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## **MEMORANDUM**

**CSC-C 7-2019**

**Subject: City of Welland Motion re: Forks Road Bridge**

**Date: February 20, 2019**

**To: Corporate Services Committee**

**From: Todd Harrison, Commissioner/Treasurer**

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At the January 31, 2019 Budget Review Committee of the Whole (BRCOTW) meeting, a motion regarding the Forks Road Bridge in Welland was referred to staff to provide a report to the BRCOTW meeting to be held on February 14, 2019. Specifically, the motion from the City of Welland requested that the Region of Niagara assume the Forks Road bridge and budget \$4 million in the 2019 capital budget for demolition, pier testing and detailed design subject to staff advising the impact of the approval on the 2019 budget.

This motion is a very significant request of the Region, consequently, staff were unable to have a report and recommendation for the February 14<sup>th</sup> BRCOTW meeting. As a result, staff agreed to bring back a memo to this Corporate Services Committee meeting outlining the key facts. While this memo has been drafted due to the immediacy of the matter facing the City of Welland, staff strongly recommend Council's consideration to bring back a more fulsome report at a later date if Council wishes to move forward with the motion as presented by Councillor Campion.

This request is unique in a number of ways. This memo will cover the original asset transfer to the Region, the subsequent transfer to the City from the Region, an example of similar asset transfer, and some key financial factors of this request.

### **Original Asset Transfer to the Region**

The Forks Road Bridge was transferred by the St. Lawrence Seaway to the combined parties of (Region of Niagara, City of Welland, City of Thorold, Federal & Provincial Governments) in an agreement dated February 21, 1994.

The finalized asset transfer by the St. Lawrence Seaway to the Region was completed in March 1994 for \$1.

Approximately \$850K worth of rehabilitation works were completed on the Forks Bridge at the time of transfer to the Region. The costs were shared between Region (50%) and Feds/Province (50%), without contributions from the lower tier municipalities.

Additional rehabilitation was performed by the Region leading up to and prior to the asset transfer to the City of Welland. In 1997, the Region issued a Rehabilitation of Forks Road Bridge Tender RN97-06. Works included: tower removals, new sidewalk, expansion joint rehabilitations, abutment repairs, pier resurfacing, new curbing, asphalt replacement, and steel strengthening for approximate costs totaling \$700K, funded exclusively by the Region.

### Asset Transfer from the Region to the City of Welland

Regional Council approved the transfer of this section of roadway, including the structure to the City of Welland on April 20, 2000. The transfer of Forks Road, the surrounding road system as well as the bridge to the City was determined by the Road Classification Criteria (1996). Similar roads and structures were transferred across all of Niagara, based on these criteria. The asset was considered to be in good condition at the time of transfer. Attached is a map of the road system discussed in this report.

This transfer was 19 years ago. A normal lifespan of the bridge would indicate it would have been due for a reconstruction by 2020. Ellis Engineering performed a Bridge Inspection Report for the Region on this bridge in 1999. It indicated steel work repairs and coating were needed at an estimated \$1.3M within 1-5 years in excess of the rehabilitation that was previously performed in 1997.

Ellis Engineering commenced performing bridge inspections for the City of Welland in 2002 and have continued to the present time. Forks Rd Bridge is included in those inspections. Regional staff understand that the City was made aware in 2010 by Ellis Engineering based on a Rehab vs Replacement Analysis Report, that a replacement was needed by 2020. Cost of replacement was estimated at \$8.7M in 2010 dollars. Regional staff understand that the capital infrastructure pressures facing the City of Welland and all other local area municipalities are significant. However, the time horizon of this information being known was sufficient to develop a funding strategy.

### Other Asset Transfers to the Region

Several Reports dated between 1999 and 2000 were brought forward to PWC and Council regarding the downloading of several roadways and some bridge structures throughout the Region to other Municipalities, based on similar Road Classification Criteria. A notable example of a bridge transfer, the Merritt Bridge transferred in 2000 to the City of St. Catharines which was later replaced at an approximate cost of \$7M to the City.

## Other Financial Considerations Related to the Motion

*As per Ontario Regulation 588/17 section 5.(1) Every municipality shall prepare an asset management plan in respect of its core municipal infrastructure assets by July 1, 2021, and in respect of all of its other municipal infrastructure assets by July 1, 2023.*

The Region of Niagara has recently approved its own Asset Management Plan (AMP) where a funding shortfall of over \$500M has been identified. Specifically for this term of Council, there is a funding gap on the levy based assets of \$214.5M. The Region has proposed a 2019 Capital Budget of \$274.2M which does not include replacing non-Regional assets. While the Region regularly coordinates infrastructure projects with local area municipalities, it does not fund their infrastructure needs.

In addition, if Regional Council decides to provide funding for the initiative by including the \$4M in its capital budget, the Region would be required to eliminate a similar sized project from its own assets which would be a contradiction to its AMP. Alternatively, if the Region decided to provide a grant to Welland for the \$4M cost, this would increase the Regional levy request by 1.19% to a cumulative total of 6.9% for 2019. Neither option is recommended by staff. Lastly, moving forward with this request would establish a precedent that may cause other LAM's to make similar requests thereby compounding the Region's ability to fund its infrastructure.

Lastly, it should be noted that the average capital expenditure for the remainder of this council's term for transportation assets is approximately \$100M annually without consideration of local area municipal projects.

## Staff's Recommendation to the Motion

Staff does not recommend assuming the Forks Road Bridge back from the City of Welland, nor does it support budgeting \$4 million in the 2019 capital budget for demolition, pier testing and detailed design of the Forks Road Bridge.

Respectfully submitted and signed by

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Todd Harrison, CPA, CMA  
Commissioner/Treasurer