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Presented by: Dean Schick, Transportation Manager, Engineering Services

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8.1

Ray Gibbon Drive Phases 3 & 4

Presented by: Dean Schick, Transportation Manager, Engineering Services

RECOMMENDED MOTION(S)

That the ENGS-074 Ray Gibbon Drive Corridor Improvements for phases 3 and 4 be approved in the amount of \$44,382,000, to be funded accordingly:

- \$35,105,000 from Provincial Capital Grant (50/50 cost share agreement);
- \$8,385,500 from Borrowing Bylaw 18/2019;
- \$527,500 from the Capital Reserve; and
- \$364,000 from recovered costs.

PURPOSE OF REPORT

To provide Council with a status update of the arterial network improvement project Ray Gibbon Drive, and obtain Council approval for the budget for phases 3 & 4.

BACKGROUND AND DISCUSSION

In 2019, the City signed a cost-sharing agreement with the Government of Alberta to fund the Ray Gibbon Drive Project: twinning the road from the south City limit to the north terminus of the corridor over 4 phases from 2019 through to 2029. This agreement estimated the total cost of the project at

\$54,209,000, with the Government and the City each funding 50 per cent of the total cost (\$27,104,500). The agreement was structured so that the City would fund the project from 2019-2022 to complete Phases 1 and 2, with the province funding the remainder of the project from 2025-2029 to complete Phases 3 and 4.

During construction of Phase 2 of the corridor, work was advanced for completion of design of the next phases (Phases 3 and 4) and once the preliminary design work was completed, it was identified that the total estimated cost of the project had increased by ~\$16 million from \$54,209,000 to \$70,210,000. This total value increase reflects a new cost-share per partner of \$35,105,000 which reflects an increase of \$8,000,500 per partner. Administration met with Government of Alberta representatives to discuss this cost increase over Q2-Q3 2023 and provided a letter and background information to detail the factors contributing to the cost increase.

Through the announcement of the 2025 Provincial Budget, the Government of Alberta has confirmed their continued commitment of partnering with the City of St Albert and funding their share of the Ray Gibbon Drive project, and have also confirmed the increased requested funds representing the updated total construction cost value.

Administration is finalizing an amending agreement to the original cost-sharing agreement to reflect the new costs, as well as to detail the sequence in which funds are provided over the remainder of the project from 2025-2029.

In conjunction with delivery of the Ray Gibbon Drive project, the City is addressing necessary connecting arterial road improvements to Ray Gibbon Drive. The City will complete the additional scope to widen and improve Giroux Road during Phase 3 Ray Gibbon Drive work. This portion of work, although delivered with the Ray Gibbon Drive improvements, are outside of the Agreement for funding from the Province and will require City funding for completion.

To address the increase in cost share of \$8,000,500 and fund the work of completing Giroux Road in the amount of \$1,276,500, the City requires approval of an additional \$9,277,000 in funding for the project in phases 3 and 4 in 2027/2028. \$28,214,500 has been approved of the \$36,600,000 Ray Gibbon Drive Borrowing Bylaw, leaving \$8,385,500 remaining as part of the 25% contingency, that can be applied to this project through Council approval.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

Administration has been collaborating with representatives of the Provincial Government from their Alberta Transportation and Economic Corridor, Infrastructure Planning, and Finance teams. The collaboration has included the City providing all necessary and relevant information to rationalize the increased costs of the Ray Gibbon Drive project and the partnership has delivered an updated Amending Agreement.

Through the delivery of the Ray Gibbon Drive project, status updates and required project reporting has also been shared with applicable Provincial representatives.

IMPACTS OF RECOMMENDATION(S)

Financial:

Funding of the \$44,382,000 will be as follows:

- \$35,105,000 will be funded from Provincial Capital Grant (50/50 cost share agreement);
- \$8,385,500 from debt under Borrowing Bylaw 18/2019, which will bring the amount to full borrowing capacity on this Bylaw and any future increases through debt will require a new borrowing bylaw;
- \$527,500 will be funded from the Capital Reserve. There are sufficient funds in the reserve to cover this amount; and
- \$364,000 funded from recovered costs received during phases 1 & 2.

Compliance & Legal:

The proposed values of funding align with the amendments to the Cost Share Agreement.

Program or Service:

The approval of funding is anticipated to empower the completion of the Ray Gibbon Drive corridor transition from the existing 2-lane to 4-lane. The improvements result in increased capacity of the roadway, and improved levels of service that will also support increased demands of growth and development prior to next stages of corridor improvements. The project also delivers on new active transportation infrastructure (sidewalk and trail) and provides new connectivity for support of a multi-modal network as per the City's MDP objectives.

