

Memo



Date: October 27, 2010
File: 0705-24
To: Regional Governance & Services Committee
From: Ron Westlake
Subject: Gas Tax Agreement - Regionally Significant Projects Fund

Recommendation:

THAT the Regional Governance & Services Committee receive the Member Release from UBCM dated October 7, 2010 for information.

AND THAT the Regional Board direct Regional District Chair to respond to the UBCM indicating an interest in entering a RSP Working Group with UBCM and the Province.

AND FURTHER THAT Regional staff be directed to bring forward a 2011 budget request for staff time and expenses to support the RSP Working Group and local collaboration to reach consensus on target project(s).

Purpose: To brief the Regional Governance & Services Committee on new Federal Gas Tax funding that will be administered through the Union of BC Municipalities and to confirm direction from the Committee on consultation with member municipalities and the UBCM on the development of the new Regionally Significant Projects (RSP) fund.

Background:

In September 2006, the UBCM announced the first Regionally Significant Projects fund that was funded through contributions made by the Government of Canada under the Canada - British Columbia - UBCM Agreement on the Transfer of Federal Gas Tax Revenues (Gas Tax Agreement). To qualify for funding under this program, projects needed to be regional in impact. At the time, local governments had been working together on the Central Okanagan Smart Transit Plan and they subsequently determined that public transit investments would be the sole focus of this initial round of funding.

In February 2007, the Regional District and the City of Kelowna made joint application to the UBCM for Federal Gas Tax (GT) funding for public transit infrastructure on behalf of the communities of the Central Okanagan. In August, 2007 UBCM announced that approximately \$11M of GT funding would be made available to the Central Okanagan Bus Rapid Transit project. Of this amount, approximately \$5.3M was from the Regionally Significant Projects fund while the remaining amount was from another (GSPF) component of GT funding.

Roughly \$3.5M of the committed GT funding has been invested in the Rapid Bus project to-date. At a press conference held on September 1st, 2010, federal, provincial and municipal elected officials announced an additional \$44M in funding for major transit infrastructure between West Kelowna and Kelowna.

UBCM has now announced a new GT Funding program. The attached letter dated October 7, 2010 from the UBCM to Regional Chair, Robert Hobson provides initial information about a new RSP fund. An amount of about \$8.7M has been reserved for the Central Okanagan region. In their correspondence, the UBCM invites the Regional District to enter in an RSP Working Group with UBCM and the Province. The Working Group will facilitate discussions with staff from our region on the process of developing an RSP proposal that meets the GT funding objectives and which is large in scale and regional in impact.

This is a significant amount of new funding for a major initiative(s). The Regional Governance and Services Committee is respectfully asked to respond favourably to UBCM's invitation.

Internal Circulation:

Chief Administrative Officer, Regional District of Central Okanagan

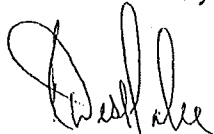
Financial/Budgetary Considerations:

At the time of preparing this report, there was uncertainty about the level of commitment expected of the Regional District to support the RSP Working Group and to facilitate consensus building in the region. The correspondence from UBCM did not provide this level of information and the writer was not able to get more information. Subject to the Governance & Services Committee approving the recommendation to support the RSP Working Group, further information will be sought in order to prepare the 2011 budget submission.

Considerations not applicable to this report:

Legal/Statutory Authority
Legal/Statutory Procedural Requirements
Existing Policy
Personnel Implications
External Agency/Public Comments
Community & Media Relations Comments
Alternate Recommendation

Submitted by:



R. Westlake, P.Eng.
Director, Regional Services

cc:

Attach. Member Release from UBCM dated October 7, 2010