

ALBERTA TRANSPORTATION

RESOURCE ROAD PROGRAM (2010/11 – 2012/13)

PROGRAM DESCRIPTION

Definitions

For purposes of this program:

“intensified farming operation” means a large-scale farming operation producing high volumes of livestock, chickens, etc., which imports feed from other farms and exports products and by-products by truck

“Minister” means the Minister of Transportation

“resource-based industrial development” means a development related to processing renewable or non-renewable natural resources

“rural municipality” means a municipal district, county, Metis settlement, the Special Areas, and any area of a specialized municipality outside of the defined urban services area

“truck” means a vehicle with 3 or more axles or with a gross vehicle weight in excess of 4500 kilograms

“urban municipality” means a town, village, or summer village

“value-added processing” means any activity which adds value to a primary resource such as petrochemicals, meat packing and vegetable processing

Purpose

The ability to move goods and people safely and efficiently contributes to Alberta’s prosperity and quality of life. In a number of rural areas in Alberta, such developments as value-added processing, resource and other industries, intensification of the livestock and crops sectors, and consolidation of grain handling facilities have resulted in significantly increased traffic volumes, particularly involving heavy trucks.

The purpose of this program is to assist in the movement of goods and people associated with such developments. Projects which could be considered for funding assistance include local roadways and bridges as well as intersection improvements with provincial highways which serve:

- value-added processing facilities,
- intensified farming operations,

- resource-based industrial developments, or
- high throughput elevators.

Funding

It is expected that approximately \$98 million will be available for the fiscal years 2010/11 to 2012/13; to be allocated to eligible municipalities. The funding amounts are subject to the approval of Alberta Transportation's Business Plan.

Effective April 1st 2010, the program will provide funding on the basis of 50% government / 50% municipal on approved projects, up to a maximum of \$3,000,000 per project. Municipalities are now eligible to receive only one(1) project approval every two years, regardless of the value of the project. The applicant municipality is encouraged to provide 25% of the funding required themselves and acquire a contribution of 25% funding from the private sector. If the private sector contributes more or less than 25% funding, municipalities will not be penalized. No federal or provincial programs of any kind may be used to fund the applicant's share (except AMIP and MSI).

In order to assist municipalities with roads heavily used/impacted by non-local or through-trips, the program will provide 75% funding of approved projects, up to a maximum of \$4,500,000 per project, where the project is approved on the basis of "through-truck trips". Through-trucks are defined as those where the origin and destination are not in the applicant municipality. The origin-destination study must be conducted for a minimum of 12 hours, to be statistically significant. A minimum of 50% through-trucks is required to be considered.

Eligible Applicants

Eligible applicants are urban and rural municipalities as described in the "Definitions".

Eligible Projects

The Review Committee (see "Approval Process" section below) will consider project proposals from eligible applicants which will enhance the transportation of goods and people related to value-added processing facilities, intensified farming operations, resource-based industrial developments, or high throughput elevators which began operations or were expanded in 2007 or later. The road must be used by at least 25 trucks per day on average during any three month period of the year. Paving may be cost-shared if the current total traffic volume exceeds 400 vehicles per day (AADT).

Projects may be for construction or re-construction of local roads and bridges. Improvements required to the intersection of a local road and a provincial highway *must* also be considered.

Any road constructed or improved under the program must be open for use to all publicly licensed vehicles. Projects must be incremental, that is, funding will not be provided for projects currently underway. Roads on which municipalities charge or intend to charge general user fees are not eligible.

Projects which are intended primarily for local (residential, recreational and farm) traffic are not eligible.

Projects must receive all necessary municipal and provincial approvals prior to any work being undertaken. Obtaining these approvals is the responsibility of the applicant.

Engineering and construction of projects must be obtained from the private sector. All construction for projects in excess of \$50,000 must be publicly tendered.

The purchase of land, fencing, payment of crop damages, utility relocations, the municipality's own administration costs and legal fees, and the Goods and Services Tax applicable to the project are not eligible for cost-sharing.

Significant Dates

Subject to the approval of Alberta Transportation's Business Plan, funding will be available each fiscal year from 2010/11 to 2012/13. Application deadlines are:

- November 30, 2009 for 2010/11
- November 30, 2010 for 2011/12
- November 30, 2011 for 2012/13

No applications will be accepted after November 30, 2011.

All work must be completed by March 15, 2013.

No payment claims will be accepted after March 15, 2013.

Approval Process

Applications are to be submitted to the appropriate Regional Office of Alberta Transportation. Applications will be reviewed as they are received. The Regional Office will initially review each application to ensure that all required information is included. When satisfied that the complete information has been provided, the Regional Office will forward the application to the Review Committee. An incomplete application will be returned to the applicant for resubmission.

The Review Committee will be composed of representatives of the following agencies:

Alberta Transportation
Alberta Association of Municipal Districts and Counties
Alberta Urban Municipalities Association
Alberta Agriculture and Rural Development
Alberta Finance & Enterprise
Alberta Energy
Alberta Municipal Affairs
Alberta Sustainable Resource Development (Forestry)

Note: Given the large number of agencies represented on the Review Committee, a core group may be established to manage the program. The Review Committee will be chaired by Alberta Transportation.

Each application will be reviewed and rated by the Review Committee, which will make a recommendation to the Minister. The Minister will review the Review Committee's recommendation, and decide whether the application should be approved and the amount of provincial funding to be provided.

The decision of the Minister is final.

Review Committee Recommendations

Recommendations by the Review Committee will be based on

- (a) An assessment of whether the application **meets the program guidelines**, and
- (b) A priority rating.

In determining whether the application meets the program guidelines, the Committee will consider the following questions:

- ◆ Is the application from an eligible applicant?
- ◆ Has the industry committed to providing funding? What percentage?
- ◆ Does the road serve a value-added processing facility, intensified farming operation, resource-based industrial development, or high throughput elevator?
- ◆ Is the road open to all licensed vehicular traffic?
- ◆ Will the road be used by at least 25 trucks per day on average during any three month period of the year? Does the current AADT exceed 400 vpd (if paving is proposed)?
- ◆ Will the project be tendered?

In **rating an application**, the Committee will consider the following factors:

- ◆ Total traffic volume
(Points start at 100 vehicles per day)
- ◆ Truck traffic volume (minimum 25 per day)
(Existing and/or projected AADT certified by a professional engineer)
- ◆ Safety Improvements
(Improvements such as sight distance at intersections, horizontal and vertical alignment, road widening to accommodate larger trucks and any other safety-related improvements.)
- ◆ Industry Value
(Permanent jobs created, value of investment in facilities, number of animals for intensive livestock operation, capacity of a high throughput elevator or terminal, or *for gravel pit operations the last 3 years of production (tonnes), % used outside the municipality, and projected/estimated reserves.*)
- ◆ Road Need
(Existing standard of the road as an indicator of the need for construction or upgrading.)

The Minister will approve rating factors to be used by the Review Committee to prioritize applications.