

HALIFAX

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Item No. 15.1.5
Halifax Regional Council
March 22, 2022

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY:

Original Signed by 

Jacques Dubé, Chief Administrative Officer

DATE: February 16, 2022

SUBJECT: ICIP Green Environmental Quality Stream Funding Application

ORIGIN

On February 3, 2022 the Nova Scotia Department of Municipal Affairs and Housing (DMAH) issued a call for applications for infrastructure projects under the Green Environmental Quality Stream of the Investing in Canada Infrastructure Program (ICIP).

LEGISLATIVE AUTHORITY

Subsection 74(1) of the Halifax Regional Municipality Charter provides that “The Municipality may agree with one or more municipalities, villages, service commissions, the Government of the Province or of Canada or a department or agency of either of them or a band council pursuant to the Indian Act (Canada) to provide or administer municipal or village services.”

The application section of HRM’s *Changes to Cost Sharing for Projects Policy* (Cost Sharing Policy) (Revised May 2013) states that “This policy shall apply to existing approved projects only. All new projects must be approved by Council.”

RECOMMENDATION

It is recommended that Halifax Regional Council

1. Endorse the capital projects outlined in Table 1 of this report;
2. Direct the Chief Administrative Officer to submit the projects identified in Table 1 of this report for funding consideration under the Investing in Canada Infrastructure Program’s Green Environmental Quality Stream;
3. Authorize the Chief Administrative Officer to enter into any contribution agreements that may be required should the Municipality be approved for funding under the program

BACKGROUND

Through the Investing in Canada Infrastructure Program (ICIP), the Government of Canada announced in 2016 its plan to invest more than \$180 billion over 12 years in 5 main infrastructure priority areas:

- Public Transit Infrastructure;
- Green Infrastructure;
- Social Infrastructure;
- Trade and Transportation; and
- Rural and Northern Communities.

The Halifax Regional Municipality (HRM) has been awarded multi-million-dollar funding agreements since 2016 under the Public Transit Infrastructure and Green Infrastructure streams, when invited to apply by the Province of Nova Scotia. The overall federal funding program is intended to “create long-term economic growth, build inclusive, sustainable communities and support a low carbon, green economy”.

The standard funding structure of each ICIP award subsidizes eligible capital project costs by 73.33%; 40% from the federal government and 33.33% from the provincial government. The remaining 26.67% of project costs are the responsibility of the municipality to fund.

DISCUSSION

As outlined by the Department for Municipal Affairs and Housing’s (DMAH) call for applications announcement on behalf of the federal and provincial governments, the ICIP Green Environmental Quality Stream is “focused on infrastructure that will support quality and management improvements for drinking water, wastewater and stormwater, as well as reductions to soil and air pollutants through solid waste diversion and remediation”.

To be eligible for this funding source, a capital project must demonstrate that it meets the defined outcomes and be prioritized by a Resolution of Council between April 1, 2021 and April 1, 2022. Eligible projects include:

- wastewater and stormwater projects focused on wastewater treatment plants, conveyance systems and stormwater (projects that result in compliance with relevant provincial regulations and requirements are given priority);
- drinking water projects focused on water treatment facilities and distribution systems (projects that resolve long-term drinking water advisories or result in drinking water that meets or exceeds the relevant provincial standards are given priority);
- solid waste and remediation projects focused on diverting materials from solid waste management facilities by increasing capacity to dispose of materials or remediate contaminated sites.

Each municipality may submit a maximum of two projects for consideration. Projects may be multi-year in nature, with a beginning project date in 2022-23 or 2023-24, and must be completed by March 31, 2027. The DMAH has confirmed that HRM and Halifax Water may submit two projects each in a prioritized joint application for Halifax.

Staff reviewed current priorities in the ten-year capital plan for projects meeting the defined criteria of this funding program. One goal of the strategic long-term capital planning initiative in recent years has been to provide a longer-term view of the Municipality’s prioritized infrastructure needs with key interdependencies so that when cost sharing opportunities arise, a value-for-money assessment can be made to ensure other projects of higher need are not put at risk.

Transportation & Public Works’ Solid Waste team’s review of potential projects, such as the new organics facility and material recovery facility repairs were found not to be eligible as the projects are already in-

progress. The Solid Waste Strategy Review is an operating initiative without a preliminary defined direct infrastructure outcome. While the review may lead to an eventual infrastructural project, the strength of the application is low in relation to other opportunities.

The Highway 101 landfill gas system project, which is currently in the 2022/23 capital budget at an estimate of \$500,000, does meet the program's eligibility criteria. The upgrades required for future treatment of the landfill gas at the Highway 101 Landfill directly meets the desired program outcome for "increased capacity to reduce and/or remediate soil and/or air pollutants" (i.e., reducing greenhouse gas emissions). The request for consultation for the future landfill gas treatment solutions will be released in the near term. A consultant has been engaged from the consulting roster; there is no RFP to be released.

Planning & Development's Infrastructure Planning team proposed three flood mitigation projects for consideration. Each project meets the funding program's outcome definition criteria. None of the projects are currently included in the ten-year capital plan. They are being presented to Halifax Regional Council for consideration in a separate Recommendation report "National Disaster Mitigation Plan – Flood Risk Implementation Plan" on March 22, 2022 which indicates the projects would be brought forward for consideration in the capital plan during the 2023/24 capital planning process.

