



Infrastructure
Canada

Canada



2014 New Building Canada Fund: Provincial-Territorial Infrastructure Component, Small Communities Fund

Program Overview

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Provincial-Territorial Infrastructure Component, Small Communities Fund

PROGRAM OVERVIEW

PURPOSE	3
GOVERNANCE	3
PROJECT IDENTIFICATION AND APPROVAL	3
ELIGIBLE RECIPIENT(S)	3
ANNEX A – OVERVIEW OF ELIGIBLE SCF CATEGORIES	5
HIGHWAYS AND ROADS	5
PUBLIC TRANSIT	7
DISASTER MITIGATION INFRASTRUCTURE	8
CONNECTIVITY AND BROADBAND	9
INNOVATION	10
WASTEWATER	11
GREEN ENERGY	12
DRINKING WATER	13
SOLID WASTE MANAGEMENT	14
BROWNFIELD REDEVELOPMENT	15
LOCAL AND REGIONAL AIRPORTS	16
SHORT LINE RAIL INFRASTRUCTURE	18
SHORT SEA SHIPPING	19
NORTHERN INFRASTRUCTURE	21
PASSENGER FERRIES SERVICES INFRASTRUCTURE	22
CULTURE	23
RECREATION	24
TOURISM	25
CIVIC ASSETS AND MUNICIPAL BUILDINGS	26
ANNEX B – ELIGIBLE RECIPIENTS	27
ANNEX C - ELIGIBLE AND INELIGIBLE EXPENDITURES	28

PURPOSE

To ensure that small communities receive funding opportunities, approximately ten percent (10 %) of the **2014 New Building Canada Fund - Provincial-Territorial Infrastructure Component - (PTIC)** envelope in each jurisdiction will be set aside for the **Small Communities Fund (PTIC-SCF)**. This \$1 billion available under **PTIC-SCF** will provide contribution funding for locally significant projects in small communities with populations of 100,000 or less.

PTIC-SCF has been designed to leverage the resources and existing processes of the provinces and territories in managing local projects, while ensuring federal accountability and oversight of the funding envelope.

PROGRAM OVERVIEW

GOVERNANCE

- Canada will enter into Funding Agreements (FA) with each province and territory for the implementation of the SCF.
- The provinces and territories will in turn, enter into agreements with eligible ultimate recipients to manage individual projects. Canada will not enter into a FA with any party other than a province or territory.
- An Oversight Committee (OC) composed of both federal and provincial or territorial representatives will be established to monitor the implementation of the program in each jurisdiction.

PROJECT IDENTIFICATION AND APPROVAL

- Provinces and territories will be responsible for identifying potential projects and submitting them to Infrastructure Canada (INFC) for approval.
- All proposed projects must provide basic information, including the name of the municipality, title of the project, the eligible category and subcategory, a brief description of the project, financial information, project location, as well as planned start and end dates. ***Please refer to Annex A for a full list of eligible investment categories and related subcategories.***

ELIGIBLE RECIPIENT(S)

- Eligible recipients are restricted to those whose projects are situated within, and/or are for the benefit of, communities with a population of less than one hundred thousand people (100,000) as determined by Statistics Canada – Final 2011 Census. ***Please refer to Annex B for a complete listing of eligible recipients.***

Cost-sharing, Stacking and Limits to Federal Contribution

For projects located in provinces, the maximum federal contribution from all sources will be up to one-third (33.33%) of the total eligible costs of a project (*see Annex C for details of eligible and ineligible expenditures*), with the following exceptions:

- a. For the Highways and Roads and Disaster Mitigation categories where the asset is provincially-owned, and for those in the Public Transit category, the maximum federal contribution from all sources will be up to fifty percent (50%) of the total eligible costs; and
- b. For all projects where the recipient is from the for-profit private sector, the maximum federal contribution from all sources will be up to twenty-five percent (25%) of the total eligible costs.

