

ALTERNATE FUNDING FOR PATHWAYS

EXECUTIVE SUMMARY

Long term, sustainable funding options for pathway lifecycle work, system expansion and pathway safety review recommendations have been explored and analysed. The Provincial Fuel Tax Regulations (Fuel Tax) within the City Transportation Fund (CTF) allows for the inclusion of funding alternate mobility infrastructure and Administration has analysed the 10 year pathway needs for consideration within this framework.

ADMINISTRATION RECOMMENDATION(S)

That the SPC on Community and Protective Services recommends that Council direct Administration to:

1. Prepare a work plan utilizing the Provincial Fuel Tax Regulations to increase the pathway funding to 5%, matching the 5% allocation to the Bikeways initiative;
2. Reallocate funding from within Parks over the next 3 years to invest \$3 million in the Parks Foundations' Calgary Greenway Plan to provide a base for leveraged funding opportunities; and
3. Report back on the pathways projects as part of the 10 year Transportation Infrastructure Investment Plan (TIPP) through the SPC on Land Use, Planning and Transportation no later than December 2012.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2002 April 29, Council adopted TTP2002-16, Transportation Infrastructure Funding for Regional Pathway Development.

Municipal Development Plan (MDP) Policy 5.2.5b: Municipal capital investment in infrastructure (including new and maintenance/refurbished) should be prioritized in the following manner:

- i. Support intensification of Developed Areas of the city;
- ii. Expedite the completion of communities in Planned Greenfield Areas; and
- iii. Supporting the development of Future Greenfield Areas.

Municipal Development Plan (MDP) Policy 5.2.5c: Align the City's capital planning programs, such as the Transportation Infrastructure Investment program, the Emergency Response Infrastructure Investment Program, the Culture, Parks, and Recreation Infrastructure Investment Program, etc., to support the direction of the MDP and the CTP.

On 2011 July 04, Council adopted LPT2011-63, Cycling Strategy and Pathway Safety Review, recommendation #5 directing Administration to explore alternative funding options to address the Pathway Safety Review recommendations as part of the report on sustainable funding options for Parks pathways and report back to SPC on Community and Protective Services not later than 2011 September.

BACKGROUND

The pathway network in Calgary has become one of the most popular and heavily used Parks assets within The City of Calgary. The system has experienced significant growth in the last 10 years, growing from just over 400 kilometres in 2000 to over 700 kilometres in 2011. Significant residential community construction has contributed large portions of regional pathway through the development process to the current pathway system and will continue to do so.

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Gaps in the system include a number of missing links remaining in communities which were developed prior to the mid-1990's when regional pathway construction shifted to a Development Industry funded responsibility. These form part of the pathway 'missing links' program. In addition, to ensure continued connectivity and recreational opportunities throughout the city, there are new connections to be made to new and future regional parks such as Haskayne Park in the west, Ralph Klein Park in the southeast and Clearwater Park in the west.

"The Calgary Greenway Plan", a linear pathway that will link to The City's existing pathway network to encircle the city, championed by the Parks Foundation Calgary will add an additional 113 kilometres of pathway when fully completed which will be the responsibility of Parks to maintain and fund future lifecycle needs. The City contributed approximately one third of the funding to the first phase which is now complete and Parks is looking to reallocate funds within the mill rate pathways funding to fund one third of phase 2. This allows the Parks Foundation Calgary to leverage funds either through grant programs or private donations.

Currently, the allocation of existing capital funding through both the provincial fuel tax regulation allocation and mill-rate support will be insufficient to maintain the existing pathway system at an acceptable level. The number of pathway segments falling into yellow or red categories will continue to increase and exceed the current capital funding allocations (red category is imminent resurfacing required for safety and yellow category requires resurfacing within 5 years).

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Previous and current pathway funding has come from five capital funding sources: Pay-As-You-Go (PAYG), the Alberta Municipal Infrastructure Program (AMIP), City Transportation Fund (CTF), and the Lifecycle Maintenance & Upgrade Reserve.

