

National Trade Corridors Fund – Airport Trail Phase 2

EXECUTIVE SUMMARY

On July 6, 2018, the Federal Government announced a commitment of \$50 million towards funding Airport Trail – Phase 2 from the National Trade Corridors Fund. The project's scope includes an extension of Airport Trail from 36th St to 60th St, construction of two new grade separated interchanges at 19th St and Barlow Tr., and construction of a southbound to westbound ramp at Stoney Trail and Airport Trail. Additional funding was committed by The Government of Alberta (\$27.7 million). The Calgary Airport Authority will contribute \$20 million through a previous agreement with The City.

Airport Trail is planned as a vital east-west corridor in Calgary. The work under this project will complete the corridor from Deerfoot Trail to Stoney Trail, will support the unimpeded flow of goods and vehicles to and from the Airport, will support the growing logistics business around the Airport, and open up new areas for development in The City's growing northeast.

Approval for budget appropriation of the total project budget amount (\$153.35 million) is being requested at this time for an amount of \$38.15 million. This amount will allow administration to move forward with construction of the project and the outstanding land acquisition.

ADMINISTRATION RECOMMENDATION:

That the SPC on Transportation and Transit recommend that Council:

1. Approve the budget appropriation of \$153.35 million to Program 859 – Airport Trail N.E. Phase 2, as per Attachment 1.
2. Direct Administration to secure the remaining land needed for the interchanges on Airport Trail at 19th Street and Barlow Trail.
3. Keep Attachment 1 and the closed session discussions confidential pursuant to Sections 23, 24, and 25 of the *Freedom of Information and Protection of Privacy Act*.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2014 May 26, Council reviewed the 2015-2024 Investing in Mobility Transportation Capital Plan (TT2014-0308), with the following directions.

1. "Approve the funded and unfunded transportation infrastructure lists outlined in Attachment 2;
2. Direct Administration to use Attachment 2 as the basis for developing the Transportation Department's capital budget for Action Plan 2015-2018"

The Airport Trail Phase 2 Corridor Project was included unfunded transportation infrastructure project list approved by Council.

On 2017 April 10, Council reviewed Report TT2017-0168 and agreed to

1. "Approve the Review and Update of the 2012 Airport Trail Functional Planning Study, including the cost estimate and recommendations as summarized in Attachment 1;
2. Direct Administration to acquire, on an opportunity base, the required right-of-way as shown on page 13 in Attachment 1; and

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3. Direct Administration to continue to evaluate the Stage 2 Airport Trail Interchanges at 19 St NE and Barlow Trail NE as candidate projects within Investing in Mobility.”

On 2017 July 24 Council reviewed Report C2017-0614 and agreed to “approve the Airport Trail corridor project for submission to the National Trade Corridors Fund”.

BACKGROUND

Airport Trail serves as a key corridor in Calgary’s northeast communities, connecting Deerfoot Trail to Stoney Trail through the Airport Trail Tunnel. It is a key ‘Primary Goods Movement’ and ‘Primary Transit’ corridor and improves access in and out of the Calgary International Airport and adjacent lands.

The Airport Trail Tunnel, which opened in May 2014, was constructed as the first phase of this vital East – West Corridor within Calgary. The timing of the Airport Trail Tunnel construction coincided with the Airport’s new Runway, in order to reduce ultimate construction costs. The Airport Trail Tunnel Agreement, signed by The City and the Calgary Airport Authority, tied completion of the Corridor with the two new Interchanges at 19th St and Barlow Tr. Phase 2 construction completes the Corridor link.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

At the 2014 June 23 Regular Meeting of Council, Council directed Administration to submit the Airport Trail Phase 2 corridor project as part of a Goods Movement Improvement Package to the Government of Canada for funding consideration as part of the Building Canada Fund – National Infrastructure Component (BCF-NIC) program. Administration proceeded with the submission, which included the Airport Trail project as well as the Trans-Canada Highway / Bowfort Road Interchange and Glenmore Trail / Ogden Road Interchange projects. The application was unsuccessful. However, since that period, there have been ongoing, informal discussions on potential federal funding for the Airport Trail project. On November 6, 2017, the Airport Trail Phase 2 Project was submitted for formal consideration under the first round of National Trade Corridor Fund grant program; the submission was successful, and on July 6, 2018, the Federal Government announced a commitment of \$50 million.