For projects located in the territories, the maximum federal contribution from all sources will be up to three-quarters (75%) of the total eligible costs of a project, with the following exception:

- c. For all projects where the recipient is from the for-profit private sector, the maximum federal contribution from all sources will be up to twenty-five percent (25%) of the total eligible costs.

The provincial government contribution will be no less than the federal contribution.

Contributions to for-profit, private sector bodies through the PTIC-SCF will be considered only when these projects will be for public use or benefit. In these cases, recipients will be required to demonstrate the broader public benefits of the project.

For projects advanced by a First Nations recipient, with regard to financial support that the First Nation receives from Indigenous and Northern Affairs Canada (INAC), only funding received from the First Nations Infrastructure Fund would be counted towards the federal stacking limits for PTIC. All other sources of funds the First Nation receives from INAC would not count towards the stacking limits.

<http://www.infrastructure.gc.ca/plan/cs-pc-eng.html> [for HTML version]

ANNEX A – OVERVIEW OF ELIGIBLE SCF CATEGORIES

HIGHWAYS AND ROADS

I. Subcategories:

New construction, additional capacity, rehabilitation, or safety-related improvements on highways and roads, including bridges and tunnels that are:

- Part of the National Highway System (including core, feeder and northern categories);
- Highways and roads that:
 - For the National and Regional Projects component –
 - carry, or, are projected to carry annual average daily traffic of at least 1,000 in freight and/or passenger traffic; For the Small Communities Fund component – carry freight and/or passenger traffic of any traffic volume;
- Road/rail grade separations on one of the above highways or roads;
- Intelligent transportation systems that are compliant with the National Intelligent Transportation Systems Architecture and the Border Information Flow Architecture, in support of highways and roads infrastructure.

Note:

- a. *Rehabilitation projects must meet the definition of ‘rehabilitation’ as agreed upon by the Council of Ministers.*
- b. *Projects under this category could include active transportation infrastructure (e.g. sidewalks, bicycle lanes, pedestrian/bike/multi-use pathways) components as part of the overall project.*

II. Outcomes and Benefits for Canadians

The project must demonstrate how it provides benefits to Canadians in support of one or more of the following outcomes:

- Increasing efficiency and mobility by supporting efforts to reduce congestion, effectively manage traffic volume, and reduce travel time;
- Improving safety;
- Improving usability and accessibility of roads for all users and promoting livability;
- Improving access for remote areas affected by resource development-related activity, and/or improved social and economic outcomes in affected communities; Extending the life of the existing asset.

I. Additional Federal Requirements for NRP

- Proponents must demonstrate that their proposal is based on current demand (e.g., significant volumes of traffic and/or trucks), and if projects are intended to expand existing assets or build new assets, the intended results must be substantiated.

PUBLIC TRANSIT

I. Subcategories:

- Transit infrastructure and rolling stock, including but not limited to bus rapid transit (BRT), light rail transit (LRT), subways, buses, urban passenger ferries and regional commuter rail.
- Transit facilities and supporting infrastructure including but not limited to transit queue-jump lanes, reserved bus lanes, turning lanes or other related enhancements in support of public transit, streetcar/trolley infrastructure, storage and maintenance facilities, security enhancements, and transit passenger terminals.
- Intelligent Transportation Systems (ITS) in support of public transit services that is compliant with the ITS Architecture for Canada.
- Active transportation infrastructure (e.g. sidewalks, bicycle lanes, pedestrian/bike/multi-use pathways).

II. Outcomes and Benefits for Canadians:

The project must demonstrate how it provides benefits to Canadians in support of one or more of the following outcomes:

- Supporting efforts to reduce urban congestion;
- Increasing transit ridership;
- Improving safety;
- Improving mobility (e.g., improved access, reduced travel times).

III. Additional Federal Requirements for NRP:

- Projects must be part of an official, integrated land-use and transportation development plan or strategy. Where applicable, projects must be consistent with the approved plans of regional transportation bodies.
- Proponents must demonstrate that their proposal is based on current or projected demand and the intended results must be substantiated.

