

THE WAY WE FINANCE

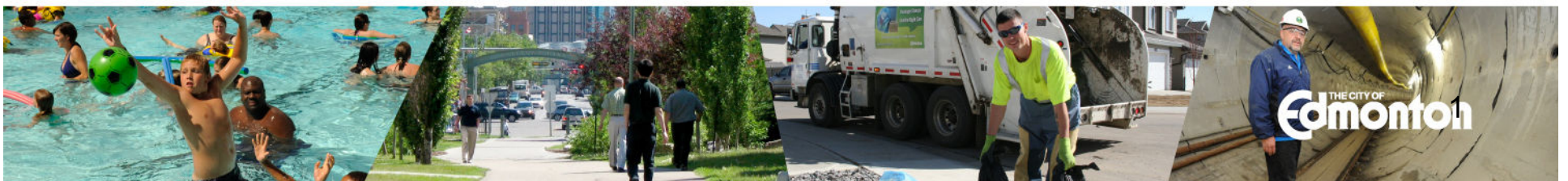
NEIGHBOURHOOD RENEWAL BUDGET

BASED ON TARGET OF 3% TAX INCREASE FOR SERVICES
AND 1.5% FOR NEIGHBOURHOOD RENEWAL

2012
CITY COUNCIL
DISCUSSIONS

TRANSFORMING | **EDMONTON**

BRINGING OUR CITY VISION TO LIFE



A large teal triangle on the left side of the slide, pointing downwards. At its base, there is a white graphic consisting of a grid of lines that form a series of overlapping triangles, creating a textured, crystalline appearance.

Presentation Overview

- Program Scope and Objectives
- Current State and Program Targets
- Challenges/Risk Management
- Funding Model and Renewal Needs
- Impacts of 2012 -2014 Budget

Program Objectives - Scope of Work

- Neighbourhood Renewal Program (NRP) includes Residential and Industrials local and collector roadways.
- Scope of work includes:
 - Roads
 - Curbs and gutters
 - Sidewalks
 - Street lighting
 - Missing links in ROW sidewalk/MUT and bike systems
 - Pedestrian Safety
 - Alley in scope but funding model not finalized



Types of Neighbourhood Renewal

- Microsurfacing (Operating Program)
 - Roads are resealed with a thin asphalt ride surface.
 - Microsurfacing candidates have good road conditions and are applied 10-12 years after road reconstruction or resurfacing
- Neighbourhood Overlay (Capital Program)
 - Roads are repaved and sidewalk panels treated to eliminate trip hazards.
 - Overlay neighbourhood candidates have poor road condition and good sidewalk condition
- Neighbourhood Reconstruction (Capital Program)
 - Roads are repaved, sidewalk, curb and gutter, and street lights are replaced.
 - Reconstruction neighbourhood candidates have poor sidewalk and fair to poor road conditions



Coordination of Projects

- Transportation Services collaborates with other City Depts. in order to maximize investments and minimize disruption
 - Infrastructure Services (Drainage)
 - Community Services (Office of Great Neighbourhoods)
 - Sustainable Development





