



The Corporation of the Town of Milton

Report To: Council

From: Kristene Scott, Commissioner, Community Services

Glen Cowan, Chief Financial Officer/Treasurer

Date: October 28, 2019

Report No: COMS-011-19

Subject: Investing in Canada Infrastructure Program – Community Culture and Recreation Stream

Recommendation: **THAT Council approves the selection of the Milton Sports Centre south parking lot and the John Tonelli Sports Centre parking lot, floor finishes, sport flooring and spectator benches, in the total project cost amounts of \$1,214,302 and \$1,514,831 million respectfully, as the projects for which to apply for application of funding through the Investing in Canada Infrastructure Program – Community Culture and Recreation (ICIP – CCR).**

AND THAT the Commissioner of Community Services and/or the Chief Financial Officer/Treasurer be authorized to submit the Town’s application for the ICIP – CCR program, as well as any supplemental submissions required.

EXECUTIVE SUMMARY

- On September 3, 2019, Ontario’s Minister of Infrastructure announced the details of the ICIP-CCR program for Federal and Provincial funding.
- The program guidelines outline a number of project and program criteria. These are summarized in the report below and need to be considered in the Town’s application.
- It is recommended that a funding application from the ICIP-CCR program be made for the Milton Sports Centre (MSC) south parking lot towards total projects of \$1,214,302 million. This project is scheduled in the 10-year forecast and supports accessibility to MSC and the Milton Community Park.
- A second project submission is also recommended for the John Tonelli Sports Centre with a total project cost of \$1,514,831 million to replace and improve the parking lot, floor finishes, sport flooring and spectator benches. This work is currently reflected in the 10-year forecast (2027) and supports the improvement of the existing facilities condition.



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- The deadline for applications is November 12, 2019, with any decisions on funding award occurring in 2020.
- There are several considerations and risks associated with the project and funding application which are outlined further in this report along with potential mitigation measures available.

REPORT

Background

On September 3, 2019, Ontario's Minister of Infrastructure announced details with respect to the intake process for the Investing in Canada Infrastructure Program - Community Culture and Recreation (ICIP-CCR). A total of \$407 million in Federal funding and \$320 million in Provincial funding will be available for a 10 year period through this competitive process. This program is intended to support projects that improve access to and/or quality of publicly accessible community, cultural and recreation infrastructure. The intake will include two categories of funding:

- **Multi-purpose Category** – up to \$50 million total project cost for new build, expansion and larger scale renovations that integrate service delivery to address an identified service gap
- **Rehabilitation and Renovation Category** – up to \$5 million in total project cost for small-scale projects that would improve the condition of existing facilities

Full details can be found in the Program Guide¹, and include:

- Cost sharing of 40% Federal, 33.33% Provincial and 26.67% Municipal
- A transfer payment agreement with the Ministry will be required for successful applicants
- Capital components must be owned by the applicant
- Projects must be substantially complete by March 31, 2027
- Ineligible costs include land acquisition, leasing costs, operating costs, overhead costs
- Projects should be identified in a municipality's capital plan, strategic plan, asset condition reporting system, feasibility study, etc.
- Projects must be consistent with existing asset management plans, must meet or exceed accessibility standards as well as energy efficiency standards
- For joint projects with other applicants, all applicants must secure endorsement from their respective municipal Councils

¹ Source: Province of Ontario, "Investing in Canada Infrastructure Program: Community Culture and Recreation Program Guidelines",

http://www.grants.gov.on.ca/prodconsum/groups/grants_web_contents/documents/grants_web_contents/prdr019964.pdf, accessed September 13, 2019



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- If successful, applicants are required to remain in compliance with the new Asset Management Planning requirements that were introduced via Ontario Regulation 588/17 throughout the entire term of the project
- Applicants can submit multiple applications under the program

Submissions will be assessed by the Province with consideration for:

- the degree the project meets community and user needs
- the degree the project promotes good asset management
- whether the project represents good value for money
- whether the project fosters greater accessibility

Discussion

Recommended Projects

(a) Milton Sport Centre – Replacement of the South Parking Lot

Staff are recommending that the Town submit an application in order to secure ICIP-CCR funding in support of replacing the south parking lot at the Milton Sports Centre. This investment will result in the following positive outcomes for the community:

- Improve the condition of the existing asset – alignment with the Town's Asset Management Plan
- Supports accessibility requirements/enhancements and improved safety for users of the MSC and Milton Community Park

In terms of alignment with the guidelines for the ICIP-CCR program, this project:

- Meets community and user needs and the outcome of improving access to community infrastructure
- Promotes good asset management – aligns with municipal asset management plans
- Is an eligible asset type, project cost and meets the minimum technical and timing requirements

(b) John Tonelli Sports Centre – Replacement of the parking lot, upgrades of floor finishes, sport flooring and spectator benches

