



CAPITAL AND ENGINEERING SERVICES

TO:	Council	
DATE:	December 6, 2022	DIVISION: All
FILE:	5011-302	APPLICATION: N/A
SUBJECT:	Highway 1 and Range Road 33 Overpass Improvement – Cost Share Memorandum of Understanding & Interim Agreement	

EXECUTIVE SUMMARY:

The purpose of this report is to provide an update and seek Council's endorsement of a cost sharing agreement to fund interim improvements at the Highway 1 and Range 33 Interchange. As an integral piece of the Transportation Network in the Springbank Area, the Highway 1 and Range Road 33 Interchange will need to be improved to support future regional transportation needs. Developers within Division 2 have approached Rocky View County to request a joint funding proposal for the improvements on Highway 1 and Range Road 33.

On December 22, 2020, Council directed Administration to negotiate a Cost-Sharing Agreement with the local Developers and Alberta Transportation. The interchange improvement costs are estimated at \$40 million. The initial proposed funding model would be 20% Rocky View County, 40% Harmony/Bingham Crossing and 40% Province. However, the County was not successful in the request for funding from Alberta Transportation due to other competing priorities and approved provincial infrastructure projects.

The Developers of Harmony, Bingham Crossing and County Administration continue to see the need to improve the network with the expectation that the Province will have more desire to invest in 'shovel ready' projects to support jobs and the economy. Should Council support the initiative, the County's contribution would be \$8 million funded in part from the Transportation Off-Site Special Area 4 Levy Reserve (SA4). Harmony/Bingham Crossing will advance \$16 million in funding plus any County shortfall in its \$8 million portion. The County currently has \$6 million dollars in the SA4. Harmony/Bingham Crossing will augment the shortfall of \$2 million which will be subject to infrastructure cost recovery and repayment from others that will benefit from the improvements.

The final draft of the Cost Sharing Agreement is included in Attachment 'A' that provides terms of the cost share arrangement should Council support the initiative and signing of this Agreement, the revised proposal funding would be \$24 million. The County's contribution of \$6 million will be transfer from the SA4. A Budget Adjustment is attached to this report as Attachment 'B' for Council's consideration.

ADMINISTRATION RECOMMENDATION:

Administration recommends approval in accordance with Option #1.

BACKGROUND:

Despite an unsuccessful proposal in 2021 (Alberta Transportation declined the proposed cost-sharing agreement), the need for the improvements remains and the opportunity for a contribution from the area Developers continues to move the Cost-Sharing Agreement forward to facilitate the engineering

Administration Resources

Jeannette Lee, Capital and Engineering Services



and design of the interchange. The funding model will consist of \$8 million from the County, Harmony/Bingham Crossing will advance \$16 million in funding plus any County's shortfall in its \$8 million portion. Recognizing that the total contribution as presented may not provide the ultimate upgrade originally anticipated, this agreement will allow for the advancement of the project forward to detail engineering and determine the staged upgrade that would continue to support growth for the area in the short term. Administration continues to work with Alberta Transportation on funding for the project.

The overpass is a regionally significant piece of transportation infrastructure for The County's west side. In addition to residential users, the overpass is also extensively utilized to access services on both the north and south sides of Highway 1 which include, but are not limited to, all of Springbank's schools including the Edge School and Parks for All Seasons; Springbank Airport; Mickelson National Golf Club, Calaway Park, Commercial Court and Emergency Medical Services deployed from Springbank Airport.

In March 2009, Alberta Transportation initiated a Functional Planning Study for this Interchange. At that time, the estimated remaining lifespan of the Overpass Structure was 18 years. Since 2009, the County has seen the completion of Edge School, further expansion at Springbank Airport, the launch of the Harmony subdivision and the approval of Bingham Crossing. In addition to these approved projects adding volume to regional transportation infrastructure, Administration is also aware of several other pending and potential new developments in the area.

To support continued growth for areas that have already been approved by the County and the growth of the region, supportive transportation networks will be required. The proposal, subject to endorsement, by the County and the Province, will accelerate the timing for the improvements and in doing so will improve the safety and functionality of the infrastructure. The current interchange does not meet current industry standards and has several incidents points due to the tight distance of traffic weaving into and out of the higher-speed lanes. As traffic volumes increase both the functionality and the safety of the interchange and its users will continue to diminish. Accelerating the improvements would not only improve safety and functionality, but would also help avoid any potential future risk of increased scarcity of provincial funding given the challenging economic environment.

Highway 1 & Range Road 33 continues to be an important regional economic driver for the Springbank commercial corridor servicing the needs of Harmony, Bingham Crossing, Mickelson National Golf Club, Calaway Park, Commercial Court, Springbank schools, Springbank Airport and other anticipated developments such as a Nordic Spa. The current and potential development within the area will stimulate the economy, unlock billions of investment dollars to create a strong west-side economic engine for the County creating over 30,000 jobs. and generating over \$12 million of potential tax revenue for the County.

Cost projections for the Phase 2 improvement are estimated to be around \$40 million. However, with Alberta Transportation declining the funding request, the current Cost-Sharing Agreement will be based on a \$24 million project to provide a staged approach to interchange upgrade, which will address current and short-term needs.

Detailed engineering for the project is anticipated to be completed by Q3 of 2023. Regulatory approvals and construction tendering could be completed at the end of 2023, and construction ready for 2024. The project will be led by the Developer's consultants.



BUDGET IMPLICATIONS:

\$6,000,000 will be transferred from the Transportation Off-site Special Area 4 Levy Reserve to enable the funds to be used for the upgrade of Highway 1 and Range Road 33 Interchange.

OPTIONS:

- Option #1 Motion 1: THAT Council direct Administration to sign the Interchange Cost Share Memorandum of Understanding & Interim Agreement as per Attachment 'A'.
- Motion 2: THAT the Budget Adjustment for \$6,000,000 in support of the Cost Share Agreement be approved in accordance with Attachment 'B'.
- Option #2 THAT alternative direction be provided.

Respectfully submitted,

Concurrence,

"Byron Riemann"

"Dorian Wandzura"

Executive Director
Operations

Chief Administrative Officer

JL/bg

ATTACHMENTS

ATTACHMENT 'A' - Proposed Interchange Cost Share Memorandum of Understanding & Interim Agreement

ATTACHMENT 'B' - Budget Adjustment Form