

## MEMORANDUM

**TO:** Council

**FROM:** Director of Engineering Services

**DATE:** March 10, 2015

**RE:** Grant Opportunity - Federal Gas Tax Fund Strategic Priorities Fund

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### BACKGROUND:

There is a grant opportunity from the Union of BC Municipalities - the Federal Gas Tax Fund Strategic Priorities Fund.

#### Quick Facts

<b>Strategic Priorities Fund</b>	
Program Purpose	To provide funding for strategic investments that are large in scale, regional in impact or innovative.
Eligible Applicants	All local governments outside the Greater Vancouver Regional District.
Eligible Projects: Capital Infrastructure Projects Stream	Public Transit; Local Roads and Bridges; Community Energy Systems; Drinking Water; Solid Waste; Wastewater; Highways and Major Roads; Local and Regional Airports; Short-Line Rail; Short-Sea Shipping; Broadband Connectivity; Brownfield Redevelopment; Disaster Mitigation; and Cultural, Tourism, Sport and Recreation Infrastructure.
Eligible Projects: Capacity Building Stream	Capacity Building including Asset Management, Long-Term Infrastructure Planning, and ICSP.
Application Limit	Two (2) capital infrastructure projects stream applications One (1) capacity building stream application.
Available Funding	Up to 100% of net eligible costs of approved projects.

In May 2014, Canada, BC and UBCM signed the renewed Gas Tax Agreement (GTA) which provides a ten-year commitment of federal funding for investments in Local Government infrastructure and capacity building projects in British Columbia.

One of the key funding programs established through the GTA is the Gas Tax Strategic Priorities Fund (SPF). The SPF is an application-based funding program, which pools approximately \$28 million of the \$253 million annual federal Gas Tax Fund for strategic investments that are considered larger in scale, regional in impact, or innovative.

The deadline for the application is April 15, 2015.

## **DISCUSSION:**

After reviewing the selection process and criteria, staff believe road rehabilitation works, supported by Oak Bay's Pavement Management Program, and the engineering design/public outreach activities for the Uplands Sewer Separation project have a good chance of success in the grant application process. The Oak Bay "Pavement Management Study" (PMS) was conducted in 2012. It was recommended that \$1.3 million per year be budgeted to maintain the road network current condition. Since the PMS Program was conducted, only \$300,000 per year has been approved through the annual budgeting process. The Uplands Sewer Separation Project is large in scale and was ordered by the province to be completed. An infusion of grant funds will enable project completion within a shorter time frame. Both of these projects align with the objectives of economic growth, clean environment and strong community.

Staff is planning to apply for three years' worth of PMS identified road works from the Pavement Management Program at an estimated cost of \$3.9 million, and the engineering design costs for the Uplands Sewer Separation Project at an estimated cost of \$1.5 million. Staff will apply for the Uplands Sewer Separation Project capital costs at the second intake of this SPF program which is expected to occur between 12 and 14 months from now as per discussions with Provincial staff.

One of the application requirements is a council resolution supporting the application.

## **OPTIONS:**

1. That staff be authorized to submit an application to the Union of BC Municipalities for a grant for funding of three years worth of roads work as identified in Oak Bay's Pavement Management Program at an estimated cost of \$3.9 million and for funding of the engineering design costs for the Uplands Sewer Separation Project at an estimated cost of \$1.5 million.
2. That the application to the Union of BC Municipalities not be submitted.

## **FINANCIAL IMPACT:**

If the road works application is successful, we could continue to budget the usual \$300,000 for paving work (\$50,000 of which usually covers patching work rather than uninterrupted lengths of road), on top of the grant-funded work, or we could divert the \$250,000 towards other one-time capital projects during the three years.

A successful application for the engineering costs related to the Uplands Sewer Separation Project will mean that we can retain our reserves for use in later phases of the project.

## **RECOMMENDATION(S):**

That staff be authorized to submit an application to the Union of BC Municipalities for a grant for funding of three years' worth of roads work as identified in Oak Bay's Pavement Management Program at an estimated cost of \$3.9 million and for funding of the engineering design costs for the Uplands Sewer Separation Project at an estimated cost of \$1.5 million.

Respectfully Submitted,



D. Marshall B.Sc., A.Sc.T.  
Director of Engineering Services

Source of Funds/I concur with the recommendation of the Director of Engineering Services.



Patricia Walker  
Municipal Treasurer

I concur with the recommendation of the Director of Engineering Services.



Helen Koning  
Chief Administrative Officer