

To: **York Region Rapid Transit Corporation Board of Directors**

From: **Mary-Frances Turner, President**

Subject: **Delegation of Authority – York Region Rapid Transit Corporation**

Ref: YORK #6752482

Recommendations

It is recommended that:

1. The Board seek Regional Council's approval authorizing York Region Rapid Transit Corporation to undertake all project management steps to execute all agreements, arrangements and memorandums of understanding (including amendments thereto) related to the following funded rapid transit projects: (i) SmartREIT Terminal - Vaughan Metropolitan Centre (VMC), (ii) Millway Avenue, and (iii) the Cornell Bus Terminal, including without limitation, managing the completion of design and engineering work, securing site plan approvals, undertaking required procurement processes and awarding and executing the contracts, administering the contracts, and such other steps necessary or ancillary thereto.
2. The Board seek Regional Council's authorization to permit, subject to applicable legislation, York Region Rapid Transit Corporation to act as the Region's duly authorized agent in undertaking the project management steps set forth in recommendation 1 of this Report.

Purpose

- The purpose of this report is to seek the Board's authority for the York Region Rapid Transit Corporation (YRRTC) to execute all agreements (including amendments thereto) related to the construction of certain funded rapid transit projects and to authorize YRRTC, when it does not have the legal authority to do so in its own capacity, to act as the Region's authorized agent in respect of these activities.

Background

In 2009, the Corporation entered into the Rapid Transit Agreement with the Region

- In June 2009, the Region conferred upon York Region Rapid Transit Corporation (YRRTC) certain powers to enable the Corporation to implement the Region's rapid transit projects

From September 2009, the Corporation has carried out its powers in the delivery of the rapid transit projects, seeking authorization from its Board of Directors as required to undertake the Corporation's business

- The Rapid Transit Agreement gives the Corporation the authority to enter into contracts in its own name, provided that the contract relates to a transaction that has been included in the business plan and budget approved by Regional Council, or the contract relates to a transaction for which funding has been 100% secured from a senior government
- As a practical matter, however, many contracts also require the Region to be a signatory, resulting in dual reports for approval to the Board and to Regional Council
- Staff have considered mechanisms to eliminate this duplication of dual reporting while retaining sufficient controls to ensure the Corporation provides sufficient and timely reports to the Region regarding the delivery of the projects

The Corporation does not have legal authority to own land related to an existing transportation system

- YRRTC's current Articles do not permit YRRTC to own land related to the Region's existing transit system
- For land agreements, the Region's permission to YRRTC to execute the agreement as an agent for the Region is requested.
- Property Services continue to provide real estate negotiation and land related expertise (i.e. appraisals) for all land acquisitions.

Analysis

YRRTC will project manage the design and construction of various transit-related facilities under the Facilities and Terminals Program

- **SmartREIT Terminal – VMC:** YRRTC is responsible for the completion of the design and construction of the bus terminal to be located on the northwest corner of Apple Mill Road and Millway Avenue in the City of Vaughan
 - YRRTC's work program for which it is seeking the Region's authorization may include but not be limited to:
 - Completion of 100% design with cost estimates
 - Securing site plan approvals from the City of Vaughan
 - Undertaking required procurement processes and issuing procurement documents, including the tender for construction
 - Awarding, executing and administering the contracts for construction of the terminal
 - Conducting value engineering exercises, as required

- **Millway Avenue:** TYSSE alignment at VMC requires Millway Avenue in Vaughan to be relocated. Since the construction of Millway Avenue will need to be coordinated with the SmartREIT VMC bus terminal project, YRRTC is seeking authority from the Region to lead this project. The City of Vaughan will be funding the design and construction work
 - YRRTC's work program for which it is seeking the Region's authorization may include but not be limited to:
 - Coordination with the City of Vaughan regarding the ultimate design and engineering of Millway Avenue
 - Undertaking required procurement processes and issuing procurement documents, including the design and engineering and construction contracts on behalf of the City of Vaughan
 - Awarding, executing and administering the contracts on behalf of the City of Vaughan
 - Completing cost estimates
 - Conducting value engineering exercises, as required
 - Execution of all agreements in particular the work reallocation agreement between all parties (TTC, YRRTC, City of Vaughan, and SmartREIT)

