

**ONTARIO MUNICIPAL ECONOMIC INFRASTRUCTURE  
FINANCING AUTHORITY (OMEIFA)**

**Recommendation**

The Commissioner of Finance & Corporate Services in consultation with the Director of Reserves & Investments recommends:

That the Finance & Engineering staff identify projects eligible under this program, and report back to Council prior to submission to the Region.

**Purpose**

To avail Council of the financing opportunities available from the Ontario Government through the Ontario Municipal Economic Infrastructure Financing Authority (OMEIFA).

**Background - Analysis and Options**

The Ontario Government has announced the establishment of the Ontario Municipal Economic Infrastructure Financing Authority (OMEIFA). OMEIFA will provide debt financing to Ontario municipalities at 50 percent of the average rate that Ontario municipalities would pay to borrow in the capital markets. The money may be used for the purpose of financing investments in water, sewer and waste management, infrastructure, municipal roads and bridges and public transit.

Eligibility is restricted exclusively to water infrastructure, sewage treatment facilities, municipal roads, municipal bridges, public transit and waste management facilities for capital expenditures incurred after December 31, 2002. All other types of projects are ineligible, as are costs associated with general feasibility servicing and environmental studies, operation and maintenance, operator training costs and obtaining approvals.

This program would be of great interest to the City for municipal roads and bridges. Specific eligibility is as follows:

Municipal Roads – will include resurfacing, resurfacing and grading, reconstruction, rehabilitation, major widening and new construction. Municipal bridges will include new construction, replacement or refurbishment if the need for major repair or reconstruction is verified through inspection.

The Ontario Government has not yet announced how much funding will be available under this program but has requested all loan applications be filed by June 30, 2003. The Province requires area municipalities to file their application through the Region. The Region requires our submission to be completed no later than June 18, 2003.

At present the proposed funding source for any major non-development charge road resurfacing and road upgrading of existing roads and upgrading to bridges are financed through long-term debt. If applications under this program are successful the financing costs for debt issuance would be reduced substantially.

**Conclusion**

Finance staff in conjunction with Engineering staff should review the City's capital infrastructure needs and determine which projects may be eligible under this program and file an application for any and/or all of the eligible projects.

**Attachments**

None

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Respectfully submitted,

Clayton D. Harris, CA  
Commissioner of Finance & Corporate Services