

Modernizing the Connecting Links Funding Program
Submitted by the Timmins Chamber of Commerce and
the Sault Ste. Marie Chamber of Commerce
Co-Sponsored by the Thunder Bay Chamber of Commerce and
the Greater Sudbury Chamber of Commerce
ADOPTED BY THE ONTARIO CHAMBER OF COMMERCE – MAY 2016

Please select which category from the OCC economic vision best represents your issue:

- Identifying, championing, and strategically investing in our competitive advantages in the global economy

Issue:

Municipalities struggle to adequately address the true cost of maintaining portions of provincial highways that have been downloaded by the Government of Ontario, particularly in light of chronic underfunding or outright cancellation of provincial partnership programs.

Current Situation (Why the issue matters)

Already facing numerous infrastructure funding challenges, the 77 municipalities to which the Province has downloaded the responsibility of maintaining 350 kilometres of Connecting Links – portions of provincial highways traveling through municipalities – are under particular financial duress.

The Province has long recognized its responsibility for assisting in that maintenance through the Connecting Link funding program, which provided an annual \$15 million to cover up to 90% of project costs until 2013; however, communities still face considerable struggles to address these additional responsibilities. For example, the City of Timmins faces an estimated \$100 million of repairs over 10 years for its 24 kilometres of Connecting Link. Moreover, municipalities cannot use capital funding from any other provincial program for projects funded under the Connecting Links program.

These challenges became pronounced in 2013, when the Province cancelled the Connecting Link program, urging communities to turn to the Municipal Infrastructure Investment Initiative (MIII). With less than \$100 million, MIII was open to 350 municipalities for a broad range of projects, leaving many Connecting Link projects without funding as a result of competition. While the Province recognized this and reinstated the program in 2015 – and in Feb. 2016 committed to raise it to \$30 million by 2018 – the loss of \$30 million in funding over two years forced communities to defer much-needed maintenance, adding to already substantial costs. This includes the City of Sault Ste. Marie, whose roads budget took a “significant hit” of \$3 million in that time.

RECOMMENDATIONS:

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Provide a one-time, \$30-million enhancement of the Connecting Links fund as a transitional measure to assist affected communities in addressing the two-year gap in which the program was discontinued;
2. Work with the federal government to determine joint opportunities to improve funding for the Connecting Links program; and
3. In conjunction with the affected communities, develop a strategy to annually revise the Connecting Link funding envelope and criteria to more accurately reflect the development of high-priority projects as they arise.

Estimated Financial Impact to the Province (For AGM discussion-purposes only – will not appear in final compendium)

- Entail a medium cost to government (between \$10M and \$200M)