DISASTER MITIGATION INFRASTRUCTURE

I. Subcategories:

Construction, modification, reinforcement or relocation of public infrastructure that protects from, prevents, reduces the impact and/or likelihood of, or mitigates the potential damage resulting from natural hazards, including impacts or events related to climate change.

Note:

Construction, modification or reinforcement of public infrastructure excludes normal routine, maintenance and operational work (e.g., dredging of sediment, gravel removal, debris traps, etc.). The relocation of entire communities is also excluded.

II. Outcomes and Benefits for Canadians:

The project must demonstrate how it provides benefits to Canadians in support of one or more of the following outcomes:

- Reducing the social, physical and/or economic risks associated with natural hazards and/or adverse effects related to climate change;
- Improving the resiliency of public infrastructure to natural hazards and/or adverse effects related to climate change;
- Supporting an all-hazard risk assessment and related mitigation plan to address disaster risks.

III. Additional Federal Requirements for NRP:

- The project proponent must have conducted a risk assessment that supports the proposed mitigation project. The risk assessment shall include: the likelihood of a natural hazard occurring and the potential impacts of such an event (including social, economic and environmental impacts).
- The proponent must demonstrate that project design has taken into consideration the increasing magnitude of natural hazards and any “down-stream” negative consequences of the structural mitigation project.

CONNECTIVITY AND BROADBAND

IV. Subcategories:

- High-speed backbone
- Point of presence and towers
- Local distribution within communities
- Microwave towers; and
- Satellite capacity

V. Outcomes and Benefits for Canadians:

The project must demonstrate how it provides benefits to Canadians in support of one or more of the following outcomes:

- Increasing in geographical area with access to broadband speeds of 1.5MBPS or higher, contributing to improved economic development in remote areas; or
- Increasing in number of Canadians with access to broadband speeds of 1.5MBPS or higher, contributing to improving the quality, accessibility and effectiveness of public services.

VI. Additional Federal Requirements for NRP:

- The proponent must promote competitiveness by conducting a commercially and technologically neutral Request for Proposal.
- The project must provide for third party open access.
 - needs assessment and is scalable to realistically meet future needs.

INNOVATION

I. Subcategories

- Post-secondary research and development laboratories and centres, and related teaching facilities.
- Office space for the purpose of conducting research and development.
- Research libraries associated with the research laboratories and centres.

Note:

Eligible investments under each sub-category could include installation of underlying connective infrastructure as necessary (e.g. water/sewer connections, electricity connections, new technologies and implementation of approaches for improved energy efficiency in laboratories, telecommunications infrastructure).

II. Outcomes and Benefits for Canadians:

The project must demonstrate how it provides benefits to Canadians in support of one or more of the following outcomes:

- Enhancing capacity of post-secondary institutions to develop and transfer new knowledge through leading-edge basic and applied research and teaching;
- Increasing opportunities for collaboration between public institutions and the private sector supporting the transfer of innovative technologies and research to market;
- Developing a highly-skilled workforce driving innovation in sectors that support increased diversification or competitiveness of the national, regional, or local economy and contribute to sustained long-term growth.

III. Additional Federal Requirements for NRP:

- Proponent must demonstrate that there is an existing or new research or teaching program and committed funding associated with it.

WASTEWATER

I. Subcategories:

- Wastewater treatment facilities or systems.
- Wastewater collection systems.
- Separation of combined sewers and/or combined sewer overflow control, including real-time control and system optimization.
- Separate storm water collection systems and/or storm water treatment facilities or systems.
- Wastewater sludge treatment and management systems.