The three project areas proposed include:

- *Pleasant Street at Mount Hope flood mitigation*: This project is for the mitigation of localized stormwater flooding on Pleasant Street near the Mount Hope Intersection.
- *Cole Harbour Road near John Stewart Drive flood mitigation*: This project is to upgrade existing stormwater culverts under Cole Harbour Road into a bridge, which would improve flow of the watercourse and mitigate flooding in the area of Cole Harbour.
- *Hammonds Plains at Blue Water Road flood mitigation*: The project aims to mitigate flooding of the Hammonds Plains Road in this area by reconstructing a portion of the road at a higher elevation and improving the surrounding grading and culverts.

Staff have recommended the Cole Harbour Road near John Stewart Drive flood mitigation project for application to the Green Environmental Quality stream program on the basis of priority and ability to complete the project within the Program's defined timeline.

In addition to the projects identified in this report, Halifax Regional Water Commission (HRWC) will be seeking approval from the Halifax Water Commission Board to submit the following projects for application:

- *Sawmill River Daylighting/Renewal Phase 2*: Irishtown Road to Halifax Harbour is an integrated project that will provide flood conveyance capacity in central Dartmouth, including climate change effects, restore fish passage between Halifax Harbour and Shubenacadie Lakes system and integrate with existing park and active transportation features. The project will daylight approximately 300 m of existing buried storm sewer and will be sized to convey the major flood considering climate change effects and extreme weather events. The project will restore fish passage and access to habitat in the Shubenacadie Lakes system.
- *Lake Major Pumping Station Renewal and New Intake*: This project consists of replacing the existing 1960 vintage pumping station and open forebay intake with a new, energy efficient pumping station and 400 m long submerged intake. In addition to renewing aging assets with new more energy efficient technology will address these climate driven effects to help provide resiliency against climate change and changing source water quality. The new intake will access water from deeper in the lake. This will provide resiliency against low lake levels and the planned multi-port intake will ensure a more consistent quality of raw water, easing the treatment challenge. The provision of bar racks and mechanical travelling screens will help protect the station and the water supply from common events such as fish migration and water quality disruptions caused by adverse weather which can impair the ability of the station to supply the treatment plant.

Both projects are currently prioritized in their capital plan and meet all eligibility criteria of the Program.

The deadline for submitting applications from HRM and HRWC to DMAH is April 1, 2022. It is estimated that application approvals will be made within four to six months after this deadline.

FINANCIAL IMPLICATIONS

Approval to receive ICIP funding for capital projects under the Green Environmental Stream would provide 73.33% of the projects' current municipal funding to be reallocated to other high priority infrastructure opportunities, creating increased funding capacity to advance Council's priorities and mitigate infrastructure risks.

Table 1. Recommended Projects

Project by Priority	Submission from:	Outcome	Total Estimated Project Cost	Federal Portion 40%	Provincial Portion 33.33%	Municipal Portion 26.67%	Budget Year
1. Sawmill River Daylighting/Renewal Phase 2	HWC	Stormwater	15,500,000	6,200,000	5,166,150	4,133,850	2023-2027
2. Lake Major Pumping Station Renewal and New Intake	HWC	Drinking Water	17,300,000	6,920,000	5,766,090	4,613,910	2022-2026
3. Cole Harbour Rd near John Stewart Dr	HRM	Stormwater	3,600,000	1,440,000	1,199,880	960,120	2023-2026
4. Highway 101 Landfill Gas System	HRM	Solid Waste & Remediation	500,000	200,000	166,650	133,350	2022-2024
Totals			\$36,900,000	\$14,760,000	\$ 12,298,770	\$ 9,841,230	

The recommended projects for application will have operational budget impacts, whether increased maintenance costs or opportunity savings from environmental risk mitigation and will be assessed once detailed design is completed for each. Since the Highway 101 Landfill Gas System project already exists in the current 2022/23 capital budget within account CW190004, approval of the application to the ICIP program will provide an additional \$366,650 funding capacity to be reallocated to other capital priorities. Halifax Water may achieve approximately \$24 million in funding capacity to be reallocated if approval of both projects is awarded.

The stormwater project for Cole Harbour Rd near John Stewart Dr is not currently included in the current allocation of available capital funding levels. Therefore, if this project is included in the Municipal application and awarded, there will be an almost \$1 million new project obligation to accommodate within the 2023/24 capital budget. Staff will need to undertake a review of planned projects to assess what can be deferred to later timelines to advance this project instead.

RISK CONSIDERATION

Inherent to all future project planning is cost estimation and scheduling. As detailed design and scope are fine-tuned and implementation begins, projects are subject to market fluctuations and other factors such as weather which may impact scheduling or costs. To mitigate this risk, staff apply strong project management practices and provide regular progress reporting to ICIP program administrators to complete the project within the terms of the agreement.

COMMUNITY ENGAGEMENT

Community engagement was not undertaken specifically for this report. However, capital budget deliberations via the Committee of the Whole on Budget provide opportunity for the public to learn about prioritized projects and provide feedback.

ENVIRONMENTAL IMPLICATIONS

Every capital project is reviewed for environmental implications during its planning and design phase. The capital prioritization evaluation process includes environmental risk consideration. The ICIP Green Environmental Quality Stream requires that any project with a cost in excess of \$10 million submit an accompanying Climate Lens report.

ALTERNATIVES

1. Halifax Regional Council could amend this list of projects.
2. Halifax Regional Council may decide to not submit the proposed projects to the Green Environmental Quality Stream.

ATTACHMENTS

No attachments.

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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