

- 4. PUBLIC TRANSIT INFRASTRUCTURE FUND – APPROVED PROJECT
UPDATE AND CAPITAL ADJUSTMENTS**
- FONDS POUR L'INFRASTRUCTURE DE TRANSPORT EN COMMUN –
MISE À JOUR DU PROJET APPROUVÉ ET AJUSTEMENTS DU BUDGET
D'IMMOBILISATIONS**

COMMITTEE RECOMMENDATIONS

That Council:

- 1. Receive the Public Transit Infrastructure Fund program update as provided in this report and;**
- 2. Approve the capital authority adjustments provided in this report and;**
- 3. Delegate authority to the City Treasurer to approve transfers between projects in excess of established delegated authority and that such delegation does not extend to additions or deletions to the list of projects previously approved by Council.**

RECOMMANDATIONS DU COMITÉ

Que le Conseil :

- 1. Prene connaissance de la mise à jour du programme du Fonds pour l'infrastructure de transport en commun, fournie dans le présent rapport;**
- 2. Approuve les ajustements de dépenses d'immobilisations autorisées, décrits dans le présent rapport;**

3. **Délègue à la trésorière municipale le pouvoir d'approuver des transferts entre projets de fonds excédant les pouvoirs délégués établis, sans toutefois que cette délégation ne s'applique aux ajouts ou aux suppressions sur la liste des projets déjà approuvés par le Conseil.**

DOCUMENTATION/DOCUMENTATION

1. Director's report, Planning, Infrastructure and Economic Development, dated 30 January 2018 (ACS2018-PIE-IS-0001)

Rapport du directeur, Direction générale de la planification, de l'infrastructure et du développement économique, daté le 30 janvier 2018 (ACS2018-PIE-IS-0001)

**Report to
Rapport au:**

**Finance and Economic Development Committee
Comité des finances et du développement économique
6 February 2018 / 6 février 2018**

**and Council
et au Conseil
14 February 2018 / 14 février 2018**

**Submitted on 30 January 2018
Soumis le 30 janvier 2018**

**Submitted by
Soumis par:
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Infrastructure Services / Services de l'infrastructure
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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2018-PIE-IS-0001

**SUBJECT: Public Transit Infrastructure Fund – Approved Project Update and
Capital Adjustments**

**OBJET: Fonds pour l'infrastructure de transport en commun – Mise à jour du
projet approuvé et ajustements du budget d'immobilisations**

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend Council:

- 1. Receive the Public Transit Infrastructure Fund program update as provided in this report and;**
- 2. Approve the capital authority adjustments provided in this report and;**
- 3. That, authority be delegated to the City Treasurer to approve transfers between projects in excess of established delegated authority and that such delegation does not extend to additions or deletions to the list of projects previously approved by Council.**

RECOMMANDATIONS DU RAPPORT

Que le Comité des finances et du développement économique recommande au Conseil :

- 1. De prendre connaissance de la mise à jour du programme du Fonds pour l'infrastructure de transport en commun, fournie dans le présent rapport;**
- 2. D'approuver les ajustements de dépenses d'immobilisations autorisées, décrits dans le présent rapport;**
- 3. De déléguer à la trésorière municipale le pouvoir d'approuver des transferts entre projets de fonds excédant les pouvoirs délégués établis, sans toutefois que cette délégation ne s'applique aux ajouts ou aux suppressions sur la liste des projets déjà approuvés par le Conseil.**

BACKGROUND

The City of Ottawa received \$155.9 million in federal funding under Phase 1 of the Public Transit Infrastructure Fund (PTIF) program to upgrade and improve the City's transit related infrastructure. This funding was part of a larger Canada-wide investment of \$120 billion in infrastructure over 10 years, including \$60 billion in new funding for public transit, green and social infrastructure.

The federal government will contribute up to 50 percent of the funding for eligible project costs through PTIF. As part of the PTIF program, the Government of Ontario is also contributing funding on some eligible project costs on projects.

Phase 1 of the PTIF program is approximately \$3.4 billion across Canada distributed based on transit ridership.

The Government of Ontario is responsible for identifying municipal projects and oversees the transfer of PTIF funds to eligible municipalities pursuant to transfer payment agreements.

In July 2016, Council approved the federal program project selection criteria and proposed projects for submission to the province ([ACS2016-CMR-GEN-0009](#)). The project listing is attached in Document 1.

Council approved 57 PTIF projects. Established delegated authority requires Council approval for changes to approved capital authority of over \$100,000 or 10 per cent of the value of the project.

Following Council's approval, the City applied for PTIF funding through the province in October 2016. The City received approval for PTIF funding for these projects from the province in April 2017, listed in Document 2.

Over the course of 2017, staff advanced projects to meet the PTIF program delivery timelines as well as refining cost estimates.

This report provides an update on the City's PTIF projects, is seeking approval to transfer funds as documented and recommends the capital authority adjustments be granted to the City Treasurer to approve funding transfers between PTIF projects in excess of established delegated authority in order manage the PTIF program as a whole. This is necessary to capitalize on the federal funding approved under Phase 1 of the PTIF program. This delegation of authority does not include adding or deleting projects identified in the PTIF project listing.