Currently, a balance of \$8.2 million exists in Parks Program 503 through 2013 and is being used to work on previously identified top priorities in the areas of both pathway lifecycle and missing links. Projects funded through this program are not included in the unfunded totals below.

Currently, the Pathway (Regional and Local) Lifecycle project in the unfunded Culture, Parks and Recreation Infrastructure Investment Plan (CPRiIP) identifies \$41.5 million of lifecycle requirements over the next ten years (Attachment 1, pages 1-5). In addition, there are recommendations from the 2011 Pathway Safety Review totalling an additional \$8.017 million of unfunded safety improvements and changes unrelated to the condition of the asphalt surface lifecycling (Attachment 2). These two figures address the existing pathway asset. In addition, the Pathway Missing Links Program within CPRiIP identifies an additional \$17.6 million in unfunded projects (Attachment 1, pages 6-7).

Some examples of new emerging pathway missing links not yet on the CPRiIP include the connections through Forest Lawn Creek from Elliston Park to Ralph Klein Park (Attachment 3) and the pathway missing link from West Bearspaw Park to Haskayne Park (Attachment 4), as well as the previously mentioned Phase 2 of the Calgary Greenway Plan. New pathway missing links will continually arise from additional park and recreation developments and these improvements will be added into the CPRiIP through the annual review framework.

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The total funding need over 10 years amounts to \$67.117 million. A PAYG funding request of \$5 million (2013-2014) will be allocated to high priority lifecycle requirements, subject to Council review and approval of the 2012-2014 business plans and budgets. This will reduce unfunded requirements to \$62.117 million over 10 years.

The opportunity for additional funding from the current AMIP, the CTF and the Lifecycle Maintenance & Upgrade Reserve involves tradeoffs with other projects as these funding sources are fully committed at this point. Additional debt financing is unlikely to be viable given the current debt ceiling limits and projects already confirmed.

The recent report to The SPC on Land Use, Planning and Transportation, LPT2011-63 Cycling Strategy and Pathway Safety Audit, and LPT2011-78, Transportation 2012-2014 Capital Infrastructure Plan identified a commitment to bring forward a new 10 year TIIP plan reflecting a 5 per cent allocation to Bikeways, with a report back date of December 2012.

Understanding that bikeway and pathway development are inherently complimentary systems, consideration has been given to increase the fuel tax percentage allotment to pathways from the current 0.25 per cent to an equal allocation with Bikeways of 5 per cent. Current unfunded liability for pathway development would require up to a 6.2 per cent allocation of current fuel tax over the next 10 years. The implementation of the Bikeway plan and Pathways plan by both Transportation and Parks provides mutual opportunities to identify efficiencies and savings that may reduce the budget needs. In addition, there may be opportunities in the future to entertain funding through the AMIP funds and other sources. Having a dedicated 5 per cent of Provincial Fuel Tax Regulations revenue on an annual basis will provide a source of consistent funding to meet the current unfunded pathway requirements. This change qualifies and aligns with Council's mobility direction.

Stakeholder Engagement, Research and Communication

The Stakeholder engagement process for existing pathway lifecycle needs would be conducted on an individual project basis as the pathway asset is already in existence. Issues around construction timing and access, pathway detour plans and construction schedule would be the focus with each segment identified.

Stakeholder engagement regarding missing link pathways would involve a more comprehensive engagement as the missing links are not existing assets. While they have been identified and approved through previous Council direction, implementation may result in concerns from immediately adjacent residents as has been the experience in the past in a small number of situations. Engagement on the missing links issue often requires a longer lead time as the process requires a detailed review of options, consultation with adjacent residents and the respective communities, third party associations, and in some cases considerable sector wide public engagement as the Regional Pathway network serves the city as a whole and missing segments compromise the system integrity over a broad area.

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Strategic Alignment

Pathway lifecycle replacement, safety review, and missing link completion aligns with Council's strategic direction in the Municipal Development Plan and Calgary Transportation Plan particularly with respect to mobility and quality of life initiatives.