II. Outcomes and Benefits for Canadians:

The project must demonstrate how it provides benefits to Canadians in support of one or more of the following outcomes:

- Measurably and quantifiably reducing the volume and/or improvement in the level of treatment of wastewater effluent;
- Increasing the number of households, industries, commercial establishments, and institutions with untreated wastewater connected to sanitary wastewater systems;
- Reducing the volume and incidents of discharge of untreated wastewater effluent as a result of sanitary sewer and combined sewer overflow events;
- Improving quality of treated stormwater effluent;
- Improving the reliability or performance of the wastewater collection and/or treatment system;
- Supports economic growth and development;
- Improving wastewater sludge treatment and management.

III. Additional Federal Requirements for NRP:

- Projects for the construction of new or material rehabilitation or expansion of existing wastewater treatment facilities must result in wastewater effluent that meets the Wastewater Systems Effluent Regulations (WSER), where applicable.
 - In jurisdictions where the WSER does not yet apply, the afore-mentioned projects must meet provincial/territorial equivalency.

GREEN ENERGY

I. Subcategories:

- Reinforcement, expansion of existing and construction of new transmission grids to transmit clean electricity, including smart grid technologies.
- Renewable Electricity Generation facilities.
- Thermal heat/cooling delivery system using renewable or combined heat/power plants.
- Projects for new or material rehabilitation or expansion of carbon transmission and storage infrastructure;
- Electric vehicle infrastructure.
- Clean coal facilities.

II. Outcomes and Benefits for Canadians:

The project must demonstrate how it provides benefits to Canadians in support of one or more of the following outcomes:

- Increasing the security of Canada's clean electricity supply;
- Increasing installation of clean energy technologies that improve air quality and/or reduce greenhouse gases;
- Increasing the number of private sector and public sector installations and/or use of clean-energy technologies;
- Providing open-access to a large number of carbon capture facilities; or
- Increasing electricity trade connections between provinces/territories, and/or between Canada and the United States that facilitate the transfer of clean electricity.

III. Additional Federal Requirements for NRP::

- For carbon transmission and storage project, the project must address:
 - Pipeline networks, or parts thereof, for transporting CO₂ that has been captured from large industrial emitters; or
 - Centralized hubs for injecting, monitoring, and permanently storing CO₂ in a geological formation.
- For clean coal facilities, the proponent must deploy technology to reduce air pollutants and GHG emissions at least as low as natural gas combined cycle technology such that it will satisfy the Canadian regulations for the coal-fired electricity sector, set to come into force on July 1, 2015.

DRINKING WATER

I. Subcategories:

- Drinking water treatment infrastructure.
- Drinking water distribution systems (may include metering as part of a larger project).

II. Outcomes and Benefits for Canadians:

The project must demonstrate how it provides benefits to Canadians in support of one or more of the following outcomes:

- Improving the quality of drinking water;
- Increasing the number of households, industries, commercial establishments, and institutions provided with access to safe drinking water;
- Improving the efficiency and service reliability of water treatment facilities and/or distribution systems, as demonstrated by outcomes such as: a reduction in water leakage or loss, use of treatment chemicals, energy use and/or number of boil water advisories; replacement of assets which have reached the end of serviceable life, etc.;
- Improving water conservation (i.e. increased number of households equipped with residential metering, and decreased daily per capita water use);
- Supports economic growth and development;
- Improving the protection and/or management of drinking water sources.

III. Additional Federal Requirements for NRP:

- Where the project involves the new construction of or material rehabilitation of a drinking water treatment plant, the drinking water quality following completion of the project must meet or exceed the Guidelines for Canadian Drinking Water Quality or provincial/territorial standards, whichever are higher.
- A multi-barrier approach to safe drinking water including, where possible, source water protection.

SOLID WASTE MANAGEMENT

I. Subcategories:

- Waste diversion infrastructure (e.g., recycling, composting, anaerobic digestion, eco-centers).
- Waste disposal infrastructure (e.g., thermal processes, landfill gas recovery).

