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Municipal Rural Infrastructure Funding Announced: *Federal Contribution of \$111 for British Columbia*

On February 12th federal Minister of State for Infrastructure, the Hon. Andy Scott, made the long awaited announcement of the BC allocation of federal funding for the Municipal Rural Infrastructure Fund (MRIF).

In the 2003 federal budget there were commitments to fund:

- an additional \$2 billion for the Strategic Infrastructure Fund – which is primarily focused on large-scale strategic infrastructure projects in urban areas; and
- \$1 billion for a Municipal Rural Infrastructure Fund – which is “designed to primarily address the public infrastructure needs of municipalities and rural and remote areas.”

Since then no details were forthcoming, save an announcement in August by Allan Rock, then minister responsible for infrastructure, which did little to advance the rollout of the program. UBCM has been continually been pressing to see more details and was buoyed by the recent federal Throne Speech, which indicated their interest in expediting the release of the funds. Originally, the funding might have been spread out over 10 years.

Last week’s announcement indicated that \$111 million would be allocated to BC and under a three-way partnership with local and provincial governments, this could leverage a 1/3 of a billion dollars in infrastructure investment.

Negotiations of a BC Agreement to begin soon

Federal Minister Scott has also written to provincial Ministers John Les and Murray Coell to advise that the federal government is ready to begin negotiations on the MRIF agreement. It is expected that this might follow a similar

format to the negotiations that resulted in the current Canada–BC Infrastructure Agreement. These agreements typically contain the eligibility criteria for applicants and projects; the target allocations of funding; and the administrative and other arrangements. UBCM was a participant in the negotiation of the current Infrastructure agreement and it is widely anticipated that UBCM will join the upcoming negotiations. Under the current agreement UBCM is a member of the Joint Staff Secretariat and is a non-voting member of the Management Committee.

Federal Expectations

What the MRIF will mean in terms of precise opportunities for BC local governments for infrastructure investment will not be known, of course, until an agreement is finalized. The BC government will have its priorities for the use of its share of the funding and a fundamental question to be addressed are the needs at the local level.

But it is interesting to examine federal parameters from an analysis of their recent announcement. Here is what the federal government appears will be advancing at the negotiations:

Federal priority objectives: environment; sustainable development; climate change; water quality; urban life; and innovation.

Overall Funding Allocations

Green: minimum of 60% for “green” projects that includes

water, waste water, solid waste, municipal energy improvements, public transit

Other: for local roads, cultural, recreation and tourism infrastructure, broadband connectivity

Cost Sharing – on average, 1/3 for each order of government or partner.

Distribution – most (at least 80%) of the funding is to be

allocated to municipalities under 250,000 population and rural areas. Up to 20% of the funds could be allocated for projects in municipalities over 250,000 population.

Timing frames for announcements of projects:
4-6 months after agreements are signed.

Timeframe for the MRIF program – was originally 10 years, but the federal budget indicates a desire for acceleration. The latest announcement is silent on timeframe.

Controversy over allocation of MRIF – UBCM set to meet Ministers

The original federal announcement on the MRIF indicated that a significant portion of BC's funds had been set aside to fund a major urban rapid transit project. UBCM learned of this announcement mid-morning on Thursday (Feb. 12) and was in contact with provincial ministers in a matter of minutes to seek clarification of the announcement.

Subsequently government officials have clarified that this part of the announcement should be disregarded.

UBCM President Frank Leonard will meet with Minister of Small Business and Economic Development, Hon. John Les and the Minister of Community, Aboriginal and Women's Services, Hon. Murray Coell, this week to confirm the province's position and UBCM participation in the upcoming negotiations with the federal government.

For further information:

Federal web site address:

http://www.infrastructure.gc.ca/mrif/publication/newsreleases/2004/20040212ottawa_e.shtml

Look for UBCM coverage of the Provincial Budget Tomorrow –
Tuesday February 17th

UBCM staff will be in the "lock-up" prior to the Finance Minister's presentation and UBCM President Frank Leonard will be on hand for the Budget Address and UBCM response.