

CAPITAL BUDGET UPDATE - STANDALONE PROFILES

RECOMMENDATION

1. That the capital budget adjustments to the 2023-2026 Capital Budget for capital projects as outlined in Attachment 1 of the March 14, 2023, Integrated Infrastructure Services report IIS01640, be approved.
2. That the capital budget adjustments to the 2023-2026 Capital Budget for New Capital Profiles as outlined in Attachment 2 of the March 14, 2023, Integrated Infrastructure Services report IIS01640, be approved.

Requested Council Action	Decision Required		
ConnectEdmonton's Guiding Principle	ConnectEdmonton Strategic Goals		
CONNECTED This unifies our work as we achieve our strategic goals.	Urban Places		
City Plan Values	BELONG. LIVE. THRIVE. ACCESS. PRESERVE.		
City Plan Big City Move(s)	<ul style="list-style-type: none"> A community of communities A rebuildable city Greener as we grow Inclusive and compassionate Catalyze and converge 	Relationship to Council's Strategic Priorities	<ul style="list-style-type: none"> Mobility Network Community safety and well-being 15-minute districts Economic Growth Climate adaptation and energy transition Conditions for service success
Corporate Business Plan	Managing the Corporation		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> • Capital Project Governance Policy (C591) • Multi-year Budgeting Policy (C578) • Neighbourhood Renewal Program Policy (C595A) • Debt Management Fiscal Policy (C203D) 		

Related Council Discussions

- FCS01393, Proposed 2023-2026 Capital Budget, City Council, October 31, 2022

Executive Summary

- Administration recommends adjustments to permit the delivery of multiple capital projects for a total of \$316.04 million, of which \$304.69 million is funded through transfers from existing composite profiles and \$1.57 million is funded through Local Improvements Levy Bylaws 20172, 20184 and 20185. The difference of \$9.79 million is a net overall increase to the approved 2023-2026 Capital Budget and is the result of new partnership funding with EPCOR for low-impact development features.
- Although funding for these projects was previously approved within a composite capital profile, they have reached Checkpoint 3 per the Capital Governance Policy C591 - Project Development and Delivery Model (PDDM) and require their own standalone capital profiles. All renewal projects greater than \$5 million and all growth projects greater than \$2 million require Council approval within a standalone capital profile.
- This report is being brought forward ahead of the Spring 2023 Supplemental Capital Budget Adjustment (SCBA) to ensure project commitments are met and standalone capital profiles are approved, allowing for the procurement of the contractors in advance of the upcoming construction season.

REPORT

Administration typically presents new capital profiles and budget adjustments for Council approval during the Spring or Fall Supplemental Capital Budget Capital Adjustments (SCBAs). For the capital projects noted in this report, Administration is requesting the necessary budget adjustments at the March 14, 2023 City Council meeting to ensure project commitments are met, and to procure contractors in advance of the upcoming construction season.

Neighbourhood and Alley Renewal Projects

The renewal projects listed below were identified as priorities of the Neighbourhood and Alley Renewal Program in the 2023-2026 Capital Budget and require the creation of standalone capital profiles.

- Baturyn Neighbourhood and Alley Reconstruction
- McCauley Neighbourhood and Alley Reconstruction
- Ottewell Neighbourhood Reconstruction
- 132 Avenue: 97 to 127 Street Reconstruction
- Kilkenny Alley Reconstruction
- Pollard Meadows, Daly Grove and Crawford Plains Alley Reconstruction
- Royal Gardens and Rideau Park Alley Reconstruction
- North East Roads Program - Mayliewan, Ozerna

These projects include the planting of 930 trees and improvements to active transportation infrastructure with planned construction of over 4 kilometres (km) of bike lanes, 16 km of shared

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pathways and 3.5 km of new sidewalk connections. Active transportation elements support the city in achieving climate resiliency by providing safe and accessible zero emission mobility options for all users. Road safety enhancements and/or open space enhancements have also been included in the neighbourhood renewal scope of work where appropriate.

In partnership with EPCOR, low-impact development will be constructed in the Baturyn, McCauley, Ottewell and 132 Avenue: 97 to 127 Street Reconstruction projects. Low-impact development facilities contribute to the city's climate resiliency goals by reducing local flooding, increasing carbon capture, having cleaner stormwater discharge and reducing heat island effect.

These projects have reached the Project Development and Delivery Model (PDDM) Checkpoint 3. Per the Capital Project Governance Policy (C591), Administration requires approval for the delivery phase, scheduled to begin this construction season. These projects are all multi-year projects with the majority of construction activities anticipated for 2023 and 2024.