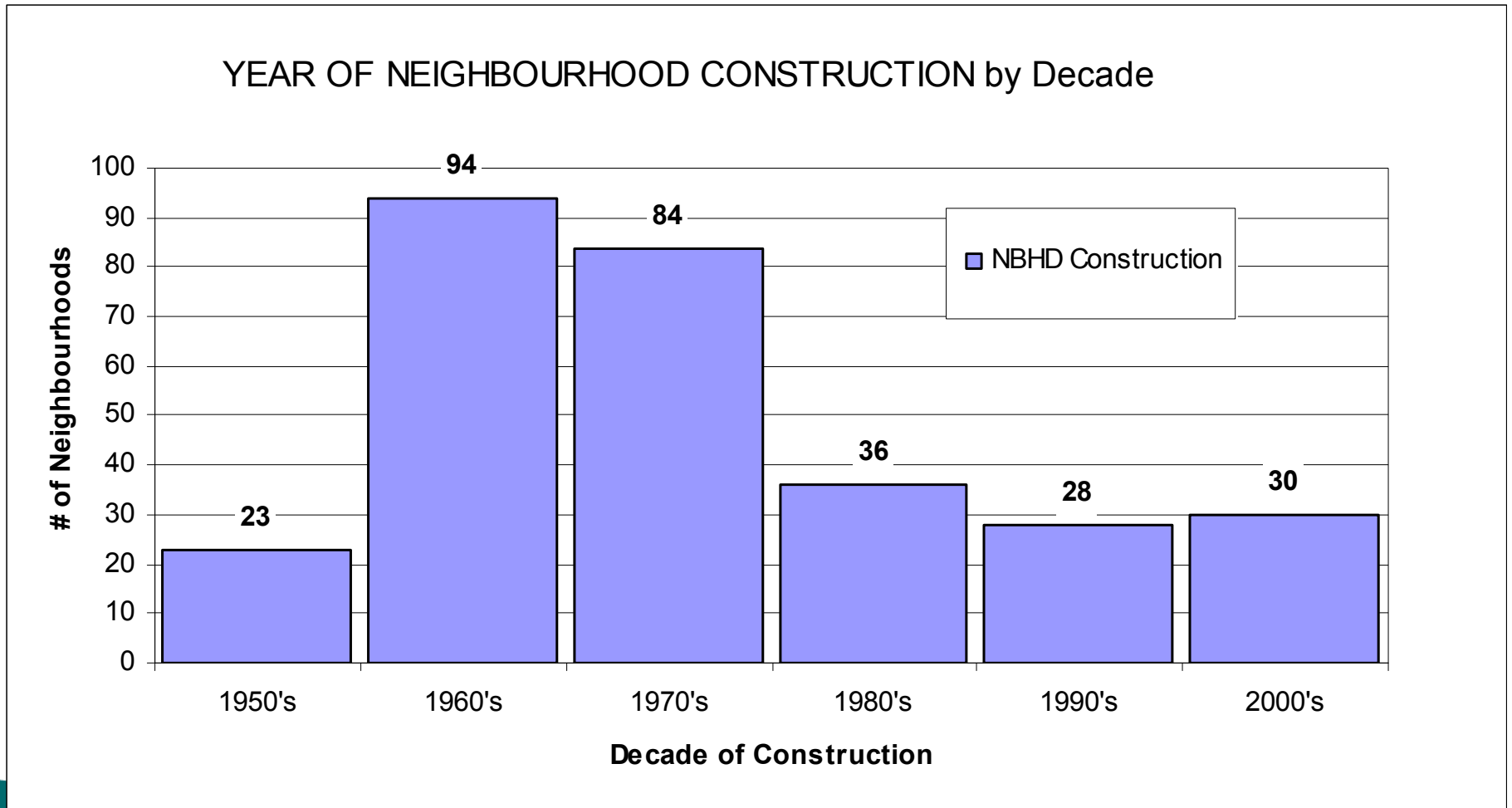
Program Objectives

Scope of Problem

- There are 300 neighbourhoods (including industrial) in Edmonton.
- The age of NBHD (assuming 40 - 50 year service life) and its renewal history, influences the type of renewal required
- As of 2010 Year End, over 169 neighbourhoods require renewal, where:
 - 111 require reconstruction
 - 58 require overlay

Program Objectives

Scope of Problem



Program Objectives

Life Cycle Needs

- Life cycle approach to neighbourhood roadway renewal
- New Construction Standards and proper treatment during life cycle provide 60 Year Life Span
 - Microsurfacing (preventative maintenance) – yr 10
 - Roadway overlay – yr 30
 - Microsurfacing (preventative maintenance) – yr 40
 - Reconstruction – yr 60
 - Major drainage and cast iron renewal at time of reconstruction



Program Objectives

Renewal Targets

- Targets:
 - Financial stream fully funded by Neighbourhood Tax levy/ Local Improvement - MSI phased out in 2018
 - Condition rating target for roads – 3.0 out of 5.0
 - 0% sidewalks in “F” condition
 - Drainage and cast iron programs fully integrated and keeping pace
 - Alley Renewal (using 50/50 cost sharing also in place)
 - Ensure coordination with Great Neighbourhoods and Redevelopment plans



Program Objectives

Challenges/Risk Management

- Risk Management/Challenges:
 - Managing Industry capacity/construction Inflation-
Long term NBHD Recon contracts (3 -6 years)
 - Bonus/Penalty
 - Neighbourhood Pricing Index
 - Increase in-house (Roadway Maintenance) paving capacity for collector and NBHD (Tied to enhanced snow removal program equipment purchases)
 - Utility rate increases required in conjunction with the Neighbourhood Tax levy



