

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MAY 16, 2017

Item 7, Report No. 5, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on May 16, 2017.

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**MILLWAY AVENUE RECONSTRUCTION UPDATE
VAUGHAN METROPOLITAN CENTRE
WARD 4**

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Deputy City Manager, Planning and Growth Management and the Director of Development Engineering and Infrastructure Planning, dated May 1, 2017:

Recommendation

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

1. That the Mayor and Clerk be authorized to execute the necessary agreements with York Region and York Region Rapid Transit Corporation with respect to funding the design, construction, long-term maintenance and rehabilitation costs associated with the passenger pick-up/drop-off area on the west side of Millway Avenue next to the York Region Bus Terminal in the form and content satisfactory to the Deputy City Manager, Planning and Growth Management, the Chief Financial Officer and City Treasurer and the Deputy City Manager, Legal and Human Resources / City Solicitor;
2. That the Mayor and Clerk be authorized to execute the necessary agreements with York Region, York Region Rapid Transit Corporation, Toronto Transit Commission and SmartREIT (Penguin-Calloway Vaughan Inc.) related to the funding of the storm by-pass sewer on Millway Avenue and the Apple Mill Road extension in the form and content satisfactory to the Deputy City Manager, Planning and Growth Management, the Chief Financial Officer and City Treasurer and the Deputy City Manager, Legal and Human Resources / City Solicitor; and
3. That staff be authorized to bring forward the necessary by-laws to regulate cycling and vehicular traffic and parking on Millway Avenue, Apple Mill Road and New Park Place directly to Council.

Contribution to Sustainability

The reconstruction of Millway Avenue between Regional Road 7 and Portage Parkway is a mandatory undertaking to support the Toronto-York Spadina Subway Extension (TYSSE) and the York Region Viva network of conventional and rapid transit. The YYSSE will provide the citizens of Vaughan with an alternative mode of transportation to the single occupant vehicle and will support compact urban forms of transit orientated development across the City, in particular in the Vaughan Metropolitan Centre and the Steeles West Secondary Plan areas.

The design of Millway Avenue will incorporate sustainable principles such as cycling facilities, a passenger pick-up/drop-off area, urban boulevard treatments, generous pedestrian zones and pathways, landscape and LED street lighting.

Economic Impact

The approved Capital Project Budget DT-7065-11 Millway Avenue. Widening and Realignment allocates \$7.14 million for the design and reconstruction of Millway Avenue from Regional Road 7 to Portage Parkway, with funding from City-wide Engineering Development Charges.

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To date, approximately \$2.44 million has been committed from this budget for land acquisition, road construction works and the cost associated with the redesign of Millway Avenue from approximately New Park Place to Portage Parkway. The remaining budget of approximately \$4.70 million is expected to be sufficient to complete the reconstruction of the Millway Avenue road works, which is currently estimated at \$4.53 million as detailed further in this report.

The City is expecting to receive a partial funding credit from TTC as a result of the Millway road works that were de-scoped from the TYSSE contract along with the reimbursement from York Region Rapid Transit Corporation /York Region for the design, construction, long-term maintenance and rehabilitation costs associated with the passenger pick-up/drop-off area on the west side of Millway Avenue next to the York Region Bus Terminal. This funding will be applied to the Millway reconstruction project.

Given that SmartREIT is undertaking the design and reconstruction of Millway Avenue on behalf of the City, SmartREIT will contract the work and the City will reimburse SmartREIT as work is completed, typically 30 days following the receipt of the progress payment certificate/invoice. The standard contractual arrangements respecting scope of work, completion approvals, holdbacks, subgaord, contractor warranties and deficiency repairs still apply.

Communications Plan

SmartREIT has been consulted in the preparation of this report. A copy of this report will be circulated to York Region, YRRTC and the TTC.

Purpose

The purpose of this report is to update Council on the status of the design and construction of Millway Avenue.

Background - Analysis and Options

The reconstruction of Millway Avenue from Regional Road 7 to Portage Parkway will be completed in two distinct parts: 1) In conjunction with the TYSSE project; and 2) By SmartREIT through a developer design-build agreement

Based on the established construction limits, TTC will be reconstructing Millway Avenue from Regional Road 7 to New Park Place as part of the TYSSE project. This work is nearing completion.

Council authorized SmartREIT to undertake the design and reconstruction of Millway Avenue between New Park Place and Portage Parkway on behalf of the City as a developer design-build project

At its meeting on October 19, 2016, Council approved the following resolution that initiated the redesign of Millway Avenue:

“THAT staff be authorized to amend the Subdivision Agreement related to Draft Plan of Subdivision 19T-12V007 to enable SmartREIT (Penguin-Calloway (Vaughan) Inc.) to undertake the detailed design of Millway Avenue between New Park Place and Portage Parkway on behalf of the City pursuant to Section 12 of the City’s Consolidated Purchasing Policy.”

Subsequently, at its meeting on December 13, 2016, Council authorized SmartREIT to undertake the reconstruction of Millway Avenue on behalf of the City by endorsing the following resolution:

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“That the Mayor and Clerk be authorized to enter into an agreement with the Owner (Penguin-Calloway Vaughan Inc.) to provide for the Owner to tender a construction contract and construct Millway Avenue, a funded City project, between New Park Place and Portage Parkway on behalf of the City, pursuant to Section 12 of the City’s Consolidated Purchasing Policy”

As authorized by Council, SmartREIT has agreed to project manage the design and reconstruction of the balance of Millway Avenue from New Park Place to Portage Parkway on behalf of the City as part of the YMCA Building/Parking lot development as shown on Attachment 1. The shared objective of the City, TTC, YRRTC and SmartREIT is to have Millway Avenue reconstructed before opening day of the subway and bus terminal scheduled for the later part of Q4-2017.

