



To: General Purposes Committee

Date: October 25, 2017

From: Victor Wei, P. Eng.
Director, Transportation

File: 10-6525-07-04-
05/2017-Vol 01

Re: **Advancement of Partial Funding for the Canada Line Capstan Station**

Staff Recommendation

1. That up to \$3.5 million be approved for the advancement of funds to TransLink to initiate design work for the new Canada Line Capstan Station including \$1,097,817 for Preliminary Design with the balance to be for Detailed Design; and
2. The 5-Year Financial Plan (2018-2022) reflects this accordingly.

Victor Wei, P. Eng.
Director, Transportation
(604-276-4131)

Att. 2

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Finance	<input checked="" type="checkbox"/>	
Law	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
Development Applications	<input checked="" type="checkbox"/>	
Policy Planning	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

In March 2012, Bylaw No. 8837, to amend the Richmond Official Community Plan, Schedule 2.10 (City Centre), was adopted in order to facilitate the implementation of a funding strategy for the construction of and other related enhancements to the future Canada Line Capstan Station.

The Bylaw provides that:

1. developers of projects within the area described in the Capstan Station Bonus Map may be entitled to bonus density (called the Capstan Station Bonus) in return for making voluntary contributions (“Developer Contributions”) to the planning, construction and implementation cost of the Capstan Station as well as other related improvements for users of the station; and
2. the collected developer contributions would be held by the City in a separate interest-bearing bank account and delivered to TransLink when the amount collected from developers is equal to the estimated Capstan Station capital cost as per the Capstan Station Funding Agreement of \$25,316,600.00 (2010\$) plus CPI.

Complementary bylaws also adopted in March 2012 to facilitate the Canada Line Capstan Station funding strategy include:

- Bylaw No. 8839 to Amend Richmond Zoning Bylaw 8500: adopted to enable collection of the voluntary developer contributions prior to issuance of the building permit; and
- Capstan Station Capital Reserve Fund Establishment Bylaw No. 8854: adopted to hold the voluntary developer contributions. The purposes of the Canada Line Capstan Station Reserve Fund (the Fund) are to pay the costs of constructing the station including passenger-related enhancements to the immediate public realm and improvements to roadways and other transportation infrastructure required due to the new station.

Contributions to the Fund have been accumulating more rapidly than the 15-year time frame originally anticipated when the City entered into the 2012 funding agreement with TransLink and thus reaching the target amount of approximately \$27.79 million (2017\$) for the station construction is fast approaching.

In anticipation of achieving the target amount sooner than previously estimated, City and TransLink staff have been in discussion over the past few months regarding next steps to ensure timely delivery of the station. On September 7, 2017, as per the funding agreement, TransLink sent the City a letter requesting the advancement of funds for the proposed Canada Line Capstan Station in order for the agency to proceed with Preliminary Design. This report presents the background for the request and seeks approval for the release of funds to support design work.

This report supports Council’s 2014-2018 Term Goal #3 A Well-Planned Community:

3.3. Effective transportation and mobility networks.

This report supports Council's 2014-2018 Term Goal #6 Quality Infrastructure Networks:

Continue diligence towards the development of infrastructure networks that are safe, sustainable, and address the challenges associated with aging systems, population growth, and environmental impact.

6.1. *Safe and sustainable infrastructure.*

Analysis

Capstan Station Funding Agreement

The contributions into the Canada Line Capstan Station Funding are secured on a project-by-project basis via the City's rezoning processes and paid, phase-by-phase, based on the Council-approved rate in effect at the time of Building Permit issuance. The contribution rate is currently \$8,562.97 per dwelling unit (as of October 2017) and is adjusted annually each October based on any increase in the Consumer Price Index (CPI) as of October 1st of that year. The average CPI increase applied for this adjustment, over the past three years, was 1.73% per year.

In order for station construction to proceed today, approximately \$27.79 million (as of October 2017) is required based on the initial station cost of approximately \$25.32 million from September 2010 adjusted for inflation. Once the entirety of the required funds has been collected by the City and Council approves their transfer to TransLink, the funding agreement stipulates that (barring factors outside of TransLink's control) station construction must be completed and fully functional within 30 months. TransLink is not obligated to initiate any work in advance of receiving the entirety of the required funds. Any funding shortfall will be the sole responsibility of TransLink.

