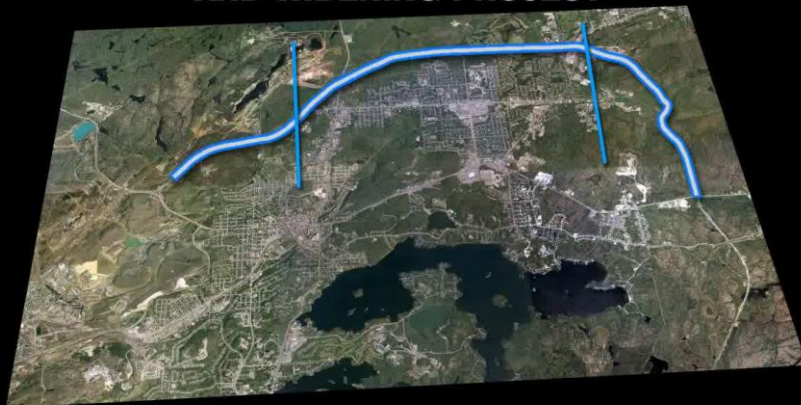


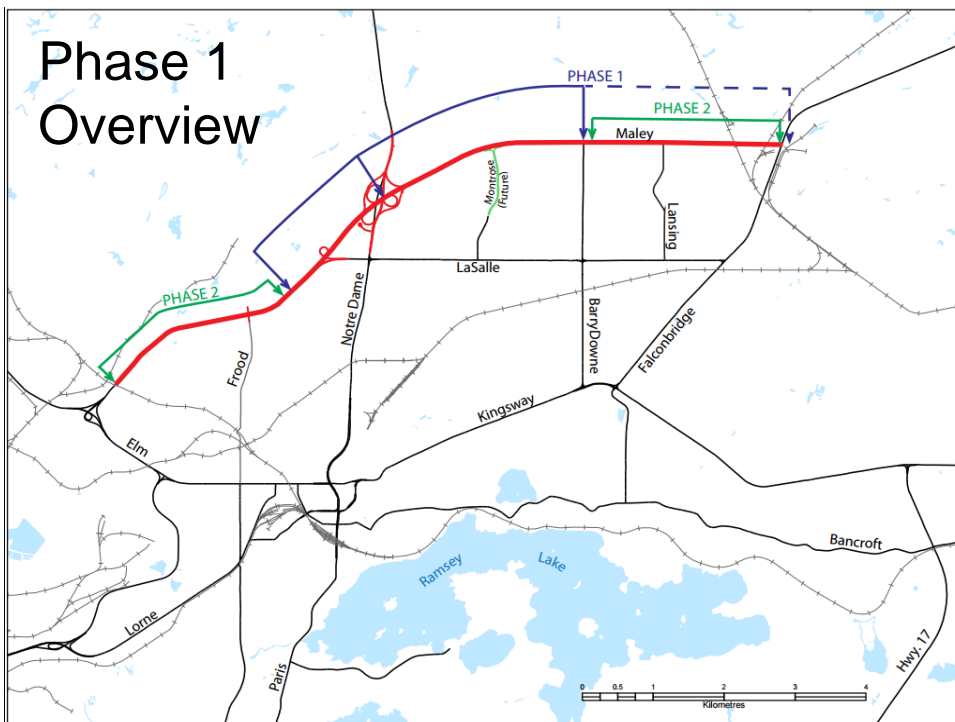
# Maley Drive Extension Phase 1 Business Case Report



