

**Meeting Date:** May 6, 2019  
**Department:** Engineering & Public Works  
**Prepared By:** George Elliott, P.Eng., Director of Engineering & Public Works  
**Reviewed By:** Bill Dakin, Director of Financial Services  
**Reviewed By:** Greg McClinchey, Chief Administrative Officer  
**SUBJECT:** **Infrastructure Ontario Rural & Northern Funding Program  
Report No. EPW 19-012**

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## RECOMMENDATION:

It is recommended:

1. That Council receive Report EPW 19-012 regarding the Infrastructure Ontario Rural & Northern Funding Program, and
2. That Council authorize the Director of Finance and the Director of Engineering & Public Works to, with the approval of the CAO, submit a funding application under the Roads & Bridges stream of the Infrastructure Ontario Rural & Northern Funding Program for road improvement works totaling \$4,000,000 on McEvoy Road, and Inadale Drive, and
3. That Council authorize the Director of Finance and the Director of Engineering & Public Works to, with the approval of the CAO, submit a funding application under the Broadband Communications stream of the Infrastructure Ontario Rural & Northern Funding Program for the expansion of the new Mount Brydges fibre optic services by North Frontenac Telephone Company totaling \$4,250,000.

## BACKGROUND

On March 12<sup>th</sup> 2019 the Ontario Provincial Government announced in conjunction with the Canadian Federal Government the **Rural and Northern Fund**. This provides funding for municipal governments with less than 100,000 population. In response to feedback from municipal governments, funding focusses on roads and bridges, air and marine infrastructure. An application will need to speak to the critical health and safety and technical merit of a proposed project. Depending on demand, subsequent intakes may be open to other types of rural and northern infrastructure assets. The total 10-year funding commitment in this stream is \$625 million from all three orders of government. The federal government will provide additional assistance to very small municipal governments (up to 60 percent) and the provincial share is 33 percent. Municipal share will be 17 percent or 7 percent for very small municipal governments (i.e. under 5,000 population).

The Rural and Northern Fund will received applications under three streams including Roads & Bridges, Broadband Communications and Food Security initiatives. Applications require Council resolutions in support of the projects to be applied for under each stream.

**COMMENTS**

The following two applications are proposed.

**Roads & Bridges Stream**

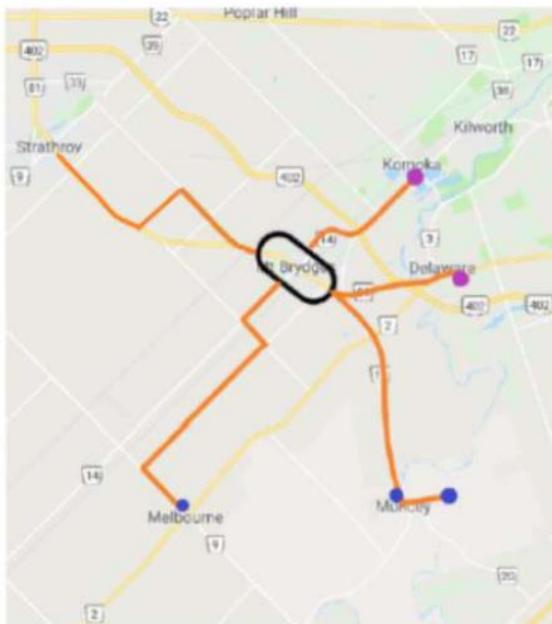
The upgrading of the full length of McEvoy Road and the section of Inadale Drive from McEvoy to Adelaide Road is proposed. The upgrade would convert the road from a tar & chip surface to asphalt including widening, shoulders and ditches to full standard. The cost of the works totals \$4 million with the following funding breakdown:

- \$2,000,000 Federal
- \$1,332,000 Provincial
- \$ 668,000 Local Share (Strathroy Caradoc \$598,000 and County \$70,000)
- \$4,000,000**

The works provide 2 major benefits. First, McEvoy Road upgrades support the roadway function as an emergency detour route (EDR) for Highway 402 traffic detours. Second, the upgrades of both McEvoy Road and Inadale Drive to full truck route standard benefit the current development of Weed MD and the overall agricultural industries in the area.

**Broadband Communications Stream**

The extension of the NFTC fibre optic system beyond Mount Brydges is proposed. The graphic below identifies the 5 legs of proposed service extension and the overall cost of \$4.25 Million.



**Broadband Project**

**Cost Sharing Breakdown**

Federal	\$2,385,000
Provincial	\$1,260,000
Local Share	\$ 605,000

**Total Project \$4,250,000**

-  Existing Fibre Area
-  Propose Fibre
-  Fibre Central Office
-  Fibre Panel Hubs

The extension broadband fibre optic would include the following areas and any properties along the extension route:

- Melbourne (Strathroy Caradoc and Southwest Middlesex)
- Campbellvale and Delaware West
- Linkage to Strathroy
- County Works Yard on Melbourne Road
- Chippewas of the Thames First Nation
- Oneida Nation of the Thames
- Komoka and Delaware (Middlesex Centre)

The project would be undertaken in cooperation with NFTC to undertake and operate the service. The above Municipalities, County and First Nations partnerships would need to share the local portion of the costs if the project was to move ahead.

## FINANCIAL IMPLICATIONS

The Local Share of costs for the two projects is proposed to be cost shared through partnerships with neighbouring communities but will require their approval prior to being advanced formally. The following is a summary of the cost sharing:

Project	Strathroy Caradoc	County	Middlesex Centre	Southwest Middlesex	Chippewa First Nation	Oneida First Nation	Total
Road	\$598,000	\$70,000	n/a	n/a	n/a	n/a	\$668,000
Fibre	\$425,000	\$15,000	\$100,000	\$30,000	\$17,500	\$17,500	\$605,000
<b>Total</b>	<b>\$1,023,000</b>	<b>\$85,000</b>	<b>\$100,000</b>	<b>\$30,000</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$1,273,000</b>

The Strathroy-Caradoc share would be funded through the Tax Levy portion of the Capital budget. Staff are currently also pursuing potential offsetting recoveries from other private sources including (but not limited to) sources such as Weed MD and NFTC. If successful, the possible recoveries are anticipated to be approximately 50% of the tax levy needs. The works are being proposed over a three-year period allowing portions of the funding to be included in the future years.

## CONSULTATION

Staff are currently in discussions with the partnering communities to generate and confirm support for the project funding applications and details.

The preparation of this report and recommendation was done in consultation with:

- Chief Administrative Officer
- Director of Financial Services

## ATTACHMENTS

None.