

Gondola Feasibility - Preliminary Economic and Technical Assessment

Recommendation

That the January 28, 2020, Urban Form and Corporate Strategic Development report CR_7152, be received for information.

Previous Council/Committee Action

At the April 16, 2019, City Council meeting, the following motion was passed:

That Administration continue to work with Prairie Sky Gondola as they develop the Phase 1 Preliminary Economic and Technical Assessment (PETA) and report back to Urban Planning Committee on:

- the results of the Preliminary Economic and Technical Assessment
- the viability of options for Prairie Sky exclusivity, including any implications, and
- a high level project plan developed by Prairie Sky Gondola

Executive Summary

This report provides a summary of the Preliminary Economic and Technical Assessment developed by Prairie Sky Gondola. It summarizes major technical findings, outlines current assumptions for additional collaboration between the City and Prairie Sky Gondola, and presents recommended next steps to advance the project.

Report

Administration worked with Prairie Sky Gondola and their consulting team to explore options for an urban gondola. A plan for the gondola has been submitted to the City in the report “A Simplified Preliminary Economic and Technical Assessment of Prairie Sky Gondola” (Attachment 1).

This report outlines the feasibility of the project through a high level overview of technical elements. The report also provides a high level economic assessment that projects the gondola’s market potential, outlines ridership expectations, and provides some basic information on capital and operating costs. A number of assumptions summarized in the Preliminary Economic and Technical Assessment provide the basis for additional discussions between the City and Prairie Sky Gondola.

Preliminary Technical and Economic Assessment

A detailed explanation of the Preliminary Technical and Economic Assessment was provided to the April 9, 2019 Urban Planning Committee in Urban Form and Corporate Strategic Development CR_6126. Since the date of that report, the following new information is provided for Committee's review.

The gondola would include five stations at the following locations:

1. Gateway Blvd and 82 Ave - The southernmost station would replace and reincorporate the existing public washroom facility at Gateway Blvd and 82 Ave.
2. Gateway Blvd and Saskatchewan Drive - The route would continue north along the End of Steel Park, pass through a station at Gateway Blvd and Saskatchewan Drive, and descend into and across the river valley.
3. Rosssdale Power Plant - A significant station is proposed for the Rosssdale Power Plant. This station is intended to catalyze development within River Crossing, spurring additional investment in the area.
4. North River Crossing - Proceeding north from the Power Plant, another station is proposed at the north end of the River Crossing area.
5. Downtown Station - The line would terminate at a downtown station adjacent to TELUS Plaza (100 street and 100 avenue).

Route alignment, station types and profile drawings showing elevations along the route have been included in the report. The route selected would require 20 towers, spaced approximately every 120 m. The tallest of these towers would rise 76.2 m. The report notes that the gondola will be designed to address potential privacy concerns of high rise residential buildings along the route.

Benefits to users are estimated based on travel time comparisons. The PETA indicates a gondola offers frequent, reliable service with minimal wait time and comparable travel time and as such would be attractive to commuters. Further assessment of impacts to Edmonton's transit system would be required in subsequent phases of the project to evaluate costs, infrastructure and security requirements.

The report indicates that a desk-top technical evaluation along the proposed route revealed no identifiable archaeological, geotechnical, or utility constraints. A general assessment of wind data along the route did not reveal prolonged wind speeds that would hamper the project's feasibility. Additional technical assessments such as environmental, geotechnical and historical/archaeological evaluations would be required in subsequent phases of the project to confirm these preliminary findings and secure all required permits. Based on a review of the work completed thus far, and

measuring it against the City's Project Develop and Delivery Model (PDDM), the status of the design would be pre-checkpoint 1.

The gondola is intended to be privately funded, operated, and maintained. The PETA indicates it will create employment through both temporary and permanent positions, including platform attendants, operators, and mechanics, as well as senior managerial positions and IT staff. The project's viability as a private enterprise is based on a market assessment that identifies the gondola as a significant business opportunity, capturing both tourist and commuter traffic. A financial model, with high level capital and operating costs, has been developed by Prairie Sky Gondola.

City of Edmonton Administrative Review

Administration reviewed the PETA and identified additional information requirements for the project that will be included in the next analysis. Requests for clarification focused on various aspects of the project, including the project's viability and tourism potential, emergency response planning, City partnerships and the gondola's integration with the Touch the Water Promenade and Edmonton Transit Services (ETS), and the future repurposing of the Rosedale Generating Station. Other comments focused on the proposed stations, towers, route alignment, land requirements, project risks and the additional studies/permits required to advance the project. Should the project advance, Administration will work with Prairie Sky Gondola to review and address these comments with the full Preliminary Economic and Technical Assessment.

With regard to the viability and implications for Prairie Sky exclusivity, there is not enough information regarding the details of a working relationship, construction methodology, or operational model to determine options for exclusivity.

Assumptions and Next Steps outlined by Prairie Sky Gondola

The PETA outlines numerous assumptions that provide a basis for additional discussion between the City, several third party agencies, and Prairie Sky Gondola. These assumptions include:

- A framework for a working relationship with the City of Edmonton (specifics to be explored in the next phase of project planning).
- Potential to integrate with ETS tools and products, including Smartfare.
- Continued collaboration with Tourism Edmonton, EEDC, and the River Valley Alliance to generate an events and festival business connected to the gondola.
- Securing required land along the gondola route.

Administration anticipates returning to Council at strategic points throughout the project. Anticipated checkpoints with Council would include:

- Presentation of proposed working relationship framework.
- Presentation of phase two feasibility (full PETA)
- Interim updates to Mayor and Council (as required)
- Presentation of final business plan
- Completion of schematic design and full feasibility (including all technical reports and public engagement required).

Following completion of the full feasibility assessment and environmental approval by Council, the project would proceed into detailed design and engineering. Prairie Sky Gondola has identified a desire for a construction start date of May 2022, with a grand opening in January 2024. Additional discussion will be required between the City and Prairie Sky Gondola to finalize the timeline.

Engagement activities completed by Prairie Sky Gondola

All engagement to date has been led by Prairie Sky Gondola with no City involvement - the City has not yet had the opportunity to confirm the alignment of these engagement activities with the expectations set by City Council's Public Engagement Policy. Public and Indigenous engagement consistent with the Public Engagement Policy and lead by Prairie Sky Gondola will be an important component of the full feasibility assessment.

Corporate Outcomes and Performance Management

Corporate Outcome(s): Edmonton region is a catalyst for industry and business growth			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Edmonton Region is a catalyst for industry and business growth	Edmonton Region Non-Residential Permit Value	\$2.05 billion (2018)	\$1.62 billion (2019)

Attachments

1. A Simplified Preliminary Economic and Technical Assessment of Prairie Sky Gondola Inc.

Others Reviewing this Report

- S. Padbury, Acting Deputy City Manager, Financial and Corporate Services
- C. Owen, Deputy City Manager, Communications and Engagement
- G. Cebryk, Deputy City Manager, City Operations
- J. Meliefste, Acting Deputy City Manager, Integrated Infrastructure Services
- K. Armstrong, Deputy City Manager, Employee Services

- R. Smyth, Deputy City Manager, Citizen Services
- B. Andriachuk, City Solicitor