



Working together with our community

Council Meeting – June 21, 2022

Subject: SCOR Regional Shortline Rail Project
Report Number: CS-22-128
Division: Corporate Services
Department: Financial Management & Planning
Purpose: For Decision

Recommendation(s):

THAT Report CS-22-128 SCOR Regional Shortline Rail Project be received as information; ;

AND THAT Council approve a letter of support related to this project as outlined in Attachment 1;

AND THAT upon confirmation that funding for the entire project has been secured, a New Budget Initiative providing the requested grant in the amount of \$5,000 annually for three years be included in the Proposed 2023 Levy Supported Operating Budget for consideration;

AND FURTHER THAT the funding be provided from the tax levy.

Executive Summary:

At the June 14, 2021, Council-In-Committee South Central Ontario Region Economic Development Corporation (SCOR) presented a proposal for the SCOR Regional Shortline Rail Project. At that time, Council approved a motion directing staff to bring back a report to provide further information regarding financial considerations and to draft a letter of support for Council's consideration.

This report includes a draft letter of support and potential funding sources in order to provide the requested grant amount of \$5,000 for three years.

Discussion:

Project Details

As outlined in the presentation, GIO Rail, a Canadian-based rail services provider reinstated rail service from St. Thomas to Norfolk. As a result, SCOR has identified

that infrastructure upgrades in the amount of \$6.6 million are needed over the next three years. These upgrades include bridge repairs, cross tie replacements and crossing upgrades.

Project Financing

In order to finance this major undertaking, the proposed funding for the project will come from various sources including requesting financial support from the National Trade Corridor Fund, Provincial Funding and municipal contributions from the Counties of Elgin, Oxford and Norfolk, other government levels and businesses benefiting from the rail service. At this time, SCOR is not requesting any commitment for funding however through discussions Norfolk County's municipal financial ask would be \$5,000 annually over three years for a total of \$15,000.

Norfolk County has no specific funding sources available for this type of project however Council may consider the following potential funding options:

1. Tax Levy
2. 2023 Council Grant Program
3. Council Initiative Reserve

Of the three Options, staff is recommending Option #1 to fund the requested grant from the tax levy. This Option is more in line with Norfolk County's current practice in providing grants to groups and organizations.

Option #2 would not be consistent and treat all requests in an equitable manner if this Option was chosen and it would also limit the amount of grant available to other organizations.

Options #3, is not being recommended as transferring funds to another organization does not fit the purpose and guidelines Council has established for this Reserve.

Draft Letter of Support

SCOR has requested that Norfolk County provide a letter of support to assist in their endeavors to seek financial support. A draft letter of support outlining the benefits of this project to the regional area and our municipality has been attached to this report for Council's consideration.

Financial Services Comments:

Endorsing support for this project does not commit Council to provide funding in the future.

Interdepartmental Implications:

None.

Consultation(s):

Chief Administrative Officer
General Manager, Corporate Services

Strategic Plan Linkage:

This report aligns with the 2019-2022 Council Strategic Priority "Other".

Explanation: If this service continues to be suspended and the infrastructure is not repaired and upgraded, a large number of employees and business revenues will be negatively impacted.

Conclusion:

The letter of support from Norfolk County will provide the support to SCOR in their efforts to seek financial support from various sources.

Attachment(s):

- Draft Letter of Support

Approval:

Approved By:
Shelley Darlington
General Manager, Corporate Service

Prepared By:
Kathy Laplante
Treasurer, Director Financial Management & Planning