

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MAY 17, 2016

Item 28, Report No. 21, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on May 17, 2016.

**28 UNDERGROUND RELOCATION OF HYDRO DISTRIBUTION LINES UPDATE
HIGHWAY 7 AND JANE STREET
VAUGHAN METROPOLITAN CENTRE
WARD 4**

The Committee of the Whole recommends approval of the recommendation contained in the following report of the City Clerk, dated May 3, 2016:

Recommendation

The City Clerk, on behalf of the Vaughan Metropolitan Centre Sub-Committee, forwards the following recommendation from its meeting of April 6, 2016 (Item 2, Report No.1) for Council's consideration:

The Vaughan Metropolitan Centre Sub-Committee recommends:

- 1) That Council authorize staff to work with PowerStream, Region of York and the relevant landowners to establish a suitable utility corridor along Highway 7 and Jane Street within the Vaughan Metropolitan Centre to facilitate the future undergrounding of the existing aerial hydro distribution and telecommunication lines.

Report of the Deputy City Manager, Planning & Growth Management and the Director, Development Engineering & Infrastructure Planning dated April 6, 2016

Recommendation

The Deputy City Manager, Planning & Growth Management and the Director, Development Engineering & Infrastructure Planning, in consultation with the Director, Financial Planning and Development Finance and Deputy City Treasurer and with the Chief Corporate Initiatives & Intergovernmental Relations, recommend:

1. THAT Council authorize staff to work with PowerStream, Region of York and the relevant landowners to establish a suitable utility corridor along Highway 7 and Jane Street within the Vaughan Metropolitan Centre to facilitate the future undergrounding of the existing aerial hydro distribution and telecommunication lines.

Contribution to Sustainability

The undergrounding of hydro lines contributes to sustainability by simplifying the public realm and streetscape, reducing the requirement for tree trimming, unencumbering pedestrian pathways and minimizing the exposure of hydro lines to the natural elements which can cause power outages. However, it is generally more expensive to install underground hydro lines.

Economic Impact

There are no immediate economic impacts associated with the recommendations of this report.

Communications Plan

There is no specific communication plan associated with this report other than to forward a copy of this report to the Region of York and PowerStream and to share this report with the landowners of the VMC.

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Purpose

The purpose of this report is to update Council on the results of staff's continued discussions with relevant stakeholders regarding opportunities to underground the hydro distribution lines and utilities along Highway 7 and Jane Street within the Vaughan Metropolitan Centre (VMC) and to obtain the necessary authorize to commence work on the identification of a suitable utility corridor.

Background - Analysis and Options

Council, at its meeting on May 12, 2014 directed:

“That staff organize, as soon as possible, a stakeholders meeting along with PowerStream and York Region Rapid Transit working towards a cost sharing agreement with adjacent landowners for undergrounding hydro lines in the Vaughan Metropolitan Centre.”

In 2009 York Region and PowerStream determine that undergrounding hydro distribution lines along Highway 7 is; cost prohibitive, unfunded, and would result in significant delays to the overall Rapidway project

In 2009 York Region Rapid Transit Commission (YRRTC) and PowerStream released a consultant report which investigated the technical options and impacts of relocating the existing hydro lines using overhead pole line construction or underground plant in connection with the VivaNext Rapidway project along Highway 7. Based on the study findings and the substantial costs associated with the underground hydro system, YRRTC concluded it was not feasible to underground the hydro lines along Highway 7 without impacting the schedule of the Rapidway project through the VMC and incurring considerable additional expense, which was not included in the project budget.

Construction of Highway 7 Rapidway between Edgeley Boulevard and Bowes Road is well underway and scheduled for completion concurrently with opening of VMC Subway Station in late 2017

In the fall of 2013, PowerStream began the relocation of existing overhead hydro lines along Highway 7 within the VMC area.

The Toronto-York Spadina Subway Extension Project included undergrounding of the hydro lines within the subway corridor. In addition, PowerStream has extended the undergrounding of hydro lines from the subway corridor to the east side of Jane Street in order to ensure system continuity and given system complexity issues at the intersection.

Accordingly, the current relocation plan provides for underground hydro plant from the east side of Jane Street to the west side of the subway corridor. All hydro relocation beyond these limits will remain above ground.