Staff are recommending that the Town submit a second application in order to secure ICIP-CCR funding in support of replacing the parking lot and upgrades to floor finishes, sport flooring and spectator benches at the John Tonelli Sports Centre. This investment will result in the following positive outcomes for the community:

- Improve the condition of the existing asset – alignment with the Town's Asset Management Plan



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- Supports accessibility requirements/enhancements and improved safety for users of the John Tonelli Sports Centre and Bronte Meadows Park

In terms of alignment with the guidelines for the ICIP-CCR program, this project:

- Meets community and user needs and the outcome of improving access to community infrastructure
- Promotes good asset management – aligns with municipal asset management plans
- Is an eligible asset type, project cost and meets the minimum technical and timing requirements

Risks & Other Considerations

Although leveraging significant funding through programs such as the ICIP-CCR can be greatly beneficial to municipalities, they do come with a degree of risk as the recipient generally commits to expenditures (via contract award) in advance of satisfying all program requirements and receiving the grant funding. There are also other considerations in the project delivery that can be affected by program requirements. The following table outlines some of these considerations.

	Consideration or Risk	Potential Mitigation
1	Project must be completed by March 31, 2027	In order to ensure this risk is minimized, the Town would need to move forward in the next steps of the project(s) including finalizing a detailed design.
2	Provincial/Federal contributions will be fixed, and therefore any cost overages will be the responsibility of the Town	The Town will have the opportunity to re-assess the funding plan through the detailed design process as well as part of the any tender award. Further the Town will maintain contingency funding in the approved project as is current practice for other projects of this nature.
3	Project must meet or exceed any applicable energy efficiency standard for buildings outlined in the Pan-Canadian Framework on Clean Growth and Climate Change (PCFCGCC)	This requirement would be considered and addressed as part of the detailed design process for both projects.



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4	Project must meet or exceed the requirement of the highest published accessibility standard in Ontario in addition to applicable building codes and relevant municipal by-law	This requirement would be considered and addressed as part of the detailed design process for both projects.
5	Funding is contingent on the Town remaining compliant with all of the new asset management planning standards established through O.Reg. 588/17	With the approval of the Town's first Asset Management Policy in June 2019, Milton has satisfied the first milestone of the updated regulations. These regulations will require further growth in the Town's asset management documentation & processes beyond what has historically been included. Through the 2019 Budget Council has approved two new staffing resources to help address these requirements and further strengthen the Town's practices. The Town will need to continue to prioritize asset management in its annual work plan to minimize any potential risk to funding received through federal and provincial programs going forward.

Alternative Projects Considered for ICIP-CCR

Other project alternatives potentially eligible for ICIP-CCR funding were considered by staff but were not identified as the preferred option(s) due to timing, lack of funding in the capital forecast or for the following reasons:

	Alternatives	Comment
1	Growth related investments in the 10-year capital forecast	Currently included within the Town's 10 year capital plan are a number of facilities construction or expansions that will be required to satisfy the needs of a growing community. These facilities include a community centre, a library branch and library expansion, and a variety of sports fields. As there are currently revenue tools in place to support growth of these assets, and given the financial pressure on the Town's existing tax rates, it is



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		recommended that the Town focus its application on an initiative(s) that would otherwise result in pressure on the Town's tax levy.
2	Civic Square	Town Council has previously identified the creation of a civic square (as a gathering space for the public) as an integral component of the civic precinct development concept. Most recently the civic square was incorporated into a feasibility study undertaken for the Town by Colliers Project Leaders Inc. The results of this study were presented to Council through report ES-010-18. Although this initiative would satisfy the requirements of the ICIP-CCR program, there would be risk from both a timing perspective as well as the numerous dependencies involved. As there are also material capital and operating budget implications associated with the balance of the civic precinct plan, exclusion of the civic square from consideration for this program funding would also maintain Council's ability to better manage the consideration of those potential pressures.

Next Steps

Staff will submit an application for the ICIP-CCR program to the Ministry in accordance with the direction received from Council. If successful, a subsequent report to Council will be required in order to outline the terms of the transfer payment agreement and secure further approvals.

Financial Impact

There is no immediate impact as the Town's participation in the ICIP-CCR program is contingent on approval from the Provincial and Federal Governments. Should the Town's application be approved, the Town will be required to fund the applicant's share of eligible cost, as well as the full extent of ineligible cost and any potential cost overruns. As the status of the Town's application will remain unknown until 2020, and the projects involved are currently in the 10 year forecast, the impact of any funding decision will be reflected in the Town's long-term funding plan through the 2021 Budget process.

There are several considerations and risks associated with project and related funding request that are outlined within this report. Should the Town's application for funding be successful, Council will have further opportunities to manage the related risks at key milestones including the execution of the transfer payment agreement, finalization of the detailed design, as well as at the time of tender award.



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Respectfully submitted,

Kristene Scott
Commissioner, Community Services

Troy McHarg
Commissioner, Corporate Services / Town Clerk

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Attachments
None

CAO Approval
Andrew M. Siltala
Acting Chief Administrative Officer