



The Corporation of the Town of Tecumseh

Public Works & Engineering Services

To: Mayor and Members of Council

From: Phil Bartnik, Director Public Works & Engineering Services

Date to Council: Tuesday, February 25, 2025

Report Number: PWES-2025-09

Subject: Municipal Housing Infrastructure Program
Health and Safety Water Funding Stream
East Townline Drain and the Manning Road Secondary
Plan Area Regional Stormwater Infrastructure

Recommendations

It is recommended:

That Report PWES-2025-09, Municipal Housing Infrastructure Program, Health and Safety Water Funding Stream, East Townline Drain and the Manning Road Secondary Plan Area Regional Stormwater Infrastructure **be received**;

And that Administration **be authorized** to submit an application to the provincial government for funding under the Municipal Housing Infrastructure Program Health and Safety Water Funding Stream Intake for a future commitment for the East Townline Drain and Manning Road Secondary Plan Area Regional Stormwater Infrastructure;

And further that the Director Financial Services & Chief Financial Officer and the Director Public Works & Engineering Services **be authorized** to sign any required documents necessary to complete the application and subsequent documentation for the Municipal Housing Infrastructure Program, Health and Safety Water Funding Stream Intake.

Background

In 2024, the Government of Ontario announced its \$1 billion investment to support core infrastructure projects through the Municipal Housing Infrastructure Program (MHIP). More recently in 2025, Ontario launched the Health and Safety Water Funding Stream of MHIP which is aimed at helping municipalities and First Nations invest in building, rehabilitating and expanding core infrastructure, such as water, wastewater, stormwater, and/or flood and erosion infrastructure, to support growing and developing communities. It is a competitive application-based funding program that will provide \$175 million to eligible recipients.

For projects to be deemed eligible for funding from the Health and Safety Water Funding Stream, they must meet the following criteria:

- Protect or maintain housing units otherwise compromised by health and safety risks;
- Demonstrate they will build climate resiliency and adaptation;
- Have not started construction and have a clear start and end date;
- Start no later than September 30, 2025 and completed by March 31, 2029 and;
- Meet all applicable provincial regulatory requirements and policy direction.

Generally, projects must include a capital component and may also include pre-construction planning and design work. They must be in the process of or completed the design and planning phase. They also must be new construction, rehabilitation or expansion of water infrastructure assets including:

- Drinking water, such as treatment plants, reservoirs, local pipes (distribution system watermain and municipal portion of service lines), or pump stations;
- Wastewater, such as lagoon systems, pump stations, lift stations, linear assets, treatment plants, storage tanks, collection systems;
- Stormwater, such as management facilities, linear assets (conveyance piping, ditches, and/or culverts) and;
- Flood and erosion protection, including shoreline protection works, such as dams, dykes, channel conveyance improvements, river non-structural and structural erosion management or shoreline works.

Applicants are limited to one application submission. Projects submitted in the application can be stand-alone or joint (between two or more eligible co-applicants). Joint applicants must have a primary applicant that will submit the application. It is noted that additional consideration will be given to joint projects with greater multi-community impact.

If approved, funding will be provided from the province **up to a maximum of 73% of total eligible project costs up to \$30 million**. The remaining 27% of total projects costs must be funded by the applicant. For joint applications, funding would be provided in the amount of eligible project costs (up to \$30 million) times the number of applicants.

Successful recipients are permitted to stack federal or municipal funding to cover their contribution to the remaining 27% of project costs. Provincial stacking is not permitted unless it is received from the Building Faster Fund (BFF) and/or the Ontario Community Infrastructure Fund (OCIF). Recipients are required to determine if the federal or municipal funding component can be used toward the project receiving provincial funding through this stream.

Projects submitted in an application will be evaluated based on the level of critical health and safety, financial need, technical merit, project readiness, and ability to preserve housing units. Applications will be assessed based on program requirements, applicant eligibility, application completeness, and overall demand of funds in the program. It is noted that additional consideration will be given to joint projects with greater-multi community impact. It may be requested through the application process that the applicant identify components of the project that promote the adoption of emerging practices and modern technologies in asset delivery, management and planning, which additional consideration may be given through the assessment.