Landowners in the north-east quadrant of the VMC express interest to pursue undergrounding of hydro lines along Highway 7 and Jane Street

Since the last update to Council in April 2014, staff have been involved in continued discussions with relevant stakeholders and PowerStream to understand the high order magnitude of costs for undergrounding hydro along Highway 7 and Jane Street.

Active developments within the north east quadrant of the VMC have also prompted further discussions with PowerStream to pursue opportunities for the hydro undergrounding adjacent to

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their respective properties. These landowners include Zzen, Midvale, Royal 7 Developments (EXPO City) and Berkley Developments, as shown on Attachment No.1.

Undergrounding the hydro lines along Highway 7 and Jane Street will cost approximately \$10 million

Over the last several months, a number of individual discussions were held with City and PowerStream staff and with representatives from landowners in the north-east quadrant of the VMC, namely Zzen, EXPO City and Berkley Developments, to discuss the opportunity to bury the hydro lines (on the north side of Highway 7 from Jane Street to Creditstone; and along Jane Street, north of Highway 7) and the related cost.

Subsequently, City staff facilitated a group meeting with PowerStream and the landowners on March 2nd, 2016 to discuss strategies for funding and other possible considerations to underground the existing hydro.

PowerStream indicated that a technical review would be required to determine if a corridor was available on the north side of Highway 7 to bury the hydro lines. However, assuming a corridor was available either on the boulevard or an easement through the development lands, the total preliminary estimated capital cost to remove the existing pole line and install an equivalent underground system (within a required 5 meter corridor across the frontage of properties on north and south side of Highway 7 and Jane Street) is approximately \$10 million. The estimated cost is high level and will be refined once the project scope is confirmed and a detailed design is complete. The estimated cost could be shared based on an equivalent ratio of total cost to total linear property frontage. Attachment No. 1 identifies the limits of this work.

PowerStream indicated potential impacts to the overall scope and budget if the hydro is buried incrementally. Works should be implemented comprehensively as fragmented underground sections require increased poles at either end of any underground sections.

These details have been shared with the landowners for their review and consideration for implementation options. PowerStream indicated that works may proceed only subject to a funding commitment from relevant stakeholders and the protection and identification of a corridor. The landowners expressed interest in undergrounding but the common concerns shared are the overall cost of the works, front-ending for others, implementation, cost sharing and cost recovery mechanisms.

City funding to bury the hydro lines on Highway 7 (North and South Sides) and Jane Street is not available

Staff did explore possible funding sources for the undergrounding work. However, given hydro services are not the City's infrastructure, it would be inappropriate and/or ineligible to fund these works through Development Charges, Local Improvement Charges, or property taxes. Although City Staff explored various options, a viable business case for the City to fund the cost (\$10 million) is not feasible.

As previously noted, the only source of funding for the preliminary cost of undergrounding the hydro lines is through cost-sharing agreements with the adjacent landowners. This option presents the only viable funding mechanism whereby the stakeholders abutting the undergrounding would pay their share of the costs up front to PowerStream. PowerStream would typically undertake the work using their contracted resources but may consider allowing a third party proponent to undertake the work subject to the necessary agreements being in place. The City could play a role in protecting for the corridor in the review of development proposals and plans.

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Undergrounding a segment of the hydro lines between Highway 400 and Edgeley Boulevard is also being considered

In addition to exploring hydro undergrounding along Highway 7 in conjunction with the next phase of the VivaNext Rapidway project, City and PowerStream staff have looked into the existing pole line on the north side of Highway 7, between Highway 400 and Edgeley Boulevard. The poles between Commerce and Edgeley have been relocated by the Phase 1 Rapidway project using overhead polelines. Accordingly, PowerStream advised that the remaining poles adjacent to SmartReit lands between Commerce and the new Highway 400 ramp extension into the VMC (approximately 3 poles, 200m long) would only be relocated as part of the H2 Rapidway project. SmartReit expressed that they do not see a benefit in burying the hydro line at this time.

The Black Creek channel will create a buffer between future development and the existing pole lines along Jane Street

The existing hydro poles along the east side of Jane Street, south of Highway 7 will be assessed in conjunction with the Black Creek Renewal Class EA project and subsequent design. The Black Creek is an environmental feature, thus the relocation of these hydro lines may not be as significant as the future Black Creek renewal work will act as a buffer between future development and the hydro infrastructure. In addition, the naturalized vision along the westerly edge of the Black Creek will provide significant tree canopy along the existing pole line.

