

PSD BRIEFING:

INVESTING IN CANADA INFRASTRUCTURE PROGRAM - RURAL AND NORTHERN STREAM (Ontario)

MARCH 2019

Overview:

On March 12th, 2019 the Ontario Government announced the first stream of funding for Ontario municipalities from the **Investing in Canada Infrastructure Program (ICIP)**. The Investing in Canada Infrastructure Program is a \$30 billion, 10-year infrastructure program cost-shared between federal, provincial and municipal governments. There are four streams that the funding will be distributed between:

- 1) Rural and Northern
- 2) Public Transit
- 3) Green
- 4) Community, Culture and Recreation

The Ontario Government is rolling out its first intake with the **Rural and Northern Stream**. The Rural and Northern Communities Funding Stream supports projects that improve the quality of life in rural and northern communities by responding to rural and northern infrastructure priorities. Approximately \$250 million in funding will be available over ten years starting in 2018-19 for the stream. The current intake targets **near-term transportation improvement projects**.

Project Type(s):

- Road, bridge, air or marine infrastructure
- Projects must be new construction, rehabilitation, or replacement work
- Joint projects between multiple eligible applicants are encouraged and additional consideration will be given to joint projects as part of the assessment

Other Project Requirement(s):

- Applicants must select only one primary project asset type but may bundle more than one eligible project asset type
- Road/bridge asset type—highway or trade corridor infrastructure, except for portions that connect communities that do not already have year-round access, are **not** eligible
- Air asset type—projects are limited to ground-based infrastructure and are limited to regional/local airports
- Marine asset type—projects are limited to marine vessels and docking infrastructure which support improved community access to transportation

Other Federal Requirement(s):

- Applicants must complete a climate lens assessment for projects with total eligible costs of \$10 million or more
- Applicants may report on community employment benefits for projects with total eligible costs of \$10 million or more
- Applicants must adopt a value for money procurement approach
- Any requests for sole source procurement exemptions will be evaluated on a case-by case basis and requires pre-approval by the federal and provincial governments

Eligibility:

- Ontario municipalities with populations of 100,000 or less based on 2016 Canadian Census data
- Indigenous communities in Ontario
- Each eligible applicant can submit a maximum of **one project submission**

Deadline:

- Applications and all supporting documentations must be submitted through Grants Ontario by 11:59 p.m. EDT on **May 14th, 2019**

Project Conditions:

- Asset management plans (municipalities only): Projects should be informed by an applicant's asset management plan. This means the proposed project was identified based on the plan's prioritized lifecycle activities (e.g., construction, maintenance, renewal, rehabilitation, replacement, etc.) for the applicable asset category (e.g., roads or bridges)

Note: project prioritization in an asset management plan does not apply in cases where the project assets are not owned by the municipality (i.e. air/marine assets)

- Supporting documentation (Indigenous communities only): Projects should be identified in, or supported by, a 5-Year Capital Plan; a Comprehensive Community Plan; a Strategic Community Plan; an Asset Conditions Reporting System report; a Feasibility Study or Detailed Design. Where not based on a supporting document, a strong rationale must be provided. The province may request an electronic copy of one supporting document during the project review stage
- Financial sustainability: Projects should have a financial plan in place to operate the assets and not seek senior level government support for operational funding. First Nations applicants may have operational funding arrangements with the federal government that satisfy this condition
- Energy standards—see Pan Canadian Framework on Clean Growth and Climate Change
- Accessibility standards—see your jurisdiction's accessibility standards

Application Process:

- Applicants must register and login through the Province's online grant portal, **Grants Ontario**
- Applicants must fully complete one Rural and Northern Communities Funding Stream application form and the applicable technical schedule

Evaluation Process:

- Alignment with Provincial Policies: Land Use Planning—Municipal projects must align and support the expected and required provincial priorities and outcomes, as set out in provincial land use policy, provincial land use plans, municipal official plans and supported by policy direction in the Provincial Policy Statement (PPS)
- Asset Management Planning—Municipalities must submit their asset management plan with their application

Assessment Criteria:

- Criticality of health and/or safety risk
- Technical merit of proposed project
- Funding need for the proposed project
- Efficiencies through joint projects

Maximum Project Costs:

- The maximum total eligible cost per project for a single applicant is \$5 million
- For joint projects, each applicant can submit up to \$5 million of total eligible project costs

Cost Sharing:

See the following chart for cost sharing break down of total eligible costs:

Applicant Type	Individual Applicant Population Size*	Federal Cost Share (Max %)	Provincial Cost Share (Max %)	Applicant Cost Share (Min %)
Municipality	< 5,000	60%	33.33%	6.67%
	Between 5,000 and 100,000	50%	33.33%	16.67%
Indigenous Community	< 5,000	75%	18.33%	6.67%
	Between 5,000 and 100,000	75%	8.33%	16.67%

Eligible Costs:

- Environmental assessment costs
- Design/engineering costs
- Project management costs
- Materials
- Construction
- Contingency costs (maximum 25%)

Note: Project costs are eligible only if incurred after federal approval. All costs must be incurred by **December 31st, 2026**.

See full grant breakdown for a list of all ineligible costs.

Preparing for the first intake:

Eligible Ontario municipalities and Indigenous communities (under 100,000 population) can prepare for the first intake of the Rural & Northern Stream by reviewing their prioritization of planned road and bridge projects, considering the following:

- Risk (probability of failure x consequence of failure) associated with existing road or bridge asset
- Current level of service and desired level of service related to existing road or bridge asset
- Health and safety concerns directly addressed by the proposed road or bridge project
- Economic development impacts associated with road or bridge project
- Identify how the road or bridge project is outlined as a priority within your asset management plan

PSD's team of policy analysts and asset management specialists is available to assist municipalities with preparation for the Rural & Northern Stream application intake.

Please contact us to discuss your proposed submission.

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