Program Objectives Targets and Challenges

- Emerging Issues:
 - 2012 – 2014 Capital Budget – MSI funding component reduced due to reallocation to other rehabilitation programs
 - Alley Renewal Strategy – using 50/50 LI Alley reconstruction
 - Renewal for Rural unpaved Local/Collector residential and industrial roadways now included in program





Program Objectives

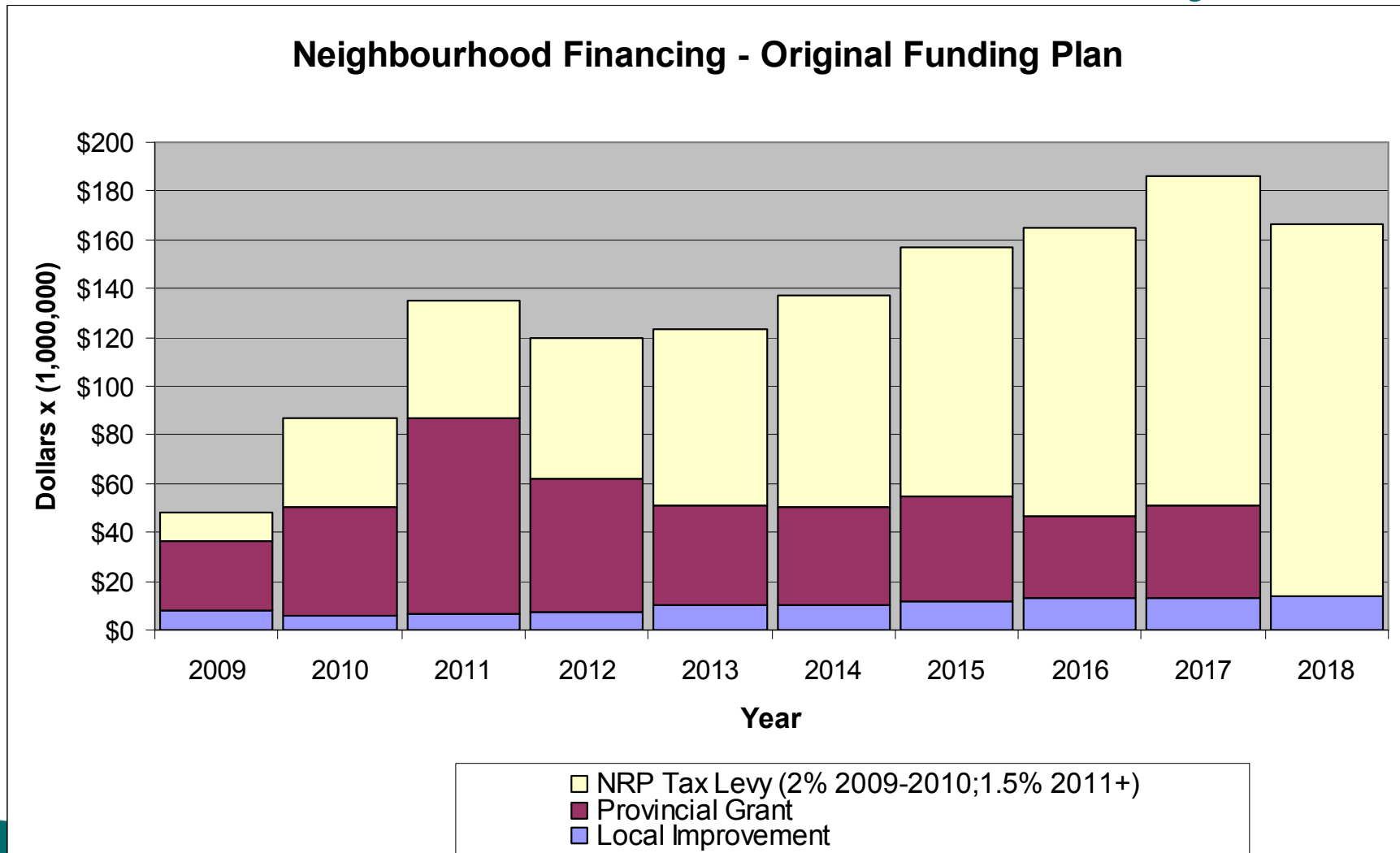
Renewal Funding Needs

- Based on approx. 300 residential/industrial neighbourhoods, to achieve life cycle model, the annual required program:
