Agenda – Executive Policy Committee – July 7, 2026

REPORTS

Item No. 8 Revised Application to the Federal Canada Public Transit Fund (CPTF) Baseline Funding Program for Winnipeg Transit

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the Public Service submit a revised Capital Plan Application for the Baseline Funding stream of the Canada Public Transit Fund.

2. That, for the purposes of Recommendation 1, authority be delegated to the Chief Financial Officer to approve the Capital Plan Application to the Baseline Funding stream of the Canada Public Transit Fund.

3. That, subject to the approval of the Capital Plan Application under the Baseline Funding stream of the Canada Public Transit Fund, the City enter into, execute, and deliver a Contribution Agreement with the Housing, Infrastructure and Communities Canada, or its legal designate, and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

4. That, subject to a two/thirds vote of Council, the purpose for the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Payment Reserve be amended to "setting aside funding for the P3 annual service/financing payments commencing in 2019 for the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass capital project as a priority, and any remaining funding available be used for the rehabilitation, major repairs and upgrades for the Transit stations and other infrastructure on Stage 1 and Stage 2 of the Transitway"; and to rename the Reserve the "Southwest Rapid Transitway and Pembina Highway Underpass Reserve."

5. That the financial implications of this funding application be referred to the 2027 Budget Update Process.

6. That authority be delegated to the Chief Administrative Officer to negotiate and approve the Contribution Agreement between the City and Housing, Infrastructure and Communities Canada, or its legal designate, in accordance with this report and such other terms and conditions determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing.

7. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

ADMINISTRATIVE REPORT

Title: Revised Application to the Federal Canada Public Transit Fund (CPTF) Baseline Funding Program for Winnipeg Transit

Critical Path: Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Crowder L. Fisher	G. Ewankiw	T. Graham	J. Dunford

EXECUTIVE SUMMARY

The Canada Public Transit Fund (CPTF) is a new program from the Government of Canada (GoC). It aims to increase the use of public transit and active transportation, among other goals. It will give about $3 billion each year to municipalities nationwide through three funding streams.

The Baseline Funding stream provides about $500 million annually to transit communities. It aims to give steady, long-term support for both capital and non-capital investments. Winnipeg is eligible for around $11.6 million each year for the next 10 years. This amount reflects the GoC share of up to 40 percent for construction costs and up to 80 percent for planning projects. It does not cover the City's required contributions of 60 percent or 20 percent.

In October 2025, Council approved the initial funding plan. This plan included a mix of non-capital, active transportation, and capital projects. It relied only on existing funding sources in Transit's capital budget projections. The City submitted this plan to the GoC in December 2025. The GoC then asked the City to revise its submission to increase the Baseline Funding allocation.

The plan includes Transit projects that are funded and partially unfunded. All these projects will be considered in Transit's 2027 capital budget discussions.

City funding sources grew by shifting some bus parts money from the operating budget. A new Bus Overhaul capital program is proposed. Housing Accelerator Fund funding is being also added along with re-budgeting past year funds. Existing capital work will be deferred, with some projects pushed to future years, among other sources. Deferring capital projects isn't ideal. All proposed changes to the capital budget will be part of Transit's 2027 capital budget submission for Council consideration. This revised plan uses the full $46.3 million funding from 2027 to 2031. The initial plan used about $23.2 million. Projects planned for 2026 are now moved to 2027. This change ensures that timing and approval for the funding program are met. To qualify for 2026 funding, projects must meet several requirements:

- The GoC must approve them.
- Council needs to approve the parking zoning changes.
- A contribution agreement must be signed.

- All project work must finish by March 31, 2027.

If 2026 funding is allocated but not used, future program years may be at risk. There might be a chance to use 2026 funding through talks with the GoC. This will happen once the Department's application is approved.

This report recommends changing the purpose of the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Payment Reserve. The change would allow the Reserve to fund Transit stations and infrastructure for both Stage 1 and Stage 2 of the Transitway. This aims to close the funding gap for these assets, especially for needed upgrades to Osborne Station. The core purpose of the Reserve will still focus on funding P3 contractual requirements. Other projects will only be considered if funds are available. Changing the Reserve requires a two/thirds vote from Council.

RECOMMENDATIONS

1. That the Public Service submit a revised Capital Plan Application for the Baseline Funding stream of the Canada Public Transit Fund.

2. That, for the purposes of Recommendation 1, authority be delegated to the Chief Financial Officer to approve the Capital Plan Application to the Baseline Funding stream of the Canada Public Transit Fund.

3. That, subject to the approval of the Capital Plan Application under the Baseline Funding stream of the Canada Public Transit Fund, the City enter into, execute, and deliver a Contribution Agreement with the Housing, Infrastructure and Communities Canada, or its legal designate, and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the “Ancillary Agreements”).

