

Clause 9 in Report No. 12 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on September 21, 2017.

9

Project Submission to Transport Canada  
for Funding Under the National Trade Corridors Fund

Committee of the Whole recommends adoption of the following recommendation contained in the report dated August 24, 2017 from the Commissioner of Transportation Services:

1. Council endorse the following Regional projects for submission for funding under Transport Canada's National Trade Corridors Fund program:
  - a) Elgin Mills Road Grade Separation with CN Railway Freight Corridor (east of Yonge Street, Town of Richmond Hill)
  - b) Keele Street Grade Separation Replacement with CN Railway Freight Corridor (north of Steeles Avenue, City of Vaughan)
  - c) Major Mackenzie Drive Grade Separation with CP Railway Freight Corridor (east of Highway 50, City of Vaughan)

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Report dated August 24, 2017 from the Commissioner of Transportation Services now follows:

1. Recommendations

It is recommended that:

1. Council endorse the following Regional projects for submission for funding under Transport Canada's National Trade Corridors Fund program:
  - a) Elgin Mills Road Grade Separation with CN Railway Freight Corridor (east of Yonge Street, Town of Richmond Hill)
  - b) Keele Street Grade Separation Replacement with CN Railway Freight Corridor (north of Steeles Avenue, City of Vaughan)

- c) Major Mackenzie Drive Grade Separation with CP Railway Freight Corridor (east of Highway 50, City of Vaughan)

## 2. Purpose

This report updates Council on details of Transport Canada's National Trade Corridors Fund (NTCF) program and Regional staff's submission of Expressions of Interest for funding under the NTCF. Of the eligible project types, the most relevant for York Region are for "grade separations that provide more efficient and safer road and rail interactions". The submission is for three road/rail grade separation projects in York Region that meet the Transport Canada funding eligibility, with a focus on trade component of freight rail corridors.

## 3. Background

Transport Canada announced funding investment to support economic activity and improve the movement of goods and people

On July 4, 2017, Transport Canada announced \$2.1 billion for the Trade and Transportation Corridors Initiative to build stronger, more efficient transportation corridors to international markets. The core component of the Trade and Transportation Corridors Initiative is the merit-based National Trade Corridors Fund, which provides a dedicated source of funding for infrastructure owners and users to invest in critical assets that support economic activity and the physical movement of goods and people in Canada.

The National Trade Corridors Fund supports strategic multimodal infrastructure projects that facilitate goods movement

The National Trade Corridors Fund will provide \$2 billion over 11 years to strengthen Canada's trade infrastructure, including ports, waterways, airports, roads, bridges, border crossings, rail networks and the interconnectivity between them. The NTCF represents a long-term commitment by the federal government to work with stakeholders on strategic infrastructure projects that address transportation bottlenecks, vulnerabilities and congestion to improve the movement of goods and people across Canada.

Within the \$2 billion funding envelope, Transport Canada has set aside a dedicated allotment of up to \$400 million to support trade and transportation

infrastructure investments in Canada's three northern territories. For the remaining \$1.6 billion funding, the NTCF provides up to 50 per cent cost share (up to a maximum project cost of \$500 million) for qualified projects.

NTCF funding will be allocated to projects based on an assessment of how the project strengthens the efficiency and resilience of transportation assets that are critical for Canada's continued success in international commerce. The assessment requires projects meet NTCF eligibility criteria, have funding secured and demonstrate benefits that align with the objectives of the NTCF program. Of the eligible types of projects, the projects that qualify in York Region are for grade separations that provide more efficient and safer road and rail interactions. More specifically, the identified projects are road/rail grade separations along freight rail corridors which improve the movement of goods.

Transport Canada issued a call for proposals under the first round of funding for 2017 over the summer

The 2017 call for proposals for projects to be considered for NTCF funding opened over the summer. Transport Canada was accepting Expressions of Interest applications by September 5, 2017 for qualified projects. The Expressions of Interest process will be followed by a Comprehensive Project Proposal phase and the final submission date for this is November 6, 2017. Transport Canada requires all eligible projects to be completed by the 2028 calendar year-end. The NTCF Expressions of Interest application guideline indicates that preference may be given to projects that commence in the years 2018-2019.

