



STAFF REPORT ACTION REQUIRED

City of Toronto Stimulus Projects – Additional Projects

Date:	April 1, 2010
To:	Executive Committee
From:	City Manager
Wards:	1, 25, 28
Reference Number:	

SUMMARY

On September 23, 2009, Council approved City infrastructure projects to be included in funding agreements under Federal and Provincial stimulus programs.

This report seeks authority for the Mayor and City Manager to enter into additional funding agreements with the Government of Ontario for the delivery of the Canadian Film Centre, Rexdale Multi-Purpose Community Hub, and Regent Park Arts and Cultural Centre projects under the Infrastructure Stimulus Fund program, and presents the financial impact of these funding agreements on the 2010 – 2019 Council Approved Capital Budget and Plan.

Incremental costs for these stimulus projects are fully funded by the Federal and Provincial governments, previously approved City capital, and third-party contributions. These investments will result in an additional \$34.7 million towards public infrastructure in Toronto and no new City funding is required.

RECOMMENDATIONS

The City Manager recommends that:

1. Council authorize the Mayor and City Manager to enter into funding agreements with the Government of Ontario for the delivery of the Canadian Film Centre, Rexdale Multi-Purpose Community Hub, and Regent Park Arts and Cultural Centre projects under the Infrastructure Stimulus Fund (ISF) program.
2. Council approve additional project costs of \$34.691 million to the overall City ISF program, comprised of \$10.691 million for City Programs, and \$24.000 million on behalf of the Toronto Community Housing Corporation (TCHC).

3. Council approve an increase in the 2010 – 2019 Capital Budget and Plan in the amount of \$8.691 million for:
 - i. Facilities and Real Estate in the amount of \$4.190 million for the Rexdale Multi-Service Community Hub, comprised of: a \$3.260 million ISF contribution from the Governments of Canada and Ontario, \$0.080 million from previously approved City capital, and \$0.850 from third-party contributions; and
 - ii. Economic Development and Culture in the amount of \$4.501 million for the Canadian Film Centre, comprised of: a \$4.000 million ISF contribution from the Governments of Canada and Ontario, and \$0.501 from third-party contributions.
4. Any future budget amendments that may result from the implementation of City stimulus projects be reported as part of regular quarterly Capital Budget variance reports.
5. Authorize the appropriate City officials to take the necessary actions to give effect thereto.

Financial Impact

City Infrastructure Stimulus Fund (ISF) Program Increase

Entering into these funding agreements will increase the overall cost of City ISF funded projects by \$34.691 million, from \$595.292 million, as approved in September 2009, to \$629.983 million. Table 1 summarizes the \$34.691 million of “Total Additional Cost” of which \$10.691 million are managed by City programs and \$24.000 million by the Toronto Community Housing Corporation. The cost of City managed projects are funded approximately two-thirds or \$7.260 million by the Federal and Provincial governments and one-third or \$3.431 million by the City and third-party contributions.

The City of Toronto, on behalf of the Toronto Community Housing Corporation (TCHC), has received approval for an ISF contribution for the construction of Regent Park Arts & Culture Centre in the amount of \$24.000 million. This project is fully funded by the Federal and Provincial governments with no commitment from the City.

Table 1 - Increase in City ISF Program Costs and Funding						
Project (\$ Million)	Total ISF Project Cost	Total Additional Cost	Additional Funding			
			Federal	Prov.	City*	Other
F&RE - Rexdale Multi-Service Hub	8.190	4.190	1.730	1.530	0.080	0.850
EDC - Canadian Film Centre (CFC)	6.501	6.501	3.250	0.750	1.000	1.501
Total City Managed Programs	14.691	10.691	4.980	2.280	1.080	2.351
TCHC - Regent Park Arts & Culture Centre	24.000	24.000	12.000	12.000		
Total ISF Program Cost/Funding Increase	38.691	34.691	16.980	14.280	1.080	2.351

* Additional City funding reflects previously approved commitments within the 2007 and 2009 Capital Programs

2010 to 2019 Capital Budget and Plan Amendment

The impact on the City of Toronto’s 2010 Capital Budget and Plan is \$8.691 million in additional project expenditures comprised of \$4.190 million for the Rexdale Multi-Service Community Hub; and \$4.501 million for the Canadian Film Centre (see Table 2). These projects have previously

approved funding in the 2010 Capital Budget and Plan in the amount of \$4.000 million for Rexdale Multi-Service Community Hub, and \$2.000 million for Canadian Film Centre.

