
National Trade Corridors Fund Projects

Recommendation

That the Standing Policy Committee on Transportation recommend to City Council:
That the City's application to the National Trade Corridors Fund for the Highway 11 and Highway 16 Interchange Upgrades be endorsed.

Topic and Purpose

The purpose of this report is to inform the Standing Policy Committee on Transportation about the application process for the National Trade Corridors Fund (NTCF) and to receive endorsement for the application of the Highway 11 and Highway 16 Interchange Upgrades project.

Report Highlights

1. The NTCF is for investment in critical assets that support economic activity and the physical movement of goods and people in Canada.
2. The City of Saskatoon (City) submitted two Expressions of Interest (EOI) for consideration for funding during the initial intake.
3. The City has been invited for further consideration on both EOI's by submitting Comprehensive Project Proposals.

Strategic Goals

This report supports the long-term strategy of reducing the gap in funding required to rehabilitate and maintain the City's infrastructure under the Strategic Goal of Asset and Financial Sustainability. This report also supports the long-term strategy of optimizing the flow of people and goods in and around the city under the Strategic Goal of Moving Around.

Background

In 2015 as part of the Growth Plan Summit, the Transportation Network Priorities were presented to City Council, outlining the transportation infrastructure needs for a city of half a million. Both projects submitted for the initial EOI were identified as priorities.

The NTCF has a total of \$2 billion that has been allocated over 11 years. The deadline to submit EOI's to Transport Canada was September 5, 2017 and, if the EOI was approved, then the applicant is required to submit Comprehensive Project Proposals, which are due November 6, 2017.

Report

Overview of the National Trade Corridors Fund

The NTCF program is one component of the Federal Governments Investing in Canada Plan which is to address the long-term infrastructure needs in Canada and support middle class growth and jobs. The NTCF will help address transportation bottlenecks, vulnerabilities and congestion and is delivered by Transport Canada.

National Trade Corridors Fund Projects

The types of projects and initiatives that are eligible under the NTCF are ones that:

- Add capacity to transportation system (such as adding lane-kilometers);
- Improve the time it takes for goods to move from the beginning of the supply chain to the end;
- Increase transportation system productivity (volume of freight); and
- Increase northern transportation infrastructure and efficiency.

Available funding is up to 50% of total eligible expenditures of a project to a maximum of \$500 million.

In this first round of funding, Transport Canada will commit \$400 million of the \$2 billion available. There will be future calls for proposals over the 11 years of the program and Transport Canada has stated that the priorities for these future calls may differ from this call.

The priorities for this call are projects that can proceed in 2018-19, have funding secured and the benefits of the project align with the objectives of the NTCF program.

Projects Invited to Submit Comprehensive Project Proposal

The application process was split into two phases for the NTCF. The first phase was the submittal of an EOI. The initial EOI was to ensure that applicants demonstrated that the project meets the eligibility criteria of the program. If the applications were accepted through the initial EOI phase then they were invited to phase two of the application process which is to submit a Comprehensive Project Proposal. If the EOI did not meet the program criteria then they were discontinued from the application process and were not invited to go to phase two. The Comprehensive Project Proposal is an in-depth application to fully explain the project details, timing, and confirm funding sources. The invitation to submit the Comprehensive Project Proposal does not guarantee Federal funding for any project. Transport Canada will use the Comprehensive Project Proposals to select the specific projects that will receive funding from the NTCF.

On September 5, 2017, the Administration submitted two EOI's for the following projects:

- Highway 11 and Highway 16 Interchange Upgrades
- West Connector Route

Both of these projects are identified in the Capital Budget as unfunded future projects and were suitable candidates for the criteria as outlined in the NTCF program. Functional designs for both projects are well underway and public engagement has occurred.

On October 6, 2017, the City was notified that both EOI's had been accepted by Transport Canada. The City's projects were among more than 357 projects that submitted an EOI. The total dollar value of the initial EOI's submitted was \$16.9 billion so the amount of the applications far exceeded the amount of available funding. 200 projects that met the screening criteria passed the initial EOI phase and are now invited to submit Comprehensive Project Proposals.