 - 5 microsurfacing neighbourhoods (\$0.5M each – operating)
 - 6 overlay neighbourhoods (\$2.5M each - capital)
 - 5 - 6 reconstruct neighbourhoods (\$17.5M each - capital)
 - 2 years to complete, working in 10 - 12 neighbourhoods/year)
 - Collector Renewal (\$20M – capital)
 - Alley renewal (\$8M - capital required annually)
- Average annual ongoing funding would be approximately \$140 million, plus drainage and water

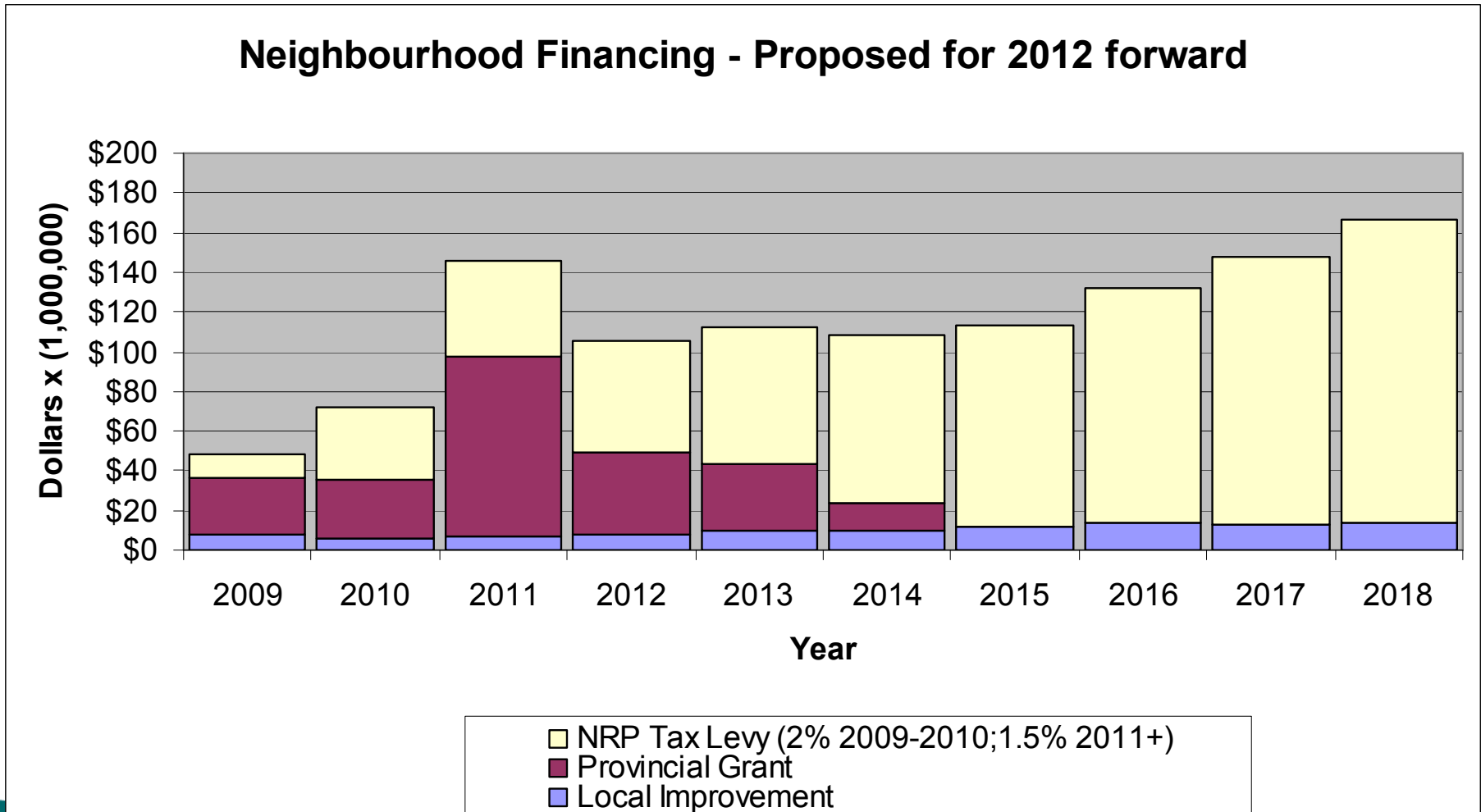
Funding Sources: Neighbourhood Renewal Tax Levy

