or enhanced services.

During the 2008/09 budget and business planning process an Infrastructure Planning Office was established in Infrastructure and Asset Management. The Infrastructure Planning Office will oversee the Asset Management Program, develop fiscal policy relating to capital assets, and prepare the capital budget and capital plan in cooperation with Finance. The business case included a one year term position for a Funding Coordinator to bring a dedicated focus to reporting needs required by funding programs and to help identify funding opportunities for the municipality. Funding for the position was proposed to come from the Service Improvement Reserve and a report will be brought to Council in the coming weeks for approval of the reserve withdrawal.

### **BUDGET IMPLICATIONS**

There are no budget implications arising from this report. Implications arising from specific applications will be brought forward as required when their status is confirmed.

### **FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.



**ATTACHMENTS**

Attachment "A" - Funding Applications - Capital Projects

Attachment "B" - Projects funded from Public Transit Funds

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by :           Anne Totten, Corporate Policy Analyst, 490-5623  
  Holly Power-Garrett, Asset Management Program Coordinator, 490-4488



Report Approved by:           \_\_\_\_\_  
  Jennifer Church, Managing Director, External & Corporate Affairs, 490-3677

**ATTACHMENT "A"  
Funding Applications - Capital Projects  
(as of July 8, 2009)**

<b>Project</b>	<b>External Funding Source</b>	<b>Project Cost</b>	<b>External Funding Requested</b>	<b>Status</b>
Halifax Public Gardens	National Historic Sites of Canada (Preparatory Assistance category)	\$65,000	\$25,000	application submitted April 23/09 (confirmation of receipt of app rec'd May 7/09)
Halifax Memorial Tower (Dingle)	National Historic Sites of Canada (Conservation Project category)	\$985,134	\$492,567	application submitted April 23/09 (confirmation of receipt of app rec'd May 7/09)
Halifax City Hall Stone Restoration	National Historic Sites of Canada (Conservation Project category)	\$5,000,000	\$1,000,000	application being prepared for Fall '09 submission
Four-Pad Arena	Infrastructure Stimulus Fund	\$34,400,000	\$11,800,000	application submitted April 29/09
Roads, Sidewalks, Trails, and Traffic Infrastructure	Infrastructure Stimulus Fund	\$30,479,687	\$20,319,791	application submitted July 24/09
Halifax Central Library	Build Canada Fund (Major Infrastructure component)	\$55,000,000	\$18,333,333	application submitted April 29/09
New Woodside Ferry	Build Canada Fund (Major Infrastructure Component)	\$12,000,000	\$4,000,000	application submitted April 29/09
Centennial Pool Retrofit	Recreational Infrastructure Canada (RInC) Program	\$3,100,000	\$1,000,000	application submitted May 27/09 (confirmation of receipt rec'd May 27/09)

<b>Project</b>	<b>External Funding Source</b>	<b>Project Cost</b>	<b>External Funding Requested</b>	<b>Status</b>
East Region (Burnside) Artificial Field Support Facility	Recreational Infrastructure Canada (RInC) Program	\$2,100,000	\$700,000	application in development
Bedford Lions Outdoor Pool Upgrades	Recreational Infrastructure Canada (RInC) Program	\$350,000	\$117,000	application in development
Halifax Wanderers Grounds Field Support Facility ('Dry' Canteen)	Recreational Infrastructure Canada (RInC) Program	\$800,000	\$200,000	application in development
Sports Court Upgrades	Recreational Infrastructure Canada (RInC) Program	\$772,000	\$257,000	application in development
Halifax North Common	Recreational Infrastructure Canada (RInC) Program	\$1,392,000	\$464,000	application in development
Lake Banook Improvements	Recreational Infrastructure Canada (RInC) Program	\$3,600,000	\$1,000,000	application in development
Various Trails Development	Recreational Infrastructure Canada (RInC) Program	\$2,250,000	\$750,000	application in development
Various Major Facilities Upgrades	Recreational Infrastructure Canada (RInC) Program	\$4,690,000	\$1,000,000	application in development
Municipal Services Extension to Lively Subd'n	Municipal Rural Infrastructure Fund	\$5,900,000	\$2,878,600	Halifax Water-final claim submitted
North Preston Water & Sewer	Municipal Rural Infrastructure Fund	\$4,550,000	\$3,033,332	Halifax Water-in progress
East Dartmouth Comm. Ctr.	Municipal Rural Infrastructure Fund	\$3,301,202	\$1,100,601	HRM-final claim submitted

<b>Project</b>	<b>External Funding Source</b>	<b>Project Cost</b>	<b>External Funding Requested</b>	<b>Status</b>
HRM Rural Broadband Access	Municipal Rural Infrastructure Fund	\$4,548,950	\$1,553,139	HRM-final claim submitted
District 2 Community Rec. Ctr.	Municipal Rural Infrastructure Fund	\$8,478,650	\$2,000,000	HRM-final claim submitted
Potable Water in Rural Fire Departments	Municipal Rural Infrastructure Fund	\$499,500	\$333,000	HRM-in progress
Bedford Highway Bikeway-Ph 2	Municipal Rural Infrastructure Fund	\$400,000	\$235,000	HRM-in progress
Dartmouth Harbourfront Trails	Municipal Rural Infrastructure Fund	\$771,222	\$352,000	HRM-in progress
Prospect Rd Community Rec. Ctr.	Municipal Rural Infrastructure Fund	\$4,000,000	\$2,000,000	HRM-in progress
Shubie Canal Trail	Municipal Rural Infrastructure Fund	\$450,000	\$257,000	HRM-in progress
Halifax Urban Greenway-Ph 1	Municipal Rural Infrastructure Fund	\$1,091,423	\$600,000	HRM-in progress
Guaranteed Ride Home Program & TDM Migration	ecoMOBILITY	\$245,000	\$105,000	HRM-in progress; funding confirmed Jan. 8/09

**ATTACHMENT "B"**  
**Public Transit Funds - Capital Projects**

Project	Project Budgets 06/07-09/10	External Funding				Total Funding
		2006/07	2007/08	2008/09	2009/10	
Farebox Replacement	\$2,000,000	\$2,000,000				\$2,000,000
Conventional Transit Bus Replacement	\$13,015,000	\$3,915,000		\$4,370,000	\$2,500,000	\$10,785,000
Conventional Transit Bus Expansion	\$16,682,482	\$4,414,128	\$4,083,000			\$8,497,128
Access-A-Bus Expansion	\$520,000	\$120,000	\$400,000			\$520,000
Access-A-Bus Replacement	\$1,603,307	\$440,000	\$440,000			\$880,000
Rural Transit Express	\$3,122,000		\$3,100,000			\$3,100,000
Satellite Transit Garage Facility	\$24,693,950			\$16,600,000		\$16,600,000
Access Road for New Satellite Garage	\$2,715,000				\$2,715,000	\$2,715,000
Bus Stop Accessibility	\$496,000				\$125,000	\$125,000
Shelters Replacement/ Expansion	\$425,000				\$305,000	\$305,000
Scheduling Software Upgrades	\$1,341,050				\$450,000	\$450,000
New/Expanded Transit Stations	\$750,000				\$635,212	\$635,212
Mid Life Bus Rebuild	\$2,585,000				\$655,000	\$655,000
<b>Total</b>	<b>\$69,948,789</b>	<b>\$10,889,128</b>	<b>\$8,023,000</b>	<b>\$20,970,000</b>	<b>\$7,385,212</b>	<b>\$47,267,340</b>