TransLink Request for Preliminary Design Funds

The City has collected \$19.36 million (as of September 30, 2017) in developer contributions towards station funding. There is a funding gap of \$8.43 million between this figure and the total cost of \$27.79 million (i.e., initial station cost of approximately \$25.32 million from September 2010 adjusted for inflation to October 2017). Based on in-stream development permits pending issuance, staff anticipate that the full funding could potentially be achieved as early as Spring 2018 (i.e., within only six years of the initiation of the funding strategy versus the originally anticipated 15-year time frame).

Given the rate of accumulation of the funding, the release of some of the funds at this time for design work would be prudent and timely. The 2012 funding agreement between the City and TransLink provides for \$1.0 million for Preliminary Design and \$2.0 million for Detailed Design to be drawn from the Fund to support the design work. As such, TransLink has sent the City a letter (Attachment 1) requesting the advancement of funds in the amount of \$1,095,197 (\$1.0 million adjusted for inflation to September 2017) for the proposed Canada Line Capstan Station in order for the agency to proceed with the Preliminary Design.¹ The Preliminary Design would be the next step towards confirming any land requirements needed for the new station.

¹ Note that the reference to Yuanheng in TransLink's letter is with respect to a potential funding arrangement with that company for Capstan Station that is no longer valid.

Per Sections 2.3(a) and 2.3(b) of the 2012 Funding Agreement, should TransLink wish to carry out, respectively, Preliminary and Detailed Design work in advance of the City collecting full funding for the station, and requests in writing for funding for these works to the City, the City is legally obliged to release the amount requested for these works.

Further, the submission of the rezoning application by Concord for the lands immediately adjacent to the proposed station location also necessitates the need to advance the Preliminary Design funding given that Section 2.5 of the 2012 Funding Agreement obligates the City to secure any additional lands required for the design, construction, operation, maintenance, and repair of the station via the development approval process.

Therefore, staff recommend that up to \$3.5 million be authorized for release from the Capstan Station Capital Reserve Fund (i.e., combined funding for the full costs of Preliminary and Detailed Design adjusted for inflation), which includes \$1,097,817 (i.e., \$1,095,197 as requested by TransLink adjusted for inflation to October 2017 CPI) for Preliminary Design and, given the rate of accumulation of the voluntary developer contributions, the remainder for subsequent Detailed Design.

The funding agreement allows for the continued collection of voluntary developer contributions beyond when the full cost for the station construction is reached. When this full station cost has been collected, which is anticipated to be some time in 2018, staff will bring back a further report to seek Council approval for the release of the larger fund along with a comprehensive plan for the use of any supplemental funding to fulfill the purposes of the Fund as stated earlier in this report. Per Section 2.1 of the 2012 Funding Agreement, the City is legally obliged to deliver the station funding to TransLink once the full cost for the station construction is attained.

Potential Integration of Station to Adjacent Development

The *City Centre Area Plan* outlines policies to enhance No. 3 Road as Richmond's civic spine and make the roadway a "great street" by ensuring that its streetscape will be attractive, pedestrian-friendly and supportive of a lively public realm. With respect to fronting buildings, the *City Centre Area Plan* states that typically, buildings will be set back from the Canada Line guideway and stations to ensure adequate openness in the public realm and minimize potential privacy impacts on the tenants of fronting buildings. Given the unique opportunity of the proximity and coincident timing of adjacent new development to the Canada Line Capstan Station, there is merit to pursuing some form of integration at Capstan Station with the adjacent development.

In staff's discussion with the affected parties to pursue station integration, TransLink has advised that integration at the platform level at Capstan Station (as at Aberdeen Station) is not desirable due to operational issues (e.g., increased fare gate costs and security concerns). Furthermore, integration at platform level at this location would necessitate a higher "third-level" walkway over the existing guideway to provide access to the far side of the tracks, which is not considered collectively by TransLink, Concord and staff to be the most user-friendly way to integrate from a functional and urban design perspective.

