**Minutes – Executive Policy Committee – December 8, 2021**

**Report – Standing Policy Committee on Infrastructure Renewal and Public Works – December 1, 2021**

**Item No. 3 Contribution Agreements with The City of Winnipeg and Manitoba Recreational Trails Association Inc. for the Northwest Hydro Corridor Construction Project and North Winnipeg Parkway 3 – Year Active Transportation Project**

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submitted the following to Council:

1. That grant funding be approved from Manitoba Recreational Trails Association Inc. for projects as follows:

   A. Northwest Hydro Corridor Construction Project up to $450,000

   B. North Winnipeg Parkway 3 – Year Active Transportation Project up to $150,000

2. That the City enter into, execute and deliver contribution agreements with Manitoba Recreational Trails Association Inc. and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

3. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the contribution agreements with Manitoba Recreational Trails Association Inc. and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

4. That, subject to the finalization of the Contribution Agreements, the 2021 Capital Budget – Pedestrian and Cycling Program budget be increased up to $600,000 with the additional expenditures being funded by grants from Manitoba Recreational Trails Association Inc., with, up to $450,000 allocated to the Northwest Hydro Corridor Construction Project and up to $150,000 allocated to the North Winnipeg Parkway 3 – Year Active Transportation Project. The final budget increase will be equivalent to the grant funding earned under the terms of the respective agreements.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

## Report – Standing Policy Committee on Infrastructure Renewal and Public Works – December 1, 2021

DECISION MAKING HISTORY:

Moved by Councillor Allard,

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than four business days preceding the committee meeting, be considered by Committee.

Carried

Moved by Councillor Allard,

That the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works be concurred in and forwarded to Council.

| | | |
|---|---|---|
| Yea: | Bowman, Allard, Browaty, Gillingham, Gilroy, Mayes, Rollins | 7 |
| Nay: | | 0 |

Carried

STANDING COMMITTEE RECOMMENDATION:

On December 1, 2021, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

# ADMINISTRATIVE REPORT

**Title:** Contribution Agreements with The City of Winnipeg and Manitoba Recreational Trails Association Inc. for the Northwest Hydro Corridor Construction Project and North Winnipeg Parkway 3 – Year Active Transportation Project

**Critical Path:** Standing Policy Committee on Infrastructure Renewal and Public Works – Executive Policy Committee – Council

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| D. Patman, P. Eng. | J. Berezowsky | C. Kloepfer | M. Jack |

## EXECUTIVE SUMMARY

The Northwest Hydro Corridor and North Winnipeg Parkway active transportation projects are existing projects within Council-approved capital budgets. These are large projects with multiple phases including additional forecast budgets in future years of the Pedestrian and Cycling capital program. The projects are intended to be delivered with the existing and forecast budgets regardless of the additional external funding being received.

An opportunity was identified to apply and enter into third-party funding arrangements with the Manitoba Recreational Trails Association (MRTA) in the following amounts:

- Northwest Hydro Corridor Construction Project up to $450,000
- North Winnipeg Parkway 3 – Year Active Transportation Project up to $150,000

This administrative report requests approval to enter into two separate contribution agreements with the MRTA in order to receive funding for eligible costs related to these projects and to increase the capital budget by the funding amount earned under the terms of the agreements.

Incremental external funding of these projects would result in surplus active transportation funding becoming available to fund other initiatives or needs within the program. In accordance with Council direction on the Pedestrian and Cycling Program, any surplus funds are to remain within the program.

There is a potential risk regarding the timing of the delivery of the Northwest Hydro Corridor Project and some phases of the North Winnipeg Parkway which could impact the City's ability to fully comply with the terms and conditions of the agreements and, as a result, impact the amount of grant funding received. Contribution agreements contain end dates for the project work to be completed. Delays in access to land may result in construction delays which would, in turn, limit the City's ability to earn funding. This report recommends the budget be increased by up to the funding amount received under the terms of the respective agreements, which will address a situation where less than the total amount of funding is received.

All matters in the draft contribution agreements have been agreed to in principle. Minor drafting issues are being clarified between the City and MRTA. It should be noted that the Contribution

Agreements are conditional upon The Winnipeg Foundation duly appropriating the funds payable by MRTA. MRTA advised that “it is the manager of the Grant Program. The funds reside with the Winnipeg Foundation. Upon completion of the Agreement, only then are funds requested”.

## RECOMMENDATIONS

1. That grant funding be approved from Manitoba Recreational Trails Association Inc. for projects as follows:

    A. Northwest Hydro Corridor Construction Project up to $450,000

    B. North Winnipeg Parkway 3 – Year Active Transportation Project up to $150,000

2. That the City enter into, execute and deliver contribution agreements with Manitoba Recreational Trails Association Inc. and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the “Ancillary Agreements”).

3. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the contribution agreements with Manitoba Recreational Trails Association Inc. and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

4. That, subject to the finalization of the Contribution Agreements, the 2021 Capital Budget – Pedestrian and Cycling Program budget be increased up to $600,000 with the additional expenditures being funded by grants from Manitoba Recreational Trails Association Inc., with, up to $450,000 allocated to the Northwest Hydro Corridor Construction Project and up to $150,000 allocated to the North Winnipeg Parkway 3 – Year Active Transportation Project. The final budget increase will be equivalent to the grant funding earned under the terms of the respective agreements.

5. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

## REASON FOR THE REPORT

Council approval is required for the City to receive grants and enter into the contribution agreements with MRTA which are addressed with recommendations #1 to #3.

Council approval is also required to increase adopted capital budgets by the amounts received as is proposed in recommendation #4.

## IMPLICATIONS OF THE RECOMMENDATIONS

The 2021 Capital Budget – Pedestrian and Cycling Program budget will be increased up to $600,000 with up to $450,000 allocated to the Northwest Hydro Corridor Construction Project

and up to $150,000 allocated to the North Winnipeg Parkway Project. The final budget increase will be equivalent to the grant funding earned under the terms of the respective agreements. The Northwest Hydro Corridor and North Winnipeg Parkway projects are intended to be delivered with the existing and forecast budgets regardless of the additional funding being received.

## HISTORY/DISCUSSION

The Northwest Hydro Corridor and North Winnipeg Parkway active transportation projects are existing projects within Council-approved capital budgets. These are large projects with multiple phases including additional forecasts in future years of the annual Pedestrian and Cycling capital program. The projects are intended to be delivered with the existing and forecast budgets regardless of the additional funding being received.

The Public Service has identified an opportunity to apply and enter into third party funding arrangements with the Manitoba Recreational Trails Association (MRTA) in the following amounts:

- Northwest Hydro Corridor Construction Project up to $450,000
- North Winnipeg Parkway 3 – Year Active Transportation Project up to $150,000

This administrative report requests approval to enter into two separate contribution agreements with the MRTA in order to receive funding for eligible costs related to these projects and to increase the capital budget by the funding amount earned under the terms of the agreements.

Incremental external funding of these active transpiration projects would result in surplus active transportation funding becoming available to fund other active transportation initiatives or needs within the program. In accordance with Council direction in the Pedestrian and Cycling Program, any surplus funds are to remain within the program.

There is a potential risk regarding the timing of the delivery of the Northwest Hydro Corridor Project and some phases of the North Winnipeg Parkway which could impact the City's ability to fully comply with the terms and conditions of the agreements and, as a result, impact the amount of grant funding received. More specifically, contribution agreements contain end dates for the project work to be completed, sometimes referred to as sunset dates. There is a potential that delays in access to land may result in construction delays that limit the ability to earn funding under the terms of the agreements if construction is not completed prior to these dates.

As was identified in the Updates on the Pedestrian and Cycling Strategies Document presented to the Standing Policy Committee on Infrastructure Renewal and Public Works at the October 12, 2021 meeting, both the City and Manitoba Hydro have agreed in principle that the Northwest Hydro Corridor is a valid and important project; however, the land access agreement is not yet finalized as of the writing of this report. The Public Service intends to work with the MRTA to the extent possible to facilitate the terms of the agreements resulting in as much funding support as possible for these projects. This report is requesting the budget be increased by up to the funding amount received under the terms of the respective agreements which will address a situation where less than the total amount of funding is received.

Capital Budgets for active transportation programming are adopted annually with specific initiatives identified within the annual program. Both the North Winnipeg Parkway and Northwest

Hydro Corridor projects have budget allocations in multiple program years in the amounts of $905,000 and $1,309,388 respectively. The increase to the 2021 Pedestrian and Cycling Program budget for the MRTA Grant will allow for the tracking of the MRTA grant funding and equivalent project costs within the 2021 Pedestrian and Cycling Program. A summary of allocated Active Transportation capital budgets is attached as Appendix A.

All matters in the contribution agreements have been agreed to in principle. Minor drafting issues are being clarified between the City and MRTA. The Contribution Agreements are conditional based on The Winnipeg Foundation duly appropriating the funds payable by MRTA. MRTA advised that “it is the manager of the Grant Program. The funds reside with The Winnipeg Foundation. Upon completion of the Agreements, only then are funds requested.”

**North Winnipeg Parkway Improvements**

This project includes paving segments of existing limestone paths that make up the North Winnipeg Parkway. The project is being delivered by the Public Works Department, Technology Services Branch.

This project will pave and upgrade grading to segments of existing unpaved path through and in the area of Michaëlle Jean Park. This will enhance an important connection of The Great Trail (formerly known as the TransCanada Trail), which the North Winnipeg Parkway is part of.

