His Worship Fred Eisenberger  
Mayor  
City of Hamilton  
Hamilton City Centre  
77 James Street North  
Hamilton, Ontario  
L8R 2K3

Dear Mayor Eisenberger:

Further to our letter of March 31, 2008, and the announcements in the 2007 Ontario Economic Outlook and Fiscal Review and the 2008 Ontario Budget, please be advised that a transfer of $29,800,000 has been made to the City of Hamilton’s account.

The Ministry is pleased to be able to provide the above-noted funds for municipal capital expenditures for transit vehicles and infrastructure to support line improvements to the King – Main and James – Upper James Corridors.

As referenced in our earlier correspondence, please note the following reporting and accountability provisions which apply to this transfer:

- The $29,800,000 allocated to the City of Hamilton by the province be used for municipal capital expenditures for transit vehicles to support:
  - B-Line Improvements, King – Main Corridor
  - A-Line Improvements, James – Upper James Corridor

- Eligible expenditures include costs directly related to the stated purpose provided the expenditures are necessary and prudent to achieve the purpose of the grant. The following expenditures are not eligible: any expense paid for by another funding source; direct operating costs; entertainment expense; alcoholic beverages; taxes and fines; and interest.

- A final summary report detailing total costs, types of expenditures, use of provincial funding, and specific outcomes achieved shall be submitted to the ministry. If it is a multi-year project, annual reports are to be provided for expenditures as of March 31 for the preceding year. Interim and annual reports must be submitted within 45 days following March 31. Reports should be submitted to:

Ministry of Transportation  
Controllership Office  
301 St. Paul Street – 6th Floor  
St. Catharines, Ontario  
L2R 7R4
Other written periodic reports and information as may be requested by the Province of Ontario.

The province reserves the right to verify or audit any information submitted for completeness and accuracy, and to ensure that funds were used on eligible expenditures and for the purpose intended.

The province reserves the right to recover up to and including the amount of funds provided, if it is determined that the funds provided were not used, or will not be used, for the intended purposes.

We wish the City of Hamilton much success in its endeavours. We look forward to receiving additional information on how the above grant was used and the success of the projects.

If you have any questions regarding this matter, please contact Greg Tokarz, Manager, Transit Infrastructure Policy at (416) 235-5468.

Yours sincerely,

Jim Bradley
Minister

Cc: Bruce McCuaig, Deputy Minister, Ministry of Transportation
Sophia Aggelonitis, MPP, Hamilton Mountain
Andrea Horwath, MPP, Hamilton Centre
The Honourable Ted McMeekin, MPP, Ancaster-Dundas-Flamborough-Westdale
Paul Miller, MPP, Hamilton East-Stoney Creek
Joyce Savoline, MPP, Burlington
Tim Hudak, MPP, Niagara West-Glanbrook