

Admin Report - CP2550 - West-Central Multi-Use Corridor - May 2020 Update.docx

ISSUE

Constructing any segment of Capital Project #2550 – West Central Multi-Use Corridor using funding from the Transport Canada funded Rail Safety Improvement Program (RSIP) is not possible due to difficulties obtaining design approvals and a lease agreement from Canadian Pacific Railway (CP). At issue is next steps for the project.

BACKGROUND

History

CP previously identified a safety issue with pedestrians walking on or close to the tracks in the downtown area. Through the Pleasant Hill, Riversdale, and West Industrial Local Area Plans, the City of Saskatoon (City) identified a need to connect these neighbourhoods to the downtown via a multi-use pathway. To address safety and provide active transportation connections, the West-Central Multi-Use Corridor project was conceived. The resultant project was a three kilometre multi-use pathway adjacent to the CP tracks from Idylwyld Drive to Avenue W South. The project was approved by City Council in 2013 and the first phase was constructed between Idylwyld Drive and Avenue D South as part of the 25th Street Extension project.

On April 26, 2018, the City received notification that the remainder of the pathway was approved for funding through Transport Canada's RSIP.

At the May 28, 2018 City Council meeting, City funding contributions were allocated and approved for this project. The estimated cost at that time was \$1.484M. The Administration moved forward with detailed design of the pathway and re-engaged CP on the project. A timeline of the design development process with CP is as follows:

- May 29, 2018 began discussions with CP.
- July 27, 2018 submitted initial design drawings for CP's review.
- September 7, 2018 submitted final design drawings for CP's review.
- March 4, 2019 received email from CP indicating approval of pathway alignment.
- March 7, 2019 received email from CP indicating approval of the crossing.
- March 7, 2019 received email from CP indicating approval of geotechnical engineering (mostly pertaining to drainage).
- From March through to September 2019, Administration worked with adjusting the design as per requests from CP.
- As of September 2019, the Administration understood a design was approved:
 - For the pathway between Avenue D South and Avenue F South, and a lease agreement was being finalized.
 - For the pathway between Avenue F South and Avenue K South, however the City would need to assume leases that CP had in place with others.

In the summer of 2019 leasing discussions and negotiations also began, and progress was made over the summer and early fall period.

In order to meet RSIP requirements, the initial project completion date was March 31, 2019. The RSIP did provide an extension of the project completion date to March 31, 2020. In the summer of 2019, the Administration discussed with RSIP a change in project scope and an extension of the completion date to March 30, 2021. RSIP allowed the change in scope but procedurally could not consider an adjustment to the completion date until mid-2020 when they would have an understanding of the programs available funding.

The Standing Policy Committee on Transportation, at its meeting held on September 9, 2019 considered the information report “Capital Project #2550 – West-Central Multi-Use Corridor – Project Update”. This report detailed that the project scope had been reduced due to insufficient available space to construct a pathway, revised cost estimates, obstacles securing lease agreements with CP, and program completion dates for the RSIP.

The information report outlined the following next steps:

- Report further on a financial strategy once a response is received from RSIP.
- Continue to work with CP on finalizing a lease agreement for the pathway between Avenue D South and Avenue F South.
- Continue to work with CP on entering into lease agreements for the pathway between Avenue F South and approximately Avenue K South as CP leases with others expire.
- Develop a plan to complete the construction of the remaining sections of pathway.

This report discussed the follow up on these next steps, provided options on moving forward, and closed with recommendations to City Council.

Current Status

Over the final few months of 2019, the Administration continued to systematically follow up with CP on the lease agreements issue with minimal response. In late January 2020, a response was received from CP requesting resubmission of the detailed design package and the draft lease agreement due to significant staff turnover at CP. This request was restarting the entire review and approval process. The Administration previously understood that the detailed design was acceptable to CP, and also previously understood that the draft lease agreement had minimal issues left to resolve. The January response from CP was unexpected and has significantly set the project back.

In response to the January 2020 request from CP, in March 2020, Administration re-submitted the detailed design drawings and provided some additional design information. No response has been received from CP to date on the resubmitted design.

