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## REPORT TO TRANSPORTATION COMMITTEE MEETING OF WEDNESDAY, JULY 19, 2023

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**SUBJECT**     **Regional Trails Widening and Lighting Project – Funding Options**

### **ISSUE SUMMARY**

To provide funding options for the renewal of critical infrastructure and the widening and lighting of priority sections of the Galloping Goose and Lochside regional trails.

### **BACKGROUND**

The Capital Regional District's (CRD) 2016 CRD Regional Trails Management Plan identifies the need to study options for trail widening, separation of users and installation of lighting on the busiest sections of the Galloping Goose and Lochside regional trails. Critical infrastructure on these sections of trail includes the Selkirk, Brett Avenue and Swan Lake trestles, all of which require renewal (Appendix A).

The CRD Regional Trails Widening Study was presented to the CRD Board on February 10, 2021. At that meeting, the Board directed staff to conduct public engagement on the proposed 6.5 m separated-use pathway design with lighting and implementation priorities, as recommended in the study (Appendix B). The Board further directed that detailed designs be expedited, with a view toward having a shovel-ready project. The results of public engagement conducted in the spring of 2021 indicated strong support for the project.

On October 13, 2021, the Board directed staff to develop partnerships and pursue grant opportunities to support the implementation of the separated-use pathway design with lighting. On May 11, 2022, the Board directed staff to develop a funding strategy for regional trails to support the Regional Parks and Trails Strategic Plan, including the widening and lighting project. To date, project financing had been reliant on core operating and capital reserve funds.

Staff continue to engage First Nations, municipal and provincial partners on the project to identify project synergies, collaborate on design and pursue funding. Aligning infrastructure renewal with trail widening and lighting improvements is a key outcome of this engagement.

### **ALTERNATIVES**

#### *Alternative 1*

The Transportation Committee recommends to the Capital Regional District Board:

1. That the Regional Trails Widening and Lighting Project be accelerated by the inclusion of the Project in the 2024-2028 Financial Plan and that project funds be secured by way of debt; and
2. That staff continue to develop partnerships, pursue grant opportunities and report back to the Regional Parks Committee at the September 27, 2023 meeting with options to generate additional funds through non-tax revenue.

*Alternative 2*

The Transportation Committee recommends to the Capital Regional District Board:

1. That the Regional Trails Widening and Lighting Project be advanced, prioritizing critical infrastructure renewals, by securing project funds through the CRD Regional Parks core operating budget; and
2. That staff continue to develop partnerships, pursue grant opportunities and report back to the Regional Parks Committee at the September 27, 2023 meeting with options to generate additional funding through non-tax revenue.

*Alternative 3*

That this report be referred to staff for additional information.

**IMPLICATIONS**

*Service Delivery Implications*

The project represents an increased level of service to the region's active transportation infrastructure. The enhanced service provided through the delivery of the Regional Trails Widening and Lighting Project will result in additional operating and maintenance costs. Nearing project completion, an Initiative Business Case will be presented through the service planning review process.

As the Galloping Goose and Lochside regional trails are already heavily utilized, an approach to delivering the project that will minimize service disruptions is desirable. Accelerating the project by securing project funds through debt will allow for a six-year phased project completion timeline. This accelerated approach aims to minimize trail closures and realize efficiencies in permit and engagement processes, environmental and cultural monitoring, and construction mobilization.

Alternatively, advancing the project solely reliant on securing project funds through the CRD Regional Parks core budget and partnerships, grant programs, and options to generate non-tax revenue, will lengthen the project delivery timeline to greater than 20 years. Project phasing will be dependent on the availability of funds, and system-wide critical infrastructure repairs and renewals will need to be met before service level improvements can be considered.

*Social Implications*

The CRD Regional Trails Widening Study (2020) estimated the busiest sections of the Galloping Goose and Lochside regional trails see approximately 2,700 users per day in peak times for active transportation, recreation and tourism. Updated counts from July 2022, utilizing new sensors, indicate user volumes are 40% more than estimated in the study.

With summer daily volumes in July 2022 reaching upwards of 3,750 users, the projected 2040 user volume of 4,500 presented in the CRD Regional Trails Widening Study (2020) could soon be exceeded, much sooner than anticipated. Current 20-year user volume predictions include a projected increase of 2.5% per year, with the Galloping Goose Regional Trail section between

Selkirk Trestle and Switch Bridge reaching approximately 5,900 users per day by 2040 based on new baseline data.

The project area trail segments prioritized for widening to the proposed 6.5 m separated-use pathway design connect key urban growth nodes identified in the Regional Growth Strategy and the Saanich Official Community Plan. These nodes are meant to accommodate future population and employment growth and will require connected, high-quality multi-modal infrastructure so that people can choose to walk or cycle to their destinations.

Meeting public expectations of a quality user experience is a high priority. Safety concerns related to high volumes and speed differentials are documented, and with e-mobility increasing, user conflict is likely to increase. The widening and lighting project will improve user safety and personal security and will increase accessibility for All Ages and Abilities (AAA).

