

CALGARY SOUTHWEST RING ROAD: CAPITAL BUDGET APPROVAL FOR 37 STREET STORM TRUNK RELOCATION PROJECT

EXECUTIVE SUMMARY

Alberta Transportation (The Province) is moving forward with preparations for construction of the South West (SW) Ring Road. The integration of the new ring road with Calgary's road and utility infrastructure includes abandoning the existing major storm sewer trunk that crosses through the Tsuu T'ina Nation lands and replacing it with a new storm trunk to be located within the 37th Street S.W. Right-of-Way. To facilitate timely construction of the ring road, The Province has requested the storm trunk relocation project to be constructed by Water Resources. The Province has committed to fund all costs related to the relocation of this storm infrastructure.

On 2014 July 15, Administration requested from Council a capital budget approval of \$17.4 million to enable Water Resources to proceed with the Storm Trunk Relocation project. Since that time, the cost estimates have been refined and the new estimated project cost is \$36.18 million. Alberta Transportation has received the new cost estimate and has agreed to fund the entire amount. Administration is recommending a capital budget increase of \$18.78 million for the difference.

ADMINISTRATION RECOMMENDATION(S)

That the Priorities and Finance Committee recommend that Council:

1. Approve an increase of \$18.78 million in capital budget in program 897-000 Drainage Facilities & Network for the 37th Street Storm Trunk Relocation project, with all project costs to be funded from The Province as per the addendum to the Memorandum of Agreement between Alberta Transportation to Water Resources (Attachment 1 and 2).

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2015 APRIL 21

That the Administration Recommendation contained in Report PFC2015-0310 be approved.

PREVIOUS COUNCIL DIRECTION

On 2014 July 28, Council adopted the Calgary Southwest Ring Road – Deep Utility Relocation report (PFC2014-0570) and approved capital budget appropriations of \$17.4 Million for 2014-2016 in Program 897-363 (Drainage / Storm Relief Projects) for the 37th Street Storm Trunk Relocation Project, with reimbursement of all project costs from the Province as per the letter dated 2014 June 16, from Alberta Transportation to Water Resources.

BACKGROUND

The Province is moving forward with preparations for construction of the South West (SW) Ring Road, following Tsuu T'ina First Nation's vote in favour of the land agreement which will facilitate the completion of the ring road. The integration of the new ring road with Calgary's road and utility infrastructure includes abandoning the existing major storm sewer trunk that

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crosses through the Tsuu T'ina Nation lands and replacing it with a new storm trunk to be located within the 37th Street S.W. Right-of-Way. The Province has committed to finance all costs related to the relocation of this storm infrastructure.

In 2014 April, The Province requested Water Resources to undertake all work to pre-build the new storm trunk starting at Lakeview Drive S.W. southbound on 37th Street SW to a new discharge point in the Elbow River. The remaining work to connect this new storm trunk to the existing storm duct north of Glenmore Trail will be completed by The Province during the construction of the Glenmore Trail – 37th Street S.W. interchange as part of their SW Ring Road Project. To facilitate timely construction of the ring road, including relocation of an existing 240 KV AltaLink electrical transmission line that also currently crosses the Tsuu T'ina Nation lands, The Province has requested the storm trunk relocation project to be completed by 2017 December 30.

The work will be conducted in two phases. Phase 1 includes construction from south of Lakeview Drive S.W. to 66th Avenue S.W. Work on Phase 1 is expected to begin in 2015 July with completion in 2016 June. Phase 2 includes construction from south of 66 Avenue S.W. to the Elbow River. This phase of the project is in preliminary design. The construction schedule will be available at a later date. Water Resources has agreed to Alberta Transportations' request, subject to Council approval.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The original class 5 project cost estimate for the storm trunk relocation was \$17.4 million. Water Resources has since proceeded with design and developed a new project cost estimate of \$36.18 million. The project cost estimate has increased due to a change in the installation method and more detailed site information. Tunneling will be used to install portions of the storm trunk to preserve an environmentally sensitive area and minimize disruptions to the homeowners. A geotechnical review of the outfall site has resulted in a revised design to address slope stability. This updated cost estimate has been approved by Alberta Transportation (Attachment 3). Alberta Transportation issued an amendment to the Memorandum of Agreement (Attachment 2) to reflect the new cost and construction schedule. Administration will execute the amendment once approval of budget increase has been received by Council.