- Council approved: 2% in 2009/2010, and 1.5% in 2011.
- Program reviewed regularly with the intent to continue allocating tax increases for a sustainable renewal program
- With current (moderate) inflation forecast, Transportation Neighbourhood Renewal Program Tax Levy requirements are projected to be:
 - 1.5% increase in property tax every year for the first 15 years
 - Average condition of all neighbourhood roads will reach 3 (out of 5) in 20 - 25 years

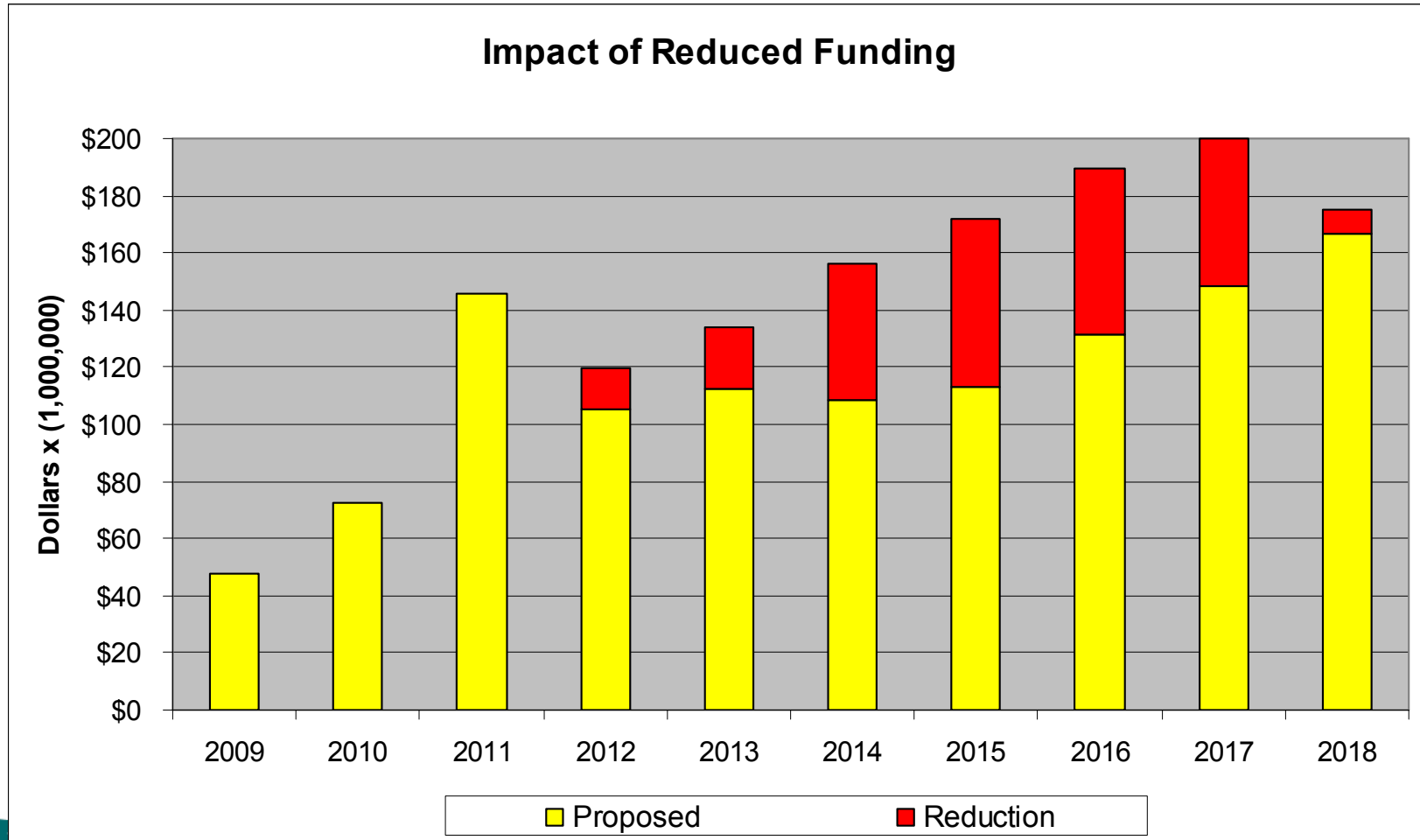
Neighbourhood Funding Planned Renewal Tax Levy