#### 4. Analysis and Implications

Staff have identified a list of road/rail grade separation projects along freight corridors for funding under the National Trade Corridors Fund

Following the release of the NTCF program guidelines, staff evaluated Regional projects which involved road/rail grade separations along freight rail corridors as included in the 10-year Roads Capital Construction Program, 2016 Transportation Master Plan and the 2017 Development Charges Bylaw. Identified projects adhere to program eligibility criteria, support NTCF objectives and outcomes, and maximize federal contributions.

Table 1 summarizes Regional road/rail grade separation projects along freight corridors included in the submission under the NTCF program. The identified projects and the freight and commuter rail corridors within York Region are also shown in Attachment 1.

**Table 1**  
**Projects for Submission under the National Trade Corridors Fund Program**

Project	Project Description	Estimated Project Cost (000's)
Elgin Mills Road Grade Separation with CN Railway Freight Corridor (east of Yonge Street, Richmond Hill)	<ul style="list-style-type: none"> <li>• Grade separation to support separation of road and rail traffic across the CN Railway freight corridor</li> <li>• The project will improve safety of all modes and reduce significant delays on Elgin Mills Road resulting from freight rail</li> <li>• Budget of \$2.8M allocated for preliminary work in 2027. Construction budget is outside of the 10-year program</li> </ul>	\$ 75,000
Keele Street Grade Separation Replacement with CN Railway Freight Corridor (north of Steeles Avenue, Vaughan)	<ul style="list-style-type: none"> <li>• Grade separation to support replacement and expansion of the current structure as part of the Keele Street improvement project from Steeles Avenue to south of Highway 407</li> <li>• Budget is allocated in the 10-year program for this section of Keele Street. This includes the total cost of the structure including the rail authority portion</li> </ul>	\$ 25,000
Major Mackenzie Drive Grade Separation with the CP Railway Freight Corridor (east of Highway 50, Vaughan)	<ul style="list-style-type: none"> <li>• Grade separation to support the separation of road and rail traffic across the CP Railway freight corridor at Major Mackenzie Drive</li> <li>• This project also supports the development of a key goods</li> </ul>	\$ 30,000

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Project	Project Description	Estimated Project Cost (000's)
	<p>movement road corridor between the Highway 427 extension and Highway 400</p> <ul style="list-style-type: none"> <li>Budget included as part of the \$58.6M allocated to road widening project in the 10-year program. Any new funding would allow for a reallocation of capital to other priorities</li> </ul>	

The selected projects represent the highest priority road/rail grade separations in the Region that involve freight corridors

The Region's identified projects meet Transport Canada's eligibility criteria for funding consideration under the NTCF. The rationale for prioritizing these three projects for consideration for funding under the NTCF is due to the role each project serves in facilitating efficient and safer movement across trade corridors by separating road and rail traffic. Road/rail grade separations across freight corridors are problematic to fund as there is little incentive for rail authorities to fund their share of improvements since rail movements are already prioritized at crossings.

Road/rail grade separations with commuter rail corridors do not meet the trade corridor aspect of the funding program eligibility. The commuter rail corridors in York Region are operated by Metrolinx. Road/rail grade separations along commuter rail corridors are being considered separately as part of the GO Transit Regional Express Rail project.

#### Elgin Mills Road Grade Separation with CN Railway Freight Corridor

The CN Bala Subdivision rail corridor crosses Elgin Mills Road, at-grade, just east of Yonge Street, in the Town of Richmond Hill. This rail line serves CN freight and provides a direct link for CN's mainline freight rail to western Canada, in addition to carrying Richmond Hill GO and VIA passengers. Average daily traffic volumes on Elgin Mills Road, and average daily train numbers on the CN rail line, already exceed the minimum threshold value for warrant of a grade separation at this location.

With the continued increase of traffic on Elgin Mills Road, a key east-west corridor, it is anticipated the long delays imposed by freight rail will continue to create significant issues that may ultimately impact bus rapid transit service on Yonge Street. Both CN and Metrolinx have indicated there are no current plans to fund a grade separation of this at-grade crossing, as the Richmond Hill GO rail is not part of the current Regional Express Rail program. Funding from NTCF for grade separation of the road/rail crossing would provide an opportunity to improve freight rail movement and reduce traffic delays on Elgin Mills Road.

The full funding for the Elgin Mills Road grade separation is not currently included in the 10-year capital program. There is budget for the initiation of preliminary work in 2027, with construction budget allocated in years 2028 to 2032.