Advancing the deep utility relocation will advance construction of the Calgary ring road project, which will provide an improved road network within Calgary. Water Resources' role in the project will ensure that the quality of infrastructure meets The City's standards and that public engagement is carried out to the City's requirements.

Stakeholder Engagement, Research and Communication

Water Resources has started stakeholder engagement and communications with the Ward 11 Councillor, Lakeview community and surrounding communities. This includes attendance at several public open houses hosted by both Alberta Transportation and The City and ongoing communications with the Lakeview Community Association to ensure the most updated

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information is reflected in their newsletter and social media. Water Resources has also set up a project website (www.calgary.ca/stormtrunk) where project information will be continually updated. The next City-led open house for this project is scheduled in 2015 June to provide the community more information on what to expect during construction (i.e. traffic accommodations along 37th Street S.W.), prior to construction start in 2015 July.

Water Resources will ensure that communication and engagement with the community will continue and be aligned with The City's Engage! policies and procedures in order to deliver consistent, timely, and accurate information.

Strategic Alignment

Input into the project will be aligned with all City policies, including but not limited to The City's environmental protection policies, The City's standard design guidelines, public and community engagement policies as outlined in Engage, the Calgary Transportation Plan, and The City's standard safety policies. The projects will ensure that impacted stakeholder groups are engaged in the process as the projects move forward.

Social, Environmental, Economic (External)

Water Resources completed a comprehensive Triple Bottom Line (TBL) analysis of the project to provide a holistic evaluation of the impacts. The analysis considered impacts to infrastructure, events, or projects by considering not just the immediately known costs – the economic – but also the social and environmental impacts. The TBL was completed with input from various stakeholders and subject matter experts.

The work involves the storm trunk crossing a previously undisturbed natural area and construction of a new discharge structure to the Elbow River. It was determined through the TBL analysis that tunnelling through the undisturbed natural area would better preserve the environment. Water Resources will ensure that the design and construction in the environmentally sensitive areas adhere to The City's environmental management and protection policies.

Completing this phase of the ring road project will allow The Province to move forward with their delivery for improved traffic mobility within the area.

Financial Capacity

The 37th Street Storm Trunk Relocation project will be fully funded by The Province, including City internal costs. The estimated yearly spending plan for this project is broken down in Table 1.0 below.

Table 1.0: Estimated Spending Plan for 37Street Storm Trunk Relocation Project

Year	Spending Plan
2014	\$259,791.08*
2015	\$30,000,000
2016	\$5,920,208.92

*Actual Spent

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Current and Future Operating Budget:

There are no current or future operating budget impacts associated with this report. Operating and maintenance costs associated with the relocated infrastructure will be equivalent to the present costs to operate and maintain the existing infrastructure that is being replaced.

Current and Future Capital Budget:

Capital budget approval is required for The City to enter into contracts for the projects. Cost estimates for the 37th Street Storm Relocation project has been refined and the new project costs are estimated to be \$36.18 million. The approval of an additional \$18.78 million capital budget is required to enable Water Resources to proceed with the 37th Street Storm Trunk Relocation project in order to meet The Province's requested completion date of 2017 December 30.

The 37th Street Storm Trunk Relocations project will be fully funded by The Province, including City internal costs.

Risk Assessment

If the requested capital budget appropriation for the 37th Street Storm Trunk Relocation project is not approved by Council, Water Resources will not be able to proceed with delivery of the deep utility relocation in support of The Province's ring road project. This could place the quality of infrastructure at risk of meeting The City's standards. Another result could be a delay of construction of the ring road and its integration with The City's road network and utility infrastructure.

REASON(S) FOR RECOMMENDATION(S):

This report is intended to obtain Council approval for additional capital budget appropriation based on updated project cost estimates, to enable Water Resources to complete the construction of the 37 Street S.W. Storm Trunk Relocation in support of The Province's SW ring road project.

ATTACHMENT(S)

1. Memorandum of Agreement between Alberta Transportation and City of Calgary for 37 Street Storm Trunk Replacement, Agreement No. CON0016278
2. Amending Agreement between Alberta Transportation and City of Calgary for 37 Street Storm Trunk Replacement, Agreement No. CON0016278;
3. Letter, Southwest Calgary Ring Road – Richmond Storm Duct Relocation for Alberta Transportation, April 9, 2015.