Neighbourhood Funding 2012-2014 Budget Renewal Tax Levy



Neighbourhood Funding Impact of 2012-2014 Budget



Neighbourhoods Renewed

- 2012 NBHD Program
 - 6 Recon (complete 2/start 4)
 - 6 Overlay
 - 2 Microsurfacing
- 2013 NBHD Program
 - 9 Recon (complete 3/continue 1/start 5)
 - 6 Overlay
 - 2 Microsurfacing
- 2014 NBHD Program
 - 10 Recon (complete 6/start 4)
 - 5 Overlay
 - 2 Microsurfacing



2012 -2014 Neighbourhood Reconstruction Schedule Impacts

NEIGHBOURHOOD RECONSTRUCTION PROJECTS					
Schedule - as planned					
Original Schedule					
Deferred Schedule					
NBHD Reconstruction	2012	2013	2014	2015	2016
Capilano	Light Green				
West Jasper Place	Light Green				
Canora	Light Green	Light Green			
Dovercourt	Diagonal Hatching	Yellow			
King Edward Park	Light Green	Light Green			
Terrace Heights	Diagonal Hatching	Yellow			
Windsor Park	Light Green				
Woodcroft	Light Green				
Argyll		Light Green			
Avonmore		Diagonal Hatching	Yellow		
Delton		Light Green			
Grovenor		Diagonal Hatching	Yellow		
Hazeldean		Diagonal Hatching	Yellow		
North Glenora		Light Green			
Cromdale			Light Green		
Glenora			Light Green		
Laurier Heights			Diagonal Hatching	Yellow	

2011 to 2018

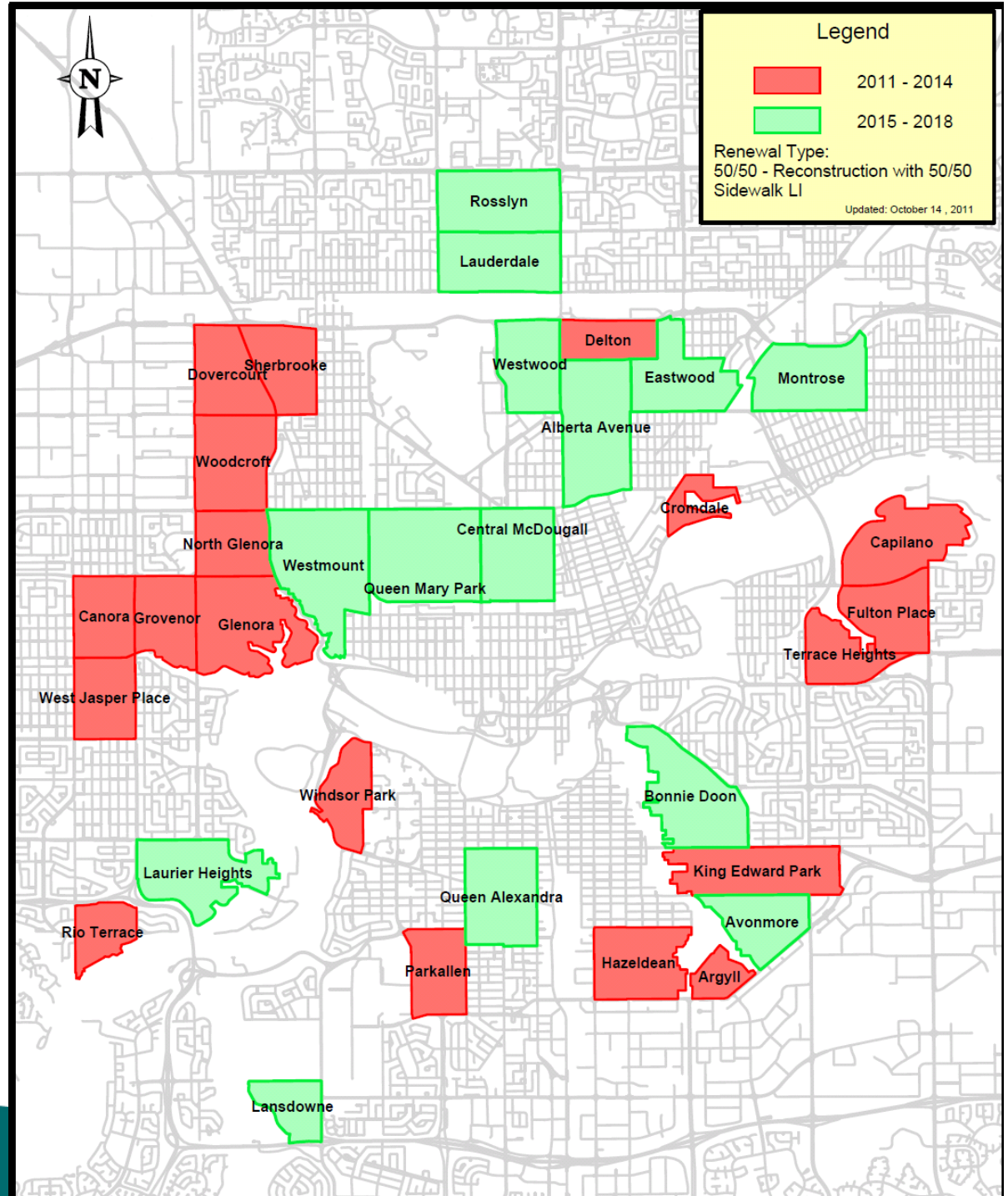
- *Neighbourhoods planned for reconstruction*

