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**Subject:** Gross Budget Increase for Reconstruction of Regional Road 98 (Montrose Road) between Regional Road 49 (McLeod Road) and Charnwood Avenue, in the City of Niagara Falls

**Report to:** Public Works Committee

**Report date:** Tuesday, February 19, 2019

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## **Recommendations**

1. That the Gross Budget for – Reconstruction of Regional Road 98 (Montrose Road) between Regional Road 49 (McLeod Road) and Charnwood Avenue, in the City of Niagara Falls **BE INCREASED** by \$850,000 and that the increase **BE FUNDED** from the Capital Variance – Levy Project.

## **Key Facts**

- The purpose of this report is to seek Council approval for the increase to the gross budget - Reconstruction of Regional Road 98 (Montrose Road) between Regional Road 49 (McLeod Road) and Charnwood Avenue, in the City of Niagara Falls.
- The current Council approved budget is \$5,380,000, and based on a recent construction cost estimate of \$6,230,000 (including 1.76% non-refundable HST) there is a projected budget shortfall of \$850,000.
- Estimated construction costs, consulting engineering services and management costs relating to the project were recently updated from original estimates dating back to 2016.
- The Municipal Class Environmental Assessment Study for McLeod Road and Montrose Road was completed, and the Environmental Study Report filed, on November 4, 2011, recommending improvements to increase traffic capacity and alleviate congestion.

## **Financial Considerations**

Council has approved \$5,380,000 for project 20000503 – Reconstruction of Regional Road 98 (Montrose Road) between Regional Road 49 (McLeod Road) and Charnwood Avenue, in the City of Niagara Falls. This budget includes construction, utility relocations, contract administration & inspection, construction testing, internal staff time and contingency.

The original budget was approved in 2009 for \$3,000,000. Based on the estimated construction costs available in 2016, the approved project budget was increased through the 2017 capital budget process to \$4,700,000. Total funding for this project originally was comprised of: \$360,000 in Capital Variance - Levy; \$600,000 in cost

sharing contributions from the City of Niagara Falls; \$1,700,000 in Federal Gas Tax; and \$2,040,000 in Development Charges-Roads.

In early 2018, the overall project design, and resulting cost estimate, was updated and refined. As a result, a gross budget adjustment for the project was processed in 2018 reflecting an increase in the City of Niagara Falls cost sharing contribution from \$600,000 to \$1,280,000. This resulted in a total project budget of \$5,380,000.

Based on current estimated construction costs, the projected project budget required is forecasted to be \$6,230,000, which leaves a projected budget shortfall of \$850,000. Staff is recommending that this projected budget shortfall be funded through the Capital Variance – Levy Project. As at January 23, 2019 the Capital Variance – Levy Project balance not committed is \$1,079,646. Not funding the projected budget shortfall at this time will delay project construction until 2020, and result in possibly higher construction costs due to inflation.

Appendix 2 – Total Estimated Project Cost provides a full budget breakdown.

## **Analysis**

- In 1998, the City of Niagara Falls completed a Transportation Master Plan (TMP) to assess and identify the transportation infrastructure requirements to address travel demands of the City of Niagara Falls.
- In assessing the short/long term transportation needs, the TMP identified the need for capacity improvements along McLeod Road.
- In response to this need, the Niagara Region along with the City of Niagara Falls and the Niagara Parks Commission initiated the McLeod Road Transportation Study in 2006.
- The McLeod Road Transportation Study, completed in 2008, recommended improvements, in order to address the future 2016 and 2026 travel demands.
- Following the completion of the McLeod Road Transportation Study, Niagara Region initiated a Schedule C Municipal Class Environmental Assessment for the McLeod Road and Montrose Road corridors.
- The Municipal Class Environmental Assessment Study for McLeod Road and Montrose Road was completed, and the Environmental Study Report filed, on November 4, 2011, recommending improvements to increase traffic capacity and alleviate congestion.

- The proposed improvements for Montrose Road include a 4-lane urban cross section between McLeod Road and the north entrance to the MacBain Community Centre, and a 2-lane urban cross section between the MacBain Community Centre north entrance and Charnwood Avenue.
- Niagara Region retained Parsons Corporation to undertake the detailed design for the project through a competitive process under 2016-RFP-04.
- The detailed design is complete, and Niagara Region is planning to tender the project in March 2019.

