



IN CAMERA

ADMINISTRATIVE REPORT

Report Date: July 10, 2009
Contact: Jerry Dobrovolny
Contact No.: 604.873.7331
RTS No.: 8242
VanRIMS No.: 08-2000-20
Meeting Date: July 21, 2009

TO: Vancouver City Council
FROM: General Manager of Engineering Services
SUBJECT: Powell Street Grade Separation Project

IN CAMERA RATIONALE

This report is recommended for consideration by Council in the In Camera agenda as it relates to Section 165.2(1) of the Vancouver Charter: (k) negotiations and related discussions respecting the proposed provision of an activity, work or facility that are at their preliminary stages and that, in the view of the Council, could reasonably be expected to harm the interests of the city if they were held in public.

RECOMMENDATION

- A. That Council approve, in principle, the Powell street grade separation project for a total estimated cost of \$50M for a net City contribution of up to \$7.5M subject to funding approval through the City's Capital Planning process leading up to the 2012-2014 Capital Plan.
- B. THAT Council instruct staff to submit funding for this project to the 2012-2014 Capital Plan review process for consideration relative to other Capital project priorities.
- C. THAT Council instruct the Director of Real Estate Services to monitor properties that would be needed for the project for strategic purchase opportunities.
- D. THAT staff explore options with TransLink to cost share the City's portion of the project.

COUNCIL POLICY

In March 1995, Council approved the *Industrial Lands Strategy*, which included False Creek Flats as an area to be retained for transportation related and downtown serving industrial uses.

In March 2001, Council approved, in principle, the *False Creek Flats Structure Plan* and called for Transportation and Rail studies for the Flats to be undertaken.

In July 2003, Council approved the City's participation in the regional passenger and freight transportation study, including the analysis of the False Creek Flats.

In September 2005, Council requested that the Vancouver Port Authority, Gateway Council and Railways begin as soon as possible on a more detailed rail operation and network study of the False Creek Flats and Waterfront rail support yards and that planning for False Creek Flats should take into account the range of possible future rail "footprints".

In January 2007, Council:

- authorized the City to enter into a contribution agreement with Transport Canada for completion of the False Creek Flats Rail Corridor Strategy;
- provided its support to explore funding opportunities through the Asia Pacific Gateway and Corridor initiative and with other project partners; and
- requested that staff report back on any allocation of funds for the City's share of any grade separation projects.

On February 17, 2009, Council provided its support in principle to proceed with the Powell Street Grade Separation project, subject to a successful funding agreement with Transport Canada and other agencies. (<http://vancouver.ca/ctyclerk/cclerk/20090217/documents/tt3.pdf>)

PURPOSE

The purpose of this report is to obtain Council approval in principle, with partner contributions, to proceed with the Powell Street overpass subject to funding approval as part of the 2012-2014 Capital Plan review process. This report also seeks approval to monitor the properties required to complete the project for strategic acquisition opportunities.

BACKGROUND

Vancouver is Canada's gateway for Asia Pacific Trade which emphasises the importance of railways for delivering goods to and from the rest of Canada and North America. Compared to moving goods by large truck, railways create 5 times less greenhouse gases and as an environmentally focussed City and region it is important that continued growth in goods movement can be accommodated by rail wherever possible.

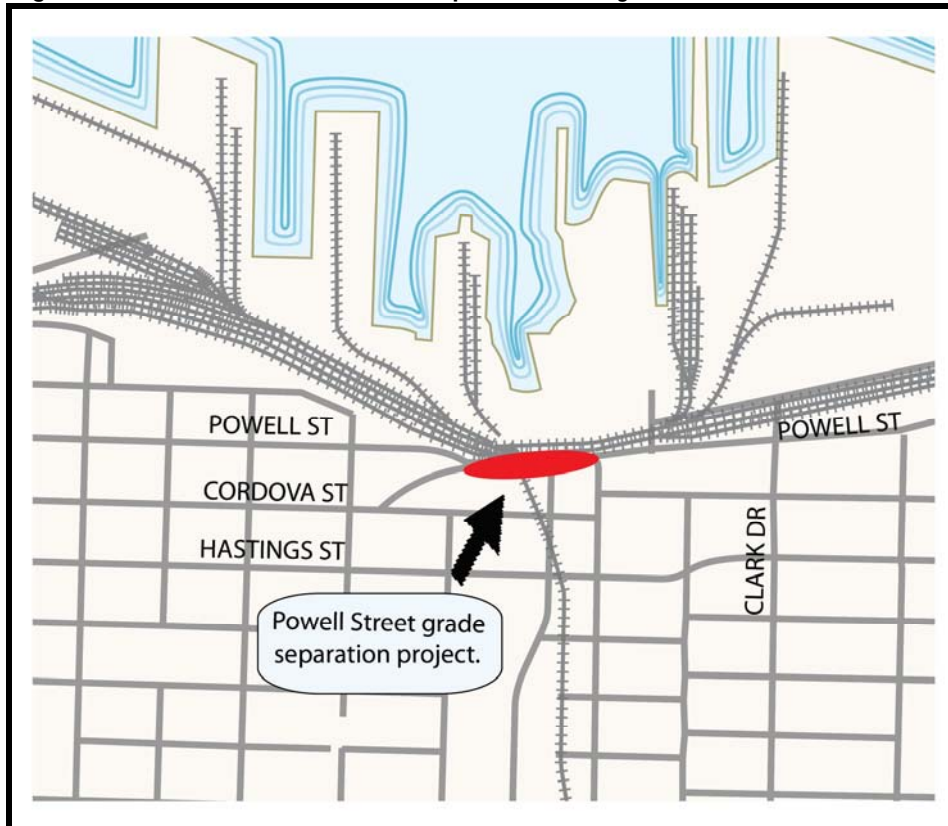
The Powell street overpass has been identified as a project to provide rail and transit benefits since the late 1980's. The City has acquired several properties and options to purchase right of way in the project area as opportunities arose to help reduce future acquisition costs.