II. Outcomes and Benefits for Canadians:

The project must demonstrate how it provides benefits to Canadians in support of one or more of the following outcomes:

- Increasing the quantity (kg/capita) of solid waste diverted from disposal;
- Reducing environmental impacts from landfills (e.g. greenhouse gas emissions, leaching of liquid waste, soil contamination);
- Increasing energy recovery from solid waste management activities.

BROWNFIELD REDEVELOPMENT

I. Subcategories:

Remediation or decontamination and redevelopment of a brownfield site within municipal boundaries, where the redevelopment includes:

- The construction of public infrastructure as identified in the context of any category under the PTIC;
- The construction of affordable housing.

II. Outcomes and Benefits for Canadians:

The project must demonstrate how it provides benefits to Canadians in support of one or more of the following outcomes:

- Removing or neutralizing the negative effects of brownfields on communities and the environment by remediating and redeveloping these properties in a sustainable manner;
- Reducing the environmental and health risks posed by contaminated sites within municipal boundaries;
- Increasing local or regional economic development and competitiveness;
- Increasing the supply of affordable housing;
- Increasing the sustainability of municipal development and encouragement of more efficient and the intensification of land use.

III. Minimum Federal Requirements for NRP

- The eligible costs in respect of the remediation/decontamination shall be prorated based on the land use share of the eligible public infrastructure component (as described in the subcategories).
- Project must be undertaken on properties that are contaminated, as determined using remediation criteria as established by the relevant jurisdiction for the proposed redeveloped land uses, as confirmed by a Phase II Environmental Site Assessment (ESA).
- Project must have a Remediation Action Plan, that describes how the cleanup of a contaminated site will occur.
- Proponent must identify potential regulatory or civil liability risks and provide a risk management plan (including confirmation of pollution legal liability insurance).

LOCAL AND REGIONAL AIRPORTS

I. Subcategories:

New construction, additional capacity, rehabilitation, or safety-related improvements to aeronautical and/or non-aeronautical infrastructure:

- Aeronautical infrastructure includes, but is not limited to: runways, taxiways, aprons, hangars, lighting, aids to navigation (Nav aids), maintenance sheds, airside mobile equipment and associated shelters, air terminal buildings, and airside safety-related infrastructure;
- Non-aeronautical infrastructure such as groundside access, and parking facilities, ; or
- Intelligent transportation systems in support of local and regional airports.

Notes:

- a. Local and regional airports are defined as those sites having scheduled passenger traffic, not located in the national capital or a provincial/territorial capital t, and*
- b. Not federally-owned airports or federal assets..*
- c. Safety and security projects that are eligible for funding under Transport Canada's Airports Capital Assistance Program (ACAP) are not eligible for funding unless they are part of a larger project.*

II. Outcomes and Benefits for Canadians:

The project must demonstrate how it provides benefits to Canadians in support of one or more of the following outcomes:

- Improving efficiency and capacity ;
- Increasing regional or local economic development (e.g., number of new carriers, new businesses operating at the airport, increased volume of interprovincial/territorial and international trade such as in the resource sector);
- Improving safety;
- Extending the life of the existing asset;
- Increasing accessibility of local and regional airports (e.g., to remote and northern communities, to larger population centres).

III. Additional Federal Requirements for NRP:

- Proponents must demonstrate that projects do not negatively impact other airports in their vicinity and the overall provision of airport and air transportation services in the region.

SHORT LINE RAIL INFRASTRUCTURE

I. Subcategories:

New construction, additional capacity or rehabilitation of rail infrastructure that services freight, including:

- Tracks, structures and grade separations;
- Facilities to improve the interchange of goods between modes;
- Safety-related improvements;
- Intelligent Transportation Systems in support of short line rail; or
- Capitalized equipment for loading/unloading required for expansion of short line rail.