The funding transfers between the PTIF projects will remain within the approved \$155.9 million funding envelope.

DISCUSSION

PTIF Program Status

The recommendations in this report are necessary to ensure the City can fully capitalize on the federal funding approved of Phase 1 of the PTIF program.

In 2016, staff identified projects to meet the eligibility and aggressive completion timelines identified under the PTIF Program.

Based on the PTIF program eligibility in 2016, projects were generally in concept stage and not advanced in scope definition or budget definition in comparison to fully programmed City projects. As projects proceed from design to procurement and completion, the cost estimates are continually refined. As a result, since the initial approval, clarifications and refinements have been made to the project listing, mainly administrative in nature. These changes have been approved by the province and outlined in Document 3. In addition, there are certain projects that cannot proceed under PTIF as planned, and others that require funding re-purposing amongst one another to manage changes in budget requirements beyond conceptual estimates used at the program application stage.

Design or construction work has been initiated on the PTIF projects and some projects have already been completed. Full details as well as a status update, as of January 2018, can be found in document 4.

On January 4, 2018, the federal government announced the claims period for eligible expenses for the Phase I PTIF program has been extended to March 31, 2020. Staff are working with the province to better understand the extension details and how this new deadline could provide an extension for the City to complete the approved projects, where required.

PTIF Project Changes

- Transit Operator Crew Room at Bayview Station (PTIF – 002)

This facility allows staff to report for work, carry out briefings, store work related equipment, receive work instructions and other essential tasks. In order to complete the work required for the Crew Room at Bayview Station prior to revenue service of the Confederation Line and to take advantage of the construction already planned,

the City requested the Rideau Transit Group (RTG) to extend their scope of work at Bayview Station to include this room. The original costs submitted as part of the PTIF application process was based on conceptual level information. The detailed design and procurement for construction has identified final anticipated costs to be higher because of unknown/unanticipated site conditions that were not accounted for in RTG's original estimate.

Project account 908651 has total approved capital authority of \$1.5 million, funded equally at \$0.75 million from each of the PTIF and the City.

The project requires an additional \$0.4 million in funding transferred from other projects.

- Modern signaling and control system for O-Train Trillium Line (PTIF OTT- 007)

The work originally planned under the PTIF program cannot be completed at this time, but will instead be included in the scope of the O-Train Confederation Line Stage 2 project. This approach avoids conflicts in the Stage 2 bidding process and it ensures that the City is not undertaking redundant work.

Project account 908765 has total approved capital authority of \$2 million, funded equally at \$1 million from each of the PTIF and the City.

As a result, the funding for project PTIF OTT-007 is available to be re-purposed amongst the remaining PTIF program projects as necessary.

- Pave rural park and rides (PTIF OTT- 013)

The original project scope was for the resurfacing of two rural park and ride lots. One location, Carp Road, north of Stittsville, was completed in October 2017.

The second location will not be completed. It is on land not owned by the City of Ottawa, and conversations between staff and the landowner indicate that the landowner is considering other uses for the property, and cannot commit that the parking lot will continue to be available to the City for the longer term. With this information, it was determined that resurfacing the lot was not cost effective.

Project account 908652 has total approved capital authority of \$2.5 million, funded equally at \$1.25 million from each of the PTIF and the City.

\$1.5 million of the funding for project PTIF OTT-013 is available to be re-purposed amongst the remaining PTIF program projects as necessary.

- Rural bus stops (PTIF OTT-14)

The scope of this project had originally indicated the improvement of 50 rural bus stops. Early design work on this project has indicated that the construction cost of the planned improvements to certain rural bus stops would be high in comparison with the number of customers who use those stops. The proposed revision to the scope of work includes the design of improvements to 50 rural bus stop sites, and the construction of improvements up to 50 sites.

The designs for any stop improvements that cannot be completed within the available funds will be retained for possible future improvements as ridership increases and as funds become available.

- Bus Shelters (PTIF OTT – 15) and Concrete Bus Pads (PTIF OTT – 016)

Final costs associated with the proposed works for both projects under the PTIF program are anticipated to be higher than the original estimate due to market conditions.

To control costs, projects will be re-tendered in early 2018, the most appropriate time to obtain best value from bid results and deliver up to 90 bus shelters and up to 100 concrete bus pads. The work will also be structured in such a way that increases competition and the City's opportunity to obtain the best value.

Project account 908755 (bus pads) has total approved capital authority of \$0.35 million, funded equally at \$0.175 million from each of the PTIF and the City. Project account 908754 (shelters) has total approved capital authority of \$0.75 million, funded equally at \$0.375 million from each of the PTIF and the City.

The projects require an additional \$0.75 million and \$0.35 million respectively in funding transferred from other projects.

- Fare gate entrances at Transitway stations (PTIF OTT-23)

The original scope of this project was to install ticket machines and fare gates at up to 10 Transitway stations, beyond the 17 O-Train stations that are being equipped

under a separate project. The scope has been revised based on further analysis of customer needs and the physical space available at the candidate stations.