Social, Environmental, Economic (External)

Social

Increasing mobility choices and maintaining existing pathway infrastructure in a safe functional standard contributes to the social and recreational value of the pathway network. Pathway systems within communities in both existing and new communities enhance social and physical activity opportunities contributing to positive health outcomes, social engagement and opportunities for all citizens.

Environmental

Provision of increased safety, convenience of walking, cycling and alternative non-vehicle transportation options through infrastructure investment will assist in reducing automobile dependence and enhance the mitigation of greenhouse gas emissions over time.

Economic (External)

Capital investment in regional pathway infrastructure provides greater connectivity opportunities between communities, downtown commuting requirements, as well as local and regional commercial centers which contribute to developing complete and walkable communities. The development of complete communities ensures Calgary is seen as a great place to live, raise a family and positively influences the economic fabric of the city.

Financial Capacity

Current and Future Operating Budget:

Current annual operating budget for pathway maintenance is approximately \$2 million per year or \$2,800 per kilometre per year (2011). Overall costs will increase proportionally as a result of growth through developer constructed regional pathways or City constructed additions being added to the network.

Current and Future Capital Budget:

Current funded capital allocations of approximately \$8.2 million in pathway lifecycle and missing link commitments extend to 2013. The 2011-2020 CPRIIP identified unfunded lifecycle work, missing links and the 2011 pathway safety review implementation for a total funding requirement of \$67.117 million over 10 years.

A PAYG funding request of \$5 million (2013-2014) will be allocated to high priority lifecycle requirements, subject to Council review and approval of the 2012-2014 business plans and budget. With approval of PAYG funding, the funding requirement from the fuel tax regulations stream would be reduced to \$62.117 million. Transportation and Parks would look for mutual opportunities to identify efficiencies and savings that may reduce the budget needs to 5 per cent (\$50 million over 10 years).

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Risk Assessment

For the purpose of this report, the risk assessment has been separated to reflect the risk associated with existing assets and risks relative to pathway missing links.

Existing pathway assets

Pathways condition deteriorating from a green level of risk to yellow and red will result in greater cost and public liability exposure if not addressed. The annual pathway condition ratings over the last 4 years have increased 4 per cent in the red category and 23 per cent in the yellow category. The possibility of injuries occurring as a result of pathway deterioration and significant failures rises as the asset condition declines. The cost of repairs also rises exponentially as the pathway structure fails.

A pathway segment that is moving into the yellow category may initially only require an asphalt overlay as opposed to a pathway that has moved into the red category which may have a compromised base structure and may require a full profile replacement (a significant cost increase as opposed to an overlay). In addition, the recent Pathway Safety Review (2011) identified public safety risks which are ancillary to the direct pathway surface failure but contribute in a material way to the overall public liability and risk exposure (Attachment 5).

Pathway Missing links

The risk associated with delay or not funding pathway missing links is relatively low as the asset does not yet exist and therefore public safety or liability concerns do not exist relative to pathway use. The risk exposure is primarily a lack of connectivity for some neighbourhoods to the larger regional network and not meeting Council's mobility direction to the fullest extent possible.

REASON(S) FOR RECOMMENDATION(S):

Current funding allocations for the regional pathway network are insufficient to meet the continued lifecycle requirements on existing regional pathways, pathway growth provided through new development, the remaining pathway missing links, the future greenway obligations and new regional park connection requirements such as Ralph Klein Park.

The rate of pathway sections moving from yellow to red conditions is continuing to increase which will result in higher overall capital replacement cost if delayed along with potential increased liability concerns as a result of failing infrastructure. Consistent long term funding will provide greater cost effectiveness in both capital planning and construction, timely mitigation of safety concerns and will facilitate alignment with Council's mobility initiatives and increased coordination with Transportation and their bikeways initiatives.

ATTACHMENT(S)

1. 2011 Capital Projects Priorities List - Pathway Lifecycle and Missing Links
2. Recommendations for Improving Safety on Pathway System Infrastructure
3. Forest Lawn Creek (proposed)
4. West Bearspaw / Haskayne Park
5. 2010 Assessment of Pathway System Infrastructure Components