4. That, subject to a two/thirds vote of Council, the purpose for the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Payment Reserve be amended to “setting aside funding for the P3 annual service/financing payments commencing in 2019 for the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass capital project as a priority, and any remaining funding available be used for the rehabilitation, major repairs and upgrades for the Transit stations and other infrastructure on Stage 1 and Stage 2 of the Transitway”; and to rename the Reserve the “Southwest Rapid Transitway and Pembina Highway Underpass Reserve.”

5. That the financial implications of this funding application be referred to the 2027 Budget Update Process.

6. That authority be delegated to the Chief Administrative Officer to negotiate and approve the Contribution Agreement between the City and Housing, Infrastructure and Communities Canada, or its legal designate, in accordance with this report and such other terms and conditions determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing.

7. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Council approval is required in order to apply for funding under grants or contribution programs, to enter into contribution agreements with other levels of government; referral to the budget process; as well as to amend the purpose and name of a reserve.

IMPLICATIONS OF THE RECOMMENDATIONS

Upon approval of this report, the Public Service will proceed with the revised Capital Plan Application for funding consideration under the Baseline Funding stream of the Canada Public Transit Fund and, if the application is approved, will negotiate a Contribution Agreement with Housing, Infrastructure and Communities Canada in order to access that funding.

A separate report to Council will be required for the zoning by-law changes needed to satisfy the Federal Government's requirement to eliminate off-street parking within 800 metres of rapid transit stations.

The capital projects included in the application will be reflected in the Department's 2027 capital budget submission for consideration.

Expanding the scope of the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Payment Reserve will provide a funding source for infrastructure along the entire length of the Southwest Transitway to the extent there is funding available in the reserve beyond what is required to meet the P3 payment requirements.

HISTORY/DISCUSSION

The Canada Public Transit Fund (CPTF) is a funding program offered by the Government of Canada (GoC). The CPTF was announced in 2024 and will provide $3 billion per year for public transit and active transportation infrastructure across Canada, beginning in 2026-27. The CPTF will provide stable and predictable funding to address long-term transit goals and aims to:

- Increase the use of public transit and active transportation relative to car travel,
- Increase the housing supply and affordability as part of complete, transit-oriented communities,
- Help mitigate climate change and improve climate resilience, and
- Improve public transit and active transportation options for all, especially Indigenous People and equity-deserving groups.

Baseline Funding is intended to provide predictable, long-term funding to communities with existing transit systems to support routine capital and non-capital investments, with an expected focus on projects of a relatively small-scale, including public transit and active transportation system expansions, improvements, and state of good repair. The Baseline funding stream is an approximately $500 million annual envelope and allocations are determined based on a formula that considers both ridership and population metrics.

Baseline funding is intended to support public infrastructure, which is defined as tangible capital assets primarily for public use and/or benefit, and will include capital transit and active transportation infrastructure projects or non-capital projects. Investments must support program objectives and expected results and must meet applicable federal requirements.

For a capital infrastructure project to be eligible for funding, it must include the acquisition, enhancement, modernization, rehabilitation, construction, expansion, restoration, renovation, refurbishment, or replacement of assets that fall under one of the following categories:

- Public transit systems and related infrastructure; or,
- Active transportation infrastructure or networks.

Non-capital projects will support transit-related development, planning, or design, of public infrastructure projects. For a non-capital project to be eligible for funding, it must support one of the following:

- A potential future capital project that would be considered eligible under the program; or
- Transit and active transportation projects related to planning, feasibility studies, stand-alone design work or other related capacity building, research or data projects. Projects that support the development of transit-oriented communities are also eligible; this would include projects like transit-related housing needs assessments.

The program will fund:

- up to 40 percent of eligible expenditures for capital projects; and
- up to 80 percent of eligible expenditures for non-capital projects: and
- may be stacked with the Canada Community-Building Fund, Canada Mortgage and Housing Corporation or Canadian Infrastructure Bank funding programs provided that total funding does not exceed 100 percent of total eligible project costs.

Constraints and criteria of the CPTF Baseline funding program considered in the development of Winnipeg Transit's five-year detailed capital plan application include the following:

- Funding must be used in the year it is requested (i.e., carrying over funds is not permitted),
- Ineligible costs include land, overhead, internal salary (unless incremental and approved in advance) and financing costs,
- A commitment to meet environmental assessment and Indigenous consultation requirements, where applicable, prior to construction starting,
- A commitment to implement measures to reduce significant climate risks and report on actions taken,
- A commitment to purchasing zero-emissions vehicles and completing relevant planning as required,
- A commitment to completing GHG assessments for applicable components, and
- If applicable, a commitment to reporting on and using low-carbon ready-mix concrete.