Notes:

- a. Short line rail is typically defined as a railway that provides regional service to a small number of towns or industries and/or serves as a feeder line for one or more larger railroads.*
- b. Class I railways and their subsidiaries are not eligible recipients*

II. Outcomes and Benefits for Canadians:

The project must demonstrate how it provides benefits to Canadians in support of one or more of the following outcomes:

- Improving efficiency (e.g., increased traffic volumes, new shippers, increased speed, etc.);
- Increasing freight capacity;
- Improving integration between transportation modes;
- Extending the life of the existing asset;
- Improving safety.

III. Additional Federal Requirements for NRP

- Proponents must demonstrate that their proposal is based on current demand (e.g., significant volumes of rail traffic), and if projects are intended to expand existing assets or build new assets, the intended results must be substantiated.

SHORT SEA SHIPPING

I. Subcategories:

New construction, additional capacity, and rehabilitation of the following capitalized and fixed port infrastructure built on or adjacent to port lands that increases short sea shipping capacity, including:

- Wharves and associated infrastructure;
- Intermodal facilities, multi-modal, or transfer facilities;
- Intelligent Transportation Systems in support of short sea shipping;
- Access road infrastructure that provides the main vehicular land access to one of the above wharves, facilities, or associated infrastructure; or
- Capitalized and fixed equipment for loading/unloading required for expansion of short sea shipping.

Notes:

- a. Short sea shipping is defined as the movement of cargo by water , excluding trans-oceanic voyages.*
- b. Projects under this category could include capital dredging as a part of the overall project.*
- c. The purchase of vessels, , maintenance of existing facilities, as well as maintenance activities including dredging, are not eligible for funding.*

II. Outcomes and Benefits for Canadians:

The project must demonstrate how it provides benefits to Canadians in support of one or more of the following outcomes:

- Improving efficiency and capacity ;
- Improving safety;
- Providing environmental benefits such as air quality improvement;
- Extending the life of the existing asset;
- Improving integration between transportation modes.

III. Additional Federal Requirements for NRP

Demonstration that project justification is based on current demand, and if the project is intended to expand facilities/capacity or build new assets, the intended results must be substantiated.

NORTHERN INFRASTRUCTURE

I. Subcategories:

- Fixed capital assets of public benefit in the Northwest Territories, Yukon and Nunavut.

Notes:

- a. Investments in health infrastructure (hospitals, nursing stations, convalescent and senior centers) are not eligible.*
- b. Projects which would be considered eligible for funding under another category of investment will be required to meet the overview requirements for that category.*

II. Outcomes and Benefits:

The project must demonstrate how it provides benefits to Canadians in support of one or more of the following outcomes:

- Improving accessibility to and from remote, communities in the North;
- Improving access for Canadians in the north to basic public services, including emergency services;
- Improving the quality of life of Northern Canadians; or
- Supporting competitiveness, and sustainable economic and resource development in the North.

III. Additional Federal Requirements for NRP:

- For non-territorial assets, a local council resolution in support of the project must be submitted, or demonstrate compatibility with medium/long term development plans or other strategies.

PASSENGER FERRIES SERVICES INFRASTRUCTURE

I. Subcategories:

New construction, additional capacity, and rehabilitation of the following capitalized and fixed passenger ferry infrastructure, including:

- Wharves and associated infrastructure;
- Passenger terminals;
- Access road infrastructure that provides the main vehicular access to the passenger ferry terminal;
- Vessel purchase and/or conversion, including retrofitting vessels to other alternative fuels (e.g. vessel retrofit to dual-fuel propulsion systems); or
- Intelligent transportation systems in support of ferry services.

Notes:

- a. Maintenance and operating costs for regular fleet, and existing passenger ferry terminals, as well as maintenance activities including dredging, are not eligible for funding.*
- b. Projects under this category could include capital dredging as a part of the overall project.*

II. Outcomes and Benefits for Canadians:

The project must demonstrate how it provides benefits to Canadians in support of one or more of the following outcomes:

- Improving efficiency and mobility (e.g., reduces congestion, effectively manages traffic volumes, reduces travel time);
- Improving safety;
- Extending the life of the existing asset;
- Supports economic growth and development;
- Providing environmental benefits such as air quality improvement.