**Northwest Hydro Corridor Construction**

The first phase of this project will construct a 4.5-metre-wide multi-use path with a Manitoba Hydro corridor that parallels McPhillips Street between Leila Avenue and Church Avenue. Phase two of this project will connect Church Avenue to the McPhillips Street Casino or Selkirk Avenue – to be determined with future design work.

## FINANCIAL IMPACT

# Financial Impact Statement

**Date:** October 26, 2021

**Project Name:** **First Year of Program** **2021**

**Contribution Agreements with The City of Winnipeg and Manitoba Recreational Trails Association Inc. for the Northwest Hydro Corridor Construction Project and North Winnipeg Parkway 3 – Year Active Transportation Project**

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| **Capital** | | | | | |
| Capital Expenditures Required | $ 1,055,000 | $1,759,388 | $ - | $ - | $ - |
| Less: Existing Budgeted Costs | 905,000 | 1,309,388 | - | - | - |
| Additional Capital Budget Required | $ 150,000 | $ 450,000 | $ - | $ - | $ - |
| **Funding Sources:** | | | | | |
| Debt - Internal | $ - | $ - | $ - | $ - | $ - |
| External | - | - | - | - | - |
| Grants (MRTA) | 150,000 | 450,000 | - | - | - |
| Reserves, Equity, Surplus, Other | - | - | - | - | - |
| Total Funding | $ 150,000 | $ 450,000 | $ - | $ - | $ - |
| Total Additional Capital Budget Required | $ 600,000 | | | | |
| Total Additional Debt Required | $ - | | | | |
| **Current Expenditures/Revenues** | | | | | |
| Direct Costs | $ - | $ - | $ - | $ - | $ - |
| Less: Incremental Revenue/Recovery | 4,500 | 13,500 | - | - | - |
| Net Cost/(Benefit) | $ (4,500) | $ (13,500) | $ - | $ - | $ - |
| Less: Existing Budget Amounts | (4,500) | (13,500) | - | - | - |
| Net Budget Adjustment Required | $ - | $ - | $ - | $ - | $ - |

**Additional Comments:** The total estimated capital costs are representative of the adopted Active Transportation capital budgets approved for the North Winnipeg Parkway ($905,000) and Northwest Hydro Corridor ($1,309,388) respectively. The Manitoba Recreational Trails Association contribution agreement will contribute up to $600,000.00 towards funding eligible costs incurred to deliver these projects. Actual budget increases will be equivalent to the funding received in accordance with the contribution agreements. Incremental Revenue/Recovery represents the estimated departmental overhead charged on incremental project expenditures.

*"signed by J. Ruby, CPA, CA"*

J. Ruby, CPA, CA
Manager of Finance & Administration

## CONSULTATION

This Report has been prepared in consultation with:

- Legal Services (as to legal issues)

## OURWINNIPEG POLICY ALIGNMENT

01-1 City Building – Connect and Expand our Sustainable Transportation and Infrastructure Networks. Ensuring mobility for people of all ages and abilities with active transportation options.

**Transportation Master Plan**
Section 5.2 Active Transportation
Enabling strategies
n) Seek innovative and new partnerships to support AT programs and facilities

## WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Strategic Opportunity #3 Advancing Sustainable Transportation 3.4 Increase Active Transportation Rates

Strategic Opportunity #3 Advancing Sustainable Transportation 3.5 Reduce Traffic Congestion

## SUBMITTED BY

Department: Public Works
Division: Transportation
Prepared by: Chris Baker, MCIP, RPP, Senior Active Transportation Planner
Date: October 27, 2021

Attachments: Appendix A – Summary of allocated Active Transportation capital budgets.

**Appendix A - Summary of allocated Active Transportation capital budgets**

| North Winnipeg Parkway | | | | |
|---|---|---|---|---|
| Included within Capital Project # | Council Minutes | Project Description | | Approved Budget Allocation |
| 1832001009 | 2009-03-25 | North Winnipeg Parkway | $ | 405,000 |
| 1832000119 | 2018-12-13 | 2019 Pedestrian and Cycling Program | | 300,000 |
| 1832000121 | 12/16/2020 & 6/24/2021 | 2021 Pedestrian and Cycling Program | | 200,000 |
| | | **Total Allocation** | **$** | **905,000** |

| Northwest Hydro Corridor - Phase 1 | | | | |
|---|---|---|---|---|
| Included within Capital Project # | Council Minutes | Project Description | | Approved Budget Allocation |
| 1832000114 | 2015-05-27 | Rec Walkways & Bike Paths 2014 | $ | 100,000 |
| 1832000115 | 5/27/2015 & 5/18/2016 | Rec Walkways & Bike Paths 2015 | | 722,888 |
| 1832000116 | 2016-05-18 | Rec Walkways & Bike Paths 2016 | | 350,000 |
| 1832000416 | 2017-12-13 | Bicycle Corridors 2016 | | 136,500 |
| | | **Total Allocation** | **$** | **1,309,388** |