In addition, for communities with a population greater than 150,000 the following strategic alignment housing conditions apply:

1. Completion of a Housing Needs Assessment,
2. Concentration of more housing development near transit by allowing high-density housing within 800 metres of high-frequency or higher-order transit,
3. Elimination of mandatory minimum off-street parking requirements within 800 metres of high-frequency or high-order transit, excluding accessibility requirements, and

4. Enable more housing supply near post-secondary institutions by allowing high-density housing as-of-right within 800 metres of recognized post-secondary institutions.

The City already meets items 1, 2 and 4. The remaining requirement does not need to be met before the submission of a capital plan but does need to be in place prior to execution of a funding agreement. The Public Service is preparing a separate report to Council, planned for later this year, outlining the required zoning by-law changes. With the Housing Accelerator Fund zoning by-law changes approved by Council, parking minimums have been eliminated along Portage Avenue and Pembina Highway for the mature communities portions of the City, and within 800 metres of rapid transit for building of affordable duplexes and triplexes. HICC has indicated that high-frequency or higher-order transit in Winnipeg, for the purposes of this funding stream, are the 11 rapid transit stations along the Southwest Transitway corridor (Harkness, Osborne, Fort Rouge, Jubilee, Beaumont, Seel, Clarence, Chevier, Plaza, Chancellor and Markham). HICC has also confirmed that the recognized post-secondary institution in Winnipeg is the University of Manitoba Fort Garry campus. Separately, as part of the Housing Accelerator Fund, the City of Winnipeg has made by-law changes to allow for four units as-of-right per lot across the whole municipality and buildings of up to four storeys within 800 metres of frequent transit.

Winnipeg Transit submitted an Expression of Interest to the Baseline Funding stream on September 13, 2024, outlining Winnipeg's population and Transit ridership metrics. A letter was received from GoC on October 9, 2024, indicating that Winnipeg Transit is eligible for Baseline Funding. A subsequent letter was then received on November 20, 2024, confirming Winnipeg Transit's 10-year notional allocation of $11,568,489 annually based on ridership and population. The next stage in the process is the submission of a Capital Plan Application for review and approval by the GoC. The Capital Plan categories for funding allocation provided by Canada are:

- Non-capital Components: planning projects, feasibility studies, stand-alone design work, etc.
- Capital Components:
    - Rolling Stock – Zero emission buses, subway cars, light rail trains, etc.
    - Fixed Assets – Passenger stations, terminals, shelters, stops, maintenance and storage facilities, etc.
    - Transit Exclusive – Heavy or light railway track, tunnels, roadways, etc.
    - Active Transportation – Bikeways, footbridges, trails, etc.

On October 30, 2025, Council approved Transit's initial proposal for its funding application that was based at that time on only future funded projects. The funding application made at that time did not fully utilize Winnipeg's baseline funding amount as a result. Subsequently the Federal Government asked Transit to revise its application to make use of more of the available baseline funding allotment.

The Public Service has revised the approach taken and the high level proposed five year spending plan based on the funding program's criteria is shown in Appendix A. It includes a combination of active transportation and capital infrastructure projects that leverage the CPTF envelope. The annual spending window is as per the GoC's fiscal year of April 1 to March 31. See Appendix A for additional details. The revised plan utilizes more than twice the initial plan's CPTF funding.

The plan as presented includes Transit projects that are both currently funded and partially unfunded such as safety shields for operators, heavy equipment, bus overhauls (fully funded projects); and the Transit admin space in the proposed 425 Osborne Street development (partially unfunded project). The partially unfunded project will be included in Transit's 2027 capital budget process for consideration as part of the budget discussions.

Additionally, the plan proposed funding be allocated from the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Payment Reserve by expanding the scope of the Reserve to include the rehabilitation and upgrade for the stations and infrastructure for both Stage 1 and Stage 2 of the Transitway. Currently the Reserve's scope is limited to the P3 annual service/financing payments for Stage 2 of the overall project. While most of the required maintenance for the Stage 2 assets are included in the annual P3 service contract, there are some elements that are out of scope. The Department feels expanding the scope of this Reserve to include the stations and other infrastructure for both Stage 1 and Stage 2 assets aligns closely with the original intent of the Reserve and could help address a funding gap for the future required rehabilitation for these assets. This change will also facilitate leveraging CPTF funding to address these projects in the future including required upgrades to Osborne Station.

