



To: General Purposes Committee

Date: November 28, 2004

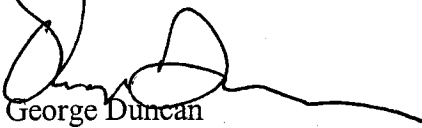
From: George Duncan
Chief Administrative Officer

File: 10-6520-02-01/2004-Vol 01

Re: **Richmond-Airport-Vancouver Rapid Transit Project (RAV) - Minoru Corridor**

Staff Recommendation

1. That Council withdraw the City's formal request to TransLink (Council Resolution No. R04/21-5, November 22, 2004) to have the Richmond segment of the RAV Line (Bridgeport to Richmond Centre) deferred until more study can be completed and advise the TransLink Board accordingly.
2. That the TransLink Board be advised that Richmond Council endorse the delivery of an elevated RAV Line to the City:
 - a) On the No. 3 Road alignment as contemplated in the SNC Lavalin/Serco Base Case scenario and outlined in the Memorandum of Understanding (MOU); and
 - b) On the basis that the TransLink and RAVCO Boards endorse the pursuit and adaptation of the RAV Line to the Minoru Boulevard alignment, if this option is determined to be feasible by the RAVCO Board after consideration of the recommendations of a Joint Evaluation Committee appointed by RAVCO with 2 representatives from Richmond as outlined in the Memorandum of Understanding (MOU).
3. That staff be authorized to enter into the attached Memorandum of Understanding (MOU) between RAVCO and the City of Richmond.
4. That SNC Lavalin/Serco be requested to acknowledge their understanding of the content and intent of the MOU between the City and RAVCO, and to confirm their commitment to participate in the feasibility analysis of the Minoru option.
5. That Council approve the Access Agreement and authorize the Chief Administrative Officer to amend the Agreement in the event that the alignment is modified to include Minoru.



George Duncan
Chief Administrative Officer

FOR ORIGINATING DIVISION USE ONLY		
CONCURRENCE OF GENERAL MANAGER		
REVIEWED BY TAG	YES <input type="checkbox"/>	NO <input type="checkbox"/>
REVIEWED BY CAO	YES <input type="checkbox"/>	NO <input type="checkbox"/>

Staff Report

Origin

On November 22, 2004, RAVCO presented its preferred option for the Richmond-Airport-Vancouver Rapid Transit Project (RAV) to Richmond City Council. RAVCO's Preferred Proponent is SNC Lavalin/Serco and the Preferred Proposal is the SNC Lavalin/Base Case, which is an elevated rapid transit system along the east side of No. 3 Road.

In response to RAVCO's presentation, Council passed the following resolution:

1. ***WHEREAS the City preference is that the RAV line be rerouted onto Minoru Boulevard at the soonest possible northern point.***

THEREFORE BE IT RESOLVED that Richmond City Council instruct staff to work with TransLink and RAVCO to determine the feasibility of the route on Minoru Boulevard, and report back at the soonest possible time.

2. ***That the City also examine the RAV line from the Airport to downtown Vancouver, with a separate Bombardier type ground level system travelling north/south down No. 3 Road.***

The above noted Council resolution instructing staff to examine the RAV line with a separate European-style, low floor, at-grade system on No. 3 Road, as per resolution above is addressed in the recommendations of this report. Both federal and provincial funding partners for RAV have recently indicated that the deferral of the Richmond segment would not be supported. However, the implementation of the RAV line as contemplated on either No. 3 Road or Minoru Boulevard would not preclude Richmond from extending a separate LRT or streetcar system within the City.

Analysis

SNC Lavalin/Serco Base Case Highlights

Within the City of Richmond, the SNC Lavalin/Serco Base Case proposes an elevated rapid transit system on the east side of No. 3 Road. The elevated guideway would be generally located in the existing two northbound traffic lanes, which would be relocated to occupy the current location of the dedicated busway. Given the concerns regarding over-shadowing of the structure onto adjacent properties, this proposal now includes provisions to streamline the columns and guideway structure and possibly the inclusion of \$2 million to enhance the zone under the guideway. In addition, this does not preclude consideration of a future report for further additional funding to increase the level of enhancements under the guideway.

