



CITY OF RICHMOND

REPORT TO COMMITTEE

TO: Public Works and Transportation Committee
FROM: Steve Ono, P.Eng.
Director, Engineering
RE: **No. 3 Road Undergrounding – 2001**

To PW/T - Nov. 21/01
DATE: November 14, 2001
FILE: 6340-20 . - ? 01201

STAFF RECOMMENDATION

It is recommended that:

1. The 2001 capital funds allocated for undergrounding of foreign utilities along No. 3 Road from Cambie Road to Sea Island Way in the amount of \$1,350,000 be re-allocated to fund undergrounding of foreign utilities along Westminster Highway from No. 3 Road to Minoru Boulevard and on Granville Avenue from Minoru Boulevard to Gilbert Road; and
2. The City apply for grant funding from BC Hydro for undergrounding of foreign utilities along No. 3 Road from Cambie Road to Sea Island Way in 2002.

for Steve Ono, P.Eng.
Director, Engineering

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ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Budget.....	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	

STAFF REPORT

ORIGIN

The No. 3 Road foreign utility infrastructure undergrounding strategy commenced in 1997 when BC Hydro agreed to partner with the City to remove BC Hydro overhead utility poles and wires and install the infrastructure underground between Westminster Highway and Sea Island Way. BC Hydro agreed to contribute one third of the total estimated undergrounding cost over the three year period from 1999 to 2001.

In 2000, undergrounding along No. 3 Road from Westminster Highway to Cambie Road was completed in conjunction with the 98 B Line project. In 2001, BC Hydro confirmed their contribution to pay for one third of the undergrounding cost for the final section on No. 3 Road between Cambie Road and Sea Island Way. As a result, the City budgeted \$1,350,000 in the 2001 capital program for the No. 3 Road undergrounding project.

ANALYSIS

BC Hydro's agreement with the City states that all construction must be complete and invoicing submitted by the end of March 2002 in order for BC Hydro to release their contribution toward one third of the construction cost. Since adoption of the 2001 capital program, staff have been working with BC Hydro, Telus, and Shaw Cable to arrange servicing for the local businesses through underground utility infrastructure along No. 3 Road between Cambie Road and Sea Island Way. The diversity and age of the local businesses complicates provision of service through new underground utility infrastructure. Staff, along with the various utility companies, are currently resolving issues such as the best locations for rights-of-way on private properties for infrastructure that can not be buried.

The complexity and extent of the remaining work required to resolve private property issues and then complete the utility designs means construction will not be complete by the end of March 2002. Therefore, it is likely that the City will lose the opportunity to collect one third of the funding toward construction costs from BC Hydro for this project. In addition, the original estimated costs for the No. 3 Road undergrounding project will likely be insufficient in light of the servicing complexities and need for right-of-way acquisition. Staff along with the utility companies, will update the costs once property issues and design are resolved.

BC Hydro is unable to extend the funding deadline past the end of March 2002. Furthermore, according to BC Hydro, revenues over the past year have not met projections and, as a result, funding for one third of the No. 3 Road Utility Undergrounding project if applied for again next year, is not guaranteed. BC Hydro is, however, willing to consider utilizing the funds dedicated for the No. 3 Road undergrounding project in 2001 for the following two undergrounding projects which were originally scheduled for construction in 2002 in the City's 5 year capital program, and which could be tendered and constructed prior to the end of March 2002:

1. Granville Avenue – Minoru Boulevard to Gilbert Road
2. Westminster Highway – No. 3 Road to Minoru Boulevard

This is the recommended option, although another option would be to allow the BC Hydro grant commitment for utility undergrounding along No. 3 Road from Cambie Road to Sea Island Way to lapse. If that were to occur, the City would lose approximately \$450,000 in grant funding from

BC Hydro for 2001. It would also allow the City to return the funds allocated for this project to 2001 capital reserve.

FINANCIAL IMPACT

The estimated combined cost to the City for the Granville Avenue and Westminster Highway undergrounding projects is equivalent to the No. 3 Road – Cambie Road to Sea Island Way project and is estimated to be \$1,350,000. Since the No. 3 Road – Cambie Road to Sea Island Way project is included in the approved 2001 capital program, there is no financial impact expected as a result of this recommendation.

CONCLUSION

As a result of the complexity of the No. 3 Road Undergrounding project, resulting private property impacts, and anticipated funding shortfall, staff do not believe that construction could commence by the end of March 2002. BC Hydro has extended the offer of reallocating funds approved in their 2001 budget to the Granville Avenue and Westminster Highway undergrounding projects, which can be completed by the end of March 2002. Staff therefore recommend that the City take advantage of BC Hydro's offer and that a new application be submitted to BC Hydro for one third of the construction cost of the No. 3 Road Undergrounding project in 2002.



Robert Gonzalez, P.Eng.
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