The SmartREIT consultant team delivered the 60 per cent design submission for the reconstruction of Millway Avenue on March 20, 2017

SmartREIT’s consulting team (SCS Consulting Group and BA Group) began the expedited design assignment for the Millway Avenue reconstruction project in October 2016. On March 20, 2017, SCS Consulting Group submitted the 60 per cent design package to the City and relevant agencies for review. After all the review comments from the 60 per cent design submission have been addressed, the next version of the drawings will be used for tendering purposes to maintain the project schedule. This tendering approach is necessary in order to have a reasonable chance of completing the reconstruction of Millway before the subway opens for service in late 2017.

SmartREIT has retained PCL as the general contractor/construction managers for all their active construction projects in the VMC including the Millway Avenue reconstruction

Given the complexities of coordinating multiple construction activities in close proximity, SmartREIT has retained the services of PCL as the General Contractor and construction manager for their current projects in the VMC including the reconstruction of Millway Avenue. PCL has been working with the SCS design team early in the construction management process to ensure effective project coordination and communication from the start. This early collaboration will assist in minimizing the risk associated with having an incomplete scope of work during preconstruction. PCL construction management expertise will also assist in the areas of construction costing, scheduling and value engineering to find alternative construction methods to ensure the reconstruction of Millway is delivered on time and within budget. The cost for PCL’s construction management services can be accommodated within the project budget.

The design of Millway and Apple Mill will also address a drainage issue at the intersection of Millway and Regional Road 7

A major system storm drainage issue has recently been identified at the intersection of Millway Avenue and Regional Road 7. This drainage issue has been studied and a preferred solution has been agreed upon by the TTC, York Region, YRRTC, City and SmartREIT, which includes the installation of a second storm sewer on Millway Avenue south of Apple Mill Road, an oversized storm sewer on the Apple Mill Road extension and a new outlet into the Edgeley Storm Water Management Pond located at the north-east corner of Jane Street and Regional Road 7. This additional storm sewer work has been incorporated into the current design of Millway. The additional storm sewer work, currently estimated at approximately \$1.55 million, would be constructed as part of the Applemill extension works and is therefore is not included in the Millway Avenue reconstruction cost estimate. The parties are actively engaged in discussions with respect to the cost sharing of these drainage/sewer works on a derived benefit basis. Once a satisfactory arrangement amongst the parties is in place, an agreement will need to be

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prepared to formalize the resulting funding commitments. Staff are recommending that the Mayor and Clerk be authorized to execute this agreement once the terms and conditions have been established to the satisfaction of the City. This storm sewer will improve the drainage system in the north-west quadrant of the VMC.

The necessary development agreement with SmartREIT will be executed before the construction contract for the Millway Avenue Reconstruction is awarded

Staff are currently drafting the necessary development agreement between the City and SmartREIT that will provide for the reconstruction of Millway between New Park Place and Portage Parkway, the extension of Apple Mill Road to Jane Street and the reimbursement to SmartREIT for the cost associated with the reconstruction of Millway, which SmartREIT is undertaking on the City's behalf as a developer design-build project. This development agreement will need to be executed before SmartREIT awards the construction contract for Millway in mid-June 2017.

The reconstruction of Millway Avenue is expected to cost \$4.53 million based on pre-tender cost estimates

On April 7, 2017, the City received a detailed pre-tender cost estimate for the Millway Avenue reconstruction works, which was prepared by PCL in consultation with SCS and the sub-consultants working on the project. This estimate was prepared based on the 60 per cent engineering design submission so there are still some unknown costs elements related to the potential need to relocate some of the existing utilities. The sub-surface utility location information is being gathered now through test pits and surveys. If a conflict with an existing utility is identified through these field investigations, it would significantly increase the cost of the road works beyond the current Council approved budget. If such a situation occurs, staff will submit additional information to Council.

The cost of the Millway Avenue reconstruction between New Park Place and Portage Parkway is estimated at \$4.53 million (excluding applicable taxes), which is slightly under the original 2011 Capital Project Budget as detailed in the table below.

Millway Avenue Reconstruction (New Park Place to Portage Parkway) – City components	Pre-Tender Cost Estimate (April 2017)
Millway Avenue - Roadworks	\$1,165,000
Landscape/Streetscape	\$1,220,000
Electrical – Signals and Illumination	\$650,000
Miscellaneous Civil Works (pavement marking, signs, etc.)	\$200,000
Subtotal	\$3,235,000
15% contingency	\$485,250
Subtotal Construction Cost	\$3,720,250
Engineering, Smartreit management fee, permits (assume 10%)	\$372,025
Engineering, Contract Administration, Testing and Inspection (SCS)	\$442,000
Total estimated project cost (excluding applicable taxes)	\$4,534,275
Available Budget	\$4,700,000
Remaining funding	\$165,725

Note: PCL General Expenses are included in the project item estimate

Staff will be participating in the tendering process for these road works and will report to Council if the actual bid prices exceed the approved project budget limits.

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Millway Avenue reconstruction is scheduled to commence in June and be completed by the end of November 2017 before the subway is open for service

PCL has prepared a preliminary construction schedule for the Millway Avenue reconstruction works with consideration for the many overlapping construction activities within the work zone and the short construction window before the subway opens at the end of 2017.

Based on this initial schedule, construction could begin as early as June. The expected timing is as follows:