On February 17, 2009, City staff provided a summary of the False Creek Flats Rail Corridor Strategy, which outlines a plan to improve the rail connectivity from the False Creek Flats to the Waterfront. Staff also provided a summary of the expected recommendations from Transport Canada's South Shore Trade Area Study. Both of these studies identified the construction of the Powell Street overpass as a project (see Figure 1) that could provide benefits for current rail operations along the waterfront as well as safeguarding the Burrard Inlet Line for future rail requirements. This project will also provide an opportunity for more

cycling and pedestrian space for east/west movements in the north end of Vancouver and improved safety for transit buses.

Transport Canada identified the Powell Street Grade Separation as a potential candidate for funding through the Asia Pacific Gateway and Corridor Initiative. To be eligible for this funding the project would need to be completed by 2014 and would require a partnership with the City of Vancouver and Transport Canada, Port Metro Vancouver, Canadian Pacific Railway and TransLink. Further discussions have taken place with the other agencies and a potential funding strategy is outlined in the discussion.

Figure 1: Powell Street Grade Separation Project Location



DISCUSSION

Several meetings have been held with the agencies listed above who are all expected to benefit from the Powell Street realignment and rail overpass. All parties are generally in support of the project. A tentative agreement is proposed, pending approval by the boards and Councils of the various agencies. The total project cost including property and capital costs is estimated at \$50M and a summary is provided in Table 1.

At this point TransLink is not shown as a project funding partner due to the current uncertainties around funding of their 10 year plan. It is common practice that TransLink contributes funding towards projects that improve transit safety, reliability and efficiency. At this location TransLink operates 6 bus routes on Powell street and the WestCoast Express on the CP Rail tracks. City staff will explore options for cost sharing with TransLink in the future and any funding received would go towards reducing the City's share of the project.

Table 1: Summary of potential cost sharing agreement

Agency	Funding Contribution			% Share
	Property	Capital	Total	
Transport Canada	\$0	\$18.5M	\$18.5M	37%
Port Metro Vancouver	\$2M	\$12M	\$14M	28%
Canadian Pacific Railway	\$8M	\$2M	\$10M	20%
City of Vancouver	\$3M	\$4.5M	\$7.5M	15%
TransLink	TBD	TBD	TBD	TBD
Total	\$13M	\$37M	\$50M	100%

Project Delivery

The City of Vancouver would be the lead agency responsible for delivering the project, including project management and selection of the design and construction team, in consultation with the other project partners.

Additional Consultation

The consultation process up to this point has been technical in nature and involved numerous transportation interests in the Flats including the Port, TransLink, the Vancouver Gateway Council, BEST and VACC. A consultation plan with the community, business and other interests will be developed and implemented when an agreement is reached between all funding partners.

FINANCIAL IMPLICATIONS

The City would be responsible for delivery of the project with an estimated total cost of \$50M and a net City contribution of up to \$7.5M (15%), depending on future funding from TransLink. At this point Transport Canada is seeking agreement in principle from each of the funding partners including Transport Canada, Port Metro Vancouver, CP Rail and the City of Vancouver. If an agreement in principle with the funding partners is reached the City's portion of the funding will be submitted for consideration through the 2012-2014 Capital Plan review process. It should be clear that the estimated cost of the project is very preliminary and will likely change. No further commitment beyond "in principle" will be made by the City of Vancouver before final costing and agreement with partners is finalized, reviewed and approved by Council.

There is currently no funding source identified for strategic property acquisitions. In the event that an opportunity arises, staff will report back to Council with the costs and funding source.

CONCLUSION

This project has long been identified as a way to support goods movement by rail and improve transit safety along Powell Street. It is important to encourage goods movement by rail for the City to achieve its greenhouse gas reduction targets. It also provides an opportunity to improve east/west cycling connections at the north end of Vancouver. This funding arrangement is an opportunity to complete the Powell Street overpass in a much shorter timeframe than would otherwise be possible. If an agreement can not be reached it is unknown when the next opportunity for funding contributions of this magnitude would be available from Transport Canada and other project partners.

* * * * *