### **Alternatives Reviewed**

A Municipal Class Environmental Assessment Study (EA) for McLeod Road and Montrose Road was completed, and the Environmental Study Report filed, on November 4, 2011, recommending improvements to increase traffic capacity and alleviate congestion.

Five planning alternatives were reviewed as part of the EA:

1. Do nothing;
2. Improve adjacent roads;
3. Provide additional traffic lanes;
4. Non-structural improvements (e.g. signing, traffic optimization or traffic control); and
5. Accommodate other travel modes.

The preferred planning alternative for Montrose Road was “Increase traffic capacity along Montrose Road through the addition of through / turn lanes and help alleviate congestion through the accommodation of transit users, cyclists, and pedestrians and the implementation of non-structural improvements including better signage and traffic control.”

Four design alternatives were reviewed as potential methods of implementing the preferred planning alternative:

1. Do nothing;
2. Four lanes with shared use cycling lanes;
3. Two / Four lanes with dedicated bike and turn lanes; and
4. Four lanes with dedicated bike and turn lanes.

The preferred design alternative, which was the basis of the detailed design, included: four lanes between Regional Road 49 and the north entrance to the MacBain Centre;

two lanes between the north entrance to the MacBain Centre and Charnwood Avenue; dedicated turn lanes at intersections; and dedicated bike lanes throughout.

As part of the EA process, two Public information Centres were held. The first session occurred on February 4, 2009, and the second was held on April 20, 2010. An additional Public Information Centre occurred on October 24, 2018 to present the construction drawings, details and schedule to local residents / businesses that may be affected by the project.

## **Relationship to Council Strategic Priorities**

This recommendation relates to the *Moving People and Goods* strategic priority since the planned upgrades will ensure reliable and effective transportation modes including an inter-connection of various types of transportation.

## **Other Pertinent Reports**

- PWA 36-2010

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### **Recommended by:**

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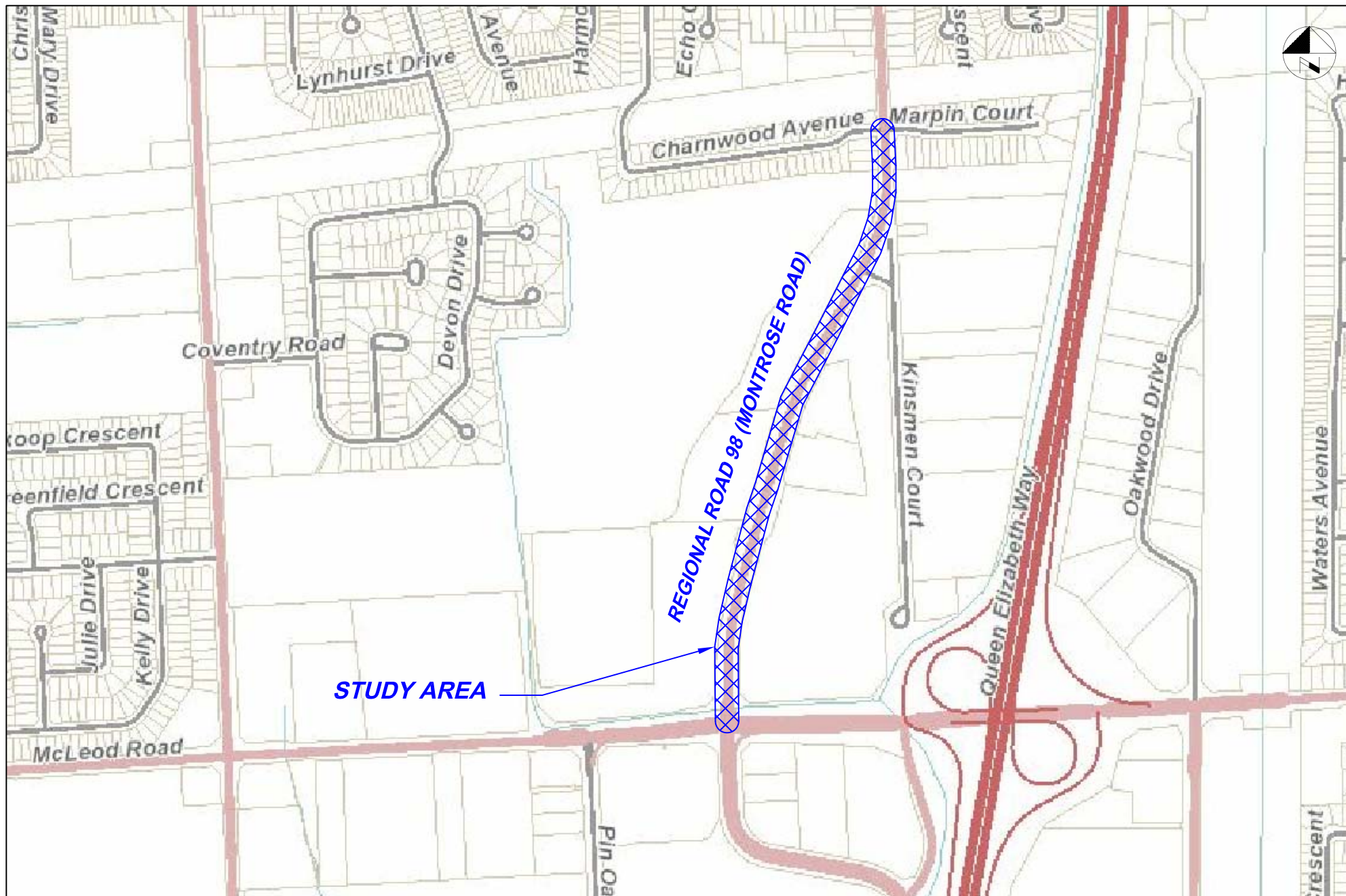
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*This report was prepared in consultation with Frank Tassone, Associate Director Transportation Engineering and Brian McMahon, Program Financial Specialist, and reviewed by Carolyn Ryall, Director Transportation Services.*