The CRD Board approved AAA facility criteria in April 2023, based on the BC Active Transportation Design Guidelines. Based on use volumes, the project area trail segments do not meet the AAA facility criteria. Widening to the proposed 6.5 m separated-use pathway design is needed to meet the AAA facility criteria.

#### *Intergovernmental Implications*

Moving forward with separated-use pathway design with lighting and critical infrastructure repair requires collaboration and coordination among government agencies and community partners. Staff-level discussions with government agencies to date indicate strong willingness to support the project.

The CRD, Ministry of Transportation and Infrastructure (MoTI) and the BC Transportation Financing Authority are operating within a Memorandum of Understanding (MOU) agreement established in 2015. A separate MOU agreement was established in 2021 to collaborate on the Regional Trails Widening and Lighting Project design and implementation, with an aim to achieve active transportation targets.

The project has been introduced to STÁUTW ( Tsawout) First Nation, BOKEĆEN (Pauquachin) First Nation, x<sup>w</sup>sepsəm (Esquimalt) Nation, Songhees Nation, and to the WSÁNEĆ Leadership Council on behalf of WJOLEŁP (Tsartlip) and WSÍKEM (Tseycum) First Nations, and regular updates are being provided. Feedback from the Nations to date indicates interest in understanding the archaeological and environmental implications of the project and an expressed interest to have cultural monitors present during land altering activities. Project staff will work closely with First Nations by sharing information, seeking input into design and place-making and finding mutually beneficial ways for involvement.

#### *Environmental & Climate Implications*

Both the Regional Transportation Plan and the Pedestrian and Cycling Master Plan identify the regional trail system as an “active transportation spine” connecting active transportation networks in the region.

The project supports a regional effort to shift new trips and portions of existing trips from motor vehicles to walking, cycling and transit. The regional mode share target has been set at 45% of trips being taken by walking, cycling and transit use, with a mode share target of 15% for cycling. Currently, the region's mode share is 26.6%, with 5.1% of trips taken by cycling and 13.7% taken by walking (source: 2017 Origin and Destination Household Travel Survey).

With transportation being the largest source of regional greenhouse gas (GHG) emissions, it is critical to expand and improve the regional trail system as the region grows to support mode shift objectives that will ultimately reduce regional GHGs. Improvements to the busiest sections of the regional trails will support more people choosing cycling for their travel, resulting in reduced GHG emissions. Preliminary GHG emission savings associated with active transportation infrastructure projects indicate the project could save 120 tonnes of CO<sub>2</sub>e per year.

#### *Alignment with Existing Plans & Strategies*

Preparing a funding strategy to support the implementation of priority regional trail enhancement and expansion projects for the CRD's regional parks and trails is a 2023-2026 CRD Corporate Plan priority. The Regional Trails Widening and Lighting Project is also identified as a priority action in the Regional Parks and Trails Strategic Plan 2022-32 (4-1b), as is the short-term priority action to prepare a funding strategy to support implementation of priority regional trail enhancement and expansion projects (4-1c). Completion of the Regional Trails Widening and Lighting Project supports the regional transportation priority for active transportation.

#### *Financial Implications*

##### Alternative 1

The estimated cost of the Regional Trails Widening and Lighting Project (including critical infrastructure renewal), based on Class-D and contingency estimates, is \$53.5 million. Financing the project by securing \$50.0 million in project funds through debt is proposed as the best way to achieve an accelerated project completion timeline within six years (Appendix C).

To support the repayment of loans used to fund the project, debt servicing over a 15-year repayment schedule will require the CRD to delay other regional parks projects, such as upgrading dams and repairing bridges identified in the 2023-2027 Capital Plan, and to seek CRD Board approval to increase requisition. Using the 2023 requisition year as a proxy for the borrowing period, it is estimated that debt servicing (based on BC Municipal Finance Authority indicative rates) during the peak years would be equivalent to \$28 per average household (Appendix D) or an increase of approximately 7% to the 2023 CRD regional requisition.

Through use of benchmarks established by capital reserve guidelines, the Regional Parks Service was identified as having a low use of debt to deliver mandated services. Through operational planning, a significant portion of upcoming capital investment was directed for land and infrastructure replacement, which are assets characterized with a long, useful life.

The capital reserve guidelines balance the implications of savings and borrowing, recommending an optimal blend or ratio as part of a financing strategy. This project is of a long, useful life and the use of debt ties the cost of the project to the benefit received.

When evaluating the reserve balance guidelines, the Regional Parks Service has significant borrowing capacity, and increased use of debt can be a tool to balance large expenditures over time.

To date, staff have submitted three grant applications, totalling \$16.2 million: one in partnership with MoTI to the federal Active Transportation Fund Program; and two to the Union of BC Municipalities Strategic Priorities Fund Program. The CRD was not successful in securing funds through the Strategic Priorities Fund Program, and confirmation of the federal Active Transportation Grant Program funds is not anticipated prior to summer 2023. A Growing Communities Fund application for the project has been submitted following the CRD internal program guidelines.

