

Report to Council



Date: June 12, 2017

File: 1850-01

To: City Manager

From: D. Edstrom, Director, Strategic Investments

Subject: Okanagan Rail Trail – Status Report

Report Prepared by: A. Gibbs, Project Manager, Interjurisdictional Development Team

Recommendation:

THAT Council receives, for information, the report from the Director, Strategic Investments, dated June 12, 2017, with respect to an update on the Okanagan Rail Trail;

Purpose:

For the Interjurisdictional Development Team (IDT) to provide the elected leaders of the participating jurisdictions of the IDT with a report on the status of the rail trail project.

Background:

CN RAIL – ENVIRONMENTAL REVIEW AND REMEDIATION

CN's has completed its environmental assessments and remediation of the corridor in accordance with the purchase and sale agreement for those sections of trail in Regional District of North Okanagan (RDNO), District of Lake Country (DLC) and City of Kelowna (CoK). An independent consultant retained on behalf of the IDT has reviewed the reports submitted by CN and has confirmed that the work appears to have been completed in a manner consistent with current provincial regulations and industry practices (letter attached).

CN's initial scan of the corridor, a Phase 1 environmental assessment, identified 67 areas of potential environmental concern (APECs) along the length of the corridor (excluding the IR#7 section). Of these, the Phase 1 assessment determined that only 18 were determined to be on-site (i.e. on land now owned by one of the municipal jurisdictions) and within the responsibility of CN to investigate further. The remaining 49 APECs were determined to be on adjacent land (e.g. current or former industrial property) not purchased by any of the municipal governments. CN's more detailed Phase 2 environmental assessment of these 18 sites deemed that CN was likewise not responsible for a further 9 APECs. As part of the Phase 2 assessment, sampling and laboratory analysis for possible contaminants was conducted on soil and/or water samples from the remaining 9 APECs. Summarized by owner jurisdiction, the findings of that more detailed assessment determined the following:

- **RDNO**
Four APEC sites in total; two of them had no indication of contamination and two others were remediated through excavation.

- **DLC**
Two APEC sites in total; one of them was remediated through excavation and one was remediated through risk assessment.
- **CoK**
Three APEC sites in total; one of them had no indication of contamination and two others were remediated through risk assessment.

As a reminder, please note that owing to confidentiality requirements of the Purchase and Sale Agreement with CN Rail, the details of CN's environmental studies and reporting cannot be provided here.

It is noted that the environmental assessment and remediation of that section of corridor through Okanagan Indian Band's (OKIB) IR#7 Reserve was not undertaken as part of CN's obligations under the land sale to the above local government owners. Instead, as it falls under federal jurisdiction, the environmental assessment and remediation of this section of corridor is being administered and managed as a separate process under Aboriginal Affairs and Northern Development Canada.

CN RAIL – REMOVAL OF RETAINED ASSETS

As of November 2016, CN Rail has completed removal of retained assets from the corridor (e.g. rails, ties, switches). This marks completion of that CN requirement in the purchase and sale agreement.

INDIAN RESERVE 7 - ADDITION TO RESERVE

There is approximately 2.4km of discontinued rail corridor through OKIB land that is still under the ownership of CN Rail. Ownership of the land must first be transferred from CN to the federal government before it can be transferred to the Band through the Addition to Reserve (ATR) process. Until such time as that happens and the Band Council is able to consult with band members and determine the future of this section of corridor, there will be no development or use of this section of the corridor. In order to accommodate the later development and public use of this section as rail trail the IDT will make provision for setting the necessary funds aside to develop the rail trail to the standard the other sections are currently being developed to.

RAIL TRAIL DESIGN

The IDT has engaged consultants to provide services for the design of the trail and safe road crossings, the management of drainage and geotechnical issues, and the assessment and permitting of the trail in regard to environmental and agricultural regulations. The preliminary design for the rail trail corridor is scheduled for completion in July and will be accompanied by an updated cost estimate. A public information/consultation session in each jurisdiction is proposed as part of the preliminary design process. Preparation of bid documents for the initial phase of construction is scheduled for completion in late August.

The IDT has also retained consultants for bridge improvements and archaeological services (n.b. the consulting archaeologist will be supported by personnel from Okanagan Indian Band).

The design for the rail trail is based on the *Trail Development Plan* (2016), approved by the IDT Councils and Board.

