

Natural Infrastructure Fund

ISSUE

The City of Saskatoon (City) has been invited to apply for up to \$20 million in funding through the Large Project Stream of the Government of Canada's new Natural Infrastructure Fund (NIF) to help with implementation of the Green Infrastructure Strategy (Strategy). The purpose of this report is to introduce the City's Green Network Project, which, through funding from the NIF, will implement many priorities identified in the Strategy, and help Saskatoon reach the vision for an interconnected Green Network. The Administration is providing City Council details on the initiatives within the Green Network Project application that will be submitted and welcomes any redirection from City Council.

BACKGROUND

The NIF is a new grants and contributions program announced in June 2021. Through the Large Project Stream, six major cities with innovative natural infrastructure strategies are invited to apply for funding of up to \$20 million each. Eligible projects involve the creation, expansion, restoration, improvement, or enhancement of tangible natural infrastructure or hybrid infrastructure that is primarily for public use or benefit. The Government of Canada is providing \$200 million in funding over the next three years, with \$120 million allocated to the Large Project Stream. The objective of the NIF is to:

- Increase the uptake/use of natural infrastructure that delivers multiple community services and benefits across the country; and,
- Build community awareness of the value and opportunities offered by natural infrastructure.

At its meeting on February 24, 2020, City Council received the *Green Infrastructure Strategy: Towards an Interconnected Green Network* report as information. The Strategy outlines 15 actions the City and community can take to establish an interconnected Green Network that provides sustainable habitat for people and nature.

At its meeting on June 7, 2021, the Standing Policy Committee on Environment, Utilities, and Corporate Services received the [Green Infrastructure Strategy Implementation Plan, Near Term Actions and Financing](#) report as information, which proposed four capital initiatives for the purposes of near-term implementation and budget planning: Natural Areas Management, Grey to Green, Growing Community, and Sustainable Food.

CURRENT STATUS

As a normal course of business, the Administration looks for additional funding opportunities to leverage and optimize the use of the City's funds. This allows the City to fund and complete additional work that would otherwise not be possible without

additional funding sources, or to expand the scope of planned work to increase benefits to our community.

The City has been invited by Infrastructure Canada to be one of six cities to make a Large Project Stream application. The deadline to apply is December 15, 2021.

The Green Infrastructure Strategy Implementation Plan is nearing completion and will be brought forward to the Standing Policy Committee – Environment, Utilities and Corporate Services in Q1 2022. Near-term actions and programs are proposed in the 2022-2023 Business Plan and Budget deliberations.

DISCUSSION/ANALYSIS

Saskatoon's Green Network Project

As described in the Strategy, Green Infrastructure is a system of natural, enhanced, and engineered assets that provide municipal and ecosystem services by protecting, restoring, or emulating nature. Saskatoon's Green Network Project advances the implementation of green infrastructure comprehensively, through the lenses of Community, Governance, Open Space, Ecology, and Storm Water. Saskatoon's Green Network is defined through a series of interconnected initiatives that work to restore the urban environment and ecosystems, support climate action and nature-based solutions, and improve the quality of life for residents and visitors.

Natural Infrastructure Funding Criteria

The NIF Large Project Stream supports cities that demonstrate leadership through innovative Natural Infrastructure Strategies. In the case of Saskatoon, this is the Green Infrastructure Strategy as defined through Saskatoon's Green Network Project. Eligible projects may bundle smaller initiatives into a single proposal but must be part of an overall approach to implementing natural infrastructure. Cities can receive 60% of eligible costs for a project ranging from \$3,000,000 to \$20,000,000. Eligible costs must be incurred between May 1, 2021, and March 31, 2024.

The NIF supports communities to build a variety of natural infrastructure or hybrid infrastructure projects that demonstrate the provision of valuable services and benefits for communities such as climate change resilience, access to nature, protection of biodiversity, and climate change mitigation.

Eligible projects must reflect at least one of the following categories:

- Planting and restoring green space (e.g., urban forests, street trees, green roofs, living walls, parks, and community gardens)
- Construction or restoration of naturalized water retention or detention systems (e.g., naturalized stormwater ponds, wetlands, riparian restoration)
- Naturalized water diversion and infiltration (e.g., rain gardens, bioswales, permeable land cover)
- Natural infrastructure or hybrid infrastructure projects supporting biodiversity and connectivity (e.g., natural wildlife crossings)

- Design elements that enhance access to greenspace or water bodies that are clearly connected to the broader natural infrastructure project (e.g., trails, signage, lighting)

Additional eligible costs may also include salaries, wages, incremental costs, and Indigenous consultation and engagement.

Selection of Initiatives for Saskatoon's Green Network

The Green Network Project has been defined following a review of planned City capital projects which support actions from the Green Infrastructure Strategy Implementation Plan and are eligible for submission to the NIF. These include initiatives that are identified as a near-term action of the Green Infrastructure Strategy, or that otherwise support green infrastructure enhancements, and which have scopes that could be expanded through the funding to include additional green/natural infrastructure.

