

# **Municipal Infrastructure Investment Initiative**

## **Program Guidelines**

**January 2008**

## Introduction

The Municipal Infrastructure Investment Initiative (MIII) is a \$300 million, one-time grant funding program in the current fiscal year that will support investments in local infrastructure priorities in communities across Ontario. The objective of this program is to direct new infrastructure funding to support the construction or renewal of municipally owned infrastructure assets. Recognizing that every community has infrastructure priorities, the government wants to support as many projects as possible across the province.

Grants under the MIII will be awarded on the basis of applications evaluated on a competitive basis against the criteria outlined in these guidelines. Capital investments in all types of municipally owned infrastructure are eligible for funding, except for public transit, which is being supported through other provincial initiatives. This provides municipalities with significant discretion to seek funding support for their local priorities. No preference will be given to applications in one category over another.

Eligible municipalities are able to apply for up to 100% of the project costs under the MIII, and successful applicants will receive exactly the grant amount that they requested. By providing successful applicants with grants this year for a wide range of municipal infrastructure projects, the funding under the MIII will help to get projects off the ground, contributing to a strong and resilient economy and higher quality of life in Ontario's communities.

The MIII is being administered by Infrastructure Ontario (IO), a government agency dedicated to the delivery of projects and funding for infrastructure across the province. Municipalities can access information about this initiative and submit their applications for funding through the IO website.

**The deadline for applications is  
5:00 p.m. (EST) on Friday, February 15, 2008.**

## Who can apply?

All single-, upper- and lower-tier municipalities in Ontario, except for the City of Toronto, are eligible to apply for funding under this program. Local Services Boards (LSBs) are also eligible to apply for funding under the MIII. The LSBs of Sultan, Eva Marion Lake, and Savant Lake are not eligible for the MIII because they are in the process of dissolution. Local Roads Boards are not eligible for the MIII. For the purposes of readability and clarity, throughout these program guidelines the term “municipality” is intended to refer to both eligible municipalities and eligible LSBs.

## What types of infrastructure projects are eligible?

Capital investments in all types of construction ready, municipally owned infrastructure projects, except for public transit, are eligible for funding under this initiative. The province has no preference for applications in one category of infrastructure over another.

Some *examples* of eligible infrastructure categories include:

- Water
- Wastewater
- Roads
- Bridges
- Solid waste management
- Long-term care facilities
- Social housing
- Culture (including libraries)
- Tourism
- Recreation
- Community energy

Other types of municipally owned infrastructure, (e.g., accessibility improvements, docks, flood control infrastructure, etc.) are also eligible. Municipalities need to indicate the category their project fits into when they submit their application.

This broad approach to eligible investments recognizes that municipalities have many types of infrastructure needs, and gives municipalities the discretion to identify their own priority project for their MIII application.

A municipality or LSB can only apply for infrastructure projects in its area of responsibility (e.g., a municipality that does not have responsibility for water services may not apply for a water project).

Applicants need to indicate on their application when they expect construction can begin, and when construction is expected to be completed. Please note that “construction ready” projects are those where the municipality has completed, or will soon complete, all required studies and approval processes (such as environmental assessments) to allow the project to proceed to tendering and construction.

It is also important to note that both rehabilitation/renewal and new construction projects are eligible for funding under this initiative.

### **Ineligible Funding Categories and Costs**

Applications for public transit projects will not be eligible for funding under the MIII. This includes both conventional and specialized transit (such as para-transit, transit for seniors, etc.).

Projects will not be eligible if construction work (e.g., physical changes to land or buildings above or below ground level) has started prior to the approval of the funding application.

Project-related studies, including planning, feasibility and environmental assessment (EA) studies will not be funded under this initiative. Operating costs of municipally owned infrastructure assets will also be ineligible.

The intent of the MIII is to support investments in municipal infrastructure projects. Applications for funding for vehicles and equipment will not be considered eligible under the MIII.

### **How many applications can be submitted?**

Only ONE project will be considered from each eligible municipality.

