



Administrative Report

Office of the Director of Transportation Services

To: Warden Tom Bain and Members of County Council

From: Tom Bateman, P.Eng
Director of Transportation Services/County Engineer

Date: August 9, 2017

Subject: Ontario Municipal Commuter Cycling (OMCC) Program – Grant Funding

Report #: 2017-R019-TSD-0809-TRB

Purpose

The purpose of this report is to provide Council with information and request Council endorsement for the participation in the 2017 Ontario Municipal Commuter Cycling (OMCC) Program.

Background

The province's Climate Change Action Plan 2016-2020 identifies initiatives intended to help reduce GHG emissions from the sector.

Ontario is enhancing implementation of its Cycling Strategy and Action Plan by increasing investments in commuter cycling infrastructure through the Ontario Municipal Commuter Cycling Program (OMCC) that is designed to provide direct, dedicated annual funding to Ontario municipalities to support the implementation of commuting cycling infrastructure. The OMCC is a 4-year program that is supported by proceeds from the Ontario cap and trade program with \$40.5 million available in the first year to municipalities with a population over 15,000. Funding for future years will be determined based on the availability of cap and trade proceeds.

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Each municipality may receive funds based on the following formula:

<u>Base Funding</u> \$25,000 for each participating Municipality	+	<u>Population Based Funding</u> 70% of the remaining allocation based on municipal population based upon the 2011 Census	+	<u>Cyclist Based Funding</u> 30% of the remaining allocation based on the number of municipal commuting cyclists based upon the 2011 Census
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Funding is determined through a funding model which provides \$25,000 base funding for each participating municipality plus population-based funding (70% of the remaining allocation based on 2011 census information) plus cyclist-based funding (30% of the remaining allocation based on the number of municipal commuting cyclists from 2011 census data). Based on the derived funding model and available secured funding, the OMCC provides up to 80% of the eligible of capital costs towards the implementation of projects on the approved eligible projects list.

Upper-tier and lower-tier municipalities are both eligible for OMCC funding; however, funding will be divided 50/50 between the two tiers if both tiers declare interest in participating in any given year. Staff will work with municipal counterparts to align priorities as much as possible.

All projects submitted must be supported by a Cycling Master Plan. The annual funding allocation for each participating municipality will be based upon the number of participating municipalities and the available funds in each funding year.

As part of the application process, a listing of commuter cycling projects and associated eligible costs are to be submitted for consideration by the Ministry of Transportation. An Application Declaration Form needs to be approved by the Warden and Clerk and submitted as part of the package. A template of this form is included as **Appendix A**.

The Ministry will create an approved OMCC project list and once funding is communicated, the municipality will select those projects they wish to implement using the OMCC funds provided. Municipalities can submit a request to update the approved project list semi-annually in the second,

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third and fourth funding years. For the first funding year, participating municipalities may request an update to the approved project list in January, 2018.

Key Dates

Deadline to declare participation and to submit an application

September 8, 2017

2017 Funding Announcement

September 25, 2017

2017 Funding Flow- (requires
enabling By-Law and Transfer
Payment Agreement)

September 29, 2017 onwards

Project Completion Deadline

December 30, 2020

Deadline for Final Report
Submission/Program Ends

March 31, 2021

Municipalities must continue to declare their commitment to participate in OMCC annually. There is a requirement to have a By-Law created that outlines those who are authorized to enter into an agreement with the Ministry as part of the Transfer payment agreement process. Whether or not to proceed with a specific project on the list of approved projects, and how the OMCC funding will be allocated amongst the identified, eligible projects, will be left to the discretion of the municipality, as long as the terms of the Transfer Payment Agreement (TPA) are adhered to. A By-Law sample can be found in **Appendix B**.

Discussion

The CWATS Master Plan was adopted by County Council in November 2012 and provides the framework to develop a continuous and connected network that builds upon, connects and supports existing & planned local routes. The Implementation Strategy is recommended in three phases and is to be delivered through a committed partnership with the County of Essex, each of the local & neighbouring municipalities and partner organizations.

Projects must be consistent with the requirements in the Ontario Traffic Manual – Book 18 – Cycling Facilities (OTM Book 18). OTM Book 18 contains information on legal requirements, standards, best practices, procedures, guidelines and recommendations for the justification, planning, design, timing and operation of bicycle facilities and control measures.