# PROPOSED MALEY DRIVE EXTENSION AND WIDENING PROJECT



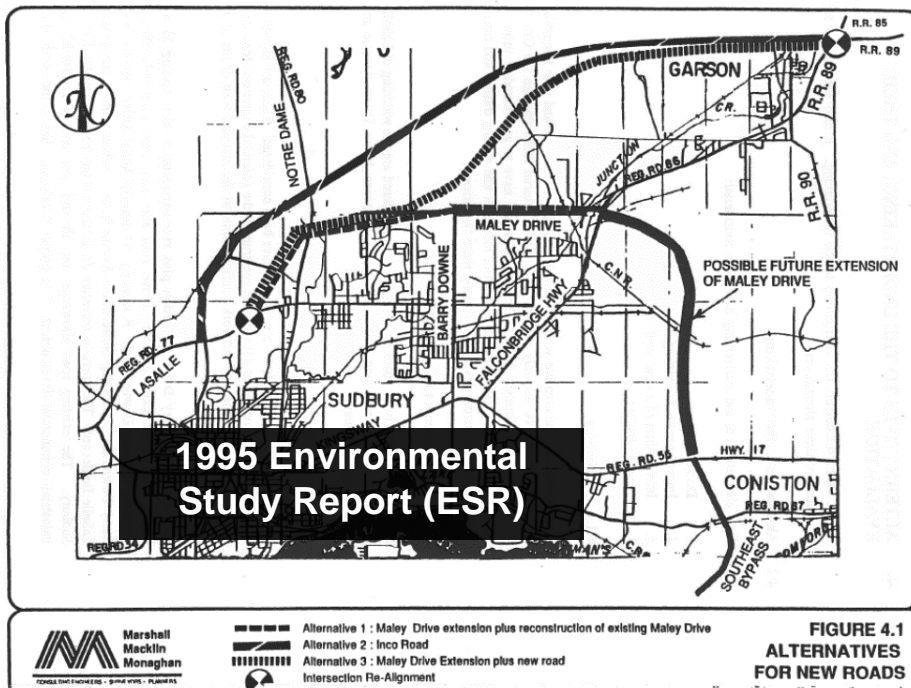
## Phase 1 Overview





## Background Studies

- 1991 Regional Transportation Plan
  - twin objectives of developing a Trucking Action Plan and updating the Transportation Plan
  - Maley Drive was recommended as the preferred route



## Background Studies

- 2005 Transportation Study
  - Maley project identified as solution to increase east-west capacity
- 2008 Municipal Class EA Addendum



Reduced Traffic on  
LaSalle/Kingsway

LaSalle: 10,000 vehicles

Kingsway: 4,000 vehicles

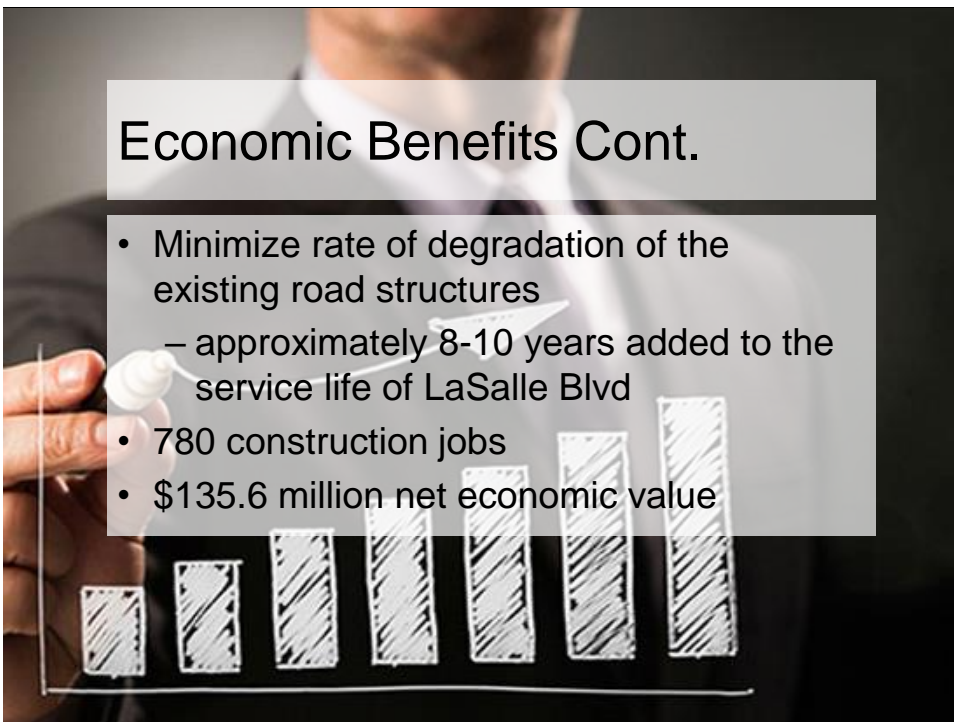
Less 1,000 to 1,500 trucks

Extends road service life



## Economic Benefits

- Reduced traffic and travel times for Sudbury drivers. Translating to an annual savings of \$11.1 million
- Reduce congestion, allowing businesses to get more done in a day
- Supports the local mining industry



## Economic Benefits Cont.

- Minimize rate of degradation of the existing road structures
  - approximately 8-10 years added to the service life of LaSalle Blvd
- 780 construction jobs
- \$135.6 million net economic value




## Regional Benefits

- Reduce congestion
- Improve safety of roads by reducing heavy truck traffic in various Valley East communities
- Improve safety along the Kingsway, LaSalle Boulevard and other corridors
- Competitive Global Economy