## What information needs to be provided on the application form?

Applications for funding under the MIII are intended to be straightforward for municipalities to complete. Applications must be completed online through the MIII web page, which can be accessed through the Infrastructure Ontario website:

*[www.infrastructureontario.ca](http://www.infrastructureontario.ca)*

The **first section (General Information)** of the application requests basic information about the municipal applicant, including specific applicant contact details.

In the **second section (Project Information)**, applicants are asked to provide basic information about their project. This includes the name and the location of the project within the community.

Applicants are required to indicate the category of infrastructure that applies to their project. Applicants can choose a category from the list provided (e.g., "Roads") or can indicate that their project falls in the "Other" category if the category of their project is not on the list. In this case the applicant should provide a brief description.

In this section, applicants must indicate if provincial funding has been received *for the same project* under any previous infrastructure program (e.g., OSTAR, SCTP, COMRIF, etc.), and how much funding was received. As described in further detail below, particular consideration will be given to projects that have not previously received any provincial government funding. Grants will not be awarded for costs which have already been funded under a prior provincial program.

Under "Project Benefits," applicants are required to provide a brief description of the project and details about the anticipated benefits. The project description should explain the key features and purpose of the project, its size, key characteristics, and any other information that is relevant.

Applicants must also explain the benefits that the project will have for the community, the region and the province. The following categories are provided on the application form, and applicants should address each category:

- Economic or commercial benefits;
- Environmental or sustainability benefits;
- Health and safety benefits; and
- Social or community benefits.

For example, in the section on economic or commercial benefits, applicants could indicate how their project would improve economic competitiveness or create jobs. Under environmental or sustainability benefits, applicants could indicate how their project would help to reduce greenhouse gas emissions, protect habitat, or reduce energy use. Since every infrastructure project is different, not all projects will provide the same benefits, so the benefits described should be appropriate to the project. Where possible, applicants should propose specific performance measures to quantify the benefits they believe the project will achieve, in the event that the application is successful and receives MIII funding.

Applicants are also asked to explain how their project will help to implement a council-adopted municipal plan (e.g., Official Plan, Asset Management Plan, etc.). Applicants should identify the plan, and the objectives or policies of the plan that the project would help to implement or support.

For both the project description and the statements of the project benefits, concise descriptions are encouraged and bullet points may be used. Applicants are also encouraged to use the space available to explain their projects fully. On the application page, there is a maximum number of words that can be entered in each section. Please ensure that the application stays within the limits indicated on the application form.

Under "Timing," applicants must indicate when construction on their project is expected to start and when it would be completed if funding is successfully secured under the MIII. As the projects are expected to be construction-ready, applicants are asked to confirm that all required studies have been completed so that construction can begin. If the studies have not been completed, applicants need to describe the studies still underway and indicate when they are expected to be completed.

The section “Project Cost” pertains to information regarding project costs and funding. If you are using more than two other funding or financing sources to support your project, please fax the additional information describing those funding or financing sources, and amounts, to Infrastructure Ontario at 416-263-5928.

The **third section (Banking Information)** of the application requests municipal banking information. This information is being collected to facilitate the transfer of funds to the successful applicants.

All applicants must accept the terms and conditions that accompany the application form at the time the application is submitted.

### **What council actions are required?**

A municipal council must pass a by-law affirming their support of their application. In the case of LSBs, the Board must also pass a by-law affirming their support of their application. In order to assist municipalities and LSBs with this requirement, two by-law templates (one for municipalities, one for LSBs) are available through the Infrastructure Ontario website.

### **What criteria will be used to evaluate applications?**

Projects will be selected for funding through a competitive, merit-based evaluation process. The evaluation will be based on the information provided in the application form. The evaluation will be conducted in two stages.

The first stage of the evaluation is a compliance review to determine if the application meets the basic eligibility requirements of the MIII. The compliance review will be based on:

- Submission of a complete application
- Project is eligible for funding, as defined in these program guidelines
- Project has not already started construction
- Submission of a council or board by-law in support of the application

All applications deemed compliant after the first stage review will be considered candidates for funding and will be evaluated further. Non-compliant applications will not be given further consideration.

