



City of Richmond

Report to Committee

To: Public Works and Transportation Committee

Date: July 6, 2010


From: Victor Wei, P. Eng.
Director, Transportation

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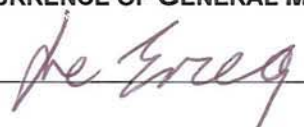
Re: **PROPOSED ROAD IMPROVEMENT PROJECTS AS PART OF ASIA-PACIFIC
GATEWAY CORRIDOR INITIATIVE – WIDENING OF WESTMINSTER HIGHWAY,
NELSON ROAD AND NO. 6 ROAD**

Staff Recommendation

1. That the proposed roadway improvements, which have been selected by Transport Canada for preliminary approval for cost-sharing under the Government of Canada's *Asia-Pacific Gateway Corridor Initiative*, be endorsed:
 - (a) Westminster Highway Widening (Nelson Road to McMillan Way);
 - (b) Nelson Road Widening (Westminster Highway to Blundell Road); and
 - (c) No. 6 Road Widening (Wireless Way to Highway 91).
2. That the Chief Administrative Officer and the General Manager, Planning and Development, be authorized to execute any agreements necessary to receive cost-share funding under the Government of Canada's *Asia-Pacific Gateway Corridor Initiative* for the above three roadway improvement projects.


Victor Wei, P. Eng.
Director, Transportation
(604-276-4131)

Att. 1

FOR ORIGINATING DEPARTMENT USE ONLY			
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER	
Engineering	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Budgets & Accounting	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	REVIEWED BY CAO	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

Staff Report

Origin

Further to staff updates to Council via memoranda in 2007 and 2008 regarding the City's submission of several applications for cost-share funding of roadway improvement projects as part of the Government of Canada's *Asia-Pacific Gateway and Corridor Initiative* (APGCI or "the Initiative"), the City has since received preliminary approval for two cost-share grants encompassing three roadway projects. In May 2010, the City received correspondence from Transport Canada (administrator of the Initiative) seeking confirmation from the City that contribution agreements for the projects could be executed by December 31, 2010. As Transport Canada estimates that negotiation and execution of the contribution agreements could take several months, Council approval of the City's participation is needed now. To this end, this report seeks Council endorsement of these projects in order to take advantage of this opportunity to advance three key roadway improvement projects with substantial external funding contributions.

Analysis

1. Asia-Pacific Gateway and Corridor Initiative

In October 2006, the Government of Canada launched the *Asia-Pacific Gateway and Corridor Initiative*, which is a set of investment and policy measures intended to enhance the competitiveness and efficiency of Canada's transportation gateways and corridors with not only the Asia-Pacific region but also the United States. Of the \$591 million committed to the Initiative, up to \$224 million was available in the Transportation Infrastructure Fund (TIF) to contribute to western Canada transportation infrastructure projects that support the APGCI objective. Projects funded through the TIF must be completed by March 31, 2014.

2. City Submissions to APGCI for Cost-Sharing

Following the launch of the APGCI, staff submitted the following two projects comprising three roadway improvements, which have subsequently been selected by Transport Canada for preliminary approval to be funded through the TIF. Final approval of both applications is pending completion of a business case for each project. Staff are awaiting the receipt of software from Transport Canada to enable completion of the cost-benefit section of the business case application form.

2.1 Widening of Westminster Highway (Nelson Road to McMillan Way) and Nelson Road (Blundell Road to Westminster Highway)

This project comprises the widening of Westminster Highway (Nelson Road to McMillan Way) and Nelson Road (Blundell Road to Westminster Highway) both from two lanes to four lanes, as those projects directly support the aims of APGCI by enabling the continued development of Port Metro Vancouver's Richmond Properties site, which is a significant partner in Canada's Asia-Pacific Gateway. These combined roadway projects (see **Attachment 1**) would receive cost-share funding up to \$4.72M and complement the planned Nelson Road-Highway 91 Interchange by:

- providing increased road capacities to meet current and anticipated traffic demand along the routes that connect the Richmond Properties site with Highway 91 to the west (Nelson Road Interchange) and to the east (Hamilton Interchange);
- reducing congestion along key goods movement corridors; and
- improving connections between modes (e.g., shipping and trucking).

