

Green Municipal Fund™

Call for Applications:
Transportation



transportation

Application Guidelines

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FCM | Green Municipal Fund
Fonds municipal vert

Green Municipal Fund, Call for Applications: Transportation, Application Guidelines

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The application forms and other documents for the Green Municipal Fund are available in English on the Federation of Canadian Municipalities' Green Municipal Fund website <www.fcm.ca/gmf>.

Les formulaires et autres documents pour le Fonds municipal vert sont disponibles en français sur le site Web du Fonds municipal vert de la Fédération canadienne des municipalités <www.fcm.ca/fmv>.

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Introduction

1. About the Green Municipal Fund

The Green Municipal Fund (GMF) is a long-term source of financing for municipalities and their partners to develop communities that are more environmentally, socially, and economically sustainable.

The Government of Canada endowed the Federation of Canadian Municipalities (FCM) with \$550 million to establish GMF. This Fund:

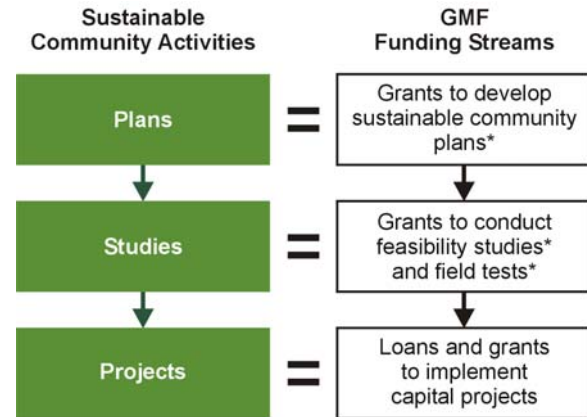
- provides low-interest loans and grants to municipalities that deliver leading examples of sustainable development; and
- builds capacity and shares the knowledge and experience gained by municipal leaders through GMF-funded studies and projects.

GMF is managed by FCM and operates at arm's length from the federal government. For more information, see the FCM Green Municipal Fund website at www.fcm.ca/gmf.

2. What Is Eligible for GMF Funding?

GMF has three funding streams that finance three types of sustainable community activities.

Note: GMF invests in the plans, studies, and projects that provide the best examples of municipal leadership in sustainable development and from which other municipalities can learn and apply.



* See the [Glossary](#) for definitions of these terms.

The Application Guidelines and Application Forms for each funding stream are available on the FCM Green Municipal Fund website at www.fcm.ca/gmf.

3. Funding for Capital Projects

There are specific, targeted calls for applications in each of five sectors every year: brownfields, energy, transportation, waste and water. Potential recipients can apply only in response to specific targeted calls for applications in each sector.

FCM offers below-market GMF loans or below-market loans combined with grants to implement projects that represent the best examples of leadership in sustainable development in each sector, with the exception of the brownfields sector in which only loans are available.

GMF can offer financing for up to 80% of the eligible costs of some capital projects. **Grants are only offered in combination with loans.**

Call for applications: Transportation

4. Objective

The objective of the call for applications in the transportation sector is to facilitate shifts to sustainable modes of transportation. Through this call for applications, FCM will fund capital projects that remove barriers and improve the convenience and competitiveness of, for example, transit, active transportation, and transportation demand management measures.

To ensure the greatest possible environmental, social, and economic impact, FCM invests GMF loans and grants in the best examples of municipal leadership in sustainable development — examples that can be replicated in other communities.

5. Eligibility

5.1 Who is eligible?

Any Canadian municipal government, corporation wholly owned by a municipal government, or a municipal partner may apply for funding under this call for applications.

5.2 What projects are eligible?

Projects that encourage modal integration and the development of comprehensive transportation networks and projects that aim to improve utilitarian transportation options (rather than primarily recreational options) are eligible under this call for applications.

Projects will not be approved unless they receive a minimum overall score of 60 points out of 100.

Please see Appendix A for a list of examples of eligible projects. In order to be eligible, the transportation project must start within 18 months of the date the application is approved.

5.3 Prerequisites

The following activities must be complete before submitting an application:

- a feasibility study
- a sustainable transportation plan (or equivalent)

If these prerequisites have not yet been completed, applicants are not eligible under this call for applications.

6. Funding

6.1 What funding is available for projects?

All projects approved under this call for applications will be eligible to receive funding for up to 50 per cent of eligible project costs up to a maximum \$4 million loan and a \$200,000 grant. The value of the grant will not exceed 5 per cent of the value of the loan.

