

Subject: Transit Facility Construction Green Trip**APPROVALS:**

Robert Kirby, Director
Kevin Scoble, Executive Director
Marcel Ulliach, Chief Administrative Officer

Administrative Recommendation:

THAT the Municipality defer construction of the proposed permanent transit facility until June 2015, pending the outcome and conclusion of a needs assessment, to be completed in May, for the permanent facility; and

THAT Administration request an extension of the Green Trip Funding from the Province.

Summary:

The original project entails construction of both a temporary transit facility, as part of the TOK contract, and a permanent facility. The temporary facility has been constructed and is in service with some deficiencies outstanding. Review of final payment of \$5.5 million is underway with the transition of transit services from TOK to the Municipality in May 2015.

The temporary facility was intended to meet interim needs while a permanent facility (South Bus Barn) was constructed. The original design was for a \$53 million permanent facility that was eligible for \$29 million (66 2/3%) Green Trip Funding. With the recent decision to bring the transit system in-house, Administration has reexamined the needs and believes that the proposed \$53 million building is not necessary and would prefer to re-design to a smaller scale building. This smaller building would still be eligible for the Green Trip Funding (expires December 31, 2017) and will accommodate transit growth over the next ten years. Administration will validate this plan over the next month.

Background:

In 2012, the South Municipal Multi-Use Facility project, intended to combine facilities for Transit Services and other Public Works branches, was postponed because of budget issues. The project was then broken into smaller purpose-built facilities and re-launched as the South Operations Centre and the South Facility Green Trip Project. Separate design, construction and demolition plans were advanced in tandem, which allowed Transit Services to apply for a provincial Green Trip grant, which was awarded to build the new facility.

Design and construction of the Transit Facility was approved in 2013. Site preparation began in summer 2013. The project was put on hold after Council directed Administration to investigate the possibility of developing a facility in conjunction with Keyano College's proposed new industrial campus at the landfill site. KPMG was hired to analyze this and any other options, including buying or leasing other space and adding heated storage tents to the temporary storage

site. KPMG reported back in April 2014, concluding that the original plan is still the best way to meet the Municipality's long term needs. Other options were deemed to be short-term and half-measure solutions. However, the current economic situation and growth forecasts have significantly changed since then requiring re-validation of this model as appropriate.

The permanent facility would be sufficient to meet the transit needs for at least the next 15 years. It would house all of the fleet indoors, extending the life cycle of the buses, making maintenance easier and protecting the new technologies that are being introduced as transit operations are being reorganized, improved and upgraded to better serve the community. It would also enable effective and efficient operations.

Alternatives:

Cancel the Capital Project for a permanent transit facility and continue to park buses outside during the harsh winter climate, which would require excessive idling that causes premature wear to the engines as well as high fuel consumption.

Budget/Financial Implications:

Some of the monies budgeted in the original \$53 million project have been spent on demolition and remediation of the site. Below are other costs from the project that have been committed from the \$53,887,500.

**Budget information as of April 1, 2015

Committed / Spent	Balance Remaining	Details
\$6,456,053	\$47,431,447	Demolition, Site Remediation
\$5,368,132	\$42,063,315	Purchase of Temporary Bus Garage (TOK)

Total Budget: \$53,887,500

Provincial Grant (Green TRIP) - \$29 million

Rationale for Recommendation:

Administration is evaluating continuing to use the temporary facility and enhancing it with a smaller scale permanent bus garage and body shop to meet the needs of long term transit storage.

Administration will also evaluate the implications on the Green Transit Incentive Program (Green TRIP) and the construction timelines required to continue to receive this funding.