2.2 Widening of Northbound No. 6 Road (Wireless Way to Highway 91)

This project comprises the widening of the northbound section of No. 6 Road between Wireless Way and Highway 91 from one lane to two lanes to address congestion, delays and traffic safety concerns for vehicle movements in this goods movement corridor, which would receive funding up to \$750,000.

2.3 Project Costs and Funding Agency Contributions

Table 1 below provides a summary of the projects and their estimated costs including a breakdown of the proposed funding contributions from the City and other external agencies (see also **Attachment 1**).

Table 1: Project Costs & Funding Agency Contributions

Project	Funding Agency				Total Estimated Cost (2010\$)
	City of Richmond	Government of Canada	Port Metro Vancouver ⁽¹⁾	TransLink ⁽²⁾	
Westminster Highway Widening (Nelson Road to McMillan Way)	\$2,005,000 (25%)	\$4,040,000 (50%)	-	\$2,005,000 (25%)	\$8,050,000 (100%)
Nelson Road Widening (Westminster Highway to Blundell Road)	\$977,000 (28%)	\$680,000 (20%)	\$1,795,000 (52%)	-	\$3,452,000 (100%)
No. 6 Road Widening (Wireless Way to Highway 91)	\$950,000 (56%)	\$750,000 (44%)	-	-	\$1,700,000 (100%)
Total	\$3,932,000 (30%)	\$5,470,000 (41%)	\$1,795,000 (14%)	\$2,005,000 (15%)	\$13,202,000 (100%)

(1) Per the agreement executed in 2007 between the City and the Fraser River Port Authority (now Port Metro Vancouver), the Port Authority's funding contribution will be 52% of the total cost of the Nelson Road widening.

(2) Staff have applied to TransLink to begin accruing 50-50 cost-share funding for the Westminster Highway widening project as part of the MRN Minor Capital Program over the next three years starting in 2010.

As shown in Table 1, the City's proposed contribution of \$3.93M could leverage an additional \$9.27M in external funding so that the City's proportionate cost would be only 30% of the total estimated costs of the three projects.

3. Proposed Funding Source

At this time, all three road widening projects are not identified in the City's current Five-Year (2010-2014) Capital Plan due to past years' DCC funding constraints; however, staff propose to include these projects in the upcoming Five-Year (2011-2015) Capital Plan given the APGCI deadline of March 31, 2014 for project completion. All of the funding for the City's portion would come from the Roads DCC program over the next three years (i.e., 2011 to 2013).

Based on current forecast of Roads DCC revenues, the City's share of funding for the APGCI projects can be accommodated within the 2011 to 2013 period of the overall Five-Year (2011-

2015) Capital Plan with sufficient funding still remaining for other committed and planned projects.

Financial Impact

As noted in Section 3, the proposed funding source for the APGCI projects, totalling \$3.93M, would be from the Roads DCC Programs for 2011 through 2013, with the balance of the required funding to be provided via the 6% assist factor from the Capital Reserve. All proposed roadway projects would need to be submitted for Council consideration as part of the City's 2011 Capital Budget process.

The City's total funding contribution of \$3.93M would leverage not only significant cost-share grants from the Government of Canada (\$5.47M) but also from Port Metro Vancouver (\$1.80M) and TransLink (\$2.00M) to support road improvement projects with a combined total cost of \$13.20M.

Conclusion

The City has received preliminary approval for two cost-share grants from the Government of Canada, through its *Asia-Pacific Gateway and Corridor Initiative*, to support three road improvement projects in the city. All three proposed projects would benefit the economic development of the city by complementing and enhancing the operation of the planned Nelson Road-Highway 91 Interchange, facilitating goods movement and supporting the growth of local businesses engaged in Asia-Pacific trade.

Given the planned Nelson Road-Highway 91 Interchange and the development of Port Metro Vancouver's Richmond Properties site, adopting a "do nothing" approach with respect to road capacity improvements in this area would significantly hamper the ability of tenant businesses to grow and prosper due to increased traffic congestion on the accesses/egresses to the site and the resulting inefficiency of the transportation network. Similarly, the reduced capacity of the northbound roadway section of No. 6 Road between Wireless Way and Highway 91 due to a narrowing from two lanes to one lane is a local bottleneck causing congestion, delays and traffic safety concerns for vehicle movements.