Comments

Recommended Project for Tecumseh

In review of potential projects for the Health and Safety Water Funding Stream Intake, Administration is recommending the **East Townline Drain and the Manning Road Secondary Plan Area (MRSPA) Regional Stormwater Infrastructure**. This project has regard to the following:

- i) The eligibility criteria, including the protection of housing units by designing resilient stormwater infrastructure that can adapt to climate change, and can commence construction by September 30, 2025;

- ii) Addressing the Town's Strategic Priorities of Growth and Economic Development and Council-Approved mandates;
- iii) Prioritization of developing the MRSPA (recommended hybrid scenario within the May 2022 Special Council Meeting Presentation).

The East Townline Drain and the MRSPA Stormwater Regional Stormwater Infrastructure is proposing a series of three stormwater management ponds, municipal drain enclosures and trunk storm sewers to be constructed south of County Road 22 (CR22) along County Road 19 (CR19) and within the MRSPA. Attachment 1 provides the project location map.

The benefit of this project has been identified in a technical stormwater management (SWM) report completed by Landmark Engineers Inc. (Landmark) 2024. Specifically, this would form part of a collaborative and integrated stormwater management solution between the Town of Tecumseh, the County of Essex and the landowners/developers within MRSPA and would manage stormwater for the watershed that includes the existing neighbourhoods, future road expansion of CR19 and the future residential development of MRSPA.

Without the implementation of this stormwater management infrastructure, increased stormwater runoff would cause downstream areas to flood. Careful consideration for the capacity of the downstream stormwater system was taken. This project is located within the upper reaches of the East Townline Drain drainage area which historically has been susceptible to flooding. The SWM report identified that quality and quantity control is required, not only to offset the additional flow from new development, and road reconstruction and expansion projects, but furthermore to reduce the existing peak flow rate to be conveyed north, across CR22, and ultimately to the downstream end of the watershed.

Consultations

Development Services
Financial Services

Financial Implications

Provincial funding of this project under the Health and Safety Water Funding Stream is up to a maximum of 73% of the total eligible project costs up to \$30M.

The estimated total project cost for completing the recommended project, including land costs is \$31,423,980. The following financial implications would arise if the Town's

application to the Health and Safety Water Funding Stream were successful and approved:

Total Project Costs:	\$ 31,423,980
Total Eligible Costs:	\$ 20,322,000
Province (73% of Eligible Costs)	\$ 14,835,060
Town of Tecumseh**	\$ 16,588,920

**There are ongoing discussions between Town Administration, County Administration and the three main landowners within MRSPA on cost sharing the regional stormwater solution for the East Townline Drain and the MRSPA. A future report to Council outlining this initiative is forthcoming.

Funding for the Town's portion of costs will come from a combination of the Infrastructure Reserve, Storm Sewer Lifecycle Reserve, Development Charges, OCIF Grant funding and Long-Term Debt. The total amount borrowed is not anticipated to be affected by the fact that grant funding will be released by regular reporting periods, i.e. not advanced.

The Lifecycle Stormwater Reserve has an estimated 2024 year-end balance of \$(600,000). The annual allocation to this reserve effective 2025 is \$1,535,000 with a target annual allocation of \$2,000,000.

As this project will take several years to complete, the amount to be borrowed, if any, will depend on the timing of expenditures and available reserve balances, i.e. impact of other Stormwater capital projects.

The Town currently has \$9.4 million in outstanding long-term debt at 2024 year-end (\$10.5 million in 2023). The Town's 2025 Debt Servicing Costs of \$1.6 million represents approximately 3% of Total Revenues as per our latest Provincial Financial Indicator Review. A measure less than 5% is considered low risk, greater than 5% but less than 10% is considered moderate risk and greater than 10% is considered high risk.

Link to Strategic Priorities

Applicable	2023-2026 Strategic Priorities
<input checked="" type="checkbox"/>	Sustainable Growth: Achieve prosperity and a livable community through sustainable growth.
<input type="checkbox"/>	Community Health and Inclusion: Integrate community health and inclusion into our places and spaces and everything we do.
<input checked="" type="checkbox"/>	Service Experience: Enhance the experience of Team Tecumseh and our citizens through responsive and respectful service.

Communications

Not applicable

Website

Social Media

News Release

Local Newspaper

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Joseph Lappalainen, E.I.T.
Project Technician

Reviewed by:

Brian Hillman, MA, MCIP, RPP
Director Development Services

Reviewed by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Reviewed by:

Phil Bartnik, P.Eng.
Director Public Works & Engineering Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
1	Project Location Map