Securing an easement corridor on private property to facilitate the hydro undergrounding in the future may be an option

A minimum 5 meter corridor would be required by PowerStream to facilitate the hydro undergrounding across the frontage of properties along Highway 7 and Jane Street. The easement would need to accommodate both hydro and telecommunications. Given the limited boulevard space and interest in avoiding surface impacts, the City and PowerStream staff discussed protecting a corridor on private property as an alternative and securing the installation of contiguous duct work within an easement between the existing York Region right of way and the proposed/existing building frontages along Highway 7 and Jane Street. The ducting could be installed now in conjunction with development so it could be available in the future to facilitate the burying of the hydro lines. This option is only suggested if there is a reasonable chance that undergrounding would occur in the near term. The duct structure may not be useable over time as it will deteriorate.

As another alternative, Staff is also exploring a means of establishing an easement corridor for properties fronting Highway 7 and Jane Street for the provision of undergrounding the hydro in the future if one is not available within the right of way. It is therefore recommended that staff continue to work with PowerStream, Region of York and the relevant landowners to establish a suitable utility corridor along Highway 7 and Jane Street within the VMC to facilitate the future undergrounding of the existing hydro distribution and telecommunication lines. For the EXPO City, Zzen and Midvale developments, staff will pursue protecting for a 5 meter easement abutting the Regional right of way until details for undergrounding could be confirmed.

PowerStream may consider seeking Board approval for contributing funding towards future hydro undergrounding on Jane Street

One of VMC's objectives is to have the hydro lines buried to provide an full urban streetscape that is compatible with a downtown urban core environment. Hydro undergrounding is supported by policies in the VMC Secondary Plan. Although there is significant interest by most stakeholders in the VMC to underground the hydro, funding the cost continues to be the biggest challenge.

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In keeping with Vaughan's city building objective, PowerStream suggested they could re-open and re-explore other possible opportunities for funding the related preliminary costs if the City or York Region secure a possible funding source. As assessed in the hydro line relocation report prepared by YRRTC and PowerStream, there is a lack of identified funding for the cost of burying the hydro distribution lines, but as indicated with PowerStream staff, a business plan justifying potential funding options can be prepared and brought forward to their Board of Directors (the Board) for consideration only if there is a funding source in place.

Normally a business case may be supported by the Board if the existing hydro lines were reaching their end of life cycle and PowerStream may contribute the cost associated with the replacement of the lines. However, PowerStream indicated that there would be no business case to contribute towards the undergrounding along Highway 7 burying because the infrastructure is new and has a forty five year life cycle. Therefore, there would be no business case to support Board approval for financial contribution to the undergrounding along Highway 7. Notwithstanding, PowerStream indicated that there may be opportunity to cost share towards burying hydro along Jane Street only if the work is completed at the same time as a bonafide road reconstruction project to support a relocation request by York Region. Accordingly, PowerStream would contribute the equivalent overhead relocation contribution that is typical with overhead relocation projects.

Relationship to Term of Council Service Excellence Strategy Map (2014-2018)

The matters referred to in this report support Term of Council's priority of facilitating the development of the VMC.

Regional Implications

The undergrounding of utilities is consistent with the Region of York Official Plan policies. It is expected that the Region should provide sufficient space in their right-of-ways to accommodate hydro undergrounding within Regional Centres and Corridors. Confirmation of the Region's position on this issue in the VMC and other Centres and Corridors where undergrounding may be warranted will be helpful.

Conclusion

The landowners along Highway 7 and Jane Street expressed desire to continue to explore the undergrounding options with Staff and PowerStream and a follow up meeting is being scheduled for late April 2016 to continue the discussions. Region of York representatives will be invited to participate in these discussions.

In accordance with PowerStream's preliminary high level cost estimate, undergrounding the hydro lines along Highway 7 (north and south sides) and Jane Street will cost approximately \$10 million.

Staff is recommending that a suitable utility corridor be established along Highway 7 and Jane Street within the VMC to facilitate the undergrounding of the existing hydro and telecommunications lines in the future.

Attachment

1. Highway 7 & Jane Street Hydro Undergrounding Map

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(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)