Projects considered to be exceptional are eligible to receive funding for up to 80 per cent of the eligible project costs up to a maximum \$4 million loan and a \$400,000 grant. The value of the grant to exceptional projects will not exceed 10 per cent of the value of the loan.

Applications will be eligible for the exceptional category if:

- the project is supported by a municipal sustainability plan demonstrating the necessity or

importance of the proposed project in furthering the municipality's sustainability

- the application achieves a minimum overall score of 60 points out of 100
- the application achieves a minimum of 12 points out of 20 in the Other environmental considerations criterion

The general scoring grid will be available with the application form.

Note: FCM reserves the right to adjust the above loan limits.

6.2 What interest rates and terms are available for GMF loans?

For approved municipal governments, GMF interest rates are the Government of Canada bond rate for the equivalent term minus 1.5 percent.

For municipal partners, GMF interest rates will be based on the credit strength of the borrower and, in general, they are lower than rates available from other long-term lenders.

Interest rates are set at the time of loan disbursement and will be fixed for a term up to 10 years (or up to 20 years for exceptional projects).

6.3 Which projects are eligible for a grant?

All applicants are eligible for a grant. See section 7.1 for details on the maximum value of grants.

A grant will only be offered in combination with a loan.

6.4 Disbursement

All applicants that accept offers of financing will be required to sign funding contracts with FCM. For additional information on the steps following approval, please consult the Post Approval Process for Capital Projects, as well as the Sample Municipal Loan Agreement documents available from the FCM Green Municipal Fund website at www.fcm.ca/gmf).

Loans

Loans will be disbursed in one or more installments with a final disbursement after the project is completed, provided that the project is implemented as described in the application to GMF.

Grants

Grants will be disbursed in one contribution up to 3 years after the project is completed when the applicants submit an environmental results report outlining the actual verified environmental benefits of the project.

Projects that fail to achieve their anticipated environmental benefits will have their grant reduced by 50 per cent.

7. Eligible Costs

7.1 What costs are eligible?

The following invoiced costs are eligible for funding (Eligible project costs incurred on or after the date FCM receives the complete application will become receivable only if the application is approved by the FCM Board.):

- a) **Capital costs**, as defined and determined in accordance with Generally Accepted Accounting Principles (GAAP):
 - i. acquiring, developing, constructing, modernizing or leasing systems (equipment, hardware, software, etc.) that

- are essential for the completion of the project; and
 - ii. costs of construction, renovation or modernization of facilities and structures essential for the completion of the project, such as materials and installation costs.
- b) Salaries, professional fees and remuneration:**
- i. salaries, fees or remuneration paid to professional, technical personnel, consultants and contractors directly involved in the planning, assessment, analysis, design, engineering, manufacturing, construction, monitoring, and reporting of the project, but not employed by the [applicant](#);
 - ii. salaries, fees or remuneration paid to professional, technical personnel, consultants and contractors directly involved in public education and promotion, survey and website development and the development of other communication tools, directly related to the implementation of the project, but not employed by the applicant; and
 - iii. salaries, fees or remuneration paid directly to employees of the applicant working on the project are eligible only if they do not exceed 10 percent of the total eligible project costs.
- b) costs related to public consultations, environmental assessments, risk assessments, risk management plans, business development plans and marketing strategies;
 - c) general overhead costs of the applicant, such as insurance and other operating costs related to general maintenance and repairs in relation to the project;
 - d) office space for the project;
 - e) purchase, lease or sale of real property;
 - f) administrative costs not specifically listed as eligible costs, such as audit fees and legal fees;
 - g) engineering costs for which grants or contributions are provided by or committed to be provided by any program of the Government of Canada;
 - h) conference and conference travel;
 - i) Provincial Sales Tax and the Goods and Services Tax for which the applicant is eligible for a tax rebate and any other costs eligible for rebates; and
 - j) in-kind contributions, except as noted in 7.1 b) iii.

7.2 What costs are not eligible?

The following costs are not eligible for funding:

- a) activities related to the project that would be eligible for GMF funding under a sustainable community plan, feasibility study, or field test (refer to the Application Guidelines for Sustainable Community Plans and for Feasibility Studies and Field Tests on the FCM Green Municipal Fund website at www.fcm.ca/gmf);

8. Application Assessment

8.1 How are applications assessed?

Applications are assessed by an independent [Peer Review Committee](#) and independently evaluated on their own merits according to the potential for the project to deliver environmental, social and economic benefits.

