

# Update on River Valley Alliance Capital Projects - Changes to Scope, Schedules and Funding

## Recommendation:

That Urban Planning Committee recommend to City Council:

1. That the scope change for the East End Trails and Boat Docks and Launches projects be considered during the Fall 2017 Supplementary Capital Budget Adjustment deliberations.
2. That pending Council approval of the scope change for the East End Trails and Boat Docks and Launches, Administration negotiate amendments to the July 3, 2014, Master Agreement and the October 14, 2016, Amending Agreement No. 1 between the City of Edmonton and the River Valley Alliance (the "Funding Agreements") to:
  - (i) extend the term to December 31, 2018
  - (ii) amend scope identified within Schedules B and C to allow for changes to the East End Trails and Boat Docks and Launches projects
  - (iii) remove the Touch the Water Promenade.
3. That funding for Capital Profile 16-17-6160 - Touch the Water Promenade be released and a new Capital Profile for Touch the Water Promenade be brought forward for Council's consideration during the 2019-2022 capital budget deliberations.

## Report Summary

**This report provides an update on the River Valley Alliance Capital Projects. Approval of the report recommendations will allow Administration to fulfill Urban Planning Committee's direction on the Whitemud dock, change the scope of the East End Trails and Boat Docks and Launches projects, and continue working on the Touch the Water Promenade as part of the next phase of the River Valley Alliance Capital Program.**

## Previous Council/Committee Action

At the March 1, 2017, Urban Planning Committee meeting, the following motion was passed:

That Administration further review the proposed Whitemud Park location of the proposed boat dock and consult with stakeholders and the public to select, assess and rationalize an alternate site to be located upstream from Whitemud Creek and prepare an Environmental Impact Assessment and Site Location Study for the new site.

**Report**

In 2012, the River Valley Alliance announced \$90 million in funding for capital projects within the North Saskatchewan River and river valley. Of this \$90 million, \$72.9 million was allocated for projects within Edmonton, which were approved by Council during the 2012-2014 capital budget cycle under the River Valley Alliance - RVA Connective Infrastructure composite profile 12-17-6100. Six projects were included in this profile focusing on improving connectivity within, and access to, the river valley.

Funding for these projects is based on a cost-sharing partnership with the River Valley Alliance, as shown below.

<b>Profile 12-17-6100</b>	<b>Funding Source</b>	<b>Funds</b>
River Valley Alliance	Government of Alberta	\$24.3 million
	Government of Canada	\$24.3 million
City of Edmonton	Municipal Sustainability Initiative	\$22.6 million
	Pay-As-You-Go	\$1.3 million
	Parkland Reserve	\$0.4 million
City of Edmonton (approved for 2015-2018 capital budget cycle)	Pay-As-You-Go (funds earmarked for project elements not eligible for partner funding)	\$3.1 million
<b>Total</b>		<b>\$76 million</b>

During the 2016 Fall Supplementary Capital Budget Adjustment, Council approved splitting the RVA Connective Infrastructure composite profile 12-17-6100 into six stand-alone profiles. The status of the six River Valley Alliance profiles is shown in Attachment 1.

Touch the Water Promenade

In 2015, Administration began the public and stakeholder engagement process for the Touch the Water promenade conceptual planning. The City also initiated environmental assessments for the promenade that continued through 2016. Planning concepts were refined through engagement with 12 Indigenous communities who toured the project area and provided feedback on proposed uses along the waterfront.

Indigenous consultation for the promenade was coordinated with engagement activities for the River Crossing Heritage Interpretive Plan to ensure that both projects offered a unified vision for the Rosssdale area.

Concurrent with the Touch the Water Promenade work, Administration initiated a subdivision of the EPCOR site to create a titled parcel for transfer to the City from EPCOR. The titled parcel would accommodate City ownership of the Generating Station, the pump houses, and the land required for the promenade. Subsequent to the subdivision application, a Phase II Environmental Site Assessment was completed and identified areas of contamination, including lands needed for the promenade. Additional assessment work is ongoing and will continue through late summer 2017. Given the nature of contamination, Administration will likely recommend to the Government of Alberta (the regulatory authority) that contamination be managed in place. As the timeline for Provincial approval of the contamination management plan is uncertain, Administration is unable to advance the subdivision at this time.

The Walterdale Bridge Replacement Project continues, and portions of the EPCOR site are currently being used for laydown and staging areas. Some of these areas are also required to accommodate the promenade. As such, this provides Administration the time to ensure all environmental risks are mitigated appropriately before proceeding with Touch the Water.

The current complexities surrounding subdivision and land remediation, place unavoidable delays on the project, as advancing the public engagement for the design of the promenade, at this time, may place unachievable expectations on the project. Administration anticipates that resolution to the land complexities will not be completed until Q4 of 2018 and therefore, the current and proposed Funding Agreements do not provide sufficient time to effectively deliver the project. Administration recommends that all current funding be released from the 2015-2018 capital budget and, in consultation with the River Valley Alliance, that the project be deferred for consideration as part of the 2019-2022 capital budget cycle and negotiated into the next phase of the River Valley Alliance approved projects and funding agreement.