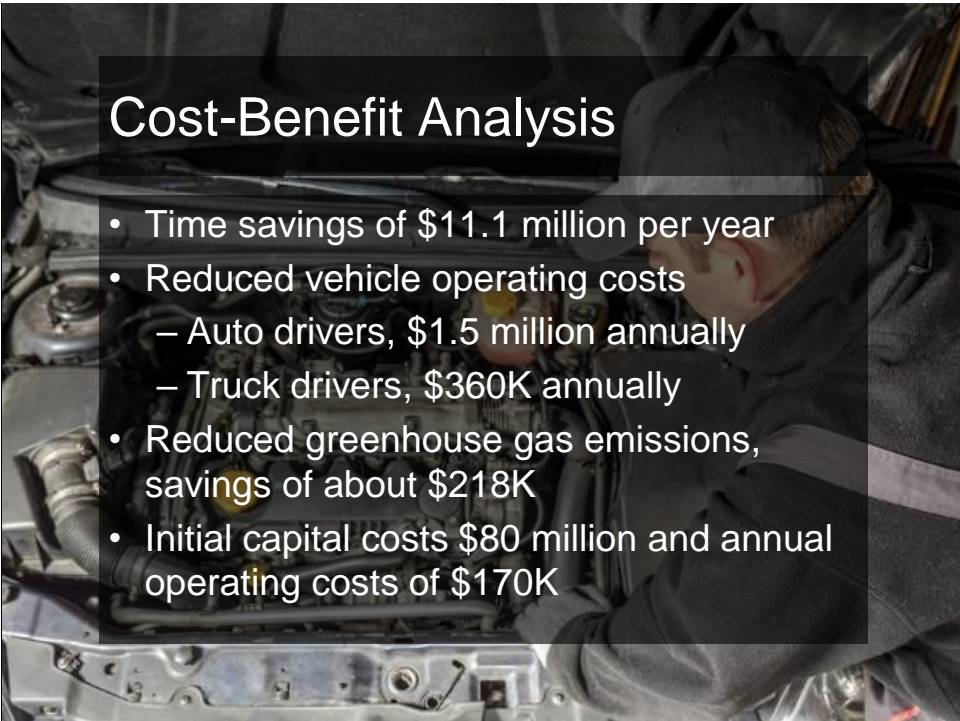
## Social Benefits

- More inviting commercial areas
- Airport access
- Improve transit
- Improve response times for EMS, Fire and Police



## Social Benefits Cont.

- Facilitate tourism
- Alternate routing, less disruption
- Active Transportation
- Better quality of life



## Cost-Benefit Analysis

- Time savings of \$11.1 million per year
- Reduced vehicle operating costs
  - Auto drivers, \$1.5 million annually
  - Truck drivers, \$360K annually
- Reduced greenhouse gas emissions, savings of about \$218K
- Initial capital costs \$80 million and annual operating costs of \$170K



## Cost-Benefit Analysis Cont.

Impact (2016 – 2048)	Value (\$ 2015)
<b>Costs</b>	
Net present value (NPV)	\$135,600,000
Cost – benefit ratio (C/B)	2.75
Economic rate of return (ERR)	13.6%

# *BENEFIT*

## Sensitivity Analysis

Discount rate : 2.5%		NET PRESENT VALUE			BENEFIT-COST RATIO		
Parameter	Variation	Capital Costs			Capital Costs		
		0%	25%	50%	0%	25%	50%
Total Gross Benefits*	0%	170 229 248 \$	151 189 091 \$	132 148 934 \$	3.14	2.53	2.12
	-10%	145 253 992 \$	126 213 835 \$	107 173 677 \$	2.83	2.28	1.91
	-25%	107 791 107 \$	88 750 950 \$	69 710 793 \$	2.36	1.90	1.59
	-50%	45 352 967 \$	26 312 810 \$	7 272 653 \$	1.57	1.27	1.06

- At 3.5%, sensitivity results remain positive
- At 5%, the project NPV and benefit-cost ratio are lower, but remain positive in almost every scenario

## Financial Requirements

Item	Cost
Construction	\$71.5M
Utility relocations	\$4.1M
Engineering (Contract Admin & Inspection)	\$4.5M
<b>TOTAL</b>	<b>\$80.1M</b>

## Project Management Plan

- Managing Capital Costs & Scope
- Managing Project Schedule
- Project Governance
- Contingency

## Mitigation Plan

1. Land acquisition
2. Environmental Approvals
3. Overall Benefit Permit (OBP)
4. Risk Management



## Summary

- Supports vision and supports economic growth
- Foundational piece of infrastructure
- Extends the service life of roads
- Supports local business
- 780 construction jobs
- Improved safety & quality of life for residents



## Summary Cont.

- Time savings of \$11.1 million annually
- \$1.51M per year in savings for vehicle operating costs
- Greenhouse gas emissions reduced by 2,459 metric tons of CO<sub>2</sub>, saving of about \$218K
- Two-thirds of capital costs funded by other levels of government



## Summary Cont.

- A 2.75 cost/benefit ratio suggests that costs are largely surpassed by benefits.
- Net economic value of **\$135.6M** and the rate of return is 13.6%



## Construction Schedule

- Construction start – Spring 2016
- Completed – End of 2019
- Four (4) Contracts
- Detailed design completed
- Contracts ready for tendering

## QUESTIONS