These requests include the creation of new standalone profiles, with approved 2023-2026 funds being transferred from existing composite profiles approved in the 2023-2026 Capital Budget. Projects that include low-impact development work will use partner funding provided by EPCOR. No new funding is required for these standalone profiles.

Yellowhead Trail - 156 Street to St. Albert Trail

As part of the Yellowhead Trail Freeway Conversion, the 156 Street to St. Albert Trail project includes the removal of the existing at-grade intersections at 149 Street and 142 Street and construction of one-way service roads parallel to Yellowhead Trail to provide access to businesses and adjacent communities. The project includes extensive upgrades to surface and underground drainage infrastructure providing enhanced capacity in alignment with the climate adaptation plan, a new noise attenuation wall and improvements to the existing 156 Street and St. Albert Trail interchanges. As a result of an increase in the project's scope of work and a significant increase in costs associated with land acquisitions, the standalone project profile requires additional funding from the Yellowhead Trail Freeway Conversion composite profile. Approval to increase project funding is vital to the successful delivery of the 156 Street to St. Albert Trail project and the Yellowhead Trail Freeway Conversion.

This request includes the transfer of approved 2023-2026 funds to the existing Standalone Profile 21-20-9301 from CM-99-0060 -Yellowhead Trail Freeway Conversion: Project Development and CM-99-9600 - Yellowhead Trail Freeway Conversion: Project Delivery. No new funding is required.

Social Housing Capital Renewal Project (City-Owned Sites)

Canada Mortgage Housing Corporation (CMHC) and the City of Edmonton share a common goal of preserving existing affordable housing stock and housing Canada's most vulnerable. On November 2, 2022, CMHC extended a preliminary funding offer to the City of Edmonton valued at \$18.0 million to repair a minimum of 1,800 units of City-owned housing, since revised to \$19.6 million to repair a minimum of 1,955 units of City-owned (or City subsidiary-owned) housing. Through the 2023-2026 Capital Budget, Council approved \$10.5 million for the renewal of City-owned social housing to support the repair and renewal of up to 882 units over 12 sites of

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municipally owned housing stock, managed by Civida, over the next four years. The City's capital contribution will be matched by CMHC for up to 30 per cent of the total repair cost of the portfolio (estimated at \$66.7 million) along with contributions from the Alberta Government and Civida.

Administration intends to include an additional 1,073 units owned by HomeEd (being a subsidiary corporation of the City) with repairs conducted with a similar scope of work to Civida, for a total of 1,955 units owned by the City or subsidiary of the City. Funding for the repair of these units is proposed from HomeEd equity, private financing and housing reserve.

This request includes the transfer of \$10.5 million to the new Standalone Profile (23-90-4101 Social Housing Capital Renewal Project (City-Owned Sites)) from CM-13-0000 Facility: Service Support - Renewal, which represents the City funded portion of the profile. Administration will bring forward subsequent budget adjustments once the agreements with CMHC, HomeEd and Civida are finalized. No new funding is required.

Rosssdale Road Reconstruction (103 Street to Low Level Bridge)

Rosssdale Road Reconstruction (103 Street to Low Level Bridge) was identified for renewal as part of the Goods Movement Arterial Renewal Program. Following the findings of the River Crossing Transportation Network Analysis Study, consideration was also made to permanently close some redundant road connections in the area to simplify the network and support the implementation of the River Crossing Business Plan.

This project has reached the Project Development and Delivery Model (PDDM) Checkpoint 3. Per the Capital Project Governance Policy (C591), Administration requires approval for the delivery phase. Rosssdale Road reconstruction is a priority for the arterial renewal program during the 2023-2026 Capital Budget. The scope of work includes road and sidewalk reconstruction, replacement of the sidewalk along the south side with 0.6 km of shared pathway, incorporation of low impact development stormwater management facilities funded by EPCOR Drainage, signalization of 99 Avenue and Bellamy Hill intersection and full streetlight system rebuild.

This request includes the creation of a new standalone profile, with 2023-2026 approved funds being transferred from CM-22-0000 Transportation: Goods Movement - Arterial Renewal composite, and partnership funding from EPCOR for low-impact development features. No new funding is required.

104 Street Drainage Servicing (Downtown Community Revitalization Levy)

Downtown stormwater drainage servicing infrastructure in the area of 104 Street between 100 Avenue and Jasper Avenue was added to the scope of the Capital City Downtown Community Revitalization Levy (CRL) Delivery composite profile CM-74-4100 at the Fall 2020 SCBA, and renewed for the 2023-2026 budget.