With the recent federal funding approval for this project, the Government of Canada recognizes that the Airport Trail corridor project meets key NTCF evaluation criteria:

- Projects that align with regional priorities;
- Have approvals in place;
- Have secured funding; and
- Are ready to start in 2018.

The project is comprised of three main components which are at various stages of readiness to start construction as follows:

- Airport Trail, from 36th St to 60th St is designed and is tender-ready, permitting some construction to begin in 2018
- The Airport Trail interchanges at 19th St. and Barlow Tr. are entering into detailed design and tender preparation, and will be tendered for construction start in the spring of 2019
- The Stoney Trail southbound to Airport Trail westbound ramp will be designed in 2019 and tendered for constructed in 2020

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All three components of the project have been designed with the ultimate LRT and Transit needs of the area taken into consideration.

Land acquisition needs have been identified, and discussions are ongoing with the landowner.

Stakeholder Engagement, Research and Communication

The Calgary Airport Authority is the primary Stakeholder and has participated as a 50/50 partner in both the original Airport Trail Functional Plan (2012), and the Airport Trail Functional Plan Update (2017). They have also committed \$20 million and half the needed land costs towards the cost of the interchanges.

Land is needed for the two interchanges. Engagement occurred during the initial Airport Trail Functional Plan and Airport Trail Functional Plan Update reports. Negotiations continue with adjacent land owners for land purchase. In July 2017, Council provided approval to proceed to expropriation if talks for the negotiated land purchase break down.

Strategic Alignment

This project is aligned with City priorities providing a City that moves, supporting Transportation and Transit, and supporting an Inland Port and Logistics District centered around the Airport.

Social, Environmental, Economic (External)

Social

Social benefits include providing a direct goods and transportation movement between Deerfoot Trail and Stoney Trail, improving goods and transportation movement to and from the Calgary Airport, supporting adjacent commercial development in the vicinity of the airport and along the Airport Trail corridor, and provides additional City fibre optic network redundancy.

Environmental

Environmental benefits include a reduction in Calgary's ecologic footprint, reducing vehicle emissions by eliminating delays at existing traffic signals at 19th St and Barlow trail, and reducing travel time for vehicle trips to and from The City's northeast communities.

Economic

Economic benefits include stimulating investment in the vicinity of the Airport and along the corridor between Deerfoot Trail and Stoney Trail; leveraging the previous investment in the Airport Trail Tunnel and providing the planned transportation and transit connections; stimulating job growth with the addition of an expected 406 construction jobs; and facilitating the movement of goods and services.

Financial Capacity

Current and Future Operating Budget:

Roads have been contacted to confirm operating and maintenance requirements for the new infrastructure. The following annual operational budget needs were identified in future budgets:

Bridge Structures - \$16,000 per bridge for a total of \$32,000

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Roadways - \$9,500 per lane-km, for a total of \$92,340

Total annual operating costs of \$124,340 have been identified.

Current and Future Capital Budget:

The total project cost estimate is \$153.35 million, (refer to Attachment 1).

The City portion would be funded by existing corporate capacity identified in Report TT2017-0214 and will have no net impact on the tax rate.

Risk Assessment

The project has not been tendered and there are always construction pricing risks. The Calgary area construction market is still delivering competitive tender-pricing but delays to the project will potentially increase construction costs, as the economy strengthens.

Discussions are underway with the landowner for land needed for the Interchanges. There are risks to the schedule and budget when the land acquisition has not been completed.

REASON(S) FOR RECOMMENDATION(S):

The funding commitment from the Federal and Provincial Governments provides The City and our key partner, the Calgary Airport Authority, with the financial stimulus required to complete a key East – West Corridor in The City of Calgary. This investment will promote mobility and stimulate future commercial and residential investment in proximity to the Airport and the city's northeast.

ATTACHMENT(S)

1. Attachment - Airport Trail Phase 2 – Funding Source (confidential)