- **Cornell Bus Terminal:** The Cornell Bus Terminal is to be constructed on Regionally-owned lands at Highway 7 East and Ninth Line in the City of Markham. YRRTC led the dialogue with third party landowners leading to the identification and purchase of the bus terminal lands
 - YRRTC's work program for which it is seeking the Region's authorization may include but not be limited to:
 - Completion of design and engineering for the bus terminal

DELEGATION OF AUTHORITY – YORK REGION RAPID TRANSIT CORPORATION

- Undertaking design consultation process with stakeholders
- Undertaking required procurement processes and issuing procurement documents, including the tender for construction
- Securing site plan approvals
- Awarding, executing and administering the contracts for construction of the terminal

The Region has the right to authorize the Corporation to execute Agreements and enter into arrangements and/or memorandums of understanding on the Region's behalf

- Staff have considered various options to recommend a solution that will satisfy third party requirements and yet eliminate, to the extent possible, dual reporting to the Board of Directors and to Regional Council.
- It is recommended that the Corporation seek authority from the Region authorizing the Corporation to enter into all arrangements and memorandums of understanding thereto on the Region's behalf, for the specified Regional Capital funded rapid transit projects subject to the following conditions:
 1. That there is sufficient funds for the transaction to which the agreement relates provided in the Corporation's Annual Capital and Operating Plan and Budget endorsed by the Board; and
 2. Where the Corporation cannot enter into the agreement in its own name (i.e. where it is prohibited by its Articles) then YRRTC will execute it as an agent for the Region

Finance

- There are no financial implications associated with the Corporation having the right to execute agreements for or in respect of the Regional Capital Funded rapid transit projects on the Region's behalf.
- The funding allocation for each project, as approved in YRRTC's 2016 Capital Spending Authority (CSA) is outlined in Table 1

DELEGATION OF AUTHORITY – YORK REGION RAPID TRANSIT CORPORATION

**Table 1
Funding for Projects**

\$Millions	Facilities & Terminals	2016 CSA APPROVED				
		Federal ¹	Provincial	Regional ²	Others ³	City of Vaughan ⁴
Cornell Terminal*	\$31.8	51%	30%	15%	4%	
SmartReit Terminal VMC	\$32.1	22%	56%	17%	5%	
SmartReit Terminal VMC - Millway Ave.	\$9.0					100%
Total Project Cost	\$72.9	32%	38%	14%	4%	12%

¹ Federal includes funds from Transport Canada and Federal Gas Tax

² Includes York Region Transportation funding. It should be noted that Federal Gas Tax Reserve funding is reported under Federal although it forms part of the Region's contribution

³ Includes funding from SmartReit and York Region Transportation and Others

⁴ Included in the 2017 CSA and 2016 Capital Plan as discussions continue with City of Vaughan. Not included in the 2016 CSA Approval.

* Cornell Construction is cost shared 50/50 with Transport Canada and York Region

Conclusion

- Securing the Region's authorization to permit the Corporation to execute on the Region's behalf, all project management steps necessary to construct the (i) SmartREIT Terminal - VMC, (ii) Millway Avenue, and (iii) the Cornell Bus Terminal thereto, will avoid duplication of reporting to Board and Regional Council and will reflect the current accountability of the Corporation for the delivery of the rapid transit programme
- The Board seek Regional Council's approval authorizing YRRTC to undertake all project management steps on the Region's behalf, including without limitation, managing the completion of design and engineering work, securing site plan approvals, undertaking required procurement processes and awarding and executing the contracts, administering the contracts, and such other steps necessary or ancillary thereto

For more information on this report, please contact Carolyn Ryall, Design Chief, Infrastructure & Development, York Region Rapid Transit Corporation at 905-886-6767, Ext. 71028.

Mary-Frances Turner
President

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