

Report No. 1 of the Commissioner of Transportation was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on April 21, 2016.

Report No. 1
of the Commissioner of Transportation

Agreement with Ontario Ministry of Transportation
Highway 404 Midblock Crossing North of Highway 7 and
Highway 404 Northbound Ramp Extension at Highway 7
City of Markham and Town of Richmond Hill

1. Recommendations

It is recommended that:

1. Council authorize entering into an agreement with the Ontario Ministry of Transportation for the construction and long-term maintenance of the Highway 404 midblock crossing, north of Highway 7 and Highway 404 northbound ramp extension at the Highway 404/ Highway 7 interchange.
2. Council authorize the Commissioner of Transportation Services to execute the agreement on behalf of the Region subject to the approval of Legal Services as to the form and content.

2. Purpose

This report seeks Council authorization to enter into an agreement with the Ontario Ministry of Transportation (MTO) for the construction and maintenance of a new road and bridge crossing over Highway 404, north of Highway 7 and a new Highway 404 northbound off-ramp extension at the Highway 404/Highway 7 interchange (Attachment 1).

Council authority to enter into an agreement with MTO would allow the Region to proceed with construction while a tri-party agreement is being finalized between the Region, City of Markham and Town of Richmond Hill.

3. Background

The Highway 404 midblock crossing, north of Highway 7 is supported by the Region, City of Markham and Town of Richmond Hill transportation plans

The midblock crossing north of Highway 7 is the first of four midblock collector road crossings of Highway 404 identified in the Region's ultimate transportation network outlined in the York Region Official Plan (2010) and transportation plans of the Region, City of Markham and Town of Richmond Hill. In addition to providing additional capacity and connectivity, midblock crossings support transit, walking and cycling, which are important elements of complete communities.

York Region, City of Markham and Town of Richmond Hill are partnering to deliver this project

While Regional staff is leading delivery of the project, staff at the Region, City of Markham and Town of Richmond Hill have been working collaboratively for more than 10 years to advance and deliver this midblock collector road crossing and ramp extension.

Council previously approved the Funding of Collector Road Crossings of 400-series Highways policy (2007), which provides criteria for cost-sharing with local municipalities for midblock collector road crossings at one-third of the total project cost. For this project, the Region is sharing equally the cost of the midblock crossing with City of Markham and Town of Richmond Hill. Council has also previously approved cost-sharing equally the total project cost of the northbound off-ramp extension with City of Markham (Clause 3, Report No. 5 of Committee of the Whole, March 26, 2015).

In 2009, Council directed staff to negotiate an agreement with MTO and to share long-term maintenance and rehabilitation costs with City of Markham and Town of Richmond Hill

On May 21, 2009, Regional Council adopted Report No. 5 of the Transportation and Works Committee directing staff to work with MTO, the City of Markham and the Town of Richmond Hill to negotiate an agreement to permit the construction of a crossing of Highway 404, north of Highway 7. Further, Council authorized the Region to execute the agreement with MTO provided the long-term maintenance and rehabilitation costs for the crossing were shared equally between the Region, City of Markham and Town of Richmond Hill.

4. Analysis and Options

Construction of the midblock crossing north of Highway 7 and the northbound ramp extension has commenced

The construction contract for the midblock crossing and ramp extension was awarded on March 1, 2016, and construction commenced on April 18, 2016. All permits and approvals are in place with the exception of an MTO encroachment permit, which Regional staff has been working with MTO to obtain since Fall 2015.

An agreement with MTO is required prior to MTO issuing an encroachment permit, enabling construction to proceed

Although construction has already started, access to the MTO corridor is restricted until the MTO encroachment permit is issued to the Region. Without the right to enter MTO lands, the Region's contractor cannot proceed to construct the midblock crossing. Delays in construction may prompt delay claims by the contractor. Additionally, MTO requires the Region to complete ground-related works for the bridge over Highway 404 by November 2016, to not impede MTO's upcoming contracts along Highway 404. It is essential that the agreement be executed as soon as possible, so that MTO can issue the encroachment permit to the Region.

Staff recently completed negotiating the terms of the agreement with MTO

On April 15, 2016, Region and MTO staff finalized the terms of an agreement which will permit the Region to construct the crossing and northbound ramp extension. Staff has worked to clarify all elements of the agreement which relate to design and utility requirements, construction and long-term maintenance.

