

# Gondola Feasibility/Constructability Study Cost

## Recommendation

That the April 9, 2019, Urban Form and Corporate Strategic Development report CR\_6126, be received for information.

## Previous Council/Committee Action

At the June 5, 2018 Urban Planning Committee meeting, the following motion was passed:

That Administration provide a report to Committee outlining:

- the cost of a feasibility/constructability study, including an analysis of the potential catalytic value of a gondola on the future redevelopment of Rosedale and the River Crossing Project
- the commitment by private investors and communities to fund/cost share these studies.

## Executive Summary

Prairie Sky Gondola (referred to hereafter as Prairie Sky) met with Administration to discuss a proposed process to assess the feasibility/constructability of an urban gondola. Prairie Sky proposes a phased approach to determine project feasibility, and is prepared to commit \$75,000 to complete a simplified Preliminary Economic and Technical Assessment (PETA). This will be the first step towards assessing the feasibility of the project. Substantial investment is required for a full feasibility study, and a phased approach provides opportunities to analyze the project's viability at strategic checkpoints.

If the simplified PETA assessment indicates the project is potentially viable, Prairie Sky and Administration will determine next steps. Future phases would include evaluating the potential catalytic value a gondola could have in stimulating redevelopment of the Rosedale area.

At this time no financial commitment is required from the City and it is anticipated the planning, design, construction, and operation of the urban gondola will be fully funded by the private sector.

## Report

In 2017, a group of private sector partner companies initiated the Edmonton Project, where Edmontonians were invited to submit ideas for a permanent place attraction in Edmonton. The winning submission was an urban gondola. Prairie Sky is the private

sector team established to continue the work to bring this idea to fruition.

Following Committee's direction on June 5, 2018, Administration initiated discussions with Prairie Sky and developed a preliminary set of information requirements Administration needs to review the gondola proposal. The requirements included a detailed summary of the technological, financial, and operational characteristics of a gondola, the social, economic, and environmental impacts of the system, and the project's potential catalytic value in the Rosssdale/River Crossing area.

Prairie Sky has engaged international experts in gondola planning and will undertake a phased process to determine project feasibility through a series of progressively detailed studies. As a first step, Prairie Sky will complete a simplified Preliminary Economic and Technical Assessment (PETA), which is expected to cost \$75,000.

The simplified PETA will provide a high-level viability assessment for the project with recommendations on whether the project should proceed to a full PETA (Attachment 1 - provided by Prairie Sky). Further information, including the potential catalytic value of the gondola to the redevelopment of West Rosssdale, will be addressed by Prairie Sky through subsequent studies.

The City of Edmonton has not committed funds to this project. Prairie Sky's proposal is to fully fund the planning, design, construction, and operation of a gondola, pending the outcome of the simplified PETA and subsequent feasibility studies. Part of the simplified PETA will address the city-building synergies a gondola could create in the Rosssdale area. Administration continues its work on the River Crossing Business Plan, and will collaborate with Prairie Sky to evaluate how the gondola can be integrated into Rosssdale.

If the simplified PETA concludes the gondola is a viable business venture, Administration will return to Committee to seek direction on continued collaboration with Prairie Sky. At this time, Administration anticipates returning to Committee at strategic decision points, with outlines of City requirements, a review of the feasibility and technical studies, and a summary of how rights of way and access points on City-owned land would be addressed along the route.

### **Next Steps**

Administration anticipates the following process to allow for project checkpoints prior to a full feasibility study.

- 1) Prairie Sky will fully fund a simplified PETA.
- 2) Administration will return to Committee with the results of the simplified PETA, any requests from Prairie Sky for guarantees and/or involvement from the City, and Administration's analysis of the project to date. Prairie Sky may request certain guarantees from the City before advancing to the next phase of studies.

Guarantees may include use of public land and a commitment that Council will not seek competing bids for the project.

- 3) Pending Committee support, Prairie Sky will fund the full PETA study (the remaining scope of work identified as “Full PETA” in Attachment 1, including the public engagement plans). Prairie Sky will also develop a business plan for the project.
- 4) Administration will return to Committee with the results of the full PETA and the Business Case, updated requests from Prairie Sky for additional guarantees and/or involvement from the City, and Administration’s analysis of the project to date.
- 5) Pending Committee support, Prairie Sky will advance the project to a full feasibility study and supporting technical studies.
- 6) Administration will return to Committee with the results of the full feasibility study, updated requests from Prairie Sky for additional guarantees and/or involvement from the City, and Administration’s analysis of the project to date.
- 7) Pending Committee discussion, Prairie Sky will advance the project to detailed design and construction.

## 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	1.86 billion (2017)	2.79 billion (2018)

## Attachments

1. Preliminary Economic and Technical Assessment (PETA)

## Others Reviewing this Report

- R. Kits, Acting Deputy City Manager, Financial and Corporate Services
- C. Owen, Deputy City Manager, Communications and Engagement
- G. Cebryk, Deputy City Manager, City Operations
- A. Laughlin, Deputy City Manager, Integrated Infrastructure Services
- R. Smyth, Deputy City Manager, Citizen Services
- B. Andriachuk, City Solicitor, Law Branch