City Program (\$ Million)	Total ISF Project Cost	Budget Increase	Funding			
			Federal	Prov.	City*	Other
F&RE - Rexdale Multi-Service Hub	8.190	4.190	1.730	1.530	0.080	0.850
EDC - Canadian Film Centre (CFC)	6.501	4.501	3.250	0.750		0.501
Capital Budget and Plan Increase	14.691	8.691	4.980	2.280	0.080	1.351

* Additional City funding reflects previously approved commitments within the 2007 and 2009 Capital Programs

The total ISF budget for the Rexdale Multi-Service Community Hub, formerly Father Henry Carr Community Hub, will increase by \$4.190 million to \$8.190 million. Of this increase the Federal and Provincial governments have committed to fund \$1.730 million and \$1.530 million respectively. The balance will be funded by \$0.080 million from previously approved City capital, and \$0.850 million from third-party contributions.

The Canadian Film Centre previously received Council approval for \$2.000 million in capital works under the Windfields Restoration project. The Federal and Provincial governments have committed to fund \$4.000 million, and \$0.501 million will be provided through third-party contributions, for an overall budget increase of \$4.501 million. No incremental increase in City funding is required.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its September 30 and October 1, 2009 Meeting, Council approved City stimulus projects under the Federal Infrastructure Stimulus Fund (ISF) program, totalling \$595.292 million in eligible project costs. <http://www.toronto.ca/legdocs/mmis/2009/cc/decisions/2009-09-30-cc40-dd.htm>

ISSUE BACKGROUND

The 2009 Federal Budget established the Government of Canada's Economic Action Plan (EAP) to help address the negative impacts of a weakening global economy, both nationally and regionally. A component of the EAP is the \$4 billion Infrastructure Stimulus Fund (ISF) program which aims to support the rehabilitation or construction of provincial, municipal and community infrastructure projects that can be built during the 2009 and 2010 construction seasons. Eligible projects categories for local governments include: water and waste water, public transit; roads and bridges, solid waste management, disaster mitigation, brownfield redevelopment, ports and airports, municipal buildings and recreation and culture.

The Government of Ontario committed to match the Federal program in their 2009 Provincial Budget "Confronting the Challenge: Building Our Economic Future" providing \$6.8 billion towards short-term stimulus projects.

On September 11, 2009, the Government of Canada announced an ISF contribution of \$1 million towards the Rexdale Multi-purpose Community Hub. Since that time, the scope of the project has been re-evaluated. On January 25, 2010, the Governments of Canada and Ontario announced a total ISF contribution of \$5.46 million towards the project.

On September 13, 2009, the Governments of Canada and Ontario announced an ISF contribution of \$4 million towards the Canadian Film Centre (CFC).

On December 16, 2009, the Governments of Canada and Ontario announced an ISF contribution of \$24 million towards the Regent Park Arts and Cultural Centre.

COMMENTS

Project Implementation

The Federal and Provincial governments have prescribed certain criteria that require close attention and diligence of City staff in order to ensure realization of all funding entitlement.

Given the timing of ISF approvals for City stimulus projects, City staff will closely monitor implementation for any potential risks associated with their delivery and ability to be substantially completed by March 31, 2011. Internal processes will be streamlined, including an abbreviated consultation process for stimulus projects where required. Furthermore, the Purchasing and Materials Management Division has been committed, as a high priority, to assist in ensuring that goods and services are acquired as quickly as possible, albeit without contravening best practices, and established protocols and principles.

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SIGNATURE

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