However, the funding priority for the Reserve will remain ensuring there is a funding model in place that supports the City's 30 year commitment for the P3 contract and funding will be allocated to the infrastructure upgrades only to the extent the Reserve can absorb it. A two-thirds vote of Council is required to expand the scope of this Reserve.

The proposed funding plan also includes eligible active transportation projects, delivered in conjunction with the Public Works Department, in an effort to increase utilization of CPTF funding. Further analysis of specific active transportation projects, timelines, annual eligible project/program budgets, and annual spending forecasts is still required. All else being equal, accessing incremental CPTF funding would increase the overall amount of funding available. Appendix A provides more details on the revised plan. Leveraging CPTF funding will enable the Public Service to complete additional critical active transportation initiatives.

FINANCIAL IMPACT

Financial Impact Statement **Date:** June 16, 2026

Project Name: **First Year of Program** **2027**

Revised Application to the Federal Canada Public Transit Fund (CPTF) Baseline Funding Program for Winnipeg Transit

	2027	2028	2029	2030	2031
Capital					
Capital Expenditures Required	$ 38,423,000	$ 24,488,000	$ 33,991,200	$ 32,167,644	
Less: Existing Budgeted Costs	25,858,000	11,127,000	22,423,200	20,599,644	
Additional Capital Budget Required	$ 12,565,000	$ 13,361,000	$ 11,568,000	$ 11,568,000	$ -
Funding Sources:					
Debt - Internal	$ 997,000	$ 1,793,000			
Debt - External					
Grants					
Reserves, Equity, Surplus					
Canada Public Transit Fund	11,568,000	11,568,000	11,568,000	11,568,000	
Total Funding	$ 12,565,000	$ 13,361,000	$ 11,568,000	$ 11,568,000	$ -
Total Additional Capital Budget Required	$ 49,062,000				
Total Additional Debt Required	$ 2,790,000				
Current Expenditures/Revenues					
Direct Costs					
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts					
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Transit will apply for funding through the Federal Government's Canada Public Transit Fund (CPTF) to apply $46,272,000 toward multiple Transit capital projects from 2027 to 2030, including future rapid transit planning, rolling stock, fixed assets, and active transportation projects. The expected funding amount is $11,568,000 annually from 2027 to 2030.

Funding from the Canada Public Transit Fund is contingent on approval from the Federal Government.

There is an unfunded amount of $2.79 million needed to be able to leverage the entire funding envelope available for which a funding source has not been identified. This amount is part of the total funding needed for the development of 425 Osborne which, along with the entire capital plan, will be referred to the 2027 capital budget process for consideration. The CPTF will fund 40% for construction or 80% for planning projects based on the City's final funded, eligible capital program.

Laurie Fisher June 16, 2026

Laurie Fisher, CPA, CA
Manager of Finance & Administration

CONSULTATION

This Report has been prepared in consultation with:

- Public Works Department

OUR WINNIPEG POLICY ALIGNMENT

01-01b Key Directions for the Entire City - Key directions for connecting and expanding our sustainable transportation and infrastructure network.

Key Goals:

Environmental Resilience:

- Prioritize sustainable transportation as the mobility options of choice.

Objective: City Building

- Policy 2.5 -- Integrate resilient land use, transportation and infrastructure, and investment. Ensure that land use, transportation, and infrastructure planning are aligned to provide the conditions for compact, complete and connected communities, supported by sustainable transportation options and municipal infatuation capacity.
- Policy 6.29 ---New Communities, Plan New Communities to identify and include a defined level of service for public infrastructure and resource requirements, or approved alternative to achieve complete communities including an integrated and sustainable transportation system, recreation, parks, libraries, emergency services and digital communications technology.
- Policy 6.24, 6.37, 6.38 —Transit-Oriented Development.
- Policy 6.10 --Transportation Safety

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Key Direction, Strategic Opportunity #3

- Advancing Sustainable Transportation – Increasing Mobility Options and Shift to Zero Emission Vehicles

Key Directions and actions

- 3.1 - Increase Use and Efficiency of Public Transit Systems
- 3.3 - Design New Suburban Communities to Enable Enhanced Transit Services and Access to

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Goal 5(b) Transportation System Equity is Enhanced – improvements to transportation and transit infrastructure and services prioritize areas of higher poverty, and increased interconnectivity to employment and affordable goods and services.

Goal 5(c) Transportation System Equity is Enhanced – Increase collaboration with community partners improve access to safe and secure transportation by all residents.

SUBMITTED BY

Department: Transit
Division: Asset Management Office/Finance
Prepared by: Jesse Crowder, Manager of Asset Management/
Laurie Fisher, Manager of Finance
Date: June 16, 2026

Attachments:

Appendix A – Revised Proposed Five Year Allocation