

Municipal Stimulus Program

Summary

- \$500-million allocation-based program structured on the Municipal Sustainability Initiative (MSI), for construction of capital projects before December 31, 2021.
- Funding is distributed based on the Gas Tax Fund (GTF) allocation formula (largely per capita with a \$50,000 minimum; summer villages receive a base of \$5,000 plus the per capita amount).
- Project eligibility based on MSI guidelines, modified to exclude categories and activities with minimal contribution to economic recovery.
- Municipalities have broad discretion to apply for projects within the eligibility criteria, but Minister retains authority to approve projects.
- Municipalities will be required to report on progress in reducing municipal red tape.

Objectives

- Sustain and create local jobs.
- Enhance provincial competitiveness and productivity.
- Position communities to participate in future economic growth.
- Reduce municipal red-tape to promote job-creating private sector investment.

Program Overview

- Program is open to municipal authorities, Metis Settlements, and the Townsite of Redwood Meadows.
- Municipalities must commit to submitting an annual Red Tape Reduction report for each of 2020 and 2021. They will be required to indicate to the Minister's satisfaction how they have made progress in the following areas since the stimulus program was announced:
 - What steps have been taken to make it easier to start up a new business in the municipality?
 - What steps have been taken to streamline processes and shorten timelines for development and permit approvals?
 - What steps have been taken to make the municipality a more attractive destination for new investment and/or tourism?
- The red tape reduction report template will require municipalities to identify how they have reduced red tape from among several provided options, or they may identify their own actions. They will also be required to provide relevant metrics and/or a qualitative description of specific actions they have taken.
- Projects must begin construction in 2020 or 2021, and all funds must be expended before December 31, 2021, or repaid to the province. However, projects may continue past this date using other sources of funding.
- Municipalities must indicate the amount of funding required in both 2020 and 2021 for each project.
 - Payments for 2020 expenditures will be issued once municipalities sign the conditional grant agreement and receive approval on their project application(s).
 - Payments for 2021 expenditures will be issued in May 2021, unless municipalities identify a requirement to receive funding earlier.

- Projects must result in the construction or major rehabilitation of a capital asset that falls within one of the eligible categories.
 - Project categories are based on modified MSI project categories.
 - Some MSI eligible projects, such as rolling stock, equipment purchases, and infrastructure management systems are not be eligible, as they do not support economic development or job creation.
- Projects *must* not create new operational funding requirements for the province and *must* not, as a result of the projects, lead to higher/increased municipal taxes.
- Projects previously approved for MSI or GTF funding are not eligible and municipalities will not be permitted to withdraw and resubmit MSI or GTF projects to gain eligibility.
- Proponent must attest that the project would not go ahead this year or next year in the absence of support through the stimulus program.

Allocations

- Funding is allocated using the Gas Tax Fund (GTF) formula (per capita with a minimum funding amount of \$50,000; summer villages receive \$5,000 plus the per capita amount.)
 - Approximately 30.6% will go to Calgary, 23.1% will go to Edmonton, and 46.3% will go to other municipalities.
- This allocation formula favours more populous urban municipalities, but, previously announced stimulus funding delivered through the Strategic Transportation Infrastructure Program, the Alberta Water/Wastewater Partnership, and the First Nations Water Tie In benefits primarily rural and small urban municipalities.

Municipality	Allocations	
	\$	%
Calgary	\$152,831,311	30.6%
Edmonton	\$115,567,274	23.1%
Other Municipalities	\$231,601,415	46.3%
<i>Other Cities</i>	<i>\$83,401,530</i>	<i>16.7%</i>
<i>Towns</i>	<i>\$56,781,658</i>	<i>11.4%</i>
<i>Villages</i>	<i>\$5,337,096</i>	<i>1.1%</i>
<i>Summer Villages</i>	<i>\$873,117</i>	<i>0.2%</i>
<i>Rurals</i>	<i>\$59,567,950</i>	<i>11.9%</i>
<i>Strathcona County</i>	<i>\$11,694,461</i>	<i>2.3%</i>
<i>RM of Wood Buffalo</i>	<i>\$13,276,133</i>	<i>2.7%</i>
<i>Metis Settlements</i>	<i>\$669,470</i>	<i>0.1%</i>
Total	\$500,000,000	100.0%

Administration Process and Timing

Process Step	Estimated Timing
Program Introduction <ul style="list-style-type: none"> – Application process, program guidelines, and allocation amounts are posted on a program website – Municipal Affairs hosts webinar for municipalities to provide additional details 	<ul style="list-style-type: none"> – Program materials available by July 28, 2020
First Project Intake Period <ul style="list-style-type: none"> – Municipalities prepare and submit applications – Submitted applications uploaded into SharePoint – Project reviews – Project approvals 	<ul style="list-style-type: none"> – Until October 1, 2020 – Project approvals on a rolling basis, as soon as reviewed – Project reviews continue until complete
Re-allocation Period <ul style="list-style-type: none"> – Funds uncommitted by municipalities to an approved project re-allocated by the Minister 	<ul style="list-style-type: none"> – Fall 2020
Second Project Intake Period (if required) <ul style="list-style-type: none"> – Second intake opened if substantial amounts of funding remain unallocated after first intake 	<ul style="list-style-type: none"> – February 1, 2021, to April 1, 2021 – Project reviews continue until complete, approvals issued as decisions are made
Project Initiation <ul style="list-style-type: none"> – Notification letters sent to successful applicants – Recipients sign conditional grant agreements 	<ul style="list-style-type: none"> – Following project approval
Project Administration <ul style="list-style-type: none"> – Payments to recipients – Project construction 	<ul style="list-style-type: none"> – Payments following signing of conditional grant agreements and approval of project applications – Payments complete by October 2021
Reporting Requirements <ul style="list-style-type: none"> – 2020 reporting – 2021 reporting 	Red Tape Reduction Reporting <ul style="list-style-type: none"> – February 1, 2021 (2020 progress) – February 1, 2022 (2021 progress) Financial Reporting <ul style="list-style-type: none"> – May 1, 2021 (2020 reporting) – May 1, 2022 (2021 reporting)