#### Alternative 2

Advancing the project without securing funds through debt will result in the prioritization of up to \$12.6 million of the CRD Regional Parks core budget to complete Selkirk, Brett Avenue and Swan Lake trestle critical renewals to meet safety and current service delivery requirements (Appendix E). This portion of the project alone will place significant strain on the Regional Parks Capital Program and would still be a significant acceleration of the current plan, which has been prepared in anticipation of significant grants to complete these components of the project.

Without debt, funding to support trail widening, separation of users and installation of lighting will need to be secured after critical renewals are complete on the three trestles; this work would be done during a project completion timeline of more than 20 years.

#### *Legislative Implications*

Regional park and trail borrowing, as per section 3 of the Regional District Liabilities Regulation, only requires consent of at least two-thirds of service participants and permits consent by municipal councils and electoral area directors, rather than a more formal elector assent or alternative approval process.

The loan authorization bylaw requires three readings followed by participant consent and then Inspector of Municipalities approval. After this, it requires adoption by the Board. Upon final approval, borrowings of up to \$50 million will be authorized. Security issuing bylaws also require Board approval and must be enacted before a borrowing request may be submitted to the BC Municipal Finance Authority.

To ensure optimization of interest and timing of long-term debt, issuance of a temporary borrowing bylaw will be proposed upon approval of the loan authorization bylaw by the Board. The request for borrowing will be based on the timing of expenditures.

#### **CONCLUSION**

On May 11, 2022, the CRD Board directed staff to develop a funding strategy for regional trails to support the Regional Parks and Trails Strategic Plan, including the widening and lighting plan. Financing the project by securing project funds through debt has been proposed as the best way to achieve an accelerated project completion timeline of six years with minimal service disruptions. Staff will continue to develop partnerships, pursue grant opportunities and explore

options to generate non-tax revenue to reduce loan and debt servicing amounts.

**RECOMMENDATION**

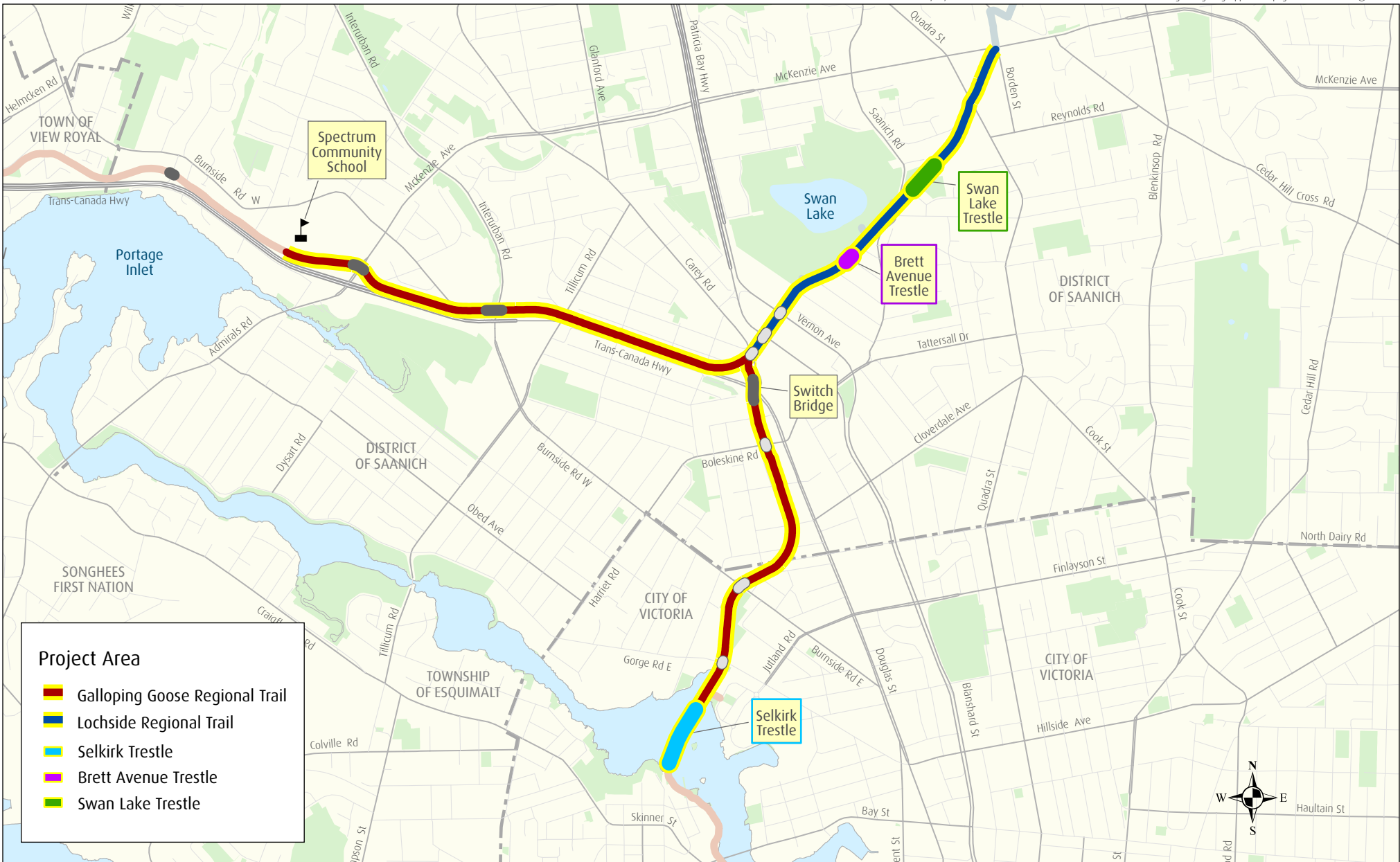
The Transportation Committee recommends to the Capital Regional District Board:

1. That the Regional Trails Widening and Lighting Project be accelerated by the inclusion of the Project in the 2024-2028 Financial Plan and that project funds be secured by way of debt; and
2. That staff continue to develop partnerships, pursue grant opportunities and report back to the Regional Parks Committee at the September 27, 2023 meeting with options to generate additional funds through non-tax revenue.

Submitted by:	Jeff Leahy, Senior Manager, Regional Parks
Concurrence:	Larisa Hutcheson, P.Eng., General Manager, Parks & Environmental Services
Concurrence	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

**ATTACHMENTS**

- Appendix A: Regional Trail Widening and Lighting Project Area – Map
- Appendix B: CRD Regional Trails Widening Study – Separated Use Pathway Design and Implementation Priorities
- Appendix C: Project Scope and Timing – Alternative 1
- Appendix D: Alternative 1 – Debt Servicing Profile and Requisition Increase
- Appendix E: Project Scope and Timing – Alternative 2
- Appendix F: Presentation – CRD Regional Trails Widening and Lighting Funding Model



**Project Area**

- Galloping Goose Regional Trail
- Lochside Regional Trail
- Selkirk Trestle
- Brett Avenue Trestle
- Swan Lake Trestle

0 500 1000 Meters  
Projection: UTM ZONE 10N NAD 83

**Important** This map is for general information purposes only. The Capital Regional District (CRD) makes no representations or warranties regarding the accuracy or completeness of this map or the suitability of the map for any purpose. **This map is not for navigation.** The CRD will not be liable for any damage, loss or injury resulting from the use of the map or information on the map and the map may be changed by the CRD at any time.

- Bridge / Trestle
- Underpass
- Major Road
- Local Road
- Municipal Boundary
- Park / Protected Area
- First Nation Reserve
- Lake / Ocean

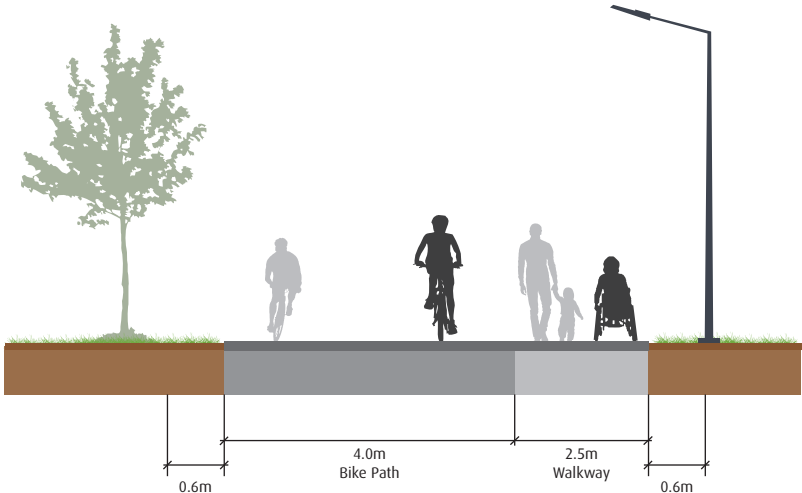
- Spectrum Community School
- Outside Project Area
- Galloping Goose Regional Trail
- Lochside Regional Trail

**Appendix A**  
Regional Trail Widening and Lighting Project Area  
Transportation Committee Staff Report  
July 19, 2023



# CAPITAL REGIONAL DISTRICT (CRD) REGIONAL TRAILS WIDENING STUDY APRIL 28, 2020

## SEPARATED USE PATHWAY DESIGN



## IMPLEMENTATION PRIORITIES



Regional Trails Widening and Lighting Project Definition (Selkirk, Swan Lake and Brett Avenue Trestles, and Sections A, B, and C)



