

Federal Funding July Update

Federal Stimulus July Update

Recommendation:

That each of the Capital Profiles and funding sources as set out in Attachment 2 of the July 12, 2016, Financial and Corporate Services report CR_3808, be approved, with release of funding for each profile subject to the City of Edmonton receiving the Public Transit Infrastructure Fund grant funding and Provincial match funding for the individual projects as represented in the profiles.

Report Summary

This report is a follow up to the June 14, 2016, Federal Stimulus June Update Report. On that date, Council approved a list of projects for submission to Phase One of the Public Transit Infrastructure Fund. Based on that list, Administration is seeking approval of the related capital profiles to meet deadlines and requirements for the submission.

Previous Council/Committee Action

At the June 14, 2016, City Council meeting, the following motion was passed:

That the projects outlined in Attachment 1 of the June 14, 2016, Financial and Corporate Services report CR_3734, as the City's priority projects under the Public Transit Infrastructure Fund, be approved.

Report

At the June 14, 2016, City Council meeting, Administration presented Financial and Corporate Services report CR_3734 and recommended approval of the list of transit projects presented for submission to Phase One of the Public Transit Infrastructure Fund. City Council approved that recommendation, which was subsequently presented to the Province to fulfill their June 21 preliminary list deadline. Ultimately, a final list must be submitted, along with a commitment from Council that the City's portion of the funding is in place. This submission is due to the Province July 31, 2016.

Subsequent to the June Federal Stimulus Update Report, it has been confirmed that the City of Edmonton will receive \$145 million from the Public Transit Infrastructure Fund. Other municipalities within the region with transit systems will receive their own allocations. The funding will flow through the Provinces, and currently the Alberta government and the Federal government are negotiating a bilateral agreement. The Council approved list submitted to the Province on June 21st will support finalizing this agreement, and help determine to what degree this will financially support this initiative.

It has also been confirmed that Capital Region Board endorsement of both the City of Edmonton's list and the lists of the other Board members with transit systems will be required.

Notes on the Profiles

1. The projects, approved by Council, in Attachment 2 were analyzed for the purpose of building capital profiles. Some projects were grouped together, creating various composite profiles, following standard budgeting rules.
2. At the June 22nd Transportation Committee meeting, a motion was made to bring two profiles, considering the purchase of 5 and 40 electric buses respectively, to the Fall 2016 Supplemental Capital Budget Adjustment. In order to take advantage of utilizing Public Transit Infrastructure Fund funding, a composite profile for Bus Replacement is included in this report. Within this profile electric buses could be funded if Council chooses to pursue this at this time.

Corporate Outcomes

The recommendations in the report supports the Corporate Outcome "City of Edmonton has Sustainable and Accessible Infrastructure" by committing to investments that facilitate renewal investments in transit infrastructure.

Budget/Financial Implications

The City's share of the \$297.3 million in profiles presented in attachment 2 totals \$56.1 million, consisting of \$46 million in MSI and \$10.1 million in Pay-As-You-Go from the 2019-22 Capital plan and interim funded through working capital. This would reduce the availability of these funding sources for use on other capital priorities, however it is also leveraging \$145.3 million in federal funding, and \$95.8 million in provincial funding. It is anticipated that there will be considerably less requirements for Transit renewal in the 2019-2022 Capital Budget as a result of the work contemplated in the profiles in Attachment 2.

The profiles being put forward in Attachment 2 conform to the following funding formula:

Federal Funding (Public Transit Infrastructure Fund) - 50% of eligible costs
Provincial Funding (As yet unknown source) - 33% of eligible costs
City Funding (MSI and Pay-As-You-Go) - remaining costs

Justification of Recommendation

In order to facilitate the Province's submission deadline/expectations, and have the budgetary approvals in place to get going on the projects as soon as funding approvals are announced, Administration has prepared Capital profiles and recommend their approval at this time. As we don't yet know which of the projects submitted will be funded by either the Federal or Provincial Governments, a contingency on the approval of the profiles, to protect the City's exposure, is being suggested.

Attachments

1. PTIF - Profile-Bundled List
2. PTIF Profiles

Others Reviewing this Report

- A. Laughlin, Deputy City Manager, Integrated Infrastructure Services
- G. Cebryk, Acting Deputy City Manager, City Operations