The second stage of the evaluation process will be used to determine the applications that will receive funding under the MIII. The criteria that will be used in the second stage of the evaluation process are as follows:

- Construction readiness
- Alignment with provincial policy objectives
- Benefits of the project to the community, region and province, including:
  - Economic or commercial benefits, including benefits to economically depressed areas of Ontario
  - Environmental or sustainability benefits
  - Health and safety benefits
  - Social and community benefits
- Demonstration that the project helps to implement a council-adopted plan or strategy<sup>1</sup>
- Regional distribution of projects around the province.

Applicants should note that particular consideration will be given to projects that have not previously received any provincial government funding. Grants will not be awarded for costs which have already been funded under a prior provincial program.

The review of applications will be coordinated by staff in the Ministry of Public Infrastructure Renewal. A comprehensive group of other provincial ministries with relevant expertise will also be involved in the review of applications.

## **How will the size of the grant be determined?**

Applicants must state the amount of the grant that they are requesting on their application forms. Applicants can apply for up to 100% of the project cost. There is no requirement for the municipality to match the funding awarded under this program. There is no federal government funding associated with the MIII.

Successful applicants will receive exactly the amount of the grant that was requested in the application. The province will not award “partial” grants under the MIII. For example, if a municipality applies for a \$500,000 grant, and is successful, the municipality will receive \$500,000. There is no

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<sup>1</sup> In the case of LSBs, this criterion will be applied with respect to the compliance of the project with the Minister’s Order establishing the LSB.

possibility that the municipality would receive some other portion of the original grant requested. The province will not negotiate or adjust grant amounts after an application has been submitted.

Although there is no maximum cap for funding awards in this initiative, applicants are reminded that the total pool of available funds is limited to \$300 million.

### **Can I also use other sources of funding or financing, such as an Infrastructure Ontario loan, for the project?**

In the case where a municipality intends to fund a portion of the total project cost with an MIII grant, and a portion of the total project cost from other sources, those other sources (including financing through the OSIFA Loan Program) are acceptable. If a municipality intends to use multiple sources of funding or financing, this must be indicated on the application form.

Grants received under this initiative may not be used to pay off any portion (interest or principal) of an existing IO loan.

### **What costs are eligible, and ineligible?**

All construction-related costs borne by the applicant are eligible under this initiative. Project-related studies, including planning, feasibility and environmental assessment (EA) studies are not eligible. Operating costs of municipally owned infrastructure assets are not eligible.

### **What supporting materials are required for my application?**

In addition to a complete application form, municipalities must submit a municipal council by-law and a void cheque. Local Services Boards must submit a by-law, a copy of the Minister's Order establishing the LSB, and a void cheque. Technical schedules, business cases, consultant reports or engineering studies are NOT required.

**If I submitted a project for consideration under any one of COMRIF Intake 1, Intake 2, Intake 3 or the Rural Infrastructure Investment Initiative (RIII), and that application was unsuccessful, can I apply with that same project for consideration here?**

Yes, unsuccessful applications from COMRIF Intake 1, Intake 2, Intake 3 and RIII are eligible for consideration under the MIII.

**I've heard that there will be a fourth intake of applications under COMRIF? When will the new round of funding under COMRIF be announced, and can I apply with the same project to both programs?**

In the near future, the Ontario government, along with its federal and municipal partners, expect to announce the final round of funding under COMRIF. The discussions around this final round of funding are continuing at this time, and the timelines for that round of funding have not been confirmed. There will be municipalities and LSBs in Ontario that will be eligible to apply to both the MIII and the final round of COMRIF.

Applicants may not receive funding for the same project from both the MIII and the final round of COMRIF. There is a possibility that the application periods under MIII and the final round of COMRIF will be open at the same time. The province understands that if a municipality or LSB is eligible for both MIII and COMRIF, some communities may wish to submit the same project for consideration under both MIII and the final round of COMRIF, and that other communities may wish to submit separate projects for consideration under the two programs.