2011 -2014

- Rio Terrace, Woodcroft, North Glenora, Parkallen, Windsor Park, King Edward Park, Fulton Place, Capilano, Sherbrooke, Hazeldean, Delton, Grovenor, Terrace Heights, Canora, Cromdale, Glenora, Dovercourt, West Jasper Place, Argyll

2015- 2018

- Laurier Heights, Queen Mary Park Avonmore, Westwood, Montrose, Lansdowne, Bonnie Doon, Lauderdale, Rosslyn, Eastwood, Central McDougall, Westmount, Queen Alexandra, Alberta Avenue



2012 to 2014

- **Other Neighbourhood Work**

- **2012 - NBHD Overlay:** Alberta Park Industrial, McNamara, Wilson Industrial, Kennedale Industrial, Ekota, Bisset

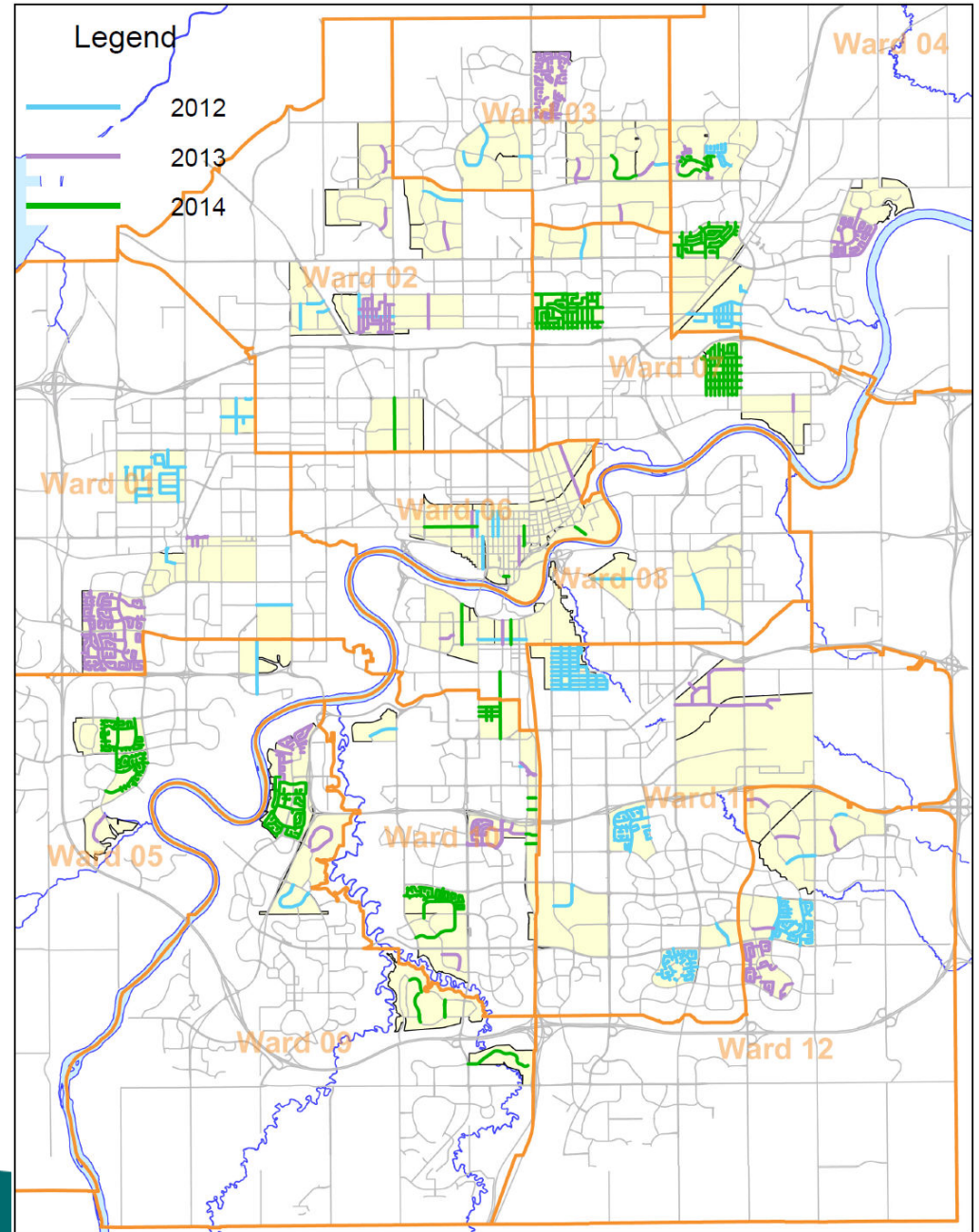
- **Microsurfacing:** Ritchie, Tweedle Place,
 - **NE Soft Subgrade Mitigation:** Ozerna, Hollick-Kenyon, Matt Berry
 - **Collector:** Jasper Park, Terra Losa, Athlone, Bonaventure Industrial, Caernarvon, Beaumaris, Lorelei, Bannerman, Belvedere, Fraser, Lynnwood, Boyle Street, Downtown, Oliver, Northmount, Ottewell, Strathcona, Strathearn, Carter Crest, Grandview Heights, Mill Woods Town Centre, Parsons Industrial, Ritchie, Kiniski Gardens, Larkspur

- **2013 - NBHD Overlay :** Aldergrove, Belmead, Lago Lindo, Bannerman, Brander Gardens, Pollard Meadows