Staff therefore recommend that the proposed APGCI projects be endorsed in order to take advantage of the existing opportunity to advance three key roadway improvement projects with significant external agency funding contributions.


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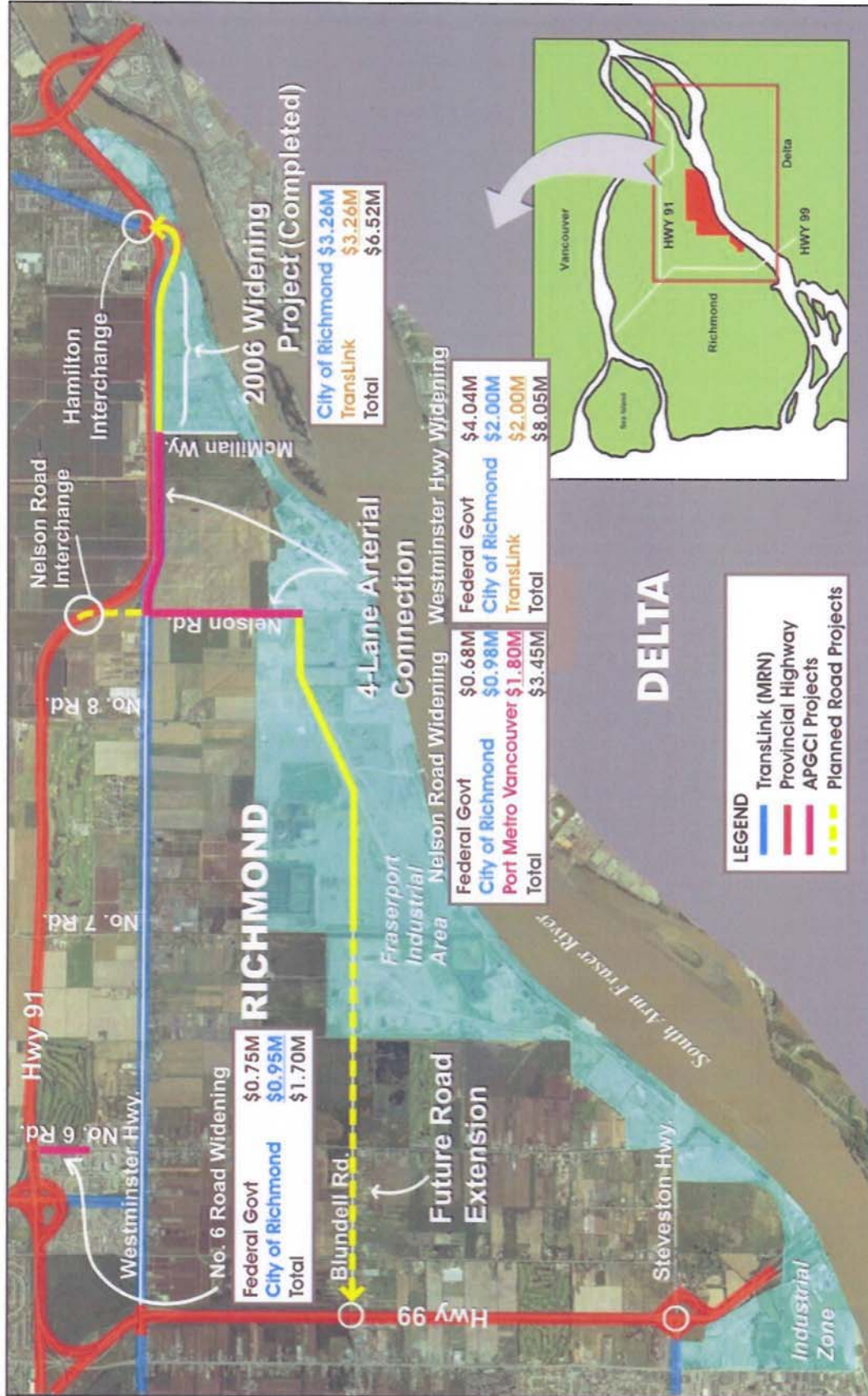
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Asia-Pacific Gateway Corridor Initiative: Proposed Funding Arrangement for Nelson Road, Westminister Highway & No. 6 Road Widening Projects



Note: All costs are preliminary estimates only.