Administration will release the remaining funding sources for this project in this budget cycle. Estimated funds to be released are as follows:

<b>Profile 12-17-6100</b>	<b>Funding Source</b>	<b>Funds</b>
City of Edmonton	Partnership Funding	\$6.275 million
	Municipal Sustainability Initiative	\$2.529 million
	Pay-As-You-Go	\$0.941 million

	Parkland Reserve	\$0.053 million
<b>Total</b>		<b>\$9.798 million</b>

As part of the 2019-2022 budget cycle, a request for capital funding for the promenade project along with the future River Valley Alliance projects/profiles will be submitted to Council for review.

Administration and River Valley Alliance staff agree that this approach will improve the level of confidence in understanding the project's expectations, related scope, schedule and budget, and demonstrate the City's commitment to the project in a future funding cycle.

Amendment to Funding Agreements

On November 8, 2016, Council approved the Environmental Impact Assessment and Site Location Study for five of seven locations identified for the Boat Docks and Launches project. On March 1, 2017, the Urban Planning Committee directed that the proposed facility near the mouth of Whitemud Creek be located at a nearby alternate site. Administration is pursuing this work.

Since the current Funding Agreements with the River Valley Alliance require completion of the River Valley Alliance Capital Projects by December 31, 2017, Administration must secure an extension to fulfill Committee's direction on the Whitemud dock. A new completion date of December 31, 2018, will provide the time required to complete technical studies, secure approvals and construct the dock at an alternate location, if a suitable site is identified. This extension will also allow for a change to the scope of the East End Trails project, as described below.

The amendments to the Funding Agreements will require the River Valley Alliance to obtain an extension for the Provincial funds that form part of the Capital Project, which must be spent by March 2018. The River Valley Alliance is currently negotiating this extension and is confident that additional time will be secured. The current funding agreement between the River Valley Alliance and the Federal Government provides for funds to be spent by March 2019.

Scope Change - Boat Docks and Launches

The capital profile for the Boat Docks and Launches project will be amended to reflect changes to the Emily Murphy and Rossdale sites. A dock for the Emily Murphy location will be purchased in 2017, but site improvements will be delayed until 2020, pending completion of the Groat Bridge rehabilitation project, and will be developed as part of the bridge project's site restoration program. The work to support the development of a dock in Rossdale was to be incorporated with the Touch the Water Promenade and was deferred to a later date. As part of the 2019-2022 budget cycle, Administration will

request that City Council provide capital funding for the Rossdale dock, along with the future River Valley Alliance projects/profiles.

### Scope Change - East End Trails

This construction of the “oxbow trail” option was identified in the Environmental Impact Assessment as a potential increase to the project scope. This increase in scope would add 4.1 kilometres of trail through private land and was approved by Council in May 2016, pending successful acquisition of a right-of-way from the owner. Negotiations for the right-of-way are nearing completion. The oxbow trail will replace a proposed trail link adjacent to the Clover Bar landfill, originally identified in the project description, but recently deemed unfeasible. This change will increase the overall scope of the East End Trails project from approximately 14 kilometres to 16 kilometres.

### **Policy**

*The Way We Green*; Edmonton’s Environmental Strategic Plan:

- 3.8: The City protects, preserves and improves the North Saskatchewan River Valley and Ravine System as an accessible year-round place for recreation and activity for people of all ages.
- 3.11: The City expands and enhances Edmonton’s inventory of parks and open spaces for the ecological, health, recreation and educational benefits they provide.

*The Way We Live*; Edmonton’s People Plan:

- 2.2: The City of Edmonton provides for the well-being of its citizens through outstanding parks, natural, green, and public spaces.

*The Way We Grow*; Edmonton’s Municipal Development Plan:

- 5.1.1.4: Seek opportunities to enhance civic pride and promote tourism by designing and constructing new civic buildings and spaces to feature the city’s natural beauty and to meet high standards for urban design, architecture, landscape architecture and public art.

North Saskatchewan River Valley Area Redevelopment Plan; Bylaw 7188:

- 2.4.2: To consider environmental factors when planning for use in the River Valley.
- 2.6.1: To control the expansion and construction of major facilities and minimize the adverse impacts of major facilities on the natural environment and park development.

### **Corporate Outcomes**

- This report contributes to the corporate outcome “Edmonton is an environmentally sustainable and resilient city”, as it recommends a process

that will ensure the infrastructure associated with the River Valley Alliance projects align with the goals of conserving and protecting the North Saskatchewan River Valley.

