



Johnson Street Bridge Project – Rehabilitation and Replacement Options

Governance & Priorities Committee
June 17, 2010





Outline

- Decisions Requested of Council
- Funding
- Community Input
- Recommendations



Decisions Requested

- Seismic design;
- Rail crossing;
- Funding;
- Community Input



Seismic Design

- Bridge located in most seismically active zone in Canada
- 30-35% probability of experiencing major earthquake in next 50 years as per Natural Resources Canada information
- Seismic performance driven by life safety, disaster response, protection of investment, post-disaster recovery
- Staff agree with consultants' recommendation that seismic design should be M8.5 [lifeline structure] for either option



Rail Crossing

- E&N Rail corridor recognized by CRD for possible high capacity transit use in future – regional in nature
- City supports need to protect this corridor for future commuter rail – City’s Official Community Plan
- Recent Ipsos Reid survey revealed that presence of rail crossing [while not unimportant] is least important consideration relative to other features
- Cost savings can be realized if rail terminated on west side [saves estimated \$23 million for rehabilitation option and \$12 million for replacement option]
- City should not borrow funding for rail crossing but protect corridor for future use
- If alternate funding can be identified and secured by end of year to cover entire capital cost of rail for project, it will be included for implementation



Traffic Issues

- Eliminating one westbound traffic lane on existing facility would not accommodate 2 bike lanes with proper shy distance [side clearance]
- Lane reduction would result in increasing queue length and reduced level of service at several intersections feeding into bridge
- Merging vehicles from 2 to 1 lane introduces potential conflicts that reduces safety.
- Emergency responders are concerned that lane reductions and more congestion will increase response times



Traffic Issues

- Traffic modelling provides us with indication of how people will behave and the impact on the network
- Data for the model is from City of Victoria annual traffic counts and this review included 2009 data



Funding

- Rehabilitation
 - \$103 million with rail
 - \$80 million without rail
- Replacement
 - \$89 million with rail
 - \$77 million without rail



Retired Debt Issues

• Annual Principle and Interest Budget	7,827,583
• Retired Debt Issues Included in Annual Budget	
2009	1,900,000
2011	<u>2,300,000</u>
• Debt Room Available	<u>4,200,000</u>

* **Opportunity to borrow up to \$51.4 million (which equates to \$4.2 million (P&I) at today's interest rates) without increasing Property Taxes.**

Johnson Street Bridge Borrowing Options
20 year Amortization @ 4.81%
Option 1

	Replacement	
	With Rail	Without Rail
Project Costs		
Bridge Construction (net of rail)	77,000,000	77,000,000
Bridge Rail Construction	12,000,000	-
	<u>89,000,000</u>	<u>77,000,000</u>
Funding		
Federal Grant	21,000,000	21,000,000
Potential Land Sales	5,000,000	5,000,000
	<u>26,000,000</u>	<u>26,000,000</u>
Capital Funding Required	<u>63,000,000</u>	<u>51,000,000</u>
Borrow full amount		
Annual Principal and Interest	5,145,950	4,165,769
Debt Room Available	4,200,000	4,200,000
Shortfall - Surplus	<u>(945,950)</u>	<u>34,231</u>
Estimated Property Tax Increase Required	<u>0.95%</u>	<u>0.00%</u>
or		
Additional Funding Required to Avoid Tax Increase	<u>11,600,000</u>	<u>-</u>
Life Cycle Costs in 2010\$	<u>22,000,000</u>	<u>22,000,000</u>