Cost Comparison - Minoru Corridor versus SNC Lavalin/Serco Base Case

There are three possible alternative routes regarding the Minoru corridor with the transition from No. 3 Road to Minoru Boulevard at three possible locations – Cambie Road, Lansdowne Road, or Alderbridge Way (Attachment 2). TransLink, RAVCO and Richmond staff have worked cooperatively to explore the Minoru Corridor and have agreed on a range of estimated costs and/or savings versus the SNC Lavalin/Serco Base Case. The evaluation of potential costs and savings include consideration of construction, property, operating, fare revenue and bus cost savings. The net range of potential costs versus (savings), in order of magnitude, is from \$1.2 million additional cost to (\$27 million) savings. SNC Lavalin/Serco has not yet confirmed this range in potential savings and they will require additional time to advance the design work in order to understand the cost and schedule implications of the Minoru corridor.

Assessment of Ridership - Minoru Corridor versus SNC Lavalin/Serco Base Case

Richmond is currently processing major development applications for residential densification along the Minoru corridor. In addition, the Richmond OCP, City Centre Plan and recently approved Aircraft Noise Agreement anticipate significant transit oriented development around proposed stations. Therefore, TransLink, RAVCO, and Richmond staff are in agreement that ridership estimates for a rapid transit line along the Minoru corridor, in the long term, will be comparable to that of the No. 3 Road corridor. Regardless, additional ridership modelling work will very likely need to be completed in order to confirm ridership estimates along the Minoru corridor.

Impacts and Implications of Minoru Corridor

Proceeding with the Minoru corridor poses certain risks and has other implications, specifically:

- There is a need to initiate a scientific, quantitative public consultation process to determine the level of community support as soon as possible.
- There will be a delay in obtaining the regulatory approvals (i.e. Environmental Assessment Certificate for the Richmond segment of the RAV Line) therefore it may be appropriate that Richmond assume some risk and be prepared to initiate utility relocation along the Minoru corridor so as not to delay the overall project; and
- There will be additional costs since the Preferred Proponent requires more time and funding to design, evaluate and price the Minoru corridor therefore it may be appropriate that Richmond assume some risk for these additional fees, however
- It is understood that if there are any cost savings associated with the Minoru corridor, these savings will be used to offset the risks to schedule and cost that may be assumed by the City of Richmond as described in the attached Memorandum of Understanding (MOU). (Attachment 1)
- Furthermore, proceeding with the investigation of the Minoru corridor at this time will require that the City of Richmond execute the Access Agreement for the overall RAV Project.

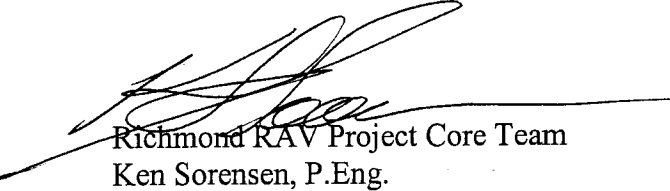
TransLink, RAVCO and Richmond staff believe that the Minoru corridor has the potential to generate cost savings for the RAV Project and is worthy of further investigation as the project proceeds. The evaluation criteria of the Minoru corridor will include consideration of costs, schedule and risks. Input from the Preferred Proponent is vital to the further assessment of Minoru corridor.

Financial Impact

Staff are in the midst of determining the financial impact of investigating the Minoru options and are continuing to negotiate these costs. At the present time staff estimate the total costs will fall within the range of \$5 to \$7 million. Expenditures to verify the Minoru options will be staged so that only design, management and public consultation costs are expended prior to understanding the cost savings of the Minoru options. Only if a Minoru option is favourable will utility work be undertaken. It is anticipated that all costs may be recovered with revenue generated from real estate transactions associated with the RAV Line, however complete recovery cannot be guaranteed at this stage of the process.

Conclusion

Upon a joint preliminary assessment of the Minoru corridor by RAVCO and City staff, it was concluded that the Minoru corridor has merit and is worthy of further detailed investigation as the project proceeds. TransLink, RAVCO and Richmond staff's have had an initial meeting with the Preferred Proponent and will need to continue with additional meetings to finalize the cost and schedule implications resulting from the Minoru corridor. Given that an elevated rapid transit system is the only fundable option for the Richmond segment of the RAV Line, staff recommend the Minoru corridor over the No. 3 Road alignment subject to further investigation and analysis. It should be acknowledged that if the risks to schedule and cost cannot be resolved by the Minoru corridor the only feasible option will be to support the SNC Lavalin/Serco Base Case, an elevated system on the east side of No. 3 Road extending south to either Saba Road or Richmond Centre depending on available funding from real estate transactions. In order to advance the overall project, staff recommend that Council authorize staff to execute the Richmond Access Agreement.



