

NO: R118

COUNCIL DATE: June 13, 2011

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## REGULAR COUNCIL

TO: Mayor & Council DATE: June 13, 2011

FROM: General Manager, Planning and Development 0430-01  
General Manager, Engineering

SUBJECT: Submission of Proposals for Funding from the P3 Canada Fund

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## RECOMMENDATION

The Planning and Development Department and the Engineering Department recommend that Council:

1. Receive this report as information;
2. Authorize staff to forward a proposal to P3 Canada for each of four projects as identified in this report to seek financial support for each such project from the P3 Canada Fund; and
3. Adopt the following resolution in support of each proposal:

***"Whereas PPP Canada has launched the Round Three call for proposals of the PPP Canada Fund, encouraging provinces, territories, First Nations and municipalities to consider the P3 model for their public infrastructure needs;***

***And whereas PPP Canada has a mandate to improve and increase the delivery of public infrastructure by achieving better value, timeliness and accountability to taxpayers, through P3s;***

***And whereas the City of Surrey has initiated the Build Surrey Program to create significant public infrastructure for the community;***

***Therefore be it resolved that the City of Surrey attests it is in support of the P3 model as an option for delivery of public infrastructure;***

***And be it further resolved that the City of Surrey has the resources available to complete the projects."***

## INTENT

The purpose of this report is to obtain Council approval to submit a proposal to P3 Canada for funding assistance from the P3 Canada Fund for each of four projects.

## DISCUSSION

P3 Canada, a crown corporation, was established by the federal government in 2009 to spearhead efforts in Canada related to encouraging the consideration of public-private partnerships in the delivery of public infrastructure. The corporation was given a budget of \$1.2 billion over 5 years, which is to be used to provide capital funding of up to 25% of the capital costs of selected P3 projects. P3 Canada has issued two calls for proposals since its inception (one call in each of its first two years) and has committed approximately \$100 million in capital funding to a variety of P3 projects, to date, across Canada, including projects that have been delivered by local governments.

On May 4, 2011, P3 Canada launched its round three call for proposals with a budget of approximately \$275 million available for the provision of funding assistance to selected projects. City representatives have met with the president of P3 Canada to discuss the potential of several City projects to be eligible for P3 Canada funding if they are delivered by way of a public-private partnership. The projects that were discussed are:

- A regional-scale trade and consumer show building on the Cloverdale Fairgrounds;
- A regional-scale performing arts centre in City Centre;
- A biofuel production facility based on organic wastes; and
- Guildford and South Surrey Pools, and North Surrey Arenas replacement.

The P3 Canada representative advised that the City should submit an application for each of these projects as they all appear to have merit in the context of delivery by way of a public-private partnership. Staff is preparing a submission for each of these projects. One of the criteria that is considered by P3 Canada in screening submissions is the level of commitment to the project that is demonstrated by the local government proponent. In this regard, P3 Canada has requested in the context of submissions from local governments, that the Council of the local government adopt a resolution that demonstrates its commitment to the project. The resolution, as contained in the recommendation section of this report, is acceptable to P3 Canada.

The deadline for the submission of proposals for the round three call for proposals is June 30, 2011. The proposals will be screened within 90 days of that date. If a project is selected, P3 Canada will provide funding assistance to the proponent to develop a full business case regarding the project, which among other things, will establish which P3 arrangement is the right approach for the project with a view to optimizing value.

The four projects for which proposals are being prepared for submission are all consistent with the City's "Build Surrey" program that was adopted by Council early in 2010, and Surrey's Clean Energy Action Plan, which is focussed on positioning the City for a prosperous future.

A further report on each of the subject projects will be submitted to Council in due course depending on the outcome of the P3 Canada selection process.

## SUSTAINABILITY CONSIDERATIONS

Seeking funding assistance from P3 Canada in support of the capital costs of the subject projects will assist the City in achieving the objectives of the City's Sustainability Charter; more particularly, in relation to the following action items under the Economic Sustainability Pillar:

- EC4: Sustainable Fiscal Management Practices; and
- EC5: Implementing "Green" Infrastructure and seeking grants in support of sustainability.

## CONCLUSION

Based on the above discussion, it is recommended that Council authorize staff to forward a proposal to P3 Canada for funding support and in support of each proposal adopt the resolution that is documented in recommendations section of this report, which is a required element of the proposal based on P3 Canada application criteria.

*Original signed by*  
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JLL:saw