

REPORT

Council

Meeting Date: August 9, 2021

FROM: Finance Department

DATE: July 27, 2021

SUBJECT: Investing in Canada Infrastructure Program: Public Transit Stream Agreement, By-law 2021-057

LOCATION: Town-wide

WARD: Town-wide

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RECOMMENDATION:

1. That the staff report dated July 27, 2021, entitled *Investing in Canada Infrastructure Program: Public Transit Stream Agreement* from the Finance department, be received.
2. That By-law 2021-057, a by-law to authorize the execution of the transfer payment agreement for investing in Canada Infrastructure Program (ICIP): Public Transit Stream, be passed.
3. That the Transfer Payment Agreement (TPA) with the Province of Ontario for the Investing in Canada Infrastructure Program (ICIP): Public Transit Stream, be executed in accordance with By-law 2021-057.

KEY FACTS:

The following are key points for consideration with respect to this report:

- On July 22, 2019 the Province announced intake for the Investing in Canada Infrastructure Program (ICIP) – Public Transit Stream.
- Public Transit Stream allocation is based on transit ridership, and the Town of Oakville was eligible to apply for up to \$48,626,084 in federal and provincial funding.
- At a meeting of Council on October 22, 2019, Council approved capital projects to submit for funding under the ICIP Public Transit Stream. The majority of submitted projects included would begin greening the existing transit fleet at an accelerated rate, while upgrading and acquiring technology to improve the overall customer experience and efficiency of operations.

- Capital projects were approved in 2020, pending formal approval from the federal and provincial governments. The town began to receive approval letters from the province in July 2020. Impacted capital projects have since been approved in the 2021 Budget.
- The town received approval from ICIP for all capital projects submitted, totalling \$66.3 million in eligible costs over the 2020-2027 timeframe. The federal and provincial governments will fund to a maximum of \$48,626,084.
- The formal TPA was sent to the town in March 2021. An amendment to the TPA will be completed in order to include the Bus Stop Accessibility Improvements project. This project is approved; however it was not included in the original TPA until further information on the specific sites and scope were provided. Staff have provided this information to the province.

BACKGROUND:

The Investing in Canada Infrastructure Program (ICIP) is a federal infrastructure program providing federal infrastructure funding to cost-share projects in the following streams: Public Transit, Green Infrastructure, Community Culture and Recreation, and Rural and Northern Communities. Under the Public Transit Stream, funding is provided based on transit ridership and can be used for eligible projects. Eligible projects must achieve at least one of the following 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.

At the October 22, 2019 meeting of Council, the staff report entitled *Investing in Canada Infrastructure Program - Transit* from Oakville Transit, was endorsed and recommended the submission of capital projects for ICIP funding under the Public Transit Stream. The capital projects recommended, and subsequently submitted and approved, utilize the majority of the Town of Oakville allocation to begin greening the transit fleet at an accelerated rate while upgrading and acquiring technology that will improve the overall customer experience and efficiency of operations. The projects will result in the purchase of an estimated 73 electric buses over the next 7 years through the ICIP program, which assists the transition to a fully electric bus fleet by 2035. The following table illustrates the maximum cost share of eligible costs over the 7-year period:

	Oakville Allocation	Percentage
Federal Contribution	\$26,524,524	40.00%
Provincial Contribution	\$22,101,560	33.33%
Municipal Contribution	\$17,685,226	26.67%
Total	\$66,311,310	100.00%

COMMENT/OPTIONS:

ICIP is a federal infrastructure program for which a bilateral agreement has been executed between the federal and provincial governments in order to carry out the program. The TPA, attached as Appendix A to this report, formalizes the agreement for the transfer of provincial and federal funds to the Town of Oakville. There are a number of standard terms and conditions within the agreement, including the specific projects and funding amounts per project, as well as reporting requirements.

While the funding program will end on October 31, 2027, the upgrades and acquisition of technology to improve the overall customer experience and efficiency of operations are expected to be completed in the next two years. The electrification of transit fleet will occur over the life of the program in accordance with the regular replacement schedule for existing conventional and specialized vehicles, along with expansion buses identified in the growth capital program. A list of the specific projects is included in Appendix C. Future capital projects will be requested through the annual budget process.

CONSIDERATIONS:

(A) PUBLIC

Oakville residents and transit customers will benefit from the environmental benefits of electric buses. Technological upgrades and accessibility improvements will also enhance customer experiences.

(B) FINANCIAL

ICIP Public Transit Stream funding will provide \$48.6 million in federal and provincial funding towards the greening of transit's fleet as well as other technological upgrades and improvements.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

Oakville Transit is the lead department for the projects within this initiative. Support is required from the ITS department to implement technology projects. In addition, support is required from Oakville Hydro to deliver sufficient energy supply to meet the needs of a battery electric bus fleet.

(D) CORPORATE STRATEGIC GOALS

This report addresses the corporate strategic goal(s) to:

- Protect greenspace and promote environmentally sustainable practices
- Improve transportation network to support movement of people and goods

(E) CLIMATE CHANGE/ACTION

This issue impacts social, economic and environmental sustainability.

- Social sustainability is achieved by reduced noise associated with traditional diesel buses in residential areas.
- Economic sustainability is achieved by using ICIP funding to accelerate greening of transit fleet
- Environmental sustainability is achieved by reducing, and eventually eliminating, GHG emissions generated from traditional diesel buses.

APPENDICES:

Appendix A – ICIP Public Transit Stream Transfer Payment Agreement

Appendix B – By-law 2021-057

Appendix C – ICIP Public Transit Stream Projects

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