FCM will offer GMF loans and loans combined with grants to projects that reflect the very best examples of municipal leadership in sustainable development – projects that have high net environmental impact that can be replicated in other communities.

Applications will also be assessed on the project management, application quality, public engagement, and municipal council or board of director commitment. In keeping with FCM's goal to share lessons learned from GMF-funded initiatives with other communities, projects will also be assessed on their innovation, potential for replication, and potential for knowledge sharing.

Direct environmental benefit:

Given the range of eligible projects, a single set of measurement criteria cannot adequately address the various project types and all of their variables. Therefore to measure direct environmental benefits, applicants must submit a quantitative estimate of the anticipated environmental benefits of their project along with a proposed methodology for measurement and verification.

A list of transportation-related environmental indicators, along with sample methodologies for measurement and verification, is available from the FCM Green Municipal Fund website at <www.fcm.ca/gmf>).

The direct environmental benefits of the project will be evaluated and scored based on the potential of the project to deliver environmental benefits.

Other environmental considerations:

Other environmental considerations will take into account:

- Any negative environmental impacts and their proposed mitigation;
- Environmental co-benefits considering air, water, land, biodiversity and the GMF sectors (waste, brownfields, energy, and water);
- How the project contributes to implementation of existing plans, strategies, programs, policies for sustainability, overall community vision; sustainable community plan;
- Systems approach which considers the extent to which the project deals with the root causes of the environmental issues, as opposed to “end-of-pipe” solutions that only deal with symptoms; and
- Analysis and minimization of life cycle costs to the fullest extent possible.

Social benefits:

Social benefits may include:

- Protection and improvement of human health;
- Improvement to community quality of life;
- Community economic development and community revitalization;
- Increased public awareness and understanding of issues and options; and
- Strong public support.

Economic benefits:

Economic benefits may include:

- Expected operation and maintenance costs, and savings of the project
- Leveraging GMF funding to secure financing from municipal governments and other public sources;
- Private sector involvement in municipal environmental projects, including the increased participation of private lenders;
- Investment in innovative environmental technologies, practices and processes;
- Use of full-cost accounting and full-cost pricing;
- Adoption of cost-effective demand-side management policies and programs;

- Improved job retention, increased job creation, and generation of employment income; and
- Partnerships between two or more municipalities.

9. Application Requirements

9.1 What information will be required in the application?

All applicants will be required to submit the following documents with their application:

- A feasibility study;
- A sustainable transportation plan (or equivalent); and
- Worksheets (templates will be provided with the application forms).

Applicants seeking funding for more than 50 per cent of eligible costs must also submit a municipal sustainability plan (see section 7.1).

For municipal government applicants:

- Most recent signed audited financial statement;
- Municipal council resolution describing the level of commitment and financial support for the proposed project and GMF application, OR a signed letter from the chief administrative officer or chief financial officer describing the current status of project approval; and
- For applicants from a municipal government **outside the Province of Quebec**, evidence of provincial consultation¹ (a template letter is available from the FCM Green Municipal Fund website at www.fcm.ca/gmf).

¹ Provincial consultation for applicants from municipal governments inside the Province of Quebec is acquired by way of submission to MAMROT.

For a corporation wholly owned by a municipal government:

- Most recent three years of signed audited financial statements and, if available, a [business plan](#) for the proposed project (note that FCM reserves the right to request further financial information);
- A signed letter from the chief executive officer or chief financial officer describing the current status of project approval and giving evidence of the municipal partner's board of directors' decision to support the proposed project and GMF application; and
- Evidence of provincial consultation (a template letter is available from the FCM Green Municipal Fund website at www.fcm.ca/gmf).

For municipal partner applicants:

- Most recent three years of signed audited financial statements and, if available, a [business plan](#) for the proposed project (note that FCM reserves the right to request further financial information);
- A signed letter from the chief executive officer or the chief financial officer acknowledging that FCM's loans to municipal partner applicants are conditional upon FCM accepting the eligibility of the partnership arrangement (partnership is demonstrated by significant municipal risk-sharing and evaluated on a case-by-case basis).
- A signed letter from the chief executive officer or chief financial officer describing the current status of project approval and giving evidence of the municipal partner's board of directors' decision to support the proposed project and GMF application; and
- Evidence of provincial consultation (a template letter is available from

the FCM Green Municipal Fund website at <www.fcm.ca/gmf>).

