

Concept: How Might We Update Council on the Funding Available for the Pelham Street North Reconstruction Project

Background:

The Pelham Street North project RD 08-19 was approved by Council as part of the 2019 Capital Budget; however, it was red circled based on funding availability through the Ontario Community Infrastructure Funding Grant. The approved budget is \$2,436,055 with \$1,186,689 required from reserves and \$1,249,366 required through grant funding.

Due to the critical state of repair of the water main on this section of Road a separate project was initiated and approved by Council as part of the 2019 Capital Budget (WTR 03-19). The approved budget for the replacement of the water main is \$250,000.

The total budget for the Pelham Street North Reconstruction project including both projects is \$2,686,055.

Based on the condition of the existing infrastructure and concerns regarding safety and drainage issues Public Works has re-assessed the need for the project which is detailed below.

Assessment of Need

This project originated from flooding concerns in the area of Pelham St and Hurricane. Budget was approved in 2015 to design and construct storm infrastructure to collect storm water along Pelham Street, replace existing storm sewer on Shorthill Place, and extend storm sewer on Hurricane Road. Design included the urbanization of Pelham Street to include curb, gutter and sidewalks. The purpose of the project was to resolve localized flooding approximately 30 metres east of Pelham Street.

The root cause of the flooding issues in the local area is the lack of a suitable road drainage system within the road allowance.

As designs were being engineered, aging cast iron watermain, suitable storm outlet and traffic calming issues arose, and were subsequently addressed in the project scope.

The proposed design recommended for construction, includes the installation of storm sewer along Pelham St. and Hurricane Rd., replacement of storm sewer along Shorthill Pl, upgrading of the storm outlet on Shorthill Pl, replacement of cast iron water main on Pelham Street, and urbanization of Pelham St including curb and sidewalks. This recommendation is based on the following considerations:

- While the design phase was underway, staff implemented a short-term solution for localized flooding by installing an asphalt swale. This resulted in the reduction of flooding at that site. This is a temporary measure, not a suitable permanent solution, since there is still no proper system to carry water away from the road bed. Without proper drainage, the useful asset life of the road is reduced.
- During reconstruction of Pelham Street at Highway 20 in 2010, a short segment of storm sewer was installed, with no proper outlet. As required under the Environmental Protection Act, a temporary Environmental Compliance Approval was obtained for the short storm segment, and the permit included the condition to build the rest of the downstream storm sewers on Pelham Street, this proposed project, within 5 years. The 5 year deadline has expired, putting the Town in violation of the EPA for not meeting its permit conditions related to this storm segment. New development is tied into this small storm segment.
- In preparation for construction, in accordance with project plans, Environmental Compliance Approvals were obtained for the new storm sewer and for the modifications to the storm water management facility (pond) on Shorthill Place. Like the approvals above, these two permits have conditions – both must be constructed within 5 years of issue date. ECAs for the storm sewer and pond require construction by February 2021 and January 2022 respectively. Should the deadline pass, re-application would be required, and it is unlikely that the storm water management facility application would be re-considered as proposed (likely a large pond footprint, thus purchase of land, would be required).
- The cast iron water main is known to be past its useful asset life, and is at risk for breakage. Due to the public health risk associated with deteriorated cast iron water main and services, especially with sensitive and high density properties in the area, it is recommended for replacement now.
- Connectivity for active transportation networks is identified in the Active Transportation Master Plan, approved in 2016. Installation of sidewalks proposed to be installed on the east side of Pelham Street will increase sidewalk connectivity to Shorthill Place.

- Several traffic calming requests have been received related to speeding on Pelham Street. Continuing with construction as proposed may allow the proposed narrowed lanes, lay-by parking and curb bump-outs to reduce speeding in the area.
- The condition of the asphalt road is currently considered poor and recommended for replacement.
- A drawing from the geotechnical study is attached to this agenda report, showing the location of the project in general, and the location of the boreholes investigated. Geotechnical investigations are typically performed by geotechnical engineers to obtain information on the physical properties of soil and rock around a site, to ensure civil designs can be constructed, supported and maintained.

Figure 1 – looking north at Pelham Street and Hurricane Road



Budgetary Considerations

The 2019 Capital Budget red-circled this project pending the receipt of Ontario Community Infrastructure Fund (OCIF) Top-Up funding of \$1,249,366, with the balance of \$1,186,689 funded from the Roads Reserve. Every year the Town receives an annual OCIF funding allocation, but this application was in addition to the regular funding. Subsequent to the preparation of the Capital Budget, there were three key announcements that will increase grant funding to the Town.

1. The Provincial government announced a one-time payment to the Town of \$725,000 to help the Town become more efficient and reduce expenditure growth in the long-term.
2. The Town received its 2019 annual OCIF allocation notice, which is approximately \$162,000 higher than expected.
3. The Federal government's 2019 budget proposes a top-up of the Federal Gas Tax Fund which would double municipal Gas Tax funding in 2019. The Town's allocation of Federal Gas Tax for 2019 was expected to be \$519,053. Under the budget, this would double to \$1,038,106.

The Federal Gas Tax Fund is a permanent source of funding provided up front, twice-a-year, to provinces and territories, who in turn flow this funding to their municipalities to support local infrastructure priorities. This project is an eligible improvement project for Gas Tax funding. The Town also has \$335,298 in Federal Gas Tax funding carried forward from 2018 due to project deferrals. In total, the amount of Gas Tax funding that is expected to be available to the Town is \$1,373,404. This exceeds the grant funding that caused the project to be red-circled.

The Town can use the \$725,000 in provincial grant funding toward other capital projects and there will be no negative budget impact to applying the full amount of Federal Gas Tax to this project. In addition, with grant funding of \$1,373,404 instead of the original budget of \$1,249,366, this will reduce the amount that will be funded from the roads reserve for this project by \$124,038.

Should Council give the approval for this project to move forward, future maintenance costs that would require an increase in operating budget – contracted services would be required for stormceptor maintenance (required for the storm outlet under regulatory approval), and sidewalk snow clearing. All other maintenance costs (for water main, storm, sanitary, roads, lay-by parking, sidewalks) are assumed to be managed under the existing operating budgets.

The Challenge:



How might we replace aging infrastructure and install new storm infrastructure, new water main, traffic calming and safety measures and complete the urbanization including new curb and gutter and sidewalks in the local neighborhood of Pelham Rd and Hurricane Rd?

Our Recommended Solution:

THAT COMMITTEE receive the Report entitled Pelham Street North Reconstruction Update; and THAT Committee recommend that Council *approve the project to be completed as part of the 2019 Capital Budget.*

Rationale:

Completion of the construction ensures public health concerning water main integrity continues to be protected, aging road surface is replaced, storm water flooding issues are reduced.

Measure of Success:

Successful completion of the construction project, the supply of safe clean drinking water, effective road drainage and minimized local flooding on private property.

Milestones:

Tendering of the project to occur in the spring/summer of 2019 with project completion anticipated in the fall of 2020.

Prepared by:
Jason Marr, P. Eng.
Director, Public Works & Utilities

Recommended by:
Teresa Quinlin
Interim Chief Administrative Officer, Treasurer, Director of Corporate Services

This report was prepared in consultation with Derek Young, Manager of Engineering, and Charlotte Tunikaitis, Deputy Treasurer.