Richmond RAV Project Core Team
Ken Sorensen, P.Eng.
RAV Project Manager
KS:bg

Richmond Airport Vancouver Rapid Transit Line

Memorandum of Understanding

Between the City of Richmond, Greater Vancouver Transportation Authority (TransLink)
and RAV Project Management Ltd. (RAVCO)

November 29, 2004

WHEREAS:

- A. RAVCO has completed a process to establish the design and financial feasibility of a rapid transit line to connect Richmond, Vancouver and the Airport.
- B. The process has resulted in a RAVCO recommendation to select SNC-Lavalin/Serco (the Proponent) to construct an elevated system along No. 3 Road (the **No. 3 Road Alignment**).
- C. Richmond City Council has requested that TransLink, RAVCO and the other funding agencies consider an elevated system on an alternate alignment, which would run along a portion of Minoru Boulevard (the **Minoru Alignment**), to accommodate Richmond's future vision for the re-development of the City Centre.
- D. Under the terms of its funding agreements, RAVCO cannot vary the alignment without the approval of the local funding agencies.
- E. RAVCO is prepared to attempt to accommodate Richmond's request and seek such approval from the local funding agencies, but must work within the cost (combined capital, operating and ridership revenue), schedule and risk constraints imposed by such agencies.
- F. The Council of the City of Richmond has approved the terms of this Memorandum of Understanding (MOU) and approved and entered into the Municipal Access Agreement for the construction of the Project.

Therefore RAVCO and the City of Richmond agree as follows:

1. Richmond endorses and approves the **No. 3 Road Alignment** as set out in the staff recommendations to Richmond City Council in the report dated November 29, 2004 and fully supports the construction of the No. 3 Road Alignment if in the sole and exclusive judgment of the RAVCO Board of Directors, after consideration of the recommendations of the Evaluation

Committee constituted as set out in this MOU, the **Minoru Alignment** is not feasible having regard to cost, schedule or risk.

2. RAVCO agrees to provide to the City of Richmond \$1.17m over a 4 year period commencing in early 2005 upon execution of the concession agreement with the Proponent to support the cost of City of Richmond staff resources for the RAV line.
3. RAVCO acknowledges the concerns expressed by Richmond City Council with respect to the visual impact of an elevated guideway on No. 3 Road and confirms that it has worked with Proponent to reduce the width and resulting visual profile of the elevated guideway.
4. RAVCO agrees to work with Richmond to establish an urban design committee and to provide \$2m to be administered by such committee to further improve the urban design and integration of the guideway along No. 3 Road.
5. RAVCO further agrees to assist Richmond City staff in their efforts to ensure appropriate integration between the guideway and the surrounding development.
6. RAVCO agrees that the value of the land RAVCO acquires in Richmond that is residual to RAVCO's needs after allowing for construction of all aspects of the rapid transit line, including without limitation, stations, guideway and operations and maintenance centre, shall be allocated as follows:
 - a. First, to re-introduce the "double" track on the guideway section between Bridgeport Station and Cambie Station;
 - b. Second, to reimburse Richmond for amounts paid by Richmond to RAVCO for costs incurred in connection with the exploration of the Minoru Alignment as set out in this MOU;
 - c. Third, to fund RAVCO's reserve to extend the line from its current southern terminus at Saba Road to a terminus at Richmond Centre (noting this does not include construction of a station at Westminster Highway);
 - d. And thereafter to RAVCO for project funding.
7. The **Minoru Alignment** will be considered feasible only if:
 - a. Following the evaluation of "net cost" of such alignment, using the same methodology as was used in the evaluation of the "best and final" offers, which includes combined RAVCO direct costs (including property acquisition), construction costs, operating costs, ridership (and ridership revenue) and bus cost savings, the Minoru Alignment can be completed and in service by November 2009, within the funding currently available to RAVCO and without additional risk to RAVCO or GVTA or the other funding agencies;