The private developer of Falcon Towers (located at 104 Street and 100 Avenue) is installing new public drainage infrastructure that will service the development as well as other properties on 104 Street. As per the CRL Plan, a developer may deliver CRL-funded drainage infrastructure provided it meets the 2013 Downtown Stormwater Servicing Concept.

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The initial budget estimate was for \$1.5 million to be funded by CRL and financed with debt. Subsequent exploration identified numerous unanticipated utility conflicts, which have increased the estimated cost to the CRL to \$2.7 million, which is above the threshold for creating a standalone capital profile.

This request includes the creation of a new standalone profile 23-74-4105 104 Street Drainage Servicing, with 2023-2026 approved funds being transferred from CM-74-4100 Downtown CRL Delivery composite. Portions of the infrastructure that are not included in the CRL Plan (i.e. the sanitary main and service connections) will also be developer-funded, through Local Improvement Levy Bylaws 20172, 20184, and 20185 (approved by City Council on June 22, 2022), at an estimated amount of \$1.57 million. No new funding is required.

Budget/Financial Implications

Administration recommends adjustments to fund the delivery of Neighbourhood and Alley Renewal Projects, Yellowhead Trail - 156 Street to St. Albert Trail, Social Housing Capital Renewal Project (City-Owned Sites), Rosedale Road Reconstruction (103 Street to Low Level Bridge) and 104 Street Drainage Servicing (Downtown Community Revitalization Levy) projects. The total amount of adjustments is \$316.04 million, of which \$304.69 million is funded with transfers from existing composite profiles and \$1.57 million is funded through Local Improvements Levy Bylaws 20172, 20184 and 20185. The difference of \$9.79 million results in a net overall increase to the approved 2023-2026 Capital Budget. This increase is the result of new partnership funding with EPCOR for low-impact development features and is funded through partnership funding. The scope of work for all projects is projected to be completed within the 2023-2026 capital budget cycle, with some close-out activities planned in the Ottewell Neighbourhood Renewal project to occur in 2027. The recommended capital budget adjustments and recommended new profiles are provided in Attachments 1 and 2.

Carbon Budget Implications

The carbon emissions related to these profiles were previously included within a composite as part of the 2023-2026 Carbon Budget. The carbon emissions impacts associated with these capital profiles moving from the composite profile to a stand alone will be included as part of the Spring 2023 Supplemental Capital Budget Adjustment report to Council in June 2023.

Legal Implications

Social Housing Capital Renewal Project (City-Owned Sites)

Canada Mortgage and Housing Corporation (CMHC) and the City of Edmonton are finalizing a National Housing Co-Investment Fund Contribution Agreement. The agreement will outline the funding amount and the terms and conditions. Subject to any Committee or Council approvals that may be required pertaining to delegation limits, the City will then enter into separate agreements with each of Civida and HomeEd to complete the renewal of required units. The repair projects must be completed three years from the date of the execution of the agreement with CMHC.

COMMUNITY INSIGHT

The community outreach for these capital projects involved comprehensive stakeholder and public engagement, including businesses, adjacent landowners and community groups to share project information and gather input to help shape the plans and designs. The project's public engagement and communications plans were developed in alignment with the City's Public Engagement Policy C593A. The "What We Heard" reports are posted on the project websites and communicated to participants.

There was no public engagement related to the design of the 104 Street Drainage Servicing, as it is driven entirely by technical requirements.

GBA+

The comprehensive stakeholder and public engagement provided opportunities for the consideration and implementation of systems and practices to advance equity and respect the diversity of the city's communities. Project information is continuously shared with adjacent residents, landowners, business owners and anyone interested in learning more about the projects. Diverse communication methods include email, posted mail, one-on-one in-person and virtual meetings, verbal presentation (live), site visits, public engagement surveys and a publicly accessible website. Other considerations include captioning video content and using plain and accessible language.

GBA+ considerations have also played an important role in the design of the projects, such as accessible and barrier-free active mode infrastructure, wayfinding, and consideration of safety and security for users and adjacent residents (including lighting and pedestrian crossings).

Examples of equity measures identified and implemented include arranging a pre-construction information session about the construction activities and closures and ensuring the safety of all users during construction.

RISK ASSESSMENT

Risk Category	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
If recommendation is not approved						
The Public Sphere	The projects will not be able to proceed as adjustments to the scope are not possible.	4 - Likely	4 - Severe	16 - High	Administration would work to close out existing contracts and agreements and put the projects on hold.	Administration continues to work with Edmontonians to identify project priorities, combined with renewal needs, to calibrate project scope and outcomes, which can impact budget, scope and schedule.

ATTACHMENTS

1. Recommended Capital Budget Adjustments
2. Recommended New Profiles Recommended for Funding