

Minister of Housing and Infrastructure
Minister responsible for
Pacific Economic Development Canada



Ministre du Logement et de l'Infrastructure
Ministre responsable de
Développement économique Canada pour le Pacifique

Ottawa, Canada K1P 0B6

May 26, 2026

Mayor Olivia Chow
City Hall, 2nd Floor
100 Queen St. W.
Toronto, ON, M5H 2N2
mayor_chow@toronto.ca

Dear Mayor Chow:

I am pleased to inform you that the 'East Don Storage and Pumping Station' project is approved in principle as one of the first projects under the terms and conditions of the Government of Canada's Build Communities Strong Fund (BCSF).

BCSF is a cornerstone of the Government of Canada's plan to deliver the infrastructure needed to build Canada strong. Investments like the one we are making in your community will boost economic activity, create good-paying careers in the skilled trades, and give businesses and investors the confidence to build. We know we need to move quickly on these projects, so I look forward to working with you to deliver on this vital infrastructure.

Federal funding of the project from the BCSF program will be no more than \$21,768,000, which represents 40 percent of the total eligible project costs at the time of project application. It is your responsibility to verify stacking limit conditions of all government programs providing funding to the project.

Program officials from my department will be in contact with their counterparts soon to discuss the funding agreement and help schedule an announcement. Note that the reimbursement of eligible project costs can occur only after a funding agreement has been signed by both your organization and Housing, Infrastructure and Communities Canada (HICC) and after any condition placed on the project has been met.

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Please carefully review the Annex attached to this letter, which contains important details about the conditions associated with this approval in principle. Should you require further information, please feel free to forward any inquiries to bcsf.dd.pm-fbcf.pd.sp@infcc.gc.ca.

Furthermore, as we work together to enable a One Canadian Economy, and as infrastructure projects are key economic enablers, HICC would like to emphasize the importance of maximizing economic benefits for Canadian industries in your day-to-day business. This includes considering prioritizing Canadian materials when undertaking infrastructure investments, including procurement processes, subject to legal obligations and Canada's obligations under the trade and investment agreements. HICC is certain you understand the value in providing economic benefits for all Canadian industries where legally possible.

The Government of Canada is committed to helping you make our communities more sustainable and to improve the quality of life for all residents. The 'East Don Storage and Pumping Station' project is an excellent example of the commitment and vision needed to make this a reality across our country.

Thank you for your application, and congratulations once again. I look forward to seeing this project come to fruition.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gregor Robertson', with a stylized, cursive script.

The Honourable Gregor Robertson, P.C., M.P.
Minister of Housing and Infrastructure and Minister responsible for
Pacific Economic Development Canada

Enclosure
Annex - Approval in Principle Conditions

Annex - Approval in Principle Conditions

This approval in principle is based on your application and the information contained therein. Failure to comply with any of the conditions listed below may result in the denial of funding.

Eligible Project Costs

For the purpose of reimbursement, eligible project costs, as outlined in the program guidance, must be incurred after the date of this letter. Costs incurred outside of this timeframe will be deemed ineligible, with the exception of costs related to environmental assessment and Indigenous consultation and engagement activities, as well as costs associated with climate related requirements. These specific costs are retroactively eligible for up to two years prior to project approval, but no earlier than February 26, 2026.

Total funding from all levels of government (including municipal, provincial, territorial, and federal) cannot exceed 100 percent of total project costs, and total federal government funding cannot exceed 100 percent of total eligible project costs under this program.

The reimbursement of eligible project costs incurred is subject to the timely execution of a funding agreement. If a funding agreement is not signed, the Government of Canada will not reimburse any costs incurred. Once executed, the funding agreement represents the final step of the funding approval process.

Project Information and Project Changes

All required information and/or data must be provided to HICC for Canada to pay eligible costs for the project.

Any changes to the project will require careful review and approval by HICC. As your project is being approved in principle based on the information in your application, please notify officials, in writing, should you expect changes in scope or timing to the project.

Environmental Assessment and Indigenous Consultation

Other specific conditions may also apply, including but not limited to, any applicable environmental assessments and/or consultations with Indigenous organizations that must be completed before funding can be provided:

- Canada has determined that there are no federal requirements under the *Impact Assessment Act* (IAA) for this project.
- Canada has determined that there is a legal obligation to consult with Indigenous peoples since Aboriginal and/or Treaty rights under Section 35 of the *Constitution Act, 1982* could be adversely impacted by this project. Until such time that HICC confirms that federal requirements to consult with Indigenous peoples are met and continue to be met, no site preparation, vegetation removal or construction can occur, and Canada will not pay for eligible costs. A letter describing requirements will follow. In addition, any conditions will be outlined in the Contribution Agreement to be negotiated.

Public Communications Protocol

Departmental officials will contact you shortly to move forward with the negotiation of the funding agreement. Thereafter, HICC's Communications Branch will be available to discuss how a joint funding announcement, and all other communications activities, will be coordinated, and the roles and responsibilities of each party. They will also proactively reach out in advance of opportunities for a joint announcement. We ask that all external communication activities about the approval of the project remain confidential until a joint announcement involving both parties can take place. This relates specifically to a formal public announcement, news release, and/or official project milestones (such as ground breaking ceremonies or grand openings).

HICC recognizes that prior to a formal joint announcement, you may have specific activities that you need to undertake to ensure that the project is progressing in a timely manner. Communications of an operational nature (e.g., calls for tender, construction, and public safety notices, etc.) can be carried out. Furthermore, you are permitted to engage stakeholders to proceed with planning or consultation, and you may enter into contracts to advance your project's design or other work.

Additional Conditions

In addition to other terms and conditions that will be identified within the funding agreement, the funding will be subject to the following conditions:

- Your organization will establish and use competitive and transparent tendering processes unless approved in advance by HICC.

- HICC requires that recipients integrate climate considerations into BCSF-funded projects, including GHG mitigation, resilience and energy efficiency, as appropriate.
- To receive funding, the project must be authorized or endorsed by a resolution of Council, Band, or Board of Directors, as applicable. The resolution must be received before a funding agreement can be executed.
- Recipients must include prominent federal branding including signage, announcements and permanent plaques, where appropriate, in accordance with the BCSF Communications Protocol.
- All ineligible costs, cost increases or overruns, unsecured funding, and any costs related to the ongoing operation and maintenance of the project, will be the responsibility of your organization.
- Eligible costs will only be reimbursed by Canada up to the maximum of \$21,768,000 approved for this project. It is your responsibility to confirm the eligibility of all items identified in the application prior to incurring expenses, as claims made for ineligible costs will not be reimbursed;
- HICC requires confirmation that all remaining project funding has been secured prior to entering into a funding agreement. This includes loans from the Canada Infrastructure Bank, where applicable;
- The applicant must own or have secured all necessary rights and interest in the asset or assets Canada funds. Canada may request documentation to verify asset ownership or agreements prior to entering into a funding agreement; and
- More information about the above-mentioned policies are available on the HICC website and via the Direct Delivery program application guide.