10. Project Reporting

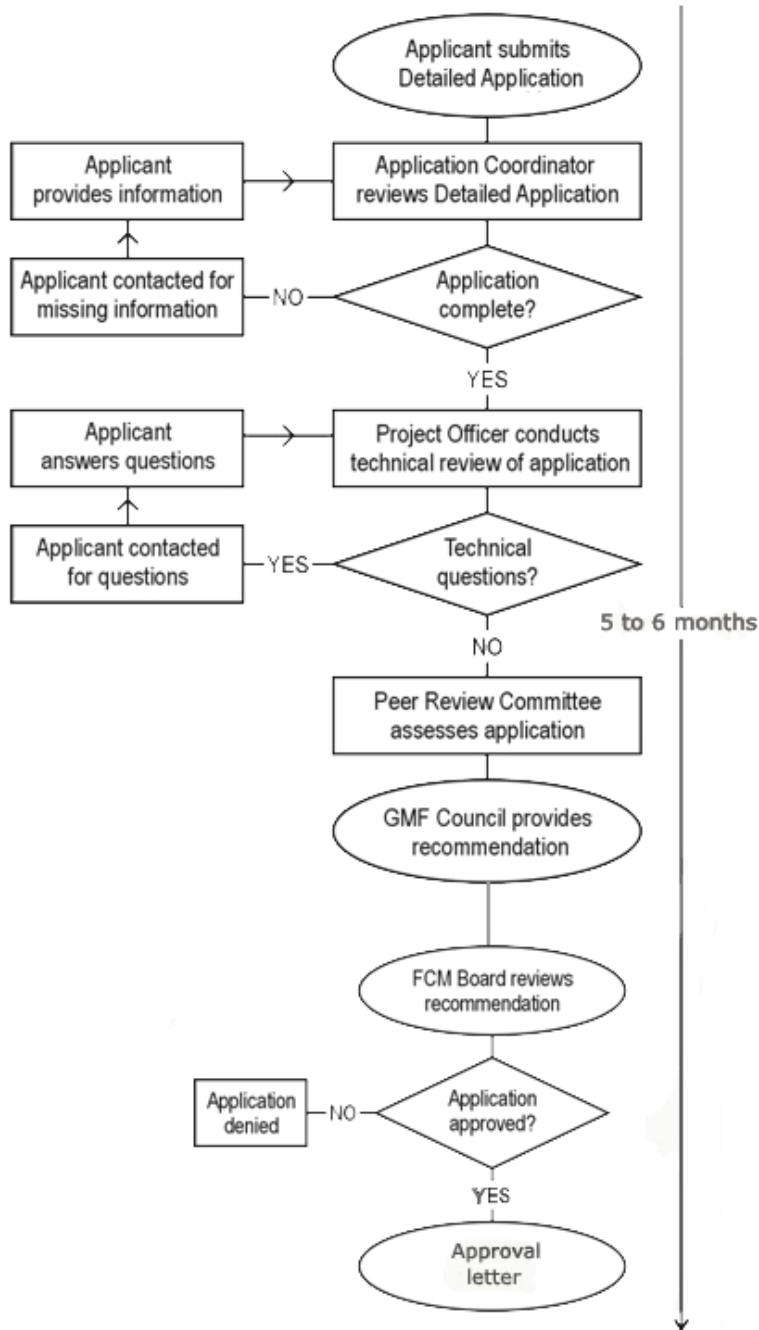
In accordance with the agreement established between FCM and the Government of Canada, all funding recipients must report on the environmental benefits and lessons learned from the implementation of their GMF-funded project.

All approved recipients must comply with the standard GMF project reporting

requirements, which include submitting a Project Completion Report (PCR), and an Environmental Results Report (ERR) prepared by a third-party consultant. These reporting requirements are available on the FCM Green Municipal Fund website at <www.fcm.ca/gmf>).

Approved borrowers must also post project signage acknowledging FCM's contribution to the project, following FCM's specifications. The cost for this signage will be considered an eligible cost.

11. Timeline and Next Steps



Glossary

Active transportation: Any form of human-powered (i.e. non-motorized) transportation. Walking and cycling are the most popular forms. Active transportation projects may include improvements to, or construction of new pedestrian and cycling infrastructure. They can also involve combining modes such as walking and cycling with public transit, keeping in mind that every transit trip starts on foot.

Applicant: The organization that submits the application for GMF funding, manages the project, incurs all expenses, signs the funding contract(s), and requests and receives disbursements. For this call for applications, the applicant must be a [municipal government](#), a corporation wholly owned by a municipal government, or a municipal partner in Canada.

Business plan: Must contain an executive summary, the corporate structure of the company undertaking the project, a market overview, technology, financial forecasts (cash flows from the project), and the financial structure of the project.