# Project Scope and Timing – Alternative 1

## Accelerate Project with CRD Board Authorization Loans

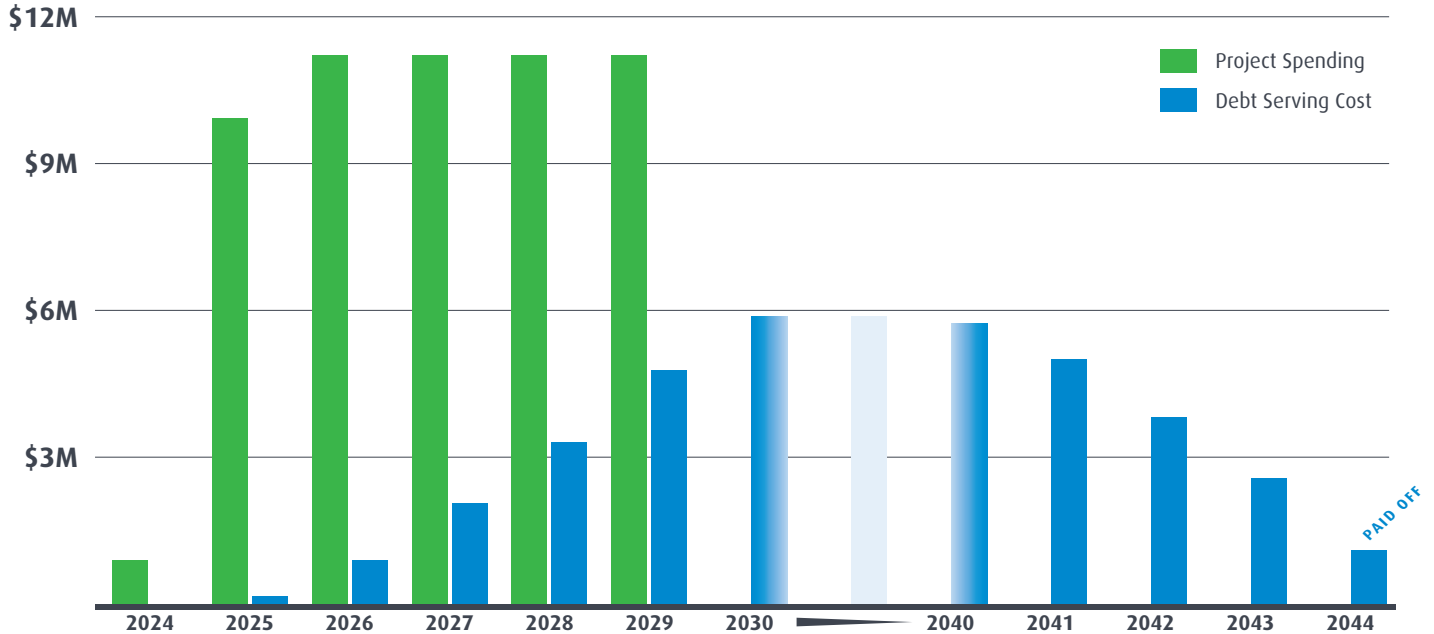
### Project Cost Estimates: Low Range/High Range (Class D + Contingency Estimates 2023)

Selkirk Trestle Rehabilitation 300 m (GGRT)	Low Range	\$6.1 M
	High Range	\$8.3 M
Section A: GGRT Selkirk Trestle to Switch Bridge 2 km	Low Range	\$6.8 M
	High Range	\$8.9 M
Section B: GGRT Switch Bridge to McKenzie 2 km	Low Range	\$9.9 M
	High Range	\$13 M
Section C: Lochside Trail Switch Bridge to McKenzie 2 km	Low Range	\$7 M
	High Range	\$9.2 M
Swan Lake Trestle Rehab 145 m (Lochside Trail)	Low Range	\$8.6 M
	High Range	\$10.9 M
Brett Ave Trestle Rehab 25 m (Lochside Trail)	Low Range	\$2.2 M
	High Range	\$2.9 M
<b>Project Totals</b>	<b>Low Range</b>	<b>\$40.8 M</b>
	<b>High Range</b>	<b>\$53.5 M</b>



**INCLUDES CRITICAL INFRASTRUCTURE  
AND FULL 6.5 m WIDENING AND  
LIGHTING ENHANCEMENT**

**CRD BOARD AUTHORIZATION LOAN (UP TO \$50M)**  
**DEBT SERVICING 2024 TO 2044**



Sample financial model presented is based on an assumed 6-year project life; Year 1 project planning; including phasing, coordination with partner organizations including First Nations and detailed design. Years 2 to 6 project construction, estimated to be relatively consistent for modeling purposes.

Both long-term and short-term borrowing have been estimated as 5.3% based on current BC Municipal Finance Authority (BCMFA) indicative rates. The model also assumes the full loan authorization amount of \$50 million is borrowed over the period of the project.

During the years 2031-2040 the maximum debt serving cost occurs and using the 2023 requisition data as a proxy would result in a requisition per average household of approximately \$28 for debt servicing.

# Project Scope and Timing – Alternative 2

## Advance Project by Prioritizing Critical Infrastructure Renewals (without CRD Board Authorization Loans)


Project Cost Estimates: Low Range/High Range (Class D + Contingency Estimates 2023)