#### Keele Street Grade Separation Replacement with the CN Railway Freight Corridor

The existing CN rail overpass structure at Keele Street in the City of Vaughan was constructed in 1961. The age of this structure and the need for its rehabilitation/replacement are key drivers for the improvement of Keele Street from Steeles Avenue to just south of Highway 407. The rail overpass is part of CN Rail's York Subdivision that serves the CP and CN rail yard in Vaughan, a major rail line hub for freight movement in the Greater Toronto Area.

The Region has plans for a new structure to twin the existing structure at this location as part of the programmed Keele Street improvements. CN has, however, indicated it is not in a position to commit funding to its share of the replacement of the existing structure at this time. In order to advance the Keele Street project as programmed, Regional staff has submitted an application for the entire project, including the CN contribution of the grade separation.

#### Major Mackenzie Drive Grade Separation with the CP Railway Freight Corridor

The Major Mackenzie Drive corridor runs through the urbanized area of southern York Region and will play an increasingly significant role for goods movement between the under construction Highway 427 extension, Highway 400 and the rail yards for CP and CN in Vaughan. This road/rail grade separation project is a priority for the Region as it supports road widening of Major Mackenzie Drive to six lanes and provides a key link in optimizing and integrating the transportation network by providing east-west capacity and connections.

Funding for the grade separation is currently included in the budget for the programmed Major Mackenzie Drive improvements between the CP Railway and

Highway 27. Any funding received for the grade separation will allow for a reallocation of capital funds to other Regional transportation priorities that are currently not included in the 10-year program.

Eligible projects must also satisfy objectives and principles of the Transport Canada funding program

The Transport Canada funding program also requires eligible projects satisfy at least one of the NTCF program objectives that serve as principles in the evaluation and selection process for funding.

All three identified projects involve investment and collaboration with multiple partners including, CN Rail, CP Rail and GO Transit rail authorities and operators, the local municipalities of Vaughan and Richmond Hill and the Regional Municipality of Peel, which borders York Region along Highway 50. From a climate change perspective, new infrastructure such as the construction of road/rail grade separated structures and the improvement of roadway, bridges and culverts, will have climate resilience and mitigation elements built in. For example, new infrastructure will include higher capacity storm sewers, elements to mitigate flooding, etc.

Federal infrastructure funding programs support priorities identified in Vision 2051 and the 2015 to 2019 Strategic Plan

Federal infrastructure programs, such as the National Trade Corridors Fund, support the Livable Cities and Complete Communities goal area of Vision 2051. Funding programs also support the Region's efforts to Provide Responsive and Efficient Public Service, identified as a priority area in the 2015 to 2019 Strategic Plan.

## 5. Financial Considerations

Road/rail grade separations across freight corridors are problematic to fund as there is little incentive for rail authorities to fund their share of improvements since rail movements are already prioritized at at-grade crossings. Therefore, any funding from the NTCF would liberate capital funds that would otherwise be needed for these projects to be allocated to other Regional priorities.

Federal funding received by the Region relieves future pressure on development charge reserve and tax levy for those projects identified in Table 1 and included in the Region's approved 2017 capital budget, proposed 2018 capital budget or 2017 Development Charges Bylaw.

Road/rail grade separations with commuter rail corridors do not meet the trade corridor aspect of the funding program eligibility. The commuter rail corridors in York Region are operated by Metrolinx. Road/rail grade separations along commuter rail corridors are being considered separately as part of the Regional Express Rail project.

## 6. Local Municipal Impact

New and improved road/rail grade separations, bridges and road expansions would benefit York Region and local municipalities. Separating high frequency goods movement and freight rail corridors from high volume commuter corridors improves operational efficiency and safety for both modes and helps support continued economic growth and community development.

Regional staff has engaged municipal partners in the Town of Richmond Hill to study the justification for a grade separation at Elgin Mills Road, and advocate that the grade separation be included in Metrolinx's GO Regional Express Rail program. Staff has similarly reached out to the City of Vaughan to promote the grade separation of Major Mackenzie Drive at the CP rail line and the replacement of the Keele Street grade separation structure. Through development of the 2016 Transportation Master Plan and the 2017 Development Charges Bylaw update, local municipal staff has been engaged on the prioritization of Regional projects.

## 7. Conclusion

It is recommended Council endorse submission of funding contribution requests to Transport Canada under the NTCF, for the three prioritized Regional projects, to facilitate goods movement and improve the safety and efficiency of all modes.

Staff will track the submission with Transport Canada and keep Council informed with respect to any next steps in the National Trade Corridor Fund program.