- b. Following a public consultation process conducted by Richmond, Richmond advises RAVCO that it would prefer the Minoru Alignment, if such alignment is feasible; and
 - c. There are no technical, environmental or other issues that result in a materially greater risk that costs will exceed available funding, or that the system will not be in service by November 30, 2009.
8. RAVCO will continue with its Environmental Assessment Certificate application for the alignment in Vancouver and on Sea Island, and the No. 3 Road Alignment from Bridgeport to Saba Road, all based on the SNC-Lavalin/Serco "base case" proposal, which includes an elevated guideway on the east side of No. 3 Road (**the Environmental Assessment**), until the Environmental Assessment Certificate for such alignment is issued..
9. Until the selection between the No. 3 Road Alignment and the Minoru Alignment is made Richmond will establish 2 project teams, one to work on the Minoru Alignment and one to work on the No. 3 Alignment and RAVCO will establish a project team to investigate the Minoru Alignment.
10. The RAVCO and Richmond project teams will work together on the feasibility analysis for the Minoru Alignment as described in this MOU.
11. The joint project teams will prepare a preliminary review of the feasibility of the Minoru Alignment, including the results of Richmond's public consultation, for consideration by the Board of Directors of RAVCO in mid January; if after consideration of this review, the RAVCO Board determines that the Minoru Alignment remains feasible having regard to the criteria (cost, risk and schedule), the analysis will continue, leading to a formal evaluation by the Evaluation Committee as described in section 12 below.
12. If on the basis of the preliminary review work on the Minoru Alignment continues, the Richmond and RAVCO project teams will complete their analysis and provide the results to an evaluation committee appointed by RAVCO which will consist of:
 - a. 2 nominees from the City of Richmond, one of which is the CAO, the other appointed by the CAO, provided that such nominee is not an elected official;
 - b. 1 nominee from Vancouver International Airport Authority;
 - c. 1 nominee from RAVCO; and
 - d. 1 nominee from TransLink.(the Evaluation Committee).
13. The Evaluation Committee will communicate the results of its work to the RAVCO Board, and after consideration of those results RAVCO will decide whether to pursue the Minoru Alignment and advise the Funding Agencies and the Cities of Richmond and Vancouver.

14. Richmond will pay the full costs for the investigation of the Minoru Alignment, including without limitation, costs of staff time and consultants, any investigations RAVCO determines that it must undertake, the costs of design and investigation by the Proponent, and the costs of any applications or approval process that may be necessary, in the sole judgment of RAVCO, for the team to complete the analysis of the Minoru Alignment.
15. Richmond will undertake a public consultation of the Minoru Alignment with Richmond residents at its cost, and will advise RAVCO of the results of its consultation and its recommendation on which of the No. 3 Road Alignment and the Minoru Alignment that it would prefer.
16. On receipt of the report of the Evaluation Committee RAVCO will advise the City of Richmond of its conclusions as to technical, schedule, and financial feasibility, and identify any additional cost associated with the Minoru Alignment.
17. If there is additional cost associated with the **Minoru Alignment**, the City of Richmond will within fourteen days advise RAVCO whether it will pay the additional cost.
18. If in the sole judgment of the RAVCO Board, after considering the recommendations of the Evaluation Committee and the City of Richmond preference and financial commitment, if required, the Minoru Alignment is feasible, having regard to cost, risk and schedule (service commencement by November 30, 2009), it will apply for an amendment to the Environmental Assessment Certificate.
19. If the RAVCO Board has applied for an amendment to the Environmental Assessment Certificate as set out in Clause 18, RAVCO will seek to negotiate an agreement with the Proponent that provides for the Minoru Alignment as an alternate to the Number 3 Road Alignment, within the available funding and with the same assignment of risk and by the same completion date.
20. The agreement will include provision for RAVCO to issue instructions to the Proponent to construct the Minoru Alignment in lieu of the No.3 Road Alignment, such instruction to be issued on or before a date that is not later than the date established in consultation with the Proponent after which the Proponent will not be able to ensure in service commencement by November 30, 2009.
21. If RAVCO is unable to negotiate agreement with the Proponent that meets the conditions set out in Clause 20, the No. 3 Road Alignment will be constructed.

22. If an amendment to the Environmental Assessment Approval Certificate is issued within a time that permits RAVCO to meet the date specified in Clause 21, and there are no conditions or restrictions in that amendment that would materially affect technical, financial, and schedule feasibility, RAVCO will issue instructions to the Proponent to construct the Minoru Alignment.
23. The Parties agree that this Memorandum requires the approval of the Board of TransLink and RAVCO and that the principles in this Memorandum of Understanding require the approval of the Province of British Columbia and the Vancouver International Airport Authority, and that notwithstanding its approval by the Parties, the Memorandum will have no force and effect until such approvals are received.
24. The Parties agree that if the Minoru alignment is not approved by Canada this Memorandum shall cease to have any force or effect, and work on the Minoru Alignment undertaken pursuant to this Memorandum will cease, provided that Richmond will pay for any costs incurred on the investigation of the Minoru Alignment by RAVCO or the Proponent as described herein.