- **Microsurfacing:** Athlone, Rideau Park
 - **NE Soft Subgrade Mitigation :** Ozerna, Hollick-Kenyon, Matt Berry
 - **Collector:** Glenwood, Calder, Carlisle, Cumberland, Oxford, Belle Rive, Kilkenny, Wedgewood Heights, Boyle Street, Downtown, McCauley, Oliver, Beverly Heights, Strathcona, University Of Alberta, Bulyea Heights, Calgary Trail North, Davies Industrial East, Pylypow Industrial, Jackson Heights, Kiniski Gardens, Larkspur, Weinlos, Skyrattler, Davies Industrial East, Roper Industrial

- **2014 - NBHD Overlay:** Dechene, Ormsby Place (E of 187A St), Newton, Ramsey Heights, Sweet Grass

- **Microsurfacing:** York, Killarney
 - **NE Soft Subgrade Mitigation:** Mayliewan, Hollick-Kenyon, Matt Berry
 - **Collector:** Inglewood, Downtown, Oliver, Riverdale, Rossdale, Garneau, Strathcona, Twin Brooks, Blackburne, Allendale, Calgary Trail North, Calgary Trail South, Blue Quill





Recommend Budget Changes to Reinststate Renewal Targets

- Overlay Program
 - \$10M carry forward from 2011 Savings
 - First priority – add Evansdale (Ward 3) and Keheewin (Ward 10)
- Reconstruction Program
 - \$30M addition by reinstating MSI funding
 - Dovercourt, Terrace Heights, Grovenor, Hazeldean and Laurier restored to original schedule