For more information on this report, please contact Brian Titherington, Director Transportation and Infrastructure Planning, at 1-877-464-9675 ext. 75901.

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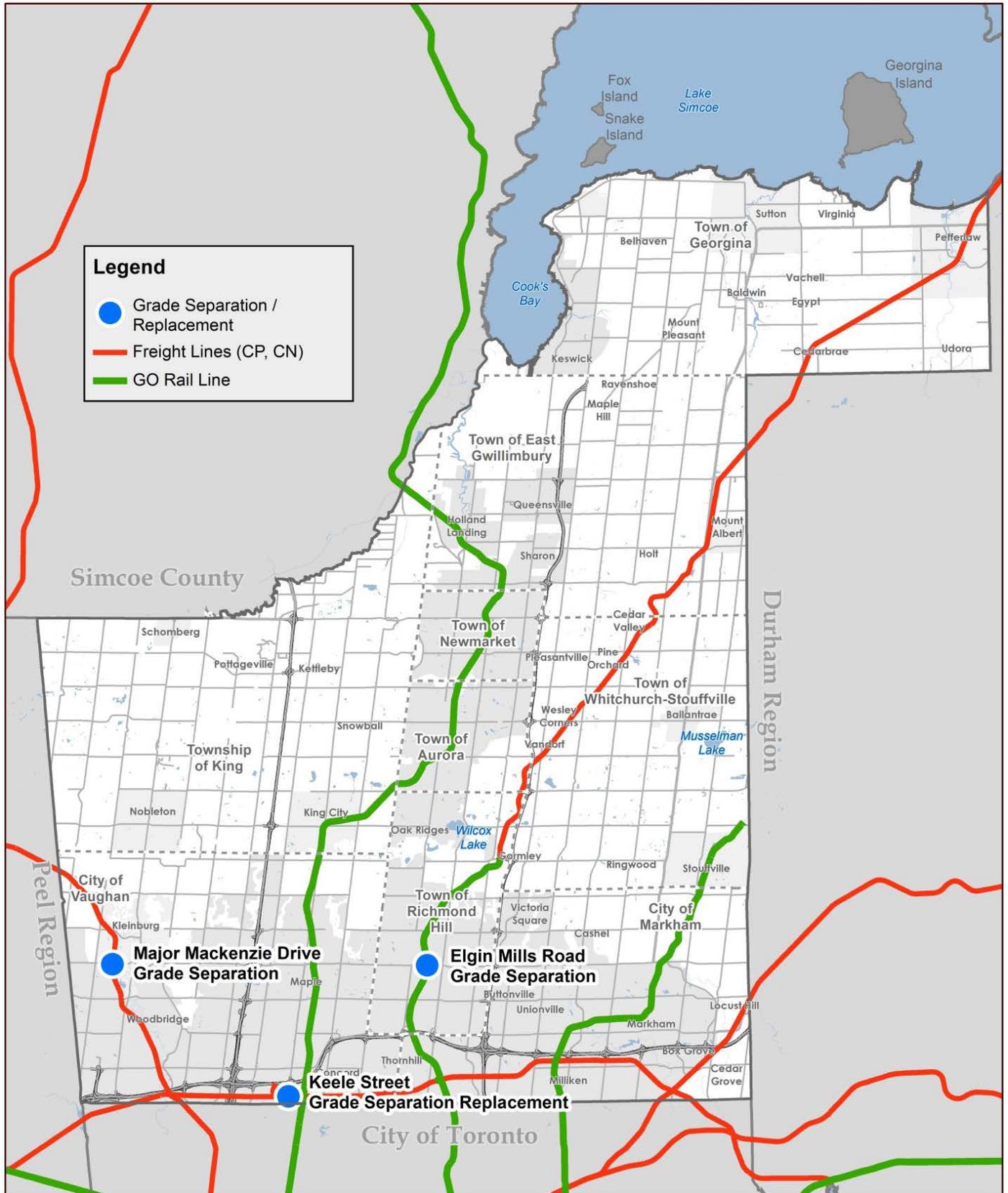
The Senior Management Group has reviewed this report.

August 24, 2017

Attachment (1)

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Accessible formats or communication supports are available upon request



**Legend**

- Grade Separation / Replacement
- Freight Lines (CP, CN)
- GO Rail Line

**Proposed Grade Separations for Funding Submission**  
 Project Submission to Transport Canada  
 for Funding Under the National Trade Corridors Fund  
 (September 7, 2017)



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