CONSTRUCTION WORK

Construction of the rail trail is being undertaken in phases in order to adapt to the availability of funding, the schedule requirements of grant programs and the receipt of the necessary approvals and permitting.

The initial phase of construction is structured around the grants received to date and is funded by those grants and the funds donated by the community. While the IDT and consultant team will lead the design of the trail and be there to support the tender and construction phases of project, it is the responsibility of each owner jurisdiction to tender and enter into construction contracts with contractors in order to get the rail trail built within their respective jurisdiction.

Construction work completed to date includes the following:

- Access controls and signage (Kelowna)

Construction work currently underway includes:

- Access controls and signage at key road crossings (Lake Country and RDNO)
- Re-use and pedestrianizing of existing railway bridges at creek crossings – (Kelowna, Lake Country)

The bulk of construction for the initial phase of construction will begin in the fall. Subject to receipt of the necessary approvals and permitting, future work will focus on the following:

- Environmental protection and monitoring.
- Archaeological protection and monitoring.
- Mitigating potential geotechnical hazards (primarily in RDNO, with some work possible in DLC) – scheduled for completion by end of November 2017.
- Drainage improvements, safe road crossings and construction of the compacted crushed aggregate trail (approximately 2.5km in RDNO, 2.5km in DLC and 9.0km in Kelowna) - scheduled for completion in March 2018.

Future phases for the remaining sections of the trail, beyond that described above, will be undertaken as funding is available, subject to receipt of the necessary approvals and permitting, and as public access to the IR 7 section is determined. Assuming the resources and approvals are provided in a timely manner, it is conceivable that the initial phase of development of the corridor (n.b. excluding the IR 7 section, as mentioned above, could be completed in 2018 or 2019.

PUBLIC ACCESS AND USE

Though the trail is not constructed and the corridor is not officially open for public use, there has been informal use of the trail by the public since the track and ties were removed in autumn 2016. In order to address the issue of risk within their boundaries until the trail is constructed and officially opened (2018 est'd), each local government is taking an approach best suited to their own circumstances.

IDT owners are arranging for the manufacture and installation of access control works (e.g. gates, barriers, signage) at key sites along the corridor in their own jurisdiction.

FUNDRAISING

Since the Okanagan Rail Trail Initiative's (ORTI) fundraising began one year ago, \$4,516,000 in donations and grants has been raised. To date three grants have been awarded to the project:

• Bike BC	\$ 777,435
• BC Rural Dividend	500,000
• <u>Canada 150</u>	<u>471,500</u>
TOTAL	\$ 1,748,935

The matching amount for these grants will be funded by donations already received. If required, staff will advise individual Councils and Board of adjustments that need to be made to their budgets in order to develop the trail in their jurisdiction.

ORTI is targeting to achieve the total fundraising target of \$7.86 million by the end of 2017. For 2017, ORTI's fundraising campaign will shift from "donate a meter" to "finish the trail." More matching donor programs, like the several successful ones undertaken in 2016, are planned for 2017.

Okanagan Rail Trail Initiative and the local governments continue to seek grant opportunities to help fund the project.

RAIL TRAIL GOVERNANCE AND OPERATION

A reminder, that the IDT's mandate runs until construction of the basic, compacted aggregate trail is completed. Further, the IDT's role is limited in scope, focusing primarily on trail development. The issue of long term planning, maintenance or governance of the corridor is not included in the IDT's scope. In order to prepare the partner jurisdictions for this the IDT is undertaking an examination of governance and operational options and will report back to the Councils and Board with a recommendation(s) for governance of the corridor.

Considerations not applicable to this report:

Internal Circulation:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

Personnel Implications:

External Agency/Public Comments:

Communications Comments:

Alternate Recommendation:

Submitted by: D. Edstrom, Director, Strategic Investments

Approved for inclusion: D. Gilchrist, Divisional Director, Community Planning & Strategic Investments

Attachments: 1. Schedule A - Letter from SLR – Review of Environmental Investigation Report

cc: K. Kay, Communications Advisor
Okanagan Rail Trail Initiative
Central Okanagan Foundation
Community Foundation of the North Okanagan City Manager, City of Kelowna
Chief Administrative Officer, District of Lake Country
Chief Administrative Officer, Regional District of North Okanagan
Executive Director, Okanagan Indian Band