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**PW 7-2019 APPENDIX 2**  
**Total Estimated Project Cost**  
**Gross Budget Increase with Funding from Capital Variance Project**

**Reconstruction of Regional Road 98 (Montrose Road) between Regional Road 49 (McLeod Road) and Charnwood Avenue, Niagara Falls**

	<b>Council Approved Budget</b>	<b>Budget Increase/ Reallocation</b>	<b>Revised Council Approved Budget</b>	<b>Expended &amp; Committed as of 12/31/18</b>	<b>Forecast</b>	<b>Budget Remaining</b>
	<b>(A)</b>	<b>(B)</b>	<b>(C) = (A) + (B)</b>	<b>(D)</b>	<b>(E)</b>	<b>(F) = (C)-(D)- (E)</b>
<b><u>Total Estimated Project Cost (20000503)*</u></b>						
(a) Construction (including Construction Contingency and 1.76% non-refundable HST)	5,380,000	(422,630)	4,957,370		4,957,370	-
(b) Project Contingency		500,000	500,000		500,000	-
(c) Property Acquisition		55,700	55,700	5,700	50,000	-
(d) Consulting Engineering Services			-			-
i. Detailed Design			-			-
ii. Contract Administration & Inspection		51,000	51,000		51,000	-
ii. Geotechnical Service-Quality Control		60,789	60,789	9,789	51,000	-
(e) Project Management (In-House) and Operations		310,018	310,018	18	310,000	-
(f) Traffic Signals and Signs		255,000	255,000		255,000	-
(g) Utility Relocation		8,630	8,630	8,630		-
(h) Subsurface investigation			-			-
(i) Miscellaneous		31,493	31,493		31,493	-
<b>Total Estimated Project Cost</b>	<b>5,380,000</b>	<b>850,000</b>	<b>6,230,000</b>	<b>24,137</b>	<b>6,205,863</b>	<b>-</b>
<b><u>Project Funding Sources</u></b>						
Capital Variance Project - Levy	(360,000)	(850,000)	(1,210,000)	(360,000)	(850,000)	-
Federal Gas Tax Funding	(1,700,000)		(1,700,000)		(1,700,000)	-
Development Charges	(2,040,000)		(2,040,000)		(2,040,000)	-
Municipal Cost Sharing - Niagara Falls	(1,280,000)		(1,280,000)		(1,280,000)	-
	<b>(5,380,000)</b>	<b>(850,000)</b>	<b>(6,230,000)</b>	<b>(360,000)</b>	<b>(5,870,000)</b>	<b>-</b>

\*All costs include 1.76% non-refundable HST