Finalizing the tri-party agreement with City of Markham and Town of Richmond Hill will delay construction

The City of Markham and Town of Richmond Hill are not parties to the MTO agreement as MTO has agreed to enter into the agreement with only one party. A separate tri-party agreement between the Region, the City of Markham and Town of Richmond Hill is being finalized and will incorporate details of the MTO agreement.

Finalizing the tri-party agreement will take several weeks. As construction work commenced on April 18, 2016 and needs to proceed without delay, there is insufficient time to finalize the tri-party agreement prior to the Region executing the agreement with MTO.

The agreement with MTO will commit the Region to deliver capital construction of the project and contribute funding for long-term maintenance and rehabilitation of structures

This is the first of many infrastructure projects to be initiated, planned and executed by the Region and local municipalities, resulting in new bridges over a 400 series highway. Although MTO currently does not have a policy to assign responsibility for long-term maintenance and rehabilitation, MTO is requiring municipal proponents to provide funding for long-term maintenance and rehabilitation of structures. MTO is currently estimating the cost for long-term maintenance and rehabilitation to the Region at just under \$6M for a period of 75 years.

The Region has worked with MTO staff to develop conditions that would require MTO to develop and formally establish a policy that consistently addresses municipal funding for long-term maintenance and rehabilitation of associated bridge infrastructure. MTO has agreed and is committed to developing a policy. The MTO agreement will include a condition that MTO finalize the policy within the next four years.

If MTO does not finalize its policy on or before April 1, 2020, the Region will not be required to pay any amount for long-term maintenance and rehabilitation of the structures on this project. If MTO finalizes its policy, the Region will be required to pay either \$5,950,000 or the amount calculated in accordance with the finalized policy, whichever is less. In either event, liability for the long-term maintenance and rehabilitation costs associated with the crossing will not exceed \$6M.

Link to key Council-approved plans

This report links to the following Council-approved plans and policies:

Regional Official Plan

- Invest in infrastructure to support job creation, strengthen the Regional economy and ensure an equal integration between economic vitality, the natural environment and healthy communities
- Ensure the efficient movement of goods and services in Regional Centres and Corridors through effective planning, urban design and infrastructure planning to deliver context sensitive infrastructure
- Achieve attractive and vibrant urban Regional Corridors that link Regional Centres

- Reduce automobile dependence by enhancing the Region's active transportation system and programs that encourage residents and workers to walk, cycle, take transit, and carpool

Vision 2051

- Supports livable cities, complete communities and interconnected systems for mobility through building a network of complete streets

2015 to 2019 Strategic Plan

- Provide infrastructure required to manage traffic congestion and support sustainable growth along Regional corridors
- Improve existing transportation network, enhance transit operations and improve potential of adjacent employment lands

5. Financial Implications

The MTO agreement as negotiated would result in a financial obligation to a maximum of \$5.95M to be cost-shared between the Region, City of Markham and Town of Richmond Hill. This financial requirement represents a scenario which will only occur if and when an MTO policy is established by 2020. The maximum capped amount is well under the amount previously considered by Regional Council in the 2009 Council report (Report No. 5 of Transportation and Works Committee, May 21, 2009).

The construction contract was procured at a cost under the pre-construction cost estimate and the overall project remains on budget. There are sufficient funds in the 2016 Roads Capital Budget and capital spending authority to undertake this project. All expenditures for this project will be funded from 90 percent development charges and 10 per cent tax levy.

6. Local Municipality Impact

The midblock crossing of Highway 404 north of Highway 7, and northbound ramp extension will provide alternative and improved access opportunities to existing road users, area businesses and residents in the Highway 7 corridor in the vicinity of Highway 404. More specifically, this project will reduce traffic congestion on Highway 7 for those travelling to and from employment areas in both the City of Markham and the Town of Richmond Hill.

Regional staff have worked closely with City of Markham and Town of Richmond Hill staff to deliver the project and have shared pre-construction cost estimates, the successful bidder's construction contract costs and draft MTO agreement. However, as negotiations with MTO to finalize the crossing agreement have just concluded, the Region, City of Markham and Town of Richmond Hill staff have not yet had an opportunity to finalize the separate tri-party agreement.

Regional staff will continue to work with City of Markham and Town of Richmond Hill to finalize the tri-party agreement to cost-share total project costs, including land acquisition, utility relocation, construction and long-term maintenance and rehabilitation costs when established by MTO.

7. Conclusion

The midblock crossing and ramp extension construction contract has commenced. Regional staff recommends the MTO agreement be executed so MTO can issue an encroachment permit and construction can proceed without delay. Staff will work with the City of Markham and Town of Richmond Hill to finalize the tri-party agreement while continuing to advance construction.