III. Additional Federal Requirements for NRP::

- Proponents must demonstrate that projects do not negatively impact other ferry operators that provide a competitive service in the same region, or community.

CULTURE

I. Subcategories:

- New construction, expansion, or rehabilitation of museums¹, libraries or archives.
- New construction, expansion, or rehabilitation of facilities for the creation, production and/or presentation of the arts.
- The preservation or rehabilitation of designated heritage sites that are recognized by²:
 - UNESCO;
 - The Canadian government as per the national federal register of historic places; or
 - A provincial, territorial or local government.
- Provincial, territorial or local government-owned infrastructure that supports the creation of a cultural precinct within a community.

II. Outcomes and Benefits for Canadians

The proponent must demonstrate how the project provides benefits to Canadians in support of one or more of the following outcomes:

- Increasing users of facilities or giving the facilities a multipurpose dimension.
- Enhancing the ability of communities to express, preserve, develop and promote their cultural heritage within Canada.
- Enhancing the vitality, recognition and development of French or English in official language minority communities.
- Extends the life of an existing asset.

¹ *A museum is a non-profit making, permanent institution in the service of society and of its development, and open to the public, which acquires, conserves, researches, communicates and exhibits, for purposes of study, education and enjoyment, artifacts related to people, their ideas and achievements, or the natural environment.*

² *Excludes private residences and religious sites.*

RECREATION

I. Subcategories:

New construction, additional capacity or rehabilitation of publicly-owned, multi-use:

- Amateur sport or recreational facilities (including training facilities for high performance amateur athletes);
- Parks, recreational trails, and paths;
- Community centres.

II. Outcomes and Benefits for Canadians:

The project must demonstrate how it provides benefits to Canadians in support of one or more of the following outcomes:

- Increases public access to, and participation in, physical activity or sports;
- Supports programs for the development of Canadian amateur athletes, including hosting opportunities for regional, national or international amateur sporting events;
- Supports community vitality by providing spaces for community activities, such as clubs, volunteer activities, social support, physical activity, and public meetings; or
- Extends the life of an existing asset.

TOURISM

I. Subcategories:

New construction, additional capacity or rehabilitation of:

- Zoos and aquaria.
- Visitor centres, tourism bureaus, and interpretive centres.
- Scenic parkways.
- Marinas and cruise ship terminals.
- Other public use facilities

Note:

For-profit private sector assets, private residences and religious sites are not eligible for funding.

II. Outcomes and Benefits for Canadians:

The project must demonstrate how it provides benefits to Canadians in support of one or more of the following outcomes:

- Increases the number of visitors, their length of stay, or their quality of stay;
- Promotes Canada or the region as a leading destination for Canadian or international tourists;
- Supports economic growth and development; or
- Extends the life of an existing asset.

CIVIC ASSETS AND MUNICIPAL BUILDINGS

I. Subcategory:

Rehabilitation, expansion, or preservation of existing municipally or provincially owned buildings or public spaces³ in order to repurpose these facilities for public use or benefit.⁴

II. Outcomes and Benefits for Canadians:

The proponent must demonstrate how the project provides benefits to Canadians in support of one or more of the following outcomes:

- Giving facilities a multipurpose dimension;
- Improving the efficiency or functionality of facilities; or
- Improving the environmental sustainability of facilities.

3 Public spaces are defined as any public gathering area that has the primary objective of promoting social interaction or a sense of community.

4 Excluding medical facilities and schools and scholastic facilities).

ANNEX B – ELIGIBLE RECIPIENTS

Initial recipients will be the provinces and territories. It will be the province or territory that will enter into an agreement with the ultimate recipient. Federal entities, including federal Crown Corporations, are not eligible recipients.