The City's funding shall also address additional network improvements of adjoining arterial roadways, in the case of Phase 3 work there will be coordination of construction of the Giroux Road widening that shall deliver on necessary roadway improvements and active transportation infrastructure to finalize connectivity and address the long-term needs of the Giroux Road corridor.

Organizational:

The Ray Gibbon Drive project is scheduled for project management support through the Capital Projects Office and project technical support through various City departments - Engineering, Utilities, Public Operations, Recreation & Parks, Environment and Government Relations. As the project has been underway since 2019, there are no expected increased resource demands for the recommended motion(s).

Risks

Due to the time of planned construction of Phase 4 (2028/2029), there may be future required changes to the estimated construction values. To minimize this risk, the project accounts for a percentage of contingency within the estimated costs, and the Borrowing Bylaw allows for additional considerations of contingency that may be presented and requested to future Council for approval of funding towards the project.

ALIGNMENT TO PRIORITIES IN COUNCIL'S STRATEGIC PLAN

N/A

ALIGNMENT TO LEVELS OF SERVICE DELIVERY

N/A

ALIGNMENT TO COUNCIL DIRECTION OR MANDATORY STATUTORY PROVISION

On December 17, 2018 Council passed the following motions:

(AR-18-576)

“That the 2019 Consolidated Municipal and Utility Budget in the amount of \$272,292,300 detailed in the attachment titled “2019 Consolidated Budget” be approved.”

Within the approved 2019 Consolidated Municipal and Utility Budget was approved specific values of funding associated with the following projects:

- Ray Gibbon Drive (Project #420424) Charter ENGS-074 approved for \$26,714,500

On August 19, 2019 Council Passed the following motions:

(BL-19-013)

1. That Bylaw 18/2019, being a Borrowing Bylaw to upgrade Ray Gibbon Drive, be read a second time.
2. That Bylaw 18/2019 be read a third and final time

On May 19, 2020 Council passed the following motion:

(AR-20-181)

“That a scope change of an anticipated value greater than \$250,000 be approved to Capital Project #419424, Ray Gibbon Drive Corridor Improvements (Phase 1 construction) to complete improvements to two intersections: Anthony Henday Drive at 184 Street, and Ray Gibbon Drive at old 137 Avenue.”

On April 19, 2022 Council passed the following motion(s)

CB-22-028

That the budget for project #420424 (Ray Gibbon Drive Improvements based on project charter ENGS-074) be increased by a total of \$2,000,000 and that the increase in budget be funded through \$500,000 recovered from received payment from the City of Edmonton and \$1,500,000 from debt under Borrowing Bylaw 18/2019.

IMPACTS OF ALTERNATIVES CONSIDERED

If Council does not wish to support the recommendation, the following alternatives may be considered:

Alternative 1. Do nothing.

Financial:

The Provincial Grant Funding value is anticipated to be sufficient for completion of Phase 3 of the project, as well as a portion of Phase 4. Should the requested \$8M not be approved, the City would not be contributing its' share of the 50% costs of the corridor improvements and Phase 4 would not be anticipated to be supported for completion.

Compliance & Legal:

The Province and City have committed to the project and agreed upon the 50/50 cost share for the project's delivery. Should the City not approve funding of the municipal portion of the increased costs, the Province would be expected to remove the same value from the Agreement. The results would be that Phase 4 work would not be completed.

Program or Service:

Phase 4 work not being constructed would result in the existing corridor 2-lane cross section with no sidewalk or trail being left as it exists and no improvements delivered. With anticipated increased traffic demands, increased delay and congestion in this phase of the corridor (from Villeneuve Road to Giroux Road) would be expected. If the Fowler Way project advances to complete the new east-west arterial connecting Ray Gibbon Drive to St Albert Trail, it would be expected that the service levels and delay in this section of Ray Gibbon Drive would be significant if it remains a 2-lane cross section.

Organizational:

Project management would not be required to deliver Phase 4 if funding is not approved.

Risks

- Stakeholders - If the City does not meet its obligation to partner and share equally the costs of the Ray Gibbon Drive improvements, there is risk to the relationship between the City and Province and future considerations of Grant funding opportunities.
- Compliance and Legal - Not meeting the intent of the Cost Share Agreement and funding the City's portion of the Ray Gibbon Drive improvements puts the City at risk of compliance with the Agreement that may result in the termination of the Agreement for the full project completion.

Report Date: July 2, 2024

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