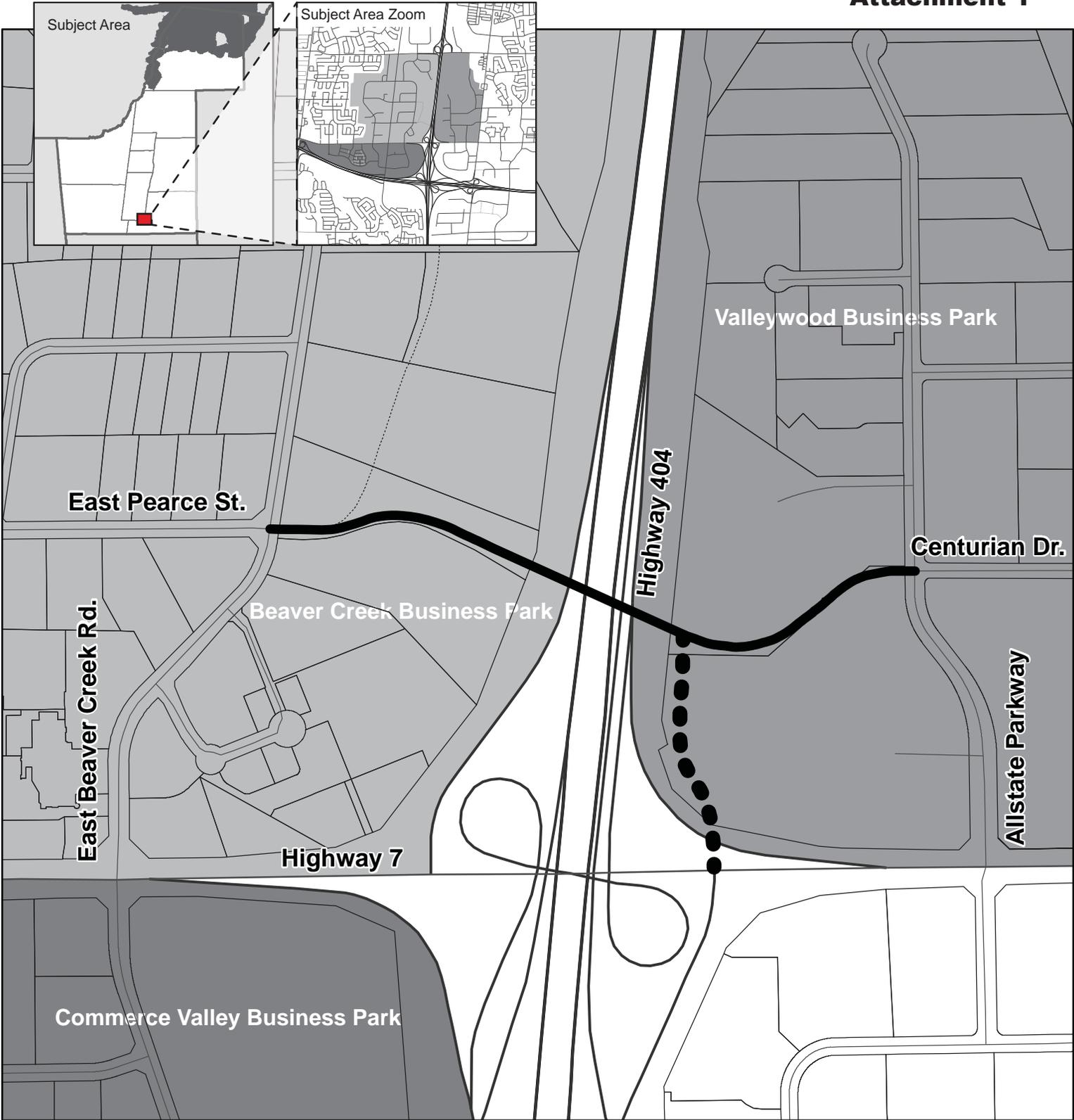
For more information on this report, please contact Salim Alibhai, Director, Capital Planning and Delivery at ext. 75229.

April 20, 2016

Attachment (1)

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Accessible formats or communication supports are available upon request



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Midblock Crossing and Northbound Ramp Extension
 Highway 404 at Highway 7 Interchange, City of Markham
 Thursday, April 21, 2016

York Region **yorkmaps**

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Legend	
	Midblock Crossing
	Northbound Ramp Extension
	Beaver Creek Business Park
	Commerce Valley Business Park
	Valleywood Business Park