



SUBJECT: Investing in Canada Infrastructure Program – Transit Stream November 2022 intake

TO: Corporate Services, Strategy, Risk & Accountability Cttee.

FROM: Corporate Strategy

Report Number: CS-03-23

Wards Affected: All

File Numbers: 155-03-11

Date to Committee: January 9, 2023

Date to Council: January 24, 2023

Recommendation:

Authorize the Mayor and City Clerk to execute the necessary agreements and other related documents or by-laws between the Corporation of the City of Burlington and the Province of Ontario, in relation to the Investing in Canada Infrastructure Program (ICIP) – Transit Stream, should our applications be successful, to the satisfaction of the Executive Director of Legal Services and Corporation Counsel.

PURPOSE:

Vision to Focus Alignment:

- Improve integrated city mobility
- Support sustainable infrastructure and a resilient environment

Background and Discussion:

The Investing in Canada Infrastructure Program (ICIP) is a \$30 billion, 10-year infrastructure cost-shared program between federal (40 per cent contribution), provincial (33.33 per cent contribution) and municipal governments (26.67 per cent contribution). It was introduced in 2019 and had four streams: rural and northern, public transit, green and community, culture and recreation. The program was designed to generate long-term economic growth, build inclusive, sustainable and resilient communities and support low-carbon communities.

The intent of the ICIP – Transit Stream is to build new urban transit networks and service extensions. This program funds construction, expansion and improvement of transit networks across the country.

The transit stream of the ICIP program was allocation based. Funding was allocated to transit systems based on their share of total transit ridership in Ontario, as per the 2015 Canadian Urban Transit Association Fact Book. The total funding allocation for the City of Burlington was \$45 million with \$33.2 million funded from the senior levels of government and \$12 million funded by the City.

In the 2022 Federal Budget, the Government of Canada signaled their intention to accelerate the deadlines for provinces to fully commit the remaining funding in the program. Provinces are required to commit any remaining ICIP funds by March 31, 2023. Recognizing that many projects are facing construction delays due to the COVID-19 pandemic, the Government of Canada also extended the construction end date from October 2027 to October 2033. The extended timeline applies to new or existing projects as well as all project types (e.g., construction, planning and procurement).

To meet the new accelerated federal timelines, Ontario municipalities were required to submit project applications for their remaining ICIP allocations by November 30, 2023.

Strategy/process

To facilitate the transfer of the funding from the Federal and Provincial governments to the City of Burlington a fully executed transfer payment agreement is necessary, once the applications have been approved.

Options Considered

In November of 2022, the City submitted applications for the following projects.

- Conventional Vehicle Replacement – Replacement of two diesel fueled vehicles with two hybrid-electric low emission vehicles.
- Conventional Vehicle Expansion – Purchase of one diesel and eight low emission conventional buses (2024-2027).
- Specialized Vehicle Expansion – Purchase of four additional vehicles (2023-2026).
- Enhanced Service Delivery – Installation of six 13 inch or 23-inch solar powered digital information displays for customers at six bus stops throughout the City.
- Electric Bus Pilot – Purchase of four electric conventional buses (2024)
- Transit 5-year Business Plan (2025-2029)
- Transit Building Addition – Construction of an 1800 square metre facility to accommodate 40 buses and provide the charging infrastructure for fully electric

and hybrid transit vehicles (details of this project are contained in [EICS-21-22](#) Proposed Roads Parks & Forestry/Transit Campus Master Plan).

Projects eligible for the Transit Stream will be assessed using an outcomes-based approach. To be considered for funding, projects must be aligned with at least of one of the following transit improvement outcomes:

- Improved capacity of public transit infrastructure
- Improved quality and /or safety of existing or future transit systems
- Improved access to a public transit system
- Improved capacity and/or quality of pathways and/or active transportation infrastructure.

Financial Matters:

As explained, this program is cost-shared between the federal, provincial and municipal levels of government. The funding allocation for each of the City's projects is outlined below.

| Project | Federal Contribution | Provincial Contribution | City of Burlington Contribution |
|----------------------------------|-----------------------------|--------------------------------|--|
| Conventional Vehicle Replacement | \$766,000.00 | \$638,269.50 | \$510,730.50 |
| Conventional Vehicle Expansion | \$3,545,360.00 | \$2,954,171.22 | \$2,363,868.78 |
| Specialized Vehicle Expansion | \$446,800.00 | \$372,296.10 | \$297,903.90 |
| Enhanced Service Delivery | \$39,996.00 | \$33,326.67 | \$26,667.33 |
| Electric Bus Pilot | \$1,884,211.56 | \$1,570,019.28 | \$1,256,298.06 |
| Transit 5-year Business Plan | \$99,788.00 | \$83,148.35 | \$66,533.65 |
| Transit Building Addition | \$6,143,714.22 | \$5,119,249.87 | \$4,096,321.45 |
| Total | \$12,925,869.78 | \$10,770,480.99 | \$8,618,323.67 |

Total Financial Impact

A City investment of \$8,618,323.67 is required under this program to reflect our cost share. For 2023, this cost share amounts to \$856,000 and has been included in the 2023 Capital Budget.

Source of Funding

Identified projects including the associated ICIP funding and City cost share have been included in the 2023 Capital Budget and forecast.

Other Resource Impacts

A total of \$3.8 million of operating impacts associated with the new infrastructure purchased (e.g. expansion buses) and constructed (e.g. Transit Building Addition) under this program have been identified in the Capital Budget and forecast and reflected in the City's multi-year budget simulation (2024-2027). These operating impacts will be incorporated annually into the budget as required and are outlined in the table below:

| Operating Impacts | 2024 | 2025 | 2026 | 2027 | Total 2024-2027 |
|---------------------------------|----------|----------|----------|--------|--------------------|
| Transit Building Addition | | | \$ 50 | | \$ 50 |
| Specialized Vehicle Expansion | \$ 157 | \$ 157 | \$ 157 | \$ 157 | \$ 627 |
| Conventional Vehicle Expansion | \$ 1,017 | \$ 1,074 | \$ 1,077 | | \$ 3,169 |
| Electric Bus Pilot | | \$ (50) | | | \$ (50) |
| Total Operating Impacts by Year | \$ 1,174 | \$ 1,181 | \$ 1,284 | \$ 157 | \$ 3,796 |

Climate Implications

The City has set a target for the community to be net carbon neutral by 2050. Several of the projects included in this submission support these goals. Specifically, the electric bus pilot and the replacement/expansion buses, where hybrid buses will be purchased. Conventional transit expansion also supports the Climate Change Action Plan. One bus typically replaces 40 to 50 private vehicles on the road, which significantly reducing Greenhouse Gas emissions.

Engagement Matters:

There are no public engagement matters associated with this report.

Conclusion:

The community has benefited greatly from this funding program. Burlington Transit has been able to replace some of their conventional and specialized transit vehicles, expand service and start to implement the objectives outlined in the Transit Business Plan (2020-2024) and Vision to Focus.

As this program comes to completion, the City of Burlington has, through our advocacy efforts, encouraged both the Provincial and Federal governments to consider development of a long-term, stable, allocation-based, infrastructure funding framework, that provides municipalities with a steady flow of infrastructure dollars for municipally identified priority projects.

Respectfully submitted,

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Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.