Eligible project: Projects that encourage modal integration and the development of comprehensive transportation networks and projects that aim to improve utilitarian transportation options, rather than primarily recreational options.

Eligible recipient: Eligible recipients must be a [municipal government](#), a corporation wholly owned by a municipal government, or a municipal partner in Canada.

Feasibility study: An assessment of the technical and financial feasibility, as well as

the environmental, social, and economic impacts of a potential municipal environmental project. A feasibility study typically includes an assessment of the requirements and outcomes of a specific project using verifiable evaluation processes, leading to a recommended course of action.

Field test: An evaluation of the small-scale installation of a potential municipal environmental project under the conditions in which it will operate. A field test evaluates the technical and financial feasibility, as well as the environmental, social, and economic impacts of a new system or technology, using verifiable evaluation processes, to determine the implications of full-scale implementation. The field test is not a demonstration project and it must be reversible.

Full-cost accounting: Takes a similar approach to a life cycle analysis, but the results are expressed in financial terms.

Life cycle analysis: Considers the environmental impacts of the municipal environmental project in combination with upstream and downstream activities (the inputs and processes necessary to operate, and the outputs that result from operating the municipal environmental project). For example, if a process requires the input of material or energy, a life cycle approach would quantify the environmental impacts of creating those materials and consuming energy. Additionally, a life cycle approach would quantify the products or waste generated as outputs from the project.

Municipal government: The corporation of a region, county, municipality, city, town, village, township, rural municipality or improvement district located within Canada and includes the local board thereof. In the case of an unorganized area or unsurveyed territory located within Canada, a regulatory authority that exercises any power with respect to municipal affairs or municipal needs.

Municipal partner: A non-municipally owned entity (e.g., private sector or not-for-profit), where partnership is demonstrated by significant municipal risk-sharing. Every potential partnership will be evaluated on a case by case basis.

Municipal sustainability plan: A plan demonstrating the necessity or importance of the proposed project in furthering the municipality's sustainable development initiatives and sustainability goals. The areas covered by this plan are energy, water, waste, planning, growth management, infrastructure, sustainable transportation, brownfields, and economic or community development. For example, a sustainable community plan.

Peer Review Committee: The technical advisory group responsible for assessing applications against the rated criteria. It is comprised of independent members with technical or financial expertise, or both, in specific environmental fields.

Sustainable community plan: A plan developed through public consultation that identifies a vision and includes environmental, social, and economic goals and targets for the community. The plan also describes the short-, medium- and long-term strategies for reaching its goals and targets, and integrates all areas of

municipal concern, such as energy use, neighbourhood and transportation planning, and waste and water management.

Sustainable transportation plan: A plan that integrates transportation with the environment, livability, mobility and affordability. A sustainable transportation plan supports safe access and mobility for all users including pedestrians, cyclists, transit users, and drivers. Typical components may include a transportation master plan, pedestrian plan, bicycle plan, road network plan, travel demand management strategy, goods and services movement strategy and a transit strategy.

Transit: Transit projects can be divided into two sub-categories. First, there is the acquisition of new energy efficient vehicles and construction of transit oriented infrastructure, for example, rapid transit routes. The second sub-category of transit projects includes smaller capital components such as transit priority measures, and real-time information, which are targeted to manage factors such as vehicle priorities, loads, safety, travel times, and fuel consumption.

Transportation demand management: The use of policies, programs, services and products to shape the economic and social factors that influence whether, why, when, where and how people travel. TDM supports and encourages travel by transit, carpool, cycling and walking, as well as travel avoidance through telework. The prime TDM activities are education, promotion and outreach programs and travel incentive and disincentive initiatives.

Appendix A

12. Examples of Eligible Projects

Eligible projects include:

- Intelligent transportation systems, such as real time travel information and transit signal priority
- Improvements to active transportation infrastructure around transit nodes, such as side walks, pedestrian crossings, pedestrian links from park and ride, bike paths and bike crossings, end of trip bike facilities such as bike parking and shower facilities
- Sidewalk treatments to facilitate pedestrian access at transit stops
- The development or completion of walking and cycling networks and systems planned around real destinations such as trips to work, school, shopping or culture that promote safety, accessibility and a viable alternatives to car travel
- The development of “complete streets,” in other words, the creation of road networks that accommodate all travelers: pedestrians, cyclists, transit, high occupancy vehicles and private and commercial vehicles
- Tools to manage transportation demand such as ride matching
- Hybrid vehicle acquisition
- Hybrid vehicle retrofits