		Rehabilitation or Replace in-kind (same width, timber)	With Widening 6.5 m	With Widening & Lighting
Selkirk Trestle Rehabilitation 300 m (GGRT)	Low Range	\$3.4 M	\$5.5 M	\$6.3 M
	High Range	\$4.6 M	\$7.6 M	\$8.4 M
Swan Lake Trestle Rehab 145 m (Lochside Trail)	Low Range	\$5.2 M	\$8.4 M	\$8.7 M
	High Range	\$6.6 M	\$10.6 M	\$11 M
Brett Ave Trestle Rehab 25 m (Lochside Trail)	Low Range	\$1.1 M	\$1.7 M	\$1.8 M
	High Range	\$1.4 M	\$2.2 M	\$2.3 M
Section A: GGRT Selkirk Trestle to Switch Bridge 2 km	Low Range	\$0 M	\$0 M	\$0 M
	High Range	\$0 M	\$0 M	\$0 M
Section B: GGRT Switch Bridge to McKenzie 2 km	Low Range	\$0 M	\$0 M	\$0 M
	High Range	\$0 M	\$0 M	\$0 M
Section C: Lochside Trail Switch Bridge to McKenzie 2 km	Low Range	\$0 M	\$0 M	\$0 M
	High Range	\$0 M	\$0 M	\$0 M
<b>Project Totals</b>	<b>Low Range</b>	<b>\$9.7 M</b>	<b>\$15.6 M</b>	<b>\$ 16.8 M</b>
	<b>High Range</b>	<b>\$12.6 M</b>	<b>\$20.4 M</b>	<b>\$ 21.7 M</b>

LIKE FOR LIKE REPLACEMENT OF CRITICAL INFRASTRUCTURE ONLY

REPLACEMENT WITH ENHANCEMENT OPTIONS FOR CRITICAL INFRASTRUCTURE ONLY

# CRD Regional Trails Widening and Lighting Project Funding Model



Presented to the  
CRD Transportation Committee  
July 19, 2023

# Timeline (2016 – 2023)



## CRD Corporate Plan 2023-2026

- 4c Goal: Support investments, expansion and equitable access to active transportation and low carbon transportation
  - 4c-1 Update the Regional Trails Management Plan
  - 4c-2 Prepare a funding strategy to support implementation of priority regional trail enhancement and expansion projects at Regional Parks

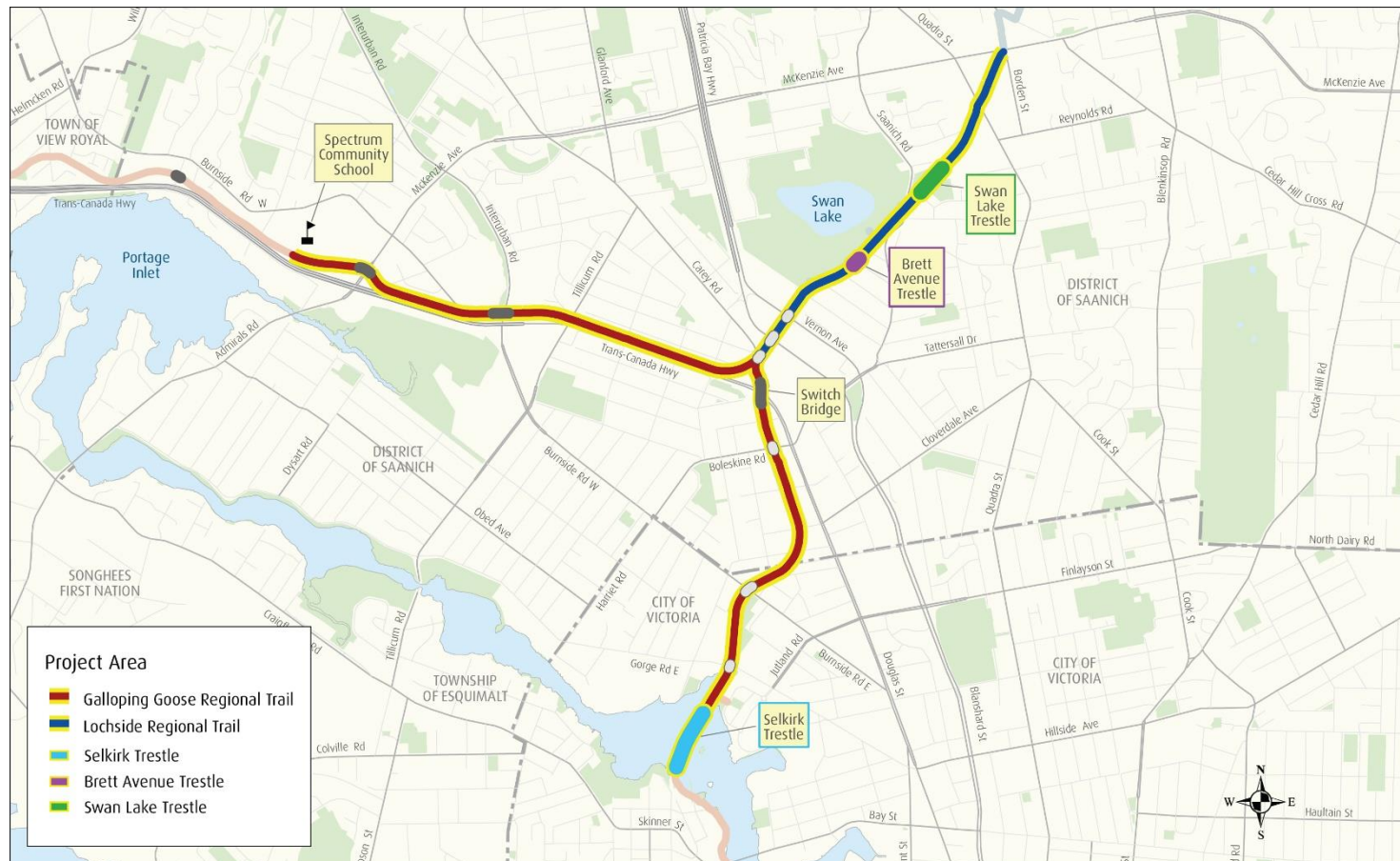
## Regional Parks and Trails Strategic Plan (Interim) 2022 - 2032