Johnson Street Bridge Borrowing Options
20 year Amortization @ 4.81%
Option 1A

	Replacement	
	With Rail	Without Rail
Project Costs		
Bridge Construction (net of rail)	77,000,000	77,000,000
Bridge Rail Construction	12,000,000	-
	<u>89,000,000</u>	<u>77,000,000</u>
Funding		
Federal Grant	21,000,000	21,000,000
Potential Land Sales		
	<u>21,000,000</u>	<u>21,000,000</u>
Capital Funding Required	<u>68,000,000</u>	<u>56,000,000</u>
Borrow full amount		
Annual Principal and Interest	5,554,359	4,574,178
Debt Room Available	4,200,000	4,200,000
Shortfall - Surplus	<u>(1,354,359)</u>	<u>- 374,178</u>
Estimated Property Tax Increase Required	<u>1.37%</u>	<u>0.38%</u>
or		
Additional Funding Required to Avoid Tax Increase	<u>16,600,000</u>	<u>4,600,000</u>
Life Cycle Costs in 2010\$	<u>22,000,000</u>	<u>22,000,000</u>

Johnson Street Bridge Borrowing Options
20 year Amortization @ 4.81%
Option 2

	Rehabilitation - <i>with</i> grant	
	With Rail	Without Rail
Project Costs		
Bridge Construction (net of rail)	80,000,000	80,000,000
Bridge Rail Construction	23,000,000	-
	<u>103,000,000</u>	<u>80,000,000</u>
Funding		
Federal Grant	21,000,000	21,000,000
Potential Land Sales		
	<u>21,000,000</u>	<u>21,000,000</u>
Capital Funding Required	<u>82,000,000</u>	<u>59,000,000</u>
Borrow full amount		
Annual Principal and Interest	6,697,904	4,819,223
Debt Room Available	4,200,000	4,200,000
Shortfall - Surplus	<u>(2,497,904)</u>	<u>(619,223)</u>
Estimated Property Tax Increase Required	<u>2.52%</u>	<u>0.63%</u>
or		
Additional Funding Required to Avoid Tax Increase	<u>30,600,000</u>	<u>7,600,000</u>
Life Cycle Cost in 2010\$	<u>48,000,000</u>	<u>42,000,000</u>

Johnson Street Bridge Borrowing Options
20 year Amortization @ 4.81%
Option 3

	Rehabilitation - <i>without</i> grant	
	With Rail	Without Rail

Project Costs

Bridge Construction (net of rail)	80,000,000	80,000,000
Bridge Rail Construction	23,000,000	-
	103,000,000	80,000,000

Funding

Federal Grant	-	-
Potential Land Sales	-	-
	-	-

Capital Funding Required

	103,000,000	80,000,000
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Borrow full amount

Annual Principal and Interest	8,413,220	6,534,540
Debt Room Available	4,200,000	4,200,000
	(4,213,220)	(2,334,540)

Estimated Property Tax Increase Required

	4.25%	2.36%
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or

Additional Funding Required to Avoid Tax Increase

	51,600,000	28,600,000
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Life Cycle Cost in 2010\$

	48,000,000	42,000,000
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Community Input

- Seeking direction from Council on what input they require from community prior to selecting the project
- Subject to Council direction, Phase 2 public engagement process will focus on presenting comparable options for rehabilitation and replacement
- Staff to seek community input on proposed features, cost and construction impacts