Highway 11 and Highway 16 Interchange Upgrades

In 2016, City Council approved an award of contract for a functional planning study to identify improvements to the existing interchange and/or replacement structures to improve safety and function of the interchange. The details of the functional plan, which can be implemented in phases, will be presented to the Standing Policy Committee on Transportation in early 2018.

An ultimate interchange configuration has been developed to support the long-term travel demands in the area and it is anticipated that the re-build of this interchange into the ultimate configuration would happen when the existing structure is near the end of its service life (approximately 10 to 15 years). The first phase of the upgrades will be compatible with the ultimate interchange configuration and would help in alleviating the existing operational issues such as the insufficient capacity during peak demand, ineffective moving of traffic, and the substandard vertical clearance on the bridge structure. This project will:

- Increase capacity for southbound to westbound and southbound through movements;
- Remove the weaving condition from the mainline and allow for weaving to occur at lower speeds;
- Will allow vehicles greater time to complete weaves, as well as merge onto the mainline;
- Will help to protect the bridge structure from being struck by providing a low-speed high-load bypass lane for northbound traffic; and
- Include an overheight load detector and guide signs to divert overheight trucks to the bypass.

Total cost of the first phase of the Highway 11 and Highway 16 Interchange Upgrades is estimated to be \$8 million. If approved, the NTCF would cover 50% of the eligible costs of the project and the City would be responsible for the remaining costs. The Administration is exploring funding options within the Major Transportation Infrastructure Funding Plan and the Gas Tax Allocation Plan to support the City portion of costs on this project.

West Connector Route

The West Connector Route project includes components for improving Neault Road, the intersection at Neault Road and Beam Road, as well as improvement of Beam Road. This project would require a partnership between the City, Saskatchewan Ministry of Highways and Infrastructure and the Rural Municipality of Corman Park No. 344. The Administration has begun discussions with both parties but, due to the tight timelines for the funding application, are unable to secure a formal funding arrangement for this project. The Comprehensive Project Proposal for the NTCF must demonstrate that the funding is secured between all partners, which is not yet in place, therefore the Administration will not be submitting a comprehensive proposal for further consideration for this project at this time. The Administration will continue to work with the other partners to come to an agreement so that this project can be considered for upcoming calls for applications for this funding program. The total cost of the West Connector Route is estimated to be \$16 million.

In preparation for future intake for projects for NTCF, the Administration will prioritize projects that meet the criteria for City Council's consideration.

Public and/or Stakeholder Involvement

For the Highway 11 and Highway 16 Interchange Upgrades a Value Engineering Session was held on October 24, 2016. Stakeholders included the Saskatchewan Trucking Association and the Rural Municipality of Corman Park. The first public open house was held on November 28, 2016, at Circle Drive Alliance Church. A total of 127 people attended the meeting and 32 comments were received. The purpose of this meeting was to collect feedback from participants, narrow the options to be considered, and identify specific concerns to be addressed in developing the short and long-term plans. In general, participants were supportive of the study and the development of a long-term solution to traffic problems at this interchange. The second public open house was held on April 12, 2017, at Circle Drive Alliance Church. A total of 98 people attended the meeting, and six comments were received.

Discussions will continue with Saskatchewan Ministry of Highways and Infrastructure and the Rural Municipality of Corman Park No. 344 to reach an agreement on funding for the West Connector Route for a future application.

Options to the Recommendation

The Standing Policy Committee on Transportation and City Council could choose not to endorse the application of the Highway 11 and 16 Interchange Upgrades Project. This is not recommended by the Administration as the NTCF program is a good opportunity to obtain funding from senior levels of government for projects that are currently not funded. Due to tight timelines for application, the Administration will proceed with submission following the Standing Policy Committee on Transportation's direction, with the understanding that if not endorsed by City Council, the submission will be retracted.

Financial Implications

The financial implications are addressed in the body of this report.

Other Considerations/Implications

There are no options, communication, policy, environmental, privacy, or CPTED implications or considerations, and a communication plan is not required.

Due Date for Follow-up and/or Project Completion

The Administration will report back to the Standing Policy Committee on Transportation upon receiving notification of the decision regarding NTCF funding for the Highway 11 and Highway 16 Interchange Upgrade project. If approval is received for the project, the report will include a proposed funding plan for the City's contribution. A further report prioritizing all projects that may be eligible for future NTCF will be presented in 2018.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Report Approval

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