Reporting Requirements

Reporting requirements will be specified in the TPA but generally this will include an:

- Annual financial report of OMCC funding expenditures;
- Annual construction report until all projects are completed;
- Post-construction project performance data about usage and GHG reductions, beginning at least 1 year and no more than 2 years after project completion; and
- Final report.

Failure to provide the required reports will result in either a delay or suspension of project funding. Failure to provide post-construction performance data could result in a recovery of project funds by the Province.

Financial Considerations

Prior to receiving funding in the first year of participation, a municipality must execute a Transfer Payment Agreement (TPA) with the Ministry. Municipalities must also pass an enabling bylaw and provide a copy of the passed bylaw to the Ministry on an annual basis to participate in the program. Funding will be flowed directly to participating municipalities on an annual basis. Funding may be flowed in a lump sum or through a funding schedule.

OMCC provides only capital funding and does not provide funding for planning (other than development of cycling plans), maintenance or operational costs. Municipalities must contribute a minimum of twenty percent of the total capital cost of implementing each eligible commuter cycling infrastructure project to be eligible for OMCC funding.

All funds must be deposited into a dedicated account. Funding that is not used in one funding year can be carried over to be used in subsequent funding years provided all projects are completed by December 30, 2020. Interest earned must be reported annually. Funding will be flowed to a participating municipality annually once it provides the Ministry with a copy of the enabling by-law. A By-Law template provided by the Ministry is included as **Appendix B**. This By-Law cannot be fully developed until such a time that projects have been selected as it must make reference to specific projects in each year.

The County of Essex will receive at least \$25,000 in funding. As previously noted, the upper limit of funding is currently unknown since it will be calculated based on the formula detailed above. The remaining allocation amount is also unknown at this time as it is dependent on the number of municipalities that apply.

Candidate Projects

The CWATS master plan is comprised of several paved shoulder projects in the rural area that have a 100% County allocation that do not rely on local municipal support. These projects are identified as County (RURAL) in the CWATS schedules and were evaluated for the feasibility of extending the paved surface to create a paved shoulder combined with the need for accommodating commuter active transportation demands.

A listing of the projects and estimated costs is outlined in the attached table in **Appendix C**. The Ministry will identify certain or all projects to the OMCC approved project listing. The County of Essex will then be able to select projects to be implemented and receive grant funding from the approved list. Projects will be selected to maximize the grant dollars allocated.

Administration is recommending 15 projects be submitted for consideration for the grant application. Each of the submitted projects are supportive of the CWATS AT Network plan and are identified as 100% County projects. In total, these projects are estimated to be \$10,687,715. The County would be required to fund at a minimum 20% of eligible costs as well as 100% of any ineligible costs for the project and non-recoverable HST. If the maximum amount of funding were approved, the County would be required to fund approximately \$2,137,543 of the \$10,687,715.

An additional 10 projects are also being submitted for consideration as presented in Table 2 in **Appendix D**. These projects are identified in the CWATS AT Network plan as shared projects with the Lower Tier Municipality and are identified as County (URBAN) segments that have a 60/40 funding commitment between the respective local municipality and the County.

In total, these projects are estimated to be \$13,146,332. The County and the respective Lower Tier Municipality would be required to fund at a minimum 20% of eligible costs as well as 100% of any ineligible costs for the project and non-recoverable HST. If the maximum amount of funding were approved, the County and respective Lower Tier Municipality would be required to fund approximately \$2,629,266 of the \$13,146,332.

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Recommendation

It is recommended that:

- That the Warden and Clerk be authorized to execute the 2017 Ontario Municipal Commuter Cycling Program Application Declaration for Large-Medium Municipalities,
- That the Director of Transportation Services be delegated authority to finalize the 2017 Project List through consultation with the CWATS Committee where appropriate; and
- That the Chief Administrative Officer be authorized to execute any agreements, declarations or approvals required to submit an application.

Respectfully Submitted,

Tom Bateman

Originally Signed by

Tom Bateman P.Eng, Director of Transportation Services/County Engineer

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Concurred With,

Brian Gregg

Originally Signed by

Brian Gregg, Chief Administrative Officer

Appendix No.	Title of Appendix
A	Application Declaration Form
B	Sample By-Law
C	Project List – County RURAL
D	Project List – County URBAN