The most recent approved deadline for Government of Canada funding through the RSIP was March 30, 2020. The extension of funding availability would be at the discretion of the Government of Canada. If an extension was granted to March 31, 2021, the Administration's opinion is that the issues with CP will not be resolved in time to ultimately construct the pathway between Avenue D South and Avenue F South.

Public Engagement

No specific public engagement has occurred on this project.

OPTIONS

It is not a feasible option to continue the current course of action and resubmit new application revisions to RSIP with the hope that agreements with CP, approvals from RSIP, a construction tender, adequate funding, and construction activities can all align to complete the project under RSIP deadlines. This results in two viable options.

Option 1 - Abandon Project

This option would have the Administration halt all work regarding re-submitting the detailed design to CP, continuing to negotiate with CP about the lease agreement required between Avenue D South and Avenue F South, and beginning the leasing process for a pathway between Avenue F South and approximately Avenue K South. If and when CP approached the City on re-starting the project, the initial step would be to reach a project agreement between the City and CP outlining the scope, cost and task responsibilities, and lines of communication prior to proceeding.

Advantages:

- Allows the reallocation of staff resources to other priority projects.
- The detailed design work complete to date, and approved at one time, remains viable for a later date.

Disadvantages:

- The safety benefits that a pathway would provide are not realized.
- The City will not be able to leverage RSIP funding.

Option 2 - Continue Discussions with CP

Under this option, the Administration would continue discussions with CP with the goals of obtaining an approved detailed design, continuing to negotiate the lease agreement with CP required between Avenue D South and Avenue F South, and beginning the leasing process for a pathway between Avenue F South and approximately Avenue K South. Once these are achieved, the Administration would bring forward a project update and a budget request to City Council.

However, if these items are not achieved with CP in one year, the recommendation is to abandon the project at that time.

Advantages:

- If efforts are not successful after one year, allows the reallocation of staff resources to other priority projects.
- Allows the seeking of funding partners once a lease has been executed.
- Allows the safety benefits that a pathway would provide to be realized.

Disadvantages:

- CP may not be receptive to the project, resulting in no progress.
- The City will not be able to leverage RSIP funding.

RECOMMENDATION

That the Standing Policy Committee on Transportation recommend to City Council:

1. That the Administration continue discussions with CP with the goals of:
 - a) Obtaining an approved detailed design;
 - b) Entering into a lease agreement with CP for the required lands between Avenue D South and Avenue F South;
 - c) Entering into a lease agreement for the required lands between Avenue F South and approximately Avenue K South;
2. That if a design and leasing agreements can be reached with CP, the Administration bring forward a project update and budget request to City Council;
3. That if a design and leasing agreements cannot be reached with CP by May 1, 2021, the project be abandoned; and
4. That Capital Project #2550 – West Central Multi-Use Corridor project be adjusted to remove the budgeted RSIP funding in the amount of \$1.172M.

RATIONALE

The recommendation provides the best balance between achieving the safety benefits that the pathway would provide and moving on and re-assigning resources to other priority projects.

FINANCIAL IMPLICATIONS

The City will be required to return \$87,970.15 to RSIP, the amount of funding previously received. Repayment of these funds can be accommodated within existing Capital Project #2550 – West Central Multi-Use Corridor funds.

A summary of the project cost to date is as follows:

	Item	Amount
Funding Received	RSIP Contribution	\$ 87,970
	City Contribution	\$312,000
	Total Funding	\$399,970
Expenditures Made	City costs to date	\$190,000
	Return of RSIP	\$ 87,970
	Total Costs	\$277,970
	Capital Project Balance	+ \$112,000

Capital Project #2550 – West Central Multi-Use Corridor was budgeted for \$1.484M in total of which \$312,000 was funded from the Active Transportation Reserve and \$1.172M was expected to be funded from the RSIP. The RSIP funds will not be received on this project, and therefore, the project budget requires an adjustment to remove this funding.

ADDITIONAL IMPLICATIONS/CONSIDERATIONS

There are no additional implications or considerations.

COMMUNICATION ACTIVITIES

The Administration will provide an update on the status of the project to interested stakeholders.

Report Approval

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