- Priority 4-1b Plan for and implement priority regional trail enhancement and expansion projects
- Priority 4-1c Prepare a funding strategy to support implementation of priority regional trail enhancement and expansion projects.
- Priority 4-3d Conduct a service level review of regional trails to understand current levels of service, forecast emerging needs and required adjustments
- Reporting Indicators include:
  - 3-1 Maintain high rates of visitor satisfaction
  - 4-1 Complete regional trail priority projects and minimize regional trail service disruptions
  - 4-3 Maintain critical infrastructure in good condition

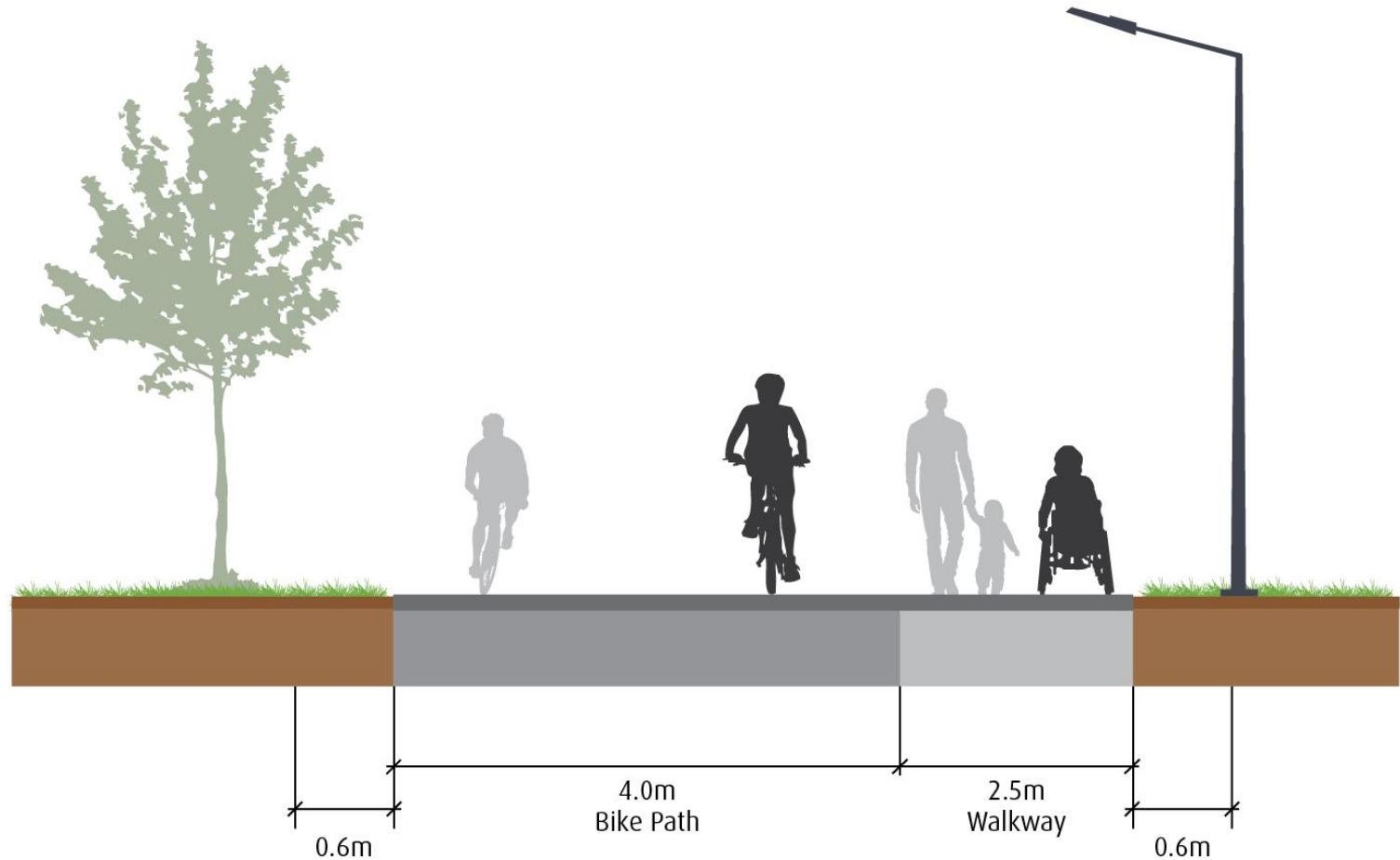
# Project Description

Regional Trails Widening and Lighting project includes:

- Critical infrastructure renewal for the Selkirk, Swan Lake and Brett Avenue trestles
- Six kilometres of Regional Trail enhancement (6.5m separated use pathway design with lighting)



# Separated Use Pathway Design





# Implementation Priorities



Regional Trail Widening and Lighting Project Definition (Selkirk, Swan Lake, and Brett Avenue Trestle, Sections A, B, and C)

1<sup>st</sup> Priority

2<sup>nd</sup> Priority

3<sup>rd</sup> Priority

4<sup>th</sup> Priority

5<sup>th</sup> Priority



Potential higher priority based on Condition Assessment (Swan and Brett Trestle)

# Estimated Project Cost (\$53.5 M)


Critical Infrastructure Renewal and Enhancement Projects	Budget Estimate (Low)	Budget Estimate (High)
Selkirk Trestle	\$6,156,358	\$8,367,368
Swan Lake Trestle	\$8,641,173	\$10,943,792
Brett Avenue Trestle	\$1,778,560	\$2,910,507
Regional Trails Widening and Lighting (6 kilometres)	\$23,767,003	\$31,240,784
<b>Total Budget Estimate</b>	<b>\$40,343,094</b>	<b>\$53,462,451</b>



## Secure Project Funds Through:

CRD Board Authorization Loans 

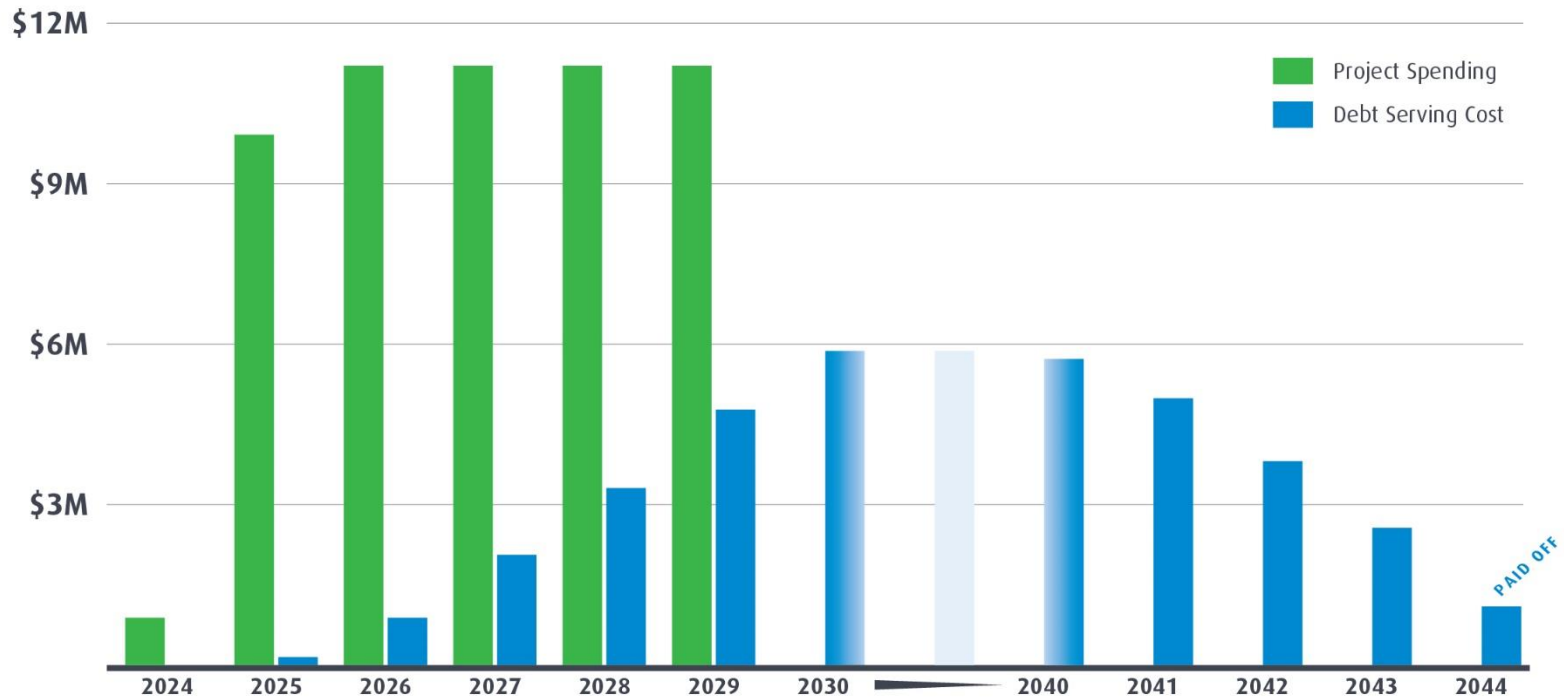
→ Offset loan reliance through:

- Partnership and Grant Opportunities 
- Regional Park Core Budget 
- Non-tax Revenue 

# Project Funding Model

## Alternative 1

**CRD BOARD AUTHORIZATION LOAN (UP TO \$50M)**  
**DEBT SERVICING 2024 TO 2044**



# CRD Governance