Hence, a lower-level integration of the station with the adjacent development (like Marine-Gateway Station) is considered to be the best form of integration. This design would feature

continuous weather protection and a seamless walking surface and appearance of surroundings to enhance passenger convenience, comfort and safety which is strongly supported by all parties. As indicated in Attachment 2, TransLink is very supportive of an integrated design concept at the ground level provided that any necessary additional lands are provided and incremental integration costs are funded by sources other than TransLink; the adjacent developer (Concord) has also expressed full support for ground level integration. Therefore, it is expected by all parties that the design would proceed on this basis.

The 2012 funding agreement states that "Capstan Station shall be designed to at least the same standard of finish as the existing Aberdeen and Lansdowne Stations," both of which at the time were stand-alone stations. The agreement does not, however, preclude the possibility of any form of station integration with adjacent development. Depending on the final detailed design, it is possible that a ground level integrated station model may incur additional costs versus a stand-alone station. If so, further discussion would be needed amongst TransLink, the City and the developer to determine the funding strategy for the incremental cost. To this end, the prompt release of funds to TransLink to initiate preliminary design would enable TransLink to confirm integrated design concepts, land requirements and integration opportunities.

Financial Impact

None. In order for TransLink to commence Preliminary Design, staff recommend that an existing Council-approved capital project be utilized as a temporary funding source (i.e., draw upon unspent funding for approved Roads capital projects) until the 2018 Capital Budget and 5-Year Financial Plan (2018-2022) is approved.

Conclusion

This report seeks approval for the advancement of funds to TransLink to initiate the Preliminary Design of the Capstan Station. Implementation of the Capstan Station would help achieve the vision of the *City Centre Area Plan* to support transit-oriented development and maximize the use of the Canada Line as well as support the *Official Community Plan* objectives to reduce car dependence and greenhouse gas emissions by providing a rapid transit station in a growing area of the City Centre.



Donna Chan, P. Eng., PTOE
Manager, Transportation Planning
(604-276-4126)



Joan Caravan
Transportation Planner
(604-276-4035)

DC:jc

- Att. 1: Letter dated September 7, 2017 from TransLink to the City of Richmond requesting funding for Preliminary Design of the Canada Line Capstan Station
- Att. 2: Confirmation of Support for Ground Level Integrated Station Design from TransLink and Concord



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South Coast British Columbia
Transportation Authority

07 September 2017

Our File: 6100-16/0409-2400

Mr. Victor Wei
Director, Transportation Division
City of Richmond
6911 No. 3 Road
Richmond, BC V6Y 2C1

Dear Victor,

RE: Canada Line Future Capstan Station Funding

TransLink refers to TransLink correspondence File: 6100-16/0409-2400 dated May 19, 2017, City of Richmond response File: 10-6525-01/2017-Vol 01 dated June 28, 2017 and our follow up meeting with Yuanheng on July 25, 2017.

Notwithstanding the fact that Yuanheng has decided to not advance funding for Capstan Station at this time, TransLink believes it's in the best interests of the project, given potential impacts from pending adjacent developments, to commence some preliminary design work to determine whether Additional Land Interests, as defined in the Capstan Station Funding Agreement are required.

Accordingly, pursuant to clause 2.3 a) of the Capstan Station Funding Agreement, TransLink requests that City of Richmond advance the Preliminary Design funds to TransLink as soon as possible. The Preliminary Design amount of \$1,000,000 (September 2010 dollars) adjusted for inflation totals \$1,095,197.

TransLink looks forward to working with City of Richmond to achieve a successful implementation of the Capstan Station project.

Kind regards,

A handwritten signature in black ink, appearing to read "Derrick Cheung".

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Derrick Cheung
Vice President, Strategic Sourcing & Real Estate

c. J. Herold, HDS Consulting

From: Herold, Jeff
Sent: Tuesday, October 17, 2017 11:24 AM
Subject: RE: Capstan Station Integration

TransLink is also very supportive of an integrated design concept at the ground level provided that any necessary additional lands are provided and incremental integration costs are funded by sources other than TransLink.

Jeff

Jeff Herold
Contractor – Senior Commercial Advisor

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A better place to live, built on transportation excellence

From: Brian Jackson
Sent: Friday, October 13, 2017 10:09 AM
Subject: Re: Capstan Station Integration

Concord is very supportive of the integration at the ground level and will work with the City on the costs associated with the connection, perhaps using our Public Art money to develop a creative solution to the integration.