Initiatives considered for submission are included in this report based on the following criteria:

1. The initiative meets all NIF eligibility requirements (e.g., falls within one of the above categories; is shovel ready and can be completed before March 31, 2024; and has a capital funding source that can provide the City's 40% contribution already available or will be considered at the 2022-2023 Business Plan and Budget deliberations).
2. The initiative fulfills one or more actions or outcomes from the Green Infrastructure Strategy and other guiding documents (e.g., Strategic Plan, Official Community Plan, Corporate Climate Adaptation Strategy).
3. The initiative showcases or pilots a new or innovative approach for natural infrastructure that could be scaled up in future.
4. The initiative achieves multiple co-benefits such as climate adaptation and mitigation; reconciliation, equity, diversity, and inclusion; storm water management; biodiversity conservation; and improved tourism or other economic outcomes.

A summarized list of proposed initiatives, including capital project numbers, is provided in Appendix 1 – Summary of Saskatoon's Green Network Initiatives and Funding Status, and will be included in the Saskatoon's Green Network Project application unless redirection is provided. Some of the initiatives proposed in the project include:

- Park Upgrades, Enhancements & Repairs (P.00901);
- Natural Areas Management – Pilots and Policy Development (P.02390);
- Storm Sewer Trunk and Collection Capacity Program (P.01619.06);
- Urban Design – BIDS (P.02162): 20th Street East Streetscape; and
- Traditional Knowledge and Land Use Assessment (P.02390).

The initiatives listed in Appendix 1 will be bundled and submitted as one proposal per the requirements of the NIF. There is currently approximately \$400,000 left available of the maximum \$20 million funding. If additional initiatives are identified before the December 15 application deadline, they may be included. As well, if the outcomes of the 2022-2023 Business Plan and Budget deliberations change the anticipated City contribution, initiatives may be re-scoped or additional initiatives may be added to the

final application. A detailed description of the initiatives including eligibility, funding source, and expected outcomes is provided in Appendix 2 – Natural Infrastructure Funding Submissions.

Several additional initiatives were considered that fulfill criteria 2 through 4 but were not included because they do not meet the NIF criteria (e.g., will not proceed within the funding timeframe).

Benefits

The Natural Infrastructure Fund is a significant opportunity to implement the vision for an interconnected Green Network. Saskatoon's Green Network Project will achieve multiple co-benefits such as improved access to nature for the community, equity and reconciliation, climate mitigation, and habitat.

Initiatives within the application will make tangible progress towards implementing the Green Infrastructure Strategy, pilot new approaches that could be scaled up in future and build capacity at the City to support additional work. The project showcases a range of natural infrastructure opportunities across Saskatoon, including in parks and open green spaces, natural areas, and built-up areas such as Downtown. Multiple departments are represented in the initiative list, highlighting a one-city approach to implementing the Green Network Project. Most initiatives are City-led, however Meewasin has an eligible initiative and a funding source that is included in the proposed submission.

There is a significant opportunity to embed partnerships, reconciliation, equity, diversity, and inclusion into all initiatives within this funding submission, therefore, initiatives intended to build capacity and partnerships have also been included.

Selected initiatives will result in multiple co-benefits such as nature-based climate solutions, asset management capacity, and water conservation. Selected initiatives fulfill outcomes from multiple guiding policies and documents including the Strategic Plan and Official Community Plan.

FINANCIAL IMPLICATIONS

The NIF program will cover up to 60% of eligible costs on projects up to \$20,000,000. For the City's 40% contribution, funds are already secured in some cases. However, as shown in Appendix 1, the eligibility of other initiatives will be contingent upon approval in the 2022-2023 Business Plan and Budget deliberations.

OTHER IMPLICATIONS

There are no privacy implications identified.

Legal Implications

If the Green Network Project is approved, the City and Infrastructure Canada would begin negotiations and enter into a contribution agreement prior to the City receiving the federal funds. One initiative may proceed in partnership with the Meewasin Valley

Natural Infrastructure Fund

Authority (MVA) and includes a 40% contribution from MVA. If the submission is successful, the City would enter into a contribution agreement with the Meewasin Valley Authority as well.

Social, Environmental, Economic, and Governance Implications

Initiatives selected for funding will undergo a Triple Bottom Line review prior to implementation, to maximize environmental, social, economic, and governance outcomes. The Equity Toolkit will also be utilized to inform all stages of project implementation.

NEXT STEPS

The Administration will submit the application on or before the December 15, 2021, deadline based on secured funding and any redirection provided. Notification of the results of the application are anticipated during the first quarter of 2022.

APPENDICES

1. Summary of Saskatoon's Green Network Initiatives and Funding Status
2. Saskatoon's Green Network Project: Defined Initiatives

Report Approval

Written by: Kole Paziuk, Staff Accountant
Jessie Best, Project Manager (Environmental), Sustainability

Reviewed by: Jeremy Meinema, Senior Financial Business Partner
Kari Smith, Director of Finance
Angela Gardiner, General Manager, Utilities and Environment
Lynne Lacroix, General Manager, Community Services

Approved by: Clae Hack, Chief Financial Officer