- This report contributes to the corporate outcome “Edmontonians are connected to the City in which they live, work and play,” as it recommends a process that will ensure sufficient time to complete adequate consultation with all communities affected by the project.

**Risk Assessment**

<b>Risk Element</b>	<b>Risk Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Score</b>	<b>Current Mitigations</b>	<b>Potential Future Mitigations</b>
Recommendation to extend Funding Agreements is not approved	Administration would be unable to fulfill Committee’s direction to find an alternate location for the Whitemud dock.	2 – Unlikely	2 – Moderate	4 - Low	City has advised the River Valley Alliance that Administration will require more time.	Administration will continue to work with the River Valley Alliance to ensure that amendments to funding agreements are concluded quickly.
Recommendation for scope change is not approved	Administration would be unable to construct the “oxbow trail” option of the East End Trails project.	2 – Unlikely	2 – Moderate	4 - Low	City has advised the River valley Alliance that more time will be required to accommodate this change.	Administration will continue to work with the River Valley Alliance to change funding agreements quickly once Council approval is in place.
Public Perception	If remaining work on the River Valley Alliance projects does not move forward, there is a risk of being perceived as non-responsive to the River	2 – Unlikely	2 – Moderate	4 - Low	Administration has discussed approach with the River Valley Alliance.	Continued work with all communities to reinforce City’s commitment to this project and to ensure a comprehensive public engagement program is

	Valley Alliance and public at large.					undertaken.
Provincial Funding	Province does not grant required extension to River Valley Alliance.	2 – Unlikely	5 - Worst Case	10 – Medium	City has discussed issue with the River Valley Alliance. The Alliance is currently negotiating an extension.	Continued collaboration with the River Valley Alliance to petition funding agencies.

**Public Engagement**

Public engagement for the alternate dock location will be conducted in accordance with City Policy C593.

Administration began the public and stakeholder engagement process for conceptual planning of the Touch the Water promenade in December 2015. Through the public engagement process, Administration sought high-level direction on themes and desired user activities, conducted an online survey (1,308 response), and coordinated public engagement efforts with the River Crossing Heritage Interpretive Plan, which was recently approved by City Council. Administration invited twenty-nine Indigenous communities and related organizations to tour the River Crossing and Touch the Water project areas. Twelve communities accepted, and input received from these tours and forthcoming engagement efforts will continue to inform the design of the promenade.

**Budget/Financial Implications**

When the new proposed project list and cost-sharing funding formulas with the River Valley Alliance have been finalized and approved by City Council, a Capital Budget Request, including operating impacts of capital, will be created and submitted as part of the 2019 - 2022 capital budget. The request for the 2019 - 2022 capital budget will be presented to City Council for approval in June 2018.

Changes in scope and/or schedule to approved profiles require City Council approval, even if it results in no change to total approved budget or funding sources.

For projects/profiles that have funding agreement changes that result in the project or remaining portion of the project being removed, the remaining funding for that project should be released through the budget process. If the project or remaining portion of the project are then to be funded under a new funding agreement, a new Capital Budget Request would be made for this new funding arrangement.

**Legal Implications**

An amendment to the Funding Agreements between the River Valley Alliance and the City will require approval of the Provincial Government. The City will also request that the money spent to date for the Touch the Water Promenade initiative be considered as part of the next funding agreement with the River Valley Alliance.

**Metrics, Targets and Outcomes**

<b>Metrics</b>	<b>Targets</b>	<b>Outcomes</b>
Use of Environmental Impact Studies and Site Location Studies.	Environmental Impact Assessments are completed for all proposed development on public land protected by Bylaw 7188 (see Section 3.3.3).	The North Saskatchewan River Valley and Ravine System is protected as part of Edmonton’s valuable open space heritage.
\$ from other stakeholders (key partnerships) per \$ invested by City	TBD	Partnerships are leveraged to maximize capacity and resources
Twelve site visits with indigenous communities	Maintain connection and provide opportunities to be involved.	<ul style="list-style-type: none"> <li>● Edmontonians have an opportunity to provide input into the process.</li> <li>● Obtain a variety of perspectives</li> </ul>

**Justification of Recommendation:**

1. Council approval is required for changes to existing capital profiles.
2. Changes to the Funding Agreements are required to fulfill Committee’s direction on the Whitemud Park dock, change the scope of the East End Trails and Boat Docks and Launches projects, and reflect the new direction on the Touch the Water Promenade.
3. Current and proposed Funding Agreements do not allow sufficient time for completion of the Touch the Water Promenade.

**Attachment**

1. Status of River Valley Alliance Approved profiles

**Others Reviewing this Report**

- T. Burge, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- A. Laughlin, Deputy City Manager, Integrated Infrastructure Services
- R. Smyth, Deputy City Manager, Citizen Services
- C. Campbell, Deputy City Manager, Communications and Engagement
- D. Jones, Deputy City Manager, City Operations