The following are eligible ultimate recipients for the purposes of the SCF:

- a) A municipal or regional government established by or under provincial or territorial statute;
- b) A provincial or territorial entity (e.g., a department, corporation or agency) that provides municipal-type infrastructure services to communities, as defined in provincial or territorial statute;
- c) A band council within the meaning of section 2 of the *Indian Act*, or a government or authority established pursuant to a Self Government Agreement or a Comprehensive Land Claim Agreement between Her Majesty the Queen in right of Canada and an Aboriginal people of Canada, that has been approved, given effect and declared valid by federal legislation;
- d) A public sector body that is established by or under provincial or territorial statute or by regulation or is wholly owned by a province, territory, municipal or regional government which provides municipal-type infrastructure services to communities; and
- e) A private sector body, including for-profit organizations and not-for-profit organizations, whose application is supported by a municipal or regional government referred to above. Such support could take the form of a resolution from the municipal or regional government council.

Please note:

Eligible ultimate recipients are those entities listed above and are restricted to those whose projects are situated within, and/or are for the benefit of, communities with a population of less than one hundred thousand (100,000) people, as determined by Statistics Canada – Final 2011 Census. A community in this section shall be defined as the legal entity of the local government pursuant to applicable provincial or territorial legislation, that is, having the legal status of a local government pursuant to provincial or territorial legislation in that province or territory.

ANNEX C - ELIGIBLE AND INELIGIBLE EXPENDITURES

Eligible expenditures are limited to the following:

Eligible expenditures will be all direct and necessary expenditures incurred and paid by an eligible recipient or ultimate recipient towards an eligible project, associated with acquiring, planning, designing, constructing or renovating a tangible capital asset, as defined by Generally Accepted Accounting Principles (GAAP). This also specifically includes the following:

- a) Expenditures directly associated with joint federal communication activities and with federal project signage.
- b) The incremental costs of the eligible or ultimate recipient's employees or leasing of equipment may be included as eligible expenditures under the following conditions:
 - The recipient is able to demonstrate that it is not economically feasible to tender a contract;
 - The employee or equipment is engaged directly in respect of the work that would have been the subject of the contract; and
 - The arrangement is approved in advance and in writing by the province or territory.
- c) Costs of Aboriginal consultation, and where appropriate, accommodation;

For P3 projects specifically, the capital costs of acquiring, constructing or renovating a tangible capital asset, determined on the basis of cost data contained in the financial model supporting the project agreement. The following are also considered eligible costs:

- a) Bid costs, defined as costs incurred by an applicant for a project to compensate a private sector bidder for the development of a bid proposal; and
- b) Construction finance costs of the Project Consortium.

The following are deemed ineligible expenditures:

- a) Expenditures incurred prior to the approval of the project by Canada;
- b) Expenditures incurred after the project completion date with the exception of expenditures related to audit and evaluation requirements pursuant to the agreement;
- c) Expenditures related to developing a business case or proposal for funding;
- d) Expenditures related to purchasing land, buildings and associated real estate and other fees;
- e) Financing charges and interest payments on loans, except in accordance with the lists of eligible expenditures above;
- f) Leasing land, buildings, equipment and other facilities except for equipment directly related to the construction of the project;
- g) Furnishing and non-fixed assets which are not essential for the operation of the asset/project.
- h) General repairs and maintenance of a project and related structures, unless they are part of a larger capital expansion project;
- i) Services or works normally provided by the recipient, incurred in the course of implementation of the project, except those specified as eligible expenditures;
- j) Expenditures related to any goods and services which are received through donations or in kind;
- k) Any overhead costs, including salaries and other employment benefits of any employees of the recipient, its direct or indirect operating or administrative costs of ultimate recipients, and more specifically its costs related to planning, engineering, architecture,

supervision, management and other activities normally carried out by its staff, except in accordance with the list of eligible expenditures above;

- l) Taxes for which the ultimate recipient is eligible for a tax rebate and all other costs eligible for rebates;
- m) Legal fees.