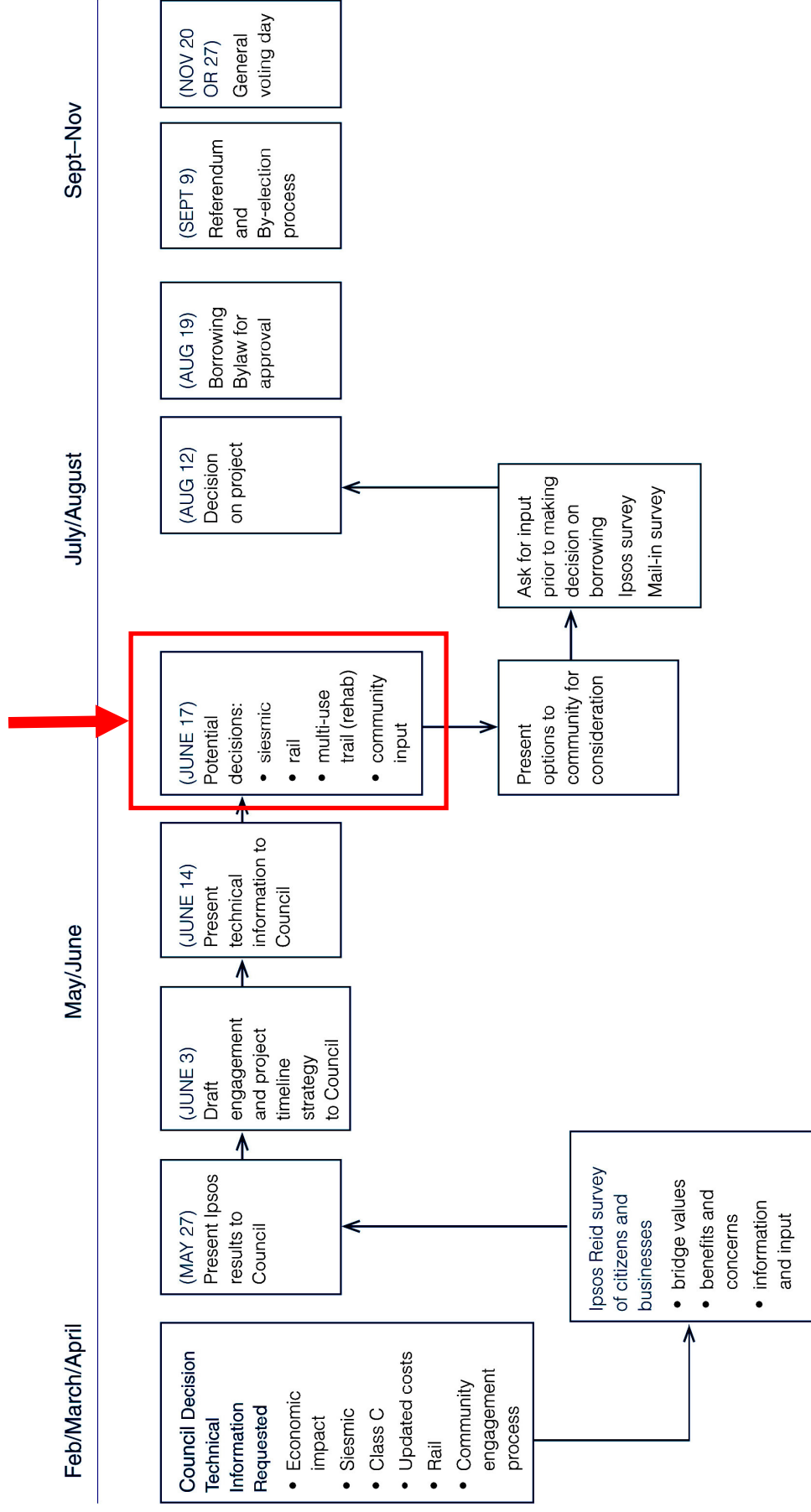


Public Engagement

- Website at johnsonstreetbridge.com
- Direct mail + newspaper for broad awareness and information
- Mail-in-survey and Ipsos Reid survey for input
- Media relations
- Open Houses
- Bridge tours
- Public outreach
- Cross-promotional strategy to raise awareness
- Targeted stakeholder consultation
- Youth outreach

Johnson Street Bridge Project Timeline

PHASE 2





Recommendations

1. Approve the seismic design of both the rehabilitation or replacement options at the M 8.5 [“lifeline” level];
2. Considering the size and scope of this project and the regional nature of the corridor, staff should approach other governments and agencies for assistance in funding the Johnson Street Bridge project including road alignments, trail connections and other regional features.



Recommendations

3. Not borrow funding for the rail portion of the project. Instruct staff to pursue funding sources from other levels of government for the provision of the rail crossing. Unless alternate sources of funding have been identified and secured by December 31, 2010, the railway will terminate in Victoria West. The City will maintain the right of way for a potential future railway crossing.
4. Direct staff to commence Phase 2 of the public engagement process approved by Council at the June 3, 2010 GPC meeting.



QUESTIONS?