In the event that MIII and the final round of COMRIF are active at the same time, applicants that are eligible for both programs will have a choice. On the one hand, they may choose to submit different projects to the MIII and the final round of COMRIF. On the other hand, they may choose to submit the same project for consideration under both MIII and COMRIF. If an applicant submits the same project for consideration under both programs, they must be aware that if their application is successful, they will only receive funding under one program, not both.

To illustrate how this policy will apply, consider the following example. If an application for the same project has been submitted to both MIII and

COMRIF, and the MIII grants are announced first, and the project is funded under MIII, it will not be given further consideration under COMRIF. Conversely, if COMRIF awards are announced first, and the project is funded under COMRIF, it will not be given further consideration under MIII. If an applicant chooses to apply to MIII and COMRIF with different projects, they have the potential to receive funding from both programs. This will not be possible for an applicant that submits the same project to both programs.

Under no circumstances will applicants be allowed to revise either their MIII application or a COMRIF application once the application deadline for each respective program has passed. Each municipality or LSB will have to come to its own conclusion about how to decide which project to submit for consideration under each program. As with any application-based program where the value of the applications exceeds the funding available, there is the risk that any single application may or may not be funded. These program design features are intended to provide municipalities with the maximum amount of discretion about how they wish to seek provincial support for their infrastructure needs. These features will also help to ensure the integrity and fairness of both the MIII and the COMRIF evaluation processes.

In the event that the final round of COMRIF is active after the MIII grants have been announced, applicants will no longer need to choose between the two programs, and they will be free to decide which project they wish to submit for consideration under COMRIF.

### **When will applicants be notified about the results of their MIII application?**

Funding announcements will be made no later than March 31, 2008.

### **When will successful applicants receive their MIII grants?**

Successful applicants will receive their MIII grants as a one-time, lump sum payment no later than March 31, 2008.

## **What will successful applicants have to do to receive their funding?**

Funding awarded to successful applicants under this initiative will be sent directly to the successful applicant as a single, one-time, lump sum transfer payment. Beyond the acceptance of the terms and conditions in the application form, this program does not require the successful applicant to enter into a contribution agreement with the Province or Infrastructure Ontario prior to receiving funding.

## **What accountability provisions does the MIII include? Will successful applicants have to report back to the province on the use of MIII grants?**

Successful applicants will be required to report back to the province on the use of their MIII grants. Successful applicants should be prepared to demonstrate that the MIII grant was used for the purpose intended (as described in their application form). Successful applicants should also be prepared to explain how their MIII grant has allowed them to achieve the benefits to the community, region and province that were described in their application. Successful applicants should also be prepared to report on the results of all performance measures proposed in their application.

As indicated in the terms and conditions that all applicants must accept when they submit their MIII application, the province reserves the right to independently verify or audit, at the sole expense of the grant recipient, that the report back information submitted to the province by the grant recipient is accurate and complete and that the funds were used for the purpose intended. If the report back to the province is incomplete, the province may request additional information from the grant recipient.

If an audit reveals a discrepancy with any information submitted in connection with an MIII application, the province reserves the right to recover up to and including all of the funds provided. In the event that the grant recipient fails to spend all or some of the funds received under the MIII, the province reserves the right to recover any and all remaining funds.

Further details about the reporting back procedures and requirements will be confirmed at the time MIII grants are made to successful applicants, no later than March 31, 2008.

## How do I submit an application?

All eligible municipalities and LSBs that wish to submit an application must do so through the Infrastructure Ontario website:

***[www.infrastructureontario.ca](http://www.infrastructureontario.ca)***

To apply, applicants need the user ID and password included in the January 11<sup>th</sup> letter/email from Infrastructure Ontario to eligible municipalities and LSBs.

**A complete application, including the municipal council or LSB board by-law, and a void cheque, MUST be received on or before 5:00 p.m. (EST) on Friday, February 15, 2008.**

Copies of the by-law and void cheque may be submitted by **fax** to the following number:

416-263-5928

**If you have questions** about the program, the application form or procedures, please contact the MIII help desk by phone or email at:

1-800-230-0937

OR

[grants@infrastructureontario.ca](mailto:grants@infrastructureontario.ca)