

Report to Council



Date: March 21, 2022
To: Council
From: City Manager
Subject: Houghton 1 DCC
Department: Integrated Transportation

Recommendation:

THAT Council receives for information, the report from Integrated Transportation dated March 21, 2022, with respect to Houghton 1 DCC;

AND THAT the 2022 Financial Plan be amended to include \$479,769 of taxation, in the unspent budget reserve for this project, to the Houghton 1 DCC project;

AND THAT the 2022 Financial Plan be amended to include \$137,694 from the DCC R749 to the Houghton 1 DCC project.

Purpose:

To increase the budget for the Houghton 1 DCC Active Transportation Corridor project to reflect tender pricing and allow completion of the project in 2022.

Background:

The Houghton 1 Active Transportation Corridor (ATC) between the Okanagan Rail Trail (ORT) and the existing Houghton ATC at Nickel/Lester Rd is planned for construction in 2022. This project will fill a gap in the active transportation network. It will create an all ages and abilities multi-use path connection between the Okanagan Rail Trail and the community of Rutland, including a safer and more convenient Highway 97 pedestrian and bicycle crossing. The project is identified as a high-priority connection in the 2020 Regional Bicycling and Trails Master Plan and 2016 Kelowna Pedestrian and Bicycle Master Plan.

This project is part of a multi phased network development plan. A separate ATC project, Houghton 2, will expand from this new connection and establish the Houghton ATC between Hollywood and Rutland Roads (see Figure 1). An additional phase of the Houghton ATC is planned to link Rutland to the Black Mountain pathway network. Houghton 1 is currently in final design and working towards construction.

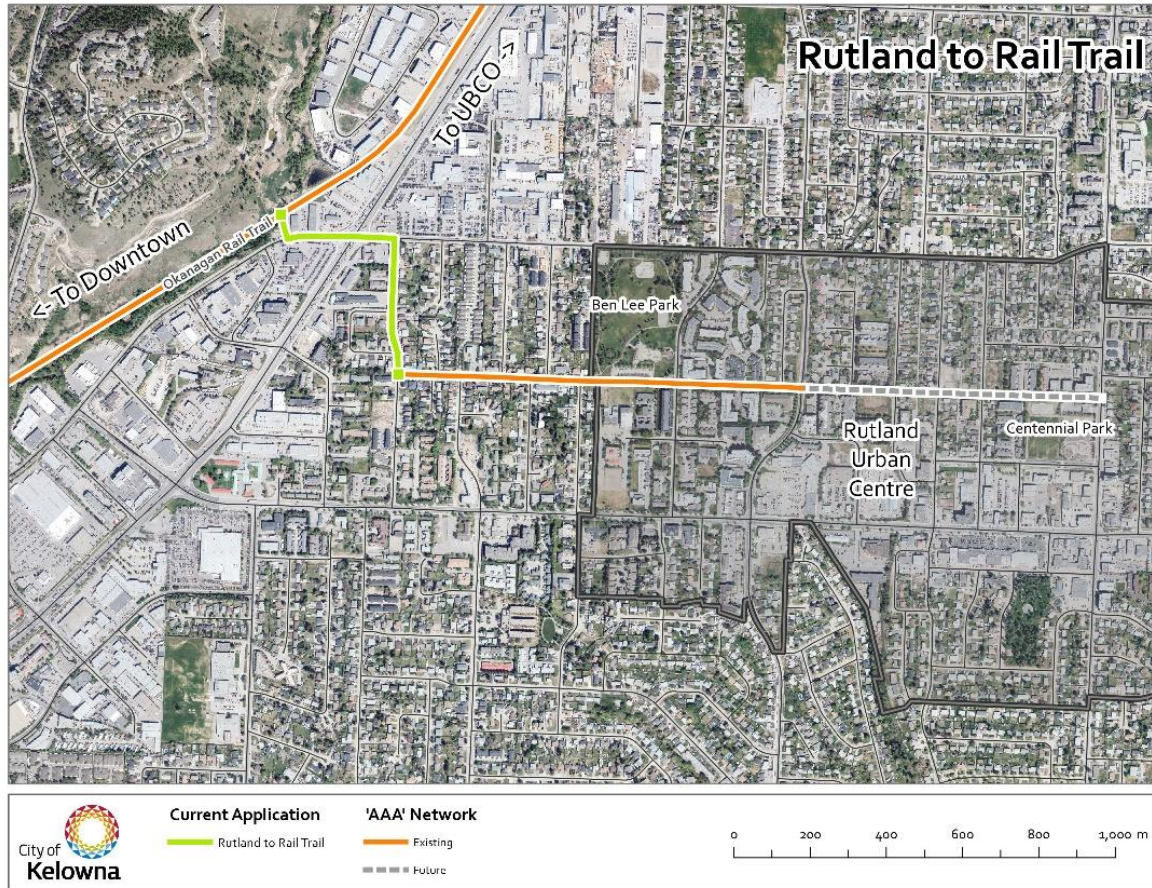


Figure 1 - Kelowna's existing and future All Ages and Abilities (AAA) network mapped with the Rutland to Okanagan Rail Trail Houghton 1 project highlighted in green.

Funding/Grant funding

In July of 2021, the Houghton 1 project received a \$2.4m [ICIP COVID-19 Resilience Infrastructure Grant](#) from the Government of Canada and the Province of British Columbia. Grant funding replaced other project funding sources. Budget changes include; \$543,710 returning to the Sector I Transportation DCC Reserve (R749), \$1,414,400 returning to the Community Works Fund (R837) and, \$480,030 of taxation. Taxation was held in reserve to address final tender prices, anticipating construction cost escalation.

Cost challenges

Based on the construction tender prices, remaining land acquisition costs and construction service engineering fees, a total budget of \$3,088,364 is projected to be required to complete Houghton 1. Including carryover, the current 2022 project budget is \$2,470,900. This budget shortfall of \$617,464 was the result of the following changes;

- Construction cost escalation made up the majority of the cost increase, with individual line items increasing by 15-25% compared to last year;
- There is additional work required to address unexpected site conditions;
- There is opportunities to coordinate frontage with adjacent development;
- Engineering and professional services also increased but to a lesser degree.

To address this budget shortfall and take advantage of opportunities, administration request that a portion of funding offset from the 2021 ICIP COVID-19 Resilience Infrastructure Grant be reallocated back to the project, including \$479,768 of taxation and \$137,694 from the Transportation Sector I DCC reserve. The resulting transfers do not impact other project budgets at this time.

Internal Circulation:

Infrastructure
Transportation Engineering
Infrastructure Delivery
Financial Planning
Budget

Considerations applicable to this report:

Financial/Budgetary Considerations:

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

External Agency/Public Comments:

Communications Comments:

Submitted by: Chad Williams, Senior Transportation Planning Engineer

Approved for inclusion: M. Logan, Infrastructure General Manager

cc: C. Weaden, Divisional Director, Corporate Strategic Services
D. Edstrom, Divisional Director, Partnerships and Investments
R. Smith, Divisional Director, Planning and Development Services
G. Davidson, Divisional Director, Financial Services