

Report to Council



Date: November 26, 2018
File: 0710-60
To: City Manager
From: Utilities Planning Manager
Subject: Borrowing Bylaw 11708: Investing in Canada Infrastructure Program (ICIP) – Green Infrastructure – Sanitary Sewer Connection Area Water Quality Enhancement Project

Recommendation:

THAT Council receives, for information, the report from the Utilities Planning Manager dated November 26, 2018, with respect to an update to the application for the Investing in Canada Infrastructure Program (ICIP) – Green Infrastructure – Sanitary Sewer Connection Area Water Quality Enhancement Project;

AND THAT Loan Authorization Bylaw No. 11708 for the proposed Local Service Area(s) be forwarded for readings consideration.

Purpose:

To approve in principle Loan Authorization Bylaw No. 11708 to support the grant application already submitted to the Investing in Canada Infrastructure Program (ICIP).

Background:

On August 27, 2018, Council adopted a resolution authorizing staff to apply for an ICIP – Green Infrastructure – Environmental Quality Sub-Stream grant in the amount of \$44.1 million. This grant amount represents a 73.3% funding share for a project anticipated to cost \$60.1M. Landowners within the project areas will be expected to pay the remaining \$12M (\$16M less \$4M already held in reserve) through payments initiated through City initiated Local Area Service (LAS) processes.

The City will apply for borrowing for approximately \$12M of the anticipated share of the project costs, less those that cash commute. The borrowing will be through the Municipal Finance Authority at their 20-year period interest rate at the time of borrowing.

The Province and Federal grant agency representatives have replied to our application and have requested additional information in the form of evidence of a Loan Authorization Bylaw approved at third reading from Council along with a Certificate of Sufficiency supporting the City's ability to borrow

these funds on behalf of the owners inside the proposed Local Service Area(s). The intention of this is now a common Federal agency request to demonstrate Council's intent to borrow to cover the City share of project costs.

If the grant application is not successful, staff will recommend that the proposed Bylaw 11708 be repealed.

Internal Circulation:

City Clerk
Divisional Director, Corporate Strategic Services
Divisional Director, Infrastructure
Financial Planning Manager
Grants & Special Projects Manager
Infrastructure Delivery Manager
Infrastructure Engineering Manager
Utility Services Manager

Financial/Budgetary Considerations:

The City has applied for a \$44.1M grant from the Investing in Canada Infrastructure Program (ICIP) – Green Infrastructure – Environmental Quality Sub-Stream - Sanitary Sewer Connection Area Water Quality Enhancement Project. If the grant application is successful, the next step would be to implement a comprehensive Local Area Service (LAS) program to fully recover all remaining costs involved in the installation of the wastewater system which is expected to start in Fall of 2019. This process of leveraging grant funds in combination with an LAS was used extensively by the City to service a large part of Rutland, Fisher Rd and Okaview areas.

Considerations not applicable to this report:

Existing Policy:
Legal/Statutory Authority:
Legal/Statutory Procedural Requirements:
Personnel Implications:
External Agency/Public Comments:
Communications Comments:
Alternate Recommendation:

Submitted by:

Rod MacLean, P. Eng.
Utilities Planning Manager

Approved for inclusion: A. Newcombe, Infrastructure Divisional Director

cc: City Clerk
Deputy City Manager
Divisional Director, Active Living & Culture

Divisional Director, Community Planning & Strategic Investments
Divisional Director, Corporate Strategic Services
Divisional Director, Financial Services
Divisional Director, Infrastructure