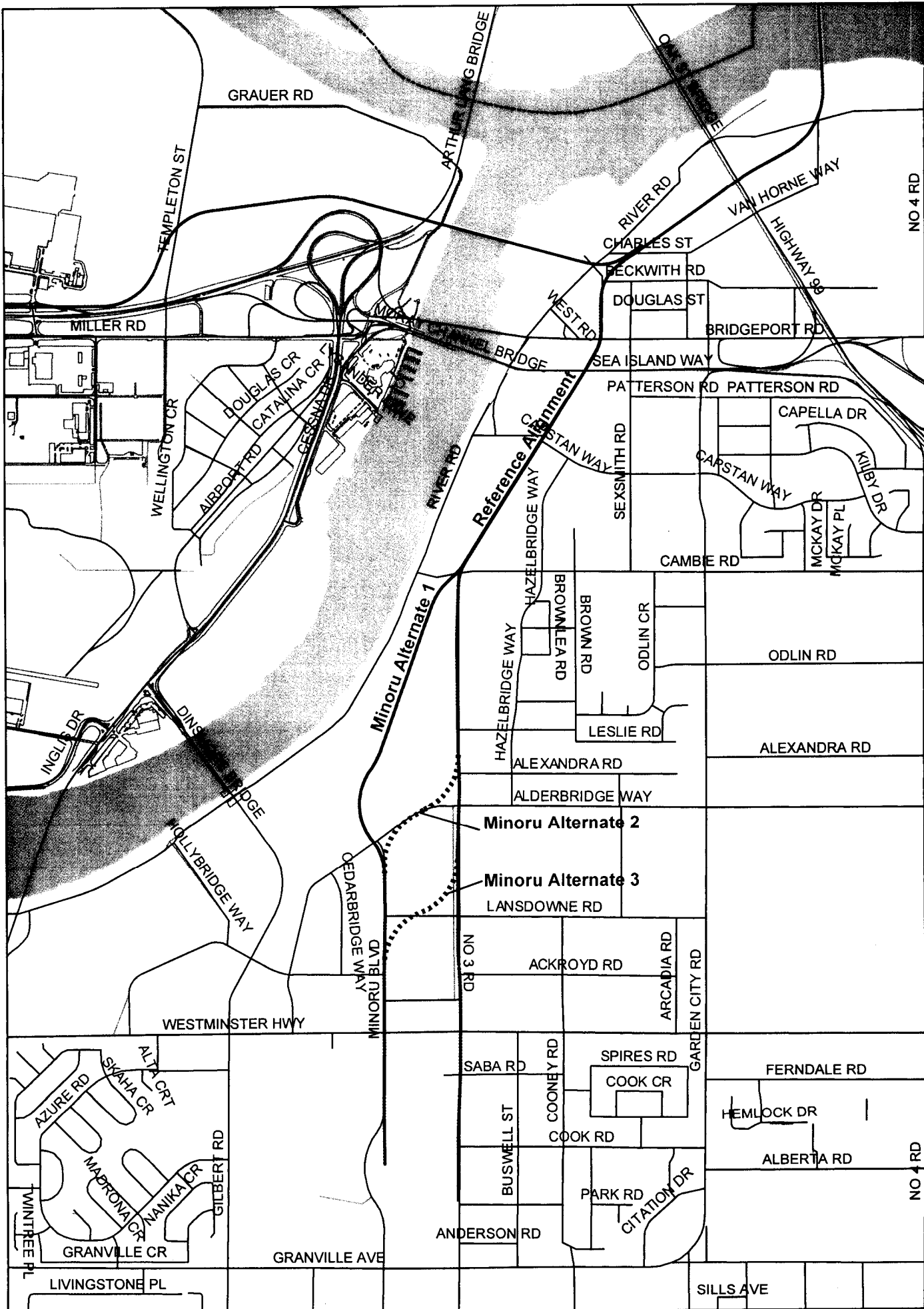
Executed on the ___ day of November, 2004.

RAV Project Management Ltd.

Jane Bird
CEO

City of Richmond

George Duncan
Chief Administrative Officer,



Note:
 This information shows the map is compiled from various sources and is provided as to its accuracy by the City. Users are reminded that sizes and legal descriptions must be confirmed at a Land Title office in New Westminster.
 The Zoning Information Sheet forms a consult of the zoning map of Richmond as amended to the date shown in this block.
 This IS NOT a legal document, and is published for information and convenience purposes.

