

2013 Capital Budget Amendment – Class I Rural Grid Road Improvements Project (Township Road 522)**Report Purpose**

To amend the 2013 Capital Budget to reduce the scope of the Class I Rural Grid Road Improvements Project.

Recommendation

THAT an amendment to the 2013 Capital Budget to reduce the scope of the Class I Rural Grid Road Improvements Project in the amount of \$1,410,000, (from \$8,531,560 to \$7,121,560) releasing the funding commitments from Infrastructure Lifecycle, Maintenance and Replacement reserve (1.3800), be approved.

Council History

February 7, 2017 – Council approved - THAT the amendment to the 2013 Capital Budget for the Class 1 Rural Grid Road Improvements project to increase the costs and scope for Alberta Transportation funded work (twinning west 400 meters) by \$1,826,680 (from \$6,704,880 to \$8,531,560) to be funded from the Infrastructure Lifecycle, Maintenance, and Replacement reserve (1.3800), be approved.

December 11, 2012 – Council approved the 2013 Capital Budget

Strategic Plan Priority Areas

Economy: The Class I Rural Grid Roads Improvements Project (Township Road 522) contributes to effective and efficient municipal infrastructure to meet the needs of our growing community.

Governance: n/a

Social: n/a

Culture: n/a

Environment: The roadway design adheres to environmental regulations, including mitigation to preserve adjacent wetlands.

Other Impacts

Policy: FIN-001-024: Financial Reserves; FIN-001-027: Tangible Capital Assets Financial Reporting Policy

Legislative/Legal: n/a

Interdepartmental: Finance, Planning and Development Services

Summary

In 2013, the approved Class I Rural Grid Road Improvements Project budget included land, design, utilities and construction to upgrade 3.2 kilometers of roadway to a Class I standard cross section. When the 2013 budget was compiled, the section of roadway to improve had not yet been selected. Post-2013 budget, Township Road 522 from Highway 21 to Range Road 224 (Enclosure 1) was selected as the highest priority candidate requiring upgrades due to traffic volumes and safety needs. In 2015, the first stage of construction was completed from Highway 21 to 800m east based on a Memorandum of Understanding with Alberta Transportation (AT). This section of roadway upgrade completed the unfinished remnant of AT's Highway 21 Twinning project. This project section totaled \$3M in costs, with AT contributing \$1.86M.

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Director: Ron Fraser, Transportation Planning and Engineering

Associate Commissioner, Division: Kevin Glebe, Infrastructure and Planning Services; Gregory J. Yeomans, Chief Financial Officer

Lead Department: Transportation Planning and Engineering

Since 2015, land acquisition and related design coordination has been on-going for the remaining of Stage 2, which is from 800m east of Highway 21 to Range Road 224. Overall, project costs have increase above the original business case estimate, due to higher land costs, as well as increased construction cost estimates to account for an updated approach to accommodating unsuitable soils. The project design was extended 500m to include the full length of the curve at Range Road 224, due to traffic safety concerns at the curve location, noted by the public at the project's open houses. Other extra costs are also associated with mitigation to preserve adjacent wetlands.

Stage 2 land acquisition status includes one lot which the land acquisition process has not been completed despite extensive negotiations. Due to this, the full Stage 2 cannot be built at this time per project design. To present a thorough review of options, Stage 2 has been split into Stage sections 2A, 2B, and 2C (Enclosure 4).

Enclosure 3 provides a detailed overview of the three options that were considered by Administration in preparing this report. The options include both the pros and cons and the cost estimates for the various options are provided in Enclosure 2. Due to traffic safety, roadway conditions, environmental permits, existing approvals, and best financial practices, Administration recommends Option 1 (see Enclosure 3). For this reason, Option 1 is reflected in the recommendation section of this report. This approach provides additional necessary funds to construct the Range Road 224 curve in 2018, and complete the land acquisition process, roadway design, for this Class I Upgrade project – Township Road 522 from Hwy 21 to Range Road 224. Stages 2A and 2B, from 800m east of Hwy 21 to west of the Range Road 224 curve, is recommended to be brought forward in the 2019 Capital Budget under a separate business case, which is timely due to poor roadway conditions in those stages.

Year	2017 and prior	2018	2019	Total
Expenditure by Year	\$3,981,118	\$3,090,442	\$50,000	\$7,121,560

Enclosures

- 1 Project Limits Map – Township Road 522 (Document: 11379038)
- 2 Estimated Costs - Township Road 522, Stage 2 (Document: 11377279)
- 3 Project Options - Township Road 522 (Document: 11379249)
- 4 Township Road 522 Construction Staging (Document: 11378269)
- 5 Township Road 522 CBA Presentation (Document: 11378055)

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