The project will now fund the construction of an additional entrance at Tunney's Pasture Station to accommodate fare gates (funded through another account) and ticket machines at seven stations along the Southeast Transitway

- Transit operator crew room at Hawthorne Loop (PTIF OTT- 024)

The work originally planned under the PTIF program cannot proceed as the design review process determined that the land available is not large enough for the construction of a permanent facility and construction of the facility at alternate locations would have very high costs.

Project account 908759 has total approved capital authority of \$0.500 million, funded equally at \$0.250 million from each of the PTIF and the City.

As a result, the funding for project PTIF OTT-007 is available to be re-purposed amongst the remaining PTIF program projects as necessary.

- Multi-Use Pathway Renewal (misc locations) (PTIF OTT- 057)

This project funds improvements at several different locations across the city and each location will undergo construction at different times. With the exception of one location, all other locations are substantially complete. Final landscaping works at these locations are expected to be completed during the spring of 2018. Necessary to capitalize on the federal funding, the project proceeded from design to procurement and substantial completion. The original cost estimate has been refined requiring additional funding to complete all locations.

Project account 908713 has total approved capital authority of \$4.3 million, funded equally at \$2.15 million from each of the PTIF and the City.

This project requires an additional \$1.28 million in funding transferred from other projects.

- Sidewalk Renewal (misc locations) (PTIF OTT- 058)

This project funds improvements at several different locations across the city and each location will undergo construction at different times. Design work is complete

for all locations. A project timeline change request has been submitted to allow completion of currently identified locations as well as undertake work at additional locations during 2018. To complete these additional locations, additional funding is required.

Project account 908714 has a total approved capital authority of \$3.5 million, funded equally at \$1.75 million from each of the PTIF and the City.

This project requires an additional \$1.05 million in funding transferred from other projects.

Next Steps

Staff will continue to implement projects under the PTIF program to meet the delivery guidelines.

Staff will implement the capital authority adjustments as detailed in Document 5 and required to complete the projects identified in the PTIF program.

Providing the City Treasurer with the delegated authority to approve funding transfers between PTIF projects will allow for the management of the PTIF program as a whole.

It should be noted that in December of 2017, the Province identified that Infrastructure Canada had set a deadline of January 31, 2018 to accept:

- (1) new projects to replace cancelled projects or to use funds from modified or completed projects;
- (2) project extension requests for projects to go into the third year (i.e. April 1, 2018 to March 31, 2019); and
- (3) requests for funding increases regarding scope increases to use funds from modified or cancelled projects, or unused funds from completed projects.

The province requested submission of these types of changes by December 15, 2015. The changes subject to the recommendations of this report were provided to the province for consideration within their December 15, 2017 timeline.

RURAL IMPLICATIONS

The City's PTIF projects are dispersed across all areas of the City regardless of their urban, suburban or rural environment. The recommendations of this report supports completion of the overall PTIF program.

CONSULTATION

In 2016, Council approved the federal program project selection criteria and proposed projects for submission to the province. Staff have responded to questions from Members of Council regarding eligibility requirements.

Public consultation has occurred through policy development, which guides some of projects listed in the submission.

Committee meetings are open to the public and anyone wishing to speak to an item may do so.

COMMENTS BY THE WARD COUNCILLORS

This is a citywide report.

LEGAL IMPLICATIONS

There are no legal impediments to approving the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

Risk management implications have not changed since the initial committee and council report in September of 2016. The recommendations of this report provide measures necessary to ensure the approved \$155,900,000 in federal funding can be taken advantage to its fullest.

ASSET MANAGEMENT IMPLICATIONS

The recommendations of this report are consistent with the objectives of the City's Comprehensive Asset Management (CAM) policy and strategies ([City of Ottawa Comprehensive Asset Management Program](#)). The program provides for a customer-focused, forward looking, and systematic approach to managing city assets that support service delivery. The implementation of the CAM program results in timely decisions that minimize lifecycle costs and ensure the long-term affordability of assets.

FINANCIAL IMPLICATIONS

As outlined in the report.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with this report.

TERM OF COUNCIL PRIORITIES

The funding of these projects through the Public Transit Infrastructure Fund contributes to the Transportation and Mobility Term of Council Priority, which is focused on meeting the current and future transportation needs of residents through Phase 1 and Phase 2 of the Transportation Master Plan, with a continued focus on improving mobility during the LRT implementation, and support for alternative transportation methods including cycling and walking, as well as transit.

SUPPORTING DOCUMENTATION *(Held on file with the City Clerk)*

Document 1 2016 project list approved for PTIF application

Document 2 PTIF Approval Notice

Document 3 Administrative changes to date under delegated authority

Document 4 PTIF Project Status Update as of January 8, 2018

Document 5: PTIF Capital Authority Adjustments

DISPOSITION

Upon Council approval, Corporate Services, Finance will undertake to the budget adjustments identified in this report. Upon federal approvals, Infrastructure Services, Asset Management will update all associated project tracking, program tracking and web presence materials necessary to reflect approved project and budget changes.