

TO: CITY MANAGER

DATE: 1997 05 08

FROM: DIRECTOR ENGINEERING
DIRECTOR PLANNING & BUILDING

FILE: 10-08-09(01)

**SUBJECT: DECLASSIFICATION OF PROVINCIAL
HIGHWAYS IN THE CITY OF BURNABY**

PURPOSE: To advise Council of implications of the proposed highway declassification of Provincial Highways in the City and to request the GVRD Board to recognize certain issues relating to highway declassification in the negotiations regarding Regional Transportation Governance and Funding.

RECOMMENDATIONS:

1. **THAT** Council request the GVRD Board to recognize the issues regarding highway declassification in Section 4.0 of this report in the negotiations regarding Regional Transportation Governance & Funding.
2. **THAT** a copy of this report be forwarded to the Honourable Lois Boone, Minister of Transportation & Highways, and Councillor George Puil, Chair, Greater Vancouver Regional District and Burnaby MLA's.

REPORT

1.0 BACKGROUND

At its regular meeting of 1996 December 09, Council considered correspondence from the Ministry of Transportation & Highways (MOTH) regarding changes to the classification of roads in Burnaby as Provincial Highways. The correspondence from the Regional Director South Coast Region noted the following changes:

- ▶ that a number of arterial highways would be declassified and municipalities would assume full responsibility for them
- ▶ that cost sharing for construction and maintenance of secondary highways would be eliminated

The only secondary highway that the City has an interest in is North Road which is also cost shared with the City of Coquitlam.

The declassification initiative meant that a number of Provincial highways would become municipal roads with the City of Burnaby assuming responsibility for all maintenance and upgrading of these facilities. As shown in the figure in Attachment A, the Province was to retain Highway #1, the Lougheed Highway, and the Barnet/Hastings corridor as the key trunk highways while all other Provincial arterial highways would become municipal roads. Under the declassification initiative, the Province would be transferring to municipal control a total of 119 lane kilometres of arterial roads, the highest of any municipality in the Greater Vancouver Region. The Province valued this declassification at \$825,000 for 1997 (April to December) in the context of reductions in grant funding support to the City.

In the interim since Council received notification of the declassification initiative, the Province has postponed the date of transfer to 1998 January 01 to allow time for discussion with affected municipalities. As well, it is our understanding that the Minister of Transportation and Highways has now agreed to include the declassification issue in the negotiations between the Province and the GVRD concerning Regional Transportation Governance and Funding. This report is written to advise Council of the issues arising from the declassification initiative and to request the GVRD Board to consider the issues in the negotiations.

2.0 IMPLICATIONS FOR BURNABY

2.1 Increased Responsibility

The rationale for the declassification initiative is identified in the Ministry correspondence as the need to focus on core services for the key trunk highways in the Province. In this regard, the Province recognizes a continuing responsibility for construction and maintenance of a highway system throughout the Province but the criteria for defining a trunk highway are not specified. The highways which are retained by the Province, however, are those which generally accommodate inter-regional travel as opposed to regional or local travel defined as follows:

- ▶ **Local** - providing mobility and access within a local municipality, community or neighbourhood;
- ▶ **Regional** - accommodating daily trips of people and goods between places of residence in one part of the region and places of work, study, commerce or recreation in another part of the region; and

- ▶ **Inter-Regional** - providing for the movement of people and goods to or through the region from other parts of British Columbia, Canada and the world.

In general, the existing Provincial highway system in Greater Vancouver accommodates both inter-regional and regional travel while the City of Burnaby is responsible for roads which largely accommodate more local travel (ie. those trips having an origin and/or destination in the City). The declassification initiative, as originally proposed, would leave the City of Burnaby with a responsibility for roads with a primary function of accommodating regional travel without commensurate funding to support these facilities as discussed below.

Acceptance by the City of Burnaby of responsibility for the highways proposed for declassification would grant the City greater autonomy over major roads in Burnaby. Currently the planning, design and traffic operations on Provincial highways tends to reflect accommodating the needs of inter-regional travel. This perspective has often conflicted with local objectives for improved access, cycling/pedestrian safety and neighbourhood traffic calming. The exercise of City responsibility for major roads like Kingsway, Canada Way, etc. would give the City greater scope to address these concerns but at some significant extra cost.

2.2 Increased Road Costs

Under the declassification initiative, most of the Provincial highways in Burnaby would be transferred to municipal control. As the MOTH is currently responsible for the maintenance, traffic management, pavement rehabilitation, and longer term reconstruction and upgrading of these Provincial highways in Burnaby, the City would be responsible for considerable additional costs under the declassification initiative.

The costs of the declassification of Provincial highways to municipalities is significant as arterial roads on a per unit basis are the most costly to maintain due to their higher traffic volumes and more costly to improve due to their higher standards of construction and right-of-way requirements. These additional costs are outlined in the following sections.

2.2.1 Maintenance "Start Up" Costs

The current capability for road maintenance in terms of Works Yard capacity, vehicles and equipment is sized to meet current needs. A major increase in arterial road lanes would entail an immediate requirement for additional vehicles and equipment at an estimated total cost of \$1.5 to \$2 million. This will trigger additional storage requirements in an already over-capacity and functionally obsolete Works Yard. The cost of Works Yard improvements has not been estimated.

2.2.2 Annual Maintenance Costs

Takeover by the City of Burnaby of the maintenance responsibilities for Provincial highways would entail additional costs every year for snow clearing, street rehabilitation, signal and sign maintenance, etc. which we have conservatively estimated to cost \$1.5 million per year.

2.2.3 Short Term Capital Costs

The additions to the network of arterial roads would require periodic pavement rehabilitation and upgrading of storm drainage, and traffic signals. These capital projects are undertaken as part of an annual program based on need. The current state of the declassified highways suggests that extensive rehabilitation and upgrading would be required on all of these roads over a 7 year period. The estimated total cost is \$25 million, which equates to an average cost per year of approximately \$3.5 million.

2.2.4 Longer Term Reconstruction

In the longer term, all of the highways proposed for declassification will need to be reconstructed to accommodate current and future travel needs. Reconstruction has recently been undertaken on Broadway Avenue and Canada Way at Edmonds and at Imperial but the other highways in Burnaby will require major upgrading over a 20 year period at an estimated cost of \$40 million (average cost per year approximately \$2 million).

The Province has estimated the annual operating cost of the declassified arterials in Burnaby to be \$1.1 million. It is the City's view that this amount significantly understates the costs that the City will have to bear annually for operations and in the medium to longer term for capital improvements. The foregoing analysis has indicated that the overall costs of declassification could exceed \$7 million annually.

3.0 CURRENT STATUS OF DECLASSIFICATION

The declassification and transfer of highways to local authorities which was to occur April 01 of this year (beginning of the Province's fiscal year) has been deferred to the beginning of the next calendar year (1998). This was to allow for up to a year of lead time to enable discussion, negotiation between the Province and local authorities leading to an orderly transfer of responsibility. Burnaby staff were assured that these discussions would be initiated by the local Ministry of Transportation South Coast Region Office early in 1997 but as yet there has been no dialogue on this issue.

In the interim the Greater Vancouver Regional District has responded to the declassification initiative based on a concern that the regional level highway network may become compromised by declassification to municipal responsibility. The GVRD proposed that the declassification of Provincial highways be included in the negotiations on Transportation Governance and Funding with the following objectives:

- ▶ to achieve a rollback or reformulation of the Province's unilateral road declassification initiative
- ▶ to establish an agreed network of roads and bridges that are regional in function and that will meet the needs of the *Livable Region Strategic Plan*
- ▶ to develop a system of planning, constructing, maintaining, operating and financing of the road network in a manner which recognizes that the network has many owners, including individual municipalities

As mentioned previously, the Minister of Transportation and Highways has agreed to the inclusion of the declassification issue in the negotiations.

Informal discussions with local MOTHS staff confirm some desire and expectation by the Ministry to see declassified highways considered in the context of a defined Regional Major Road Network, and the Province has appointed negotiators to meet with the GVRD appointee with a deadline for concluding an agreement as September of this year.

If the negotiations lead to the agreement in principle of a Regional Major Road Network, we anticipate that the operation and maintenance of the majority of declassified roads will still become the responsibility of the respective local governments. The GVRD or some other regional agency could retain strategic control and provide funding for the operation, maintenance and improvement of the declassified facilities (and potentially other City roads that are considered Regional Major Road Network elements). While the issue of funding and governance raises a myriad of questions yet to be answered, a major concern is that there may not be sufficient lead time for the City to assume its additional operational responsibilities in a seamless fashion. At least a year would be required for planning and implementing a takeover of the declassified roads given the need to order equipment and effect changes, even interim ones, to the Works Yard.

4.0 REGIONAL TRANSPORTATION GOVERNANCE AND FUNDING

The current approach on Transportation Funding and Governance as adopted by the GVRD provides a broad mandate for the Region to negotiate without limitation of the overall scope of a transportation organization and potential sources of funding for transportation in the Region. With regard to the scope of regional responsibilities in transportation the GVRD prefers a “virtual governance” model which would involve securing through formal agreements overall responsibilities for the planning and funding of “regionally significant” transportation facilities with the delivery of those transportation services either remaining with existing agencies or developed to new operating agencies. This approach as applied to regionally significant roads would likely envision a major role for each municipality in the planning, maintenance and operation of the major road elements in its jurisdiction. Another principle guiding the negotiations is the need to develop new sources of local funding for transportation reflecting the “user pay” concept including consideration of gasoline taxes, vehicle licence fees, parking fees, tolling charges and others.

At this point we have to assume that the Transportation Funding and Governance negotiations will resolve the previously noted issues related to declassification and establish the principles for provincial, regional and municipal responsibilities for the major road system in Greater Vancouver and that the details will be addressed through subsequent tripartite negotiations. With regard to the declassification proposal the issues that need to be addressed in the Transportation Governance and Funding Negotiations for consideration by individual Councils include the following:

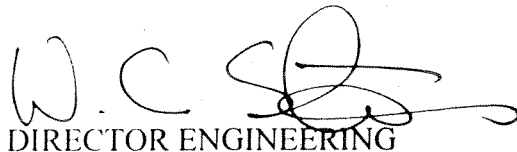
- ▶ proposed sources of funding other than local property taxes
- ▶ appropriate level of funding that recognizes start-up costs, routine maintenance, rehabilitation and major capital improvements to the road system

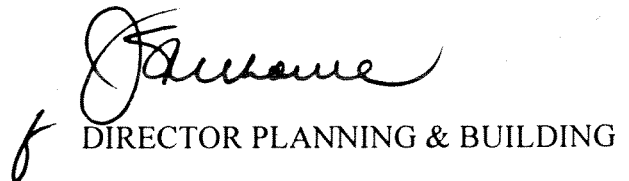
- ▶ an agreed process for defining the Regional Major Road Network that involves direct involvement of local municipalities
- ▶ the appropriate level of local autonomy in the planning, operation and maintenance of the major road network elements in each jurisdiction
- ▶ a process for ensuring an orderly transfer of responsibility to the City

5.0 SUMMARY

In summary, the process for declassification of Provincial highways in the City of Burnaby remains unresolved. It is noted that the Province equated the declassification of highways to be equivalent to a cash grant reduction of \$1.1 million per annum while in fact, we estimate the costs to be significantly more. Based on this figure, it would be better financially for the City to accept the grant reduction than accept the declassified highways. Clearly there should be an agreed process for determining the valuation of the Province's declassification proposal. There have been no direct discussions between City and MOTH staff to determine the true "price" of the declassification relative to current maintenance, rehabilitation and major capital requirements. Joint development of a transition plan has not been started and consequently the current 1998 deadline for declassification has become infeasible because of lead time required for an orderly transition. At present, we need some assurance that the declassification process is effectively dealt with in the Regional Transportation Governance and Funding negotiations and that the issues as outlined in Section 4.0 of this report are appropriately addressed.

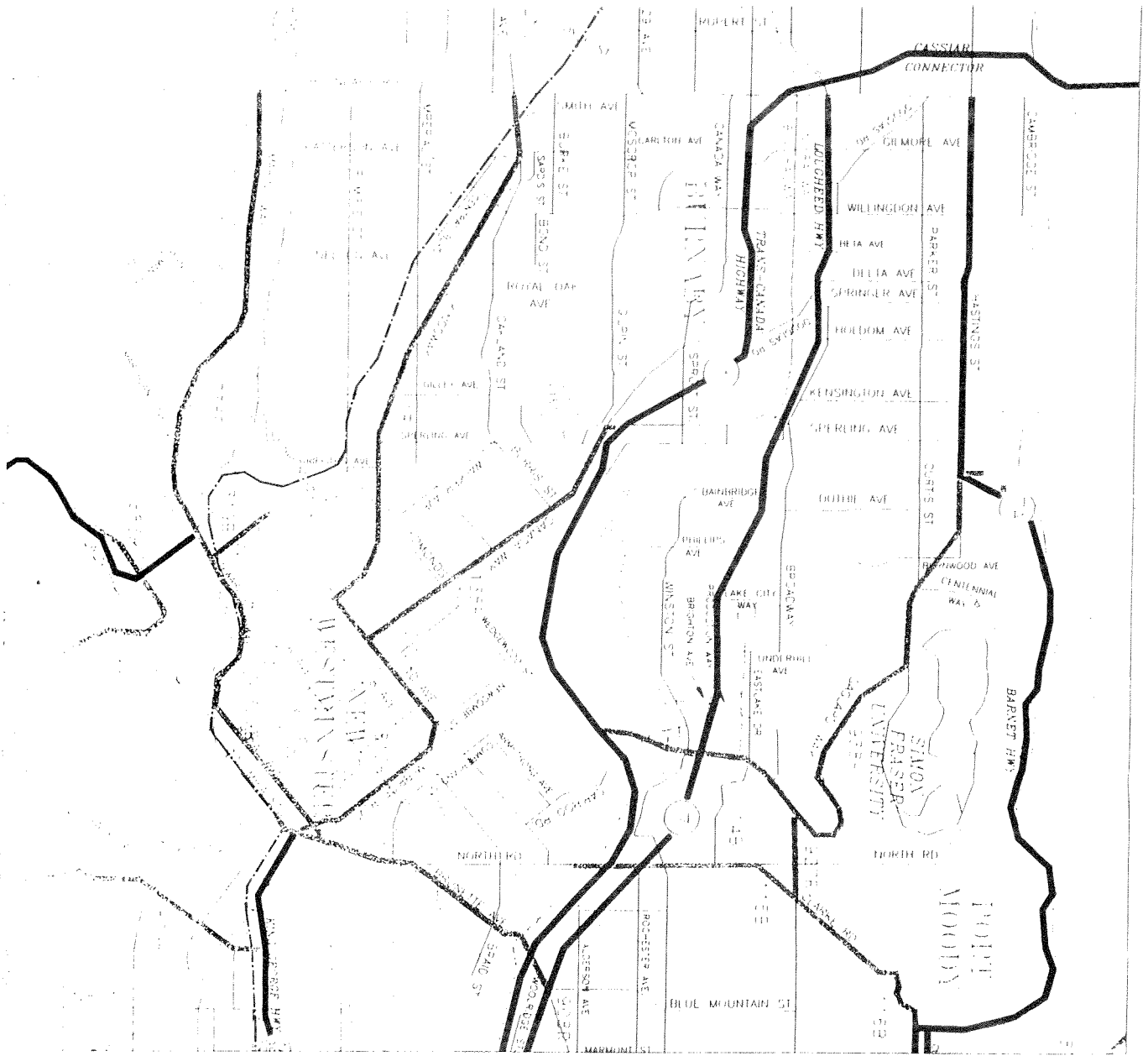
Notwithstanding these issues, staff believe the Regional Transportation Governance and Funding negotiations are the appropriate forum for dealing with the highways declassification issue at this time. However, there must also be Provincial commitment to meaningful negotiations with the City directly should regional level discussions fail to resolve the issue of declassification.


DIRECTOR ENGINEERING


f DIRECTOR PLANNING & BUILDING

RG/PL:jb
Attach.

cc: Director Finance



LEGEND

- MINISTRY
- - - - SECONDARY GRANT ELIMINATION
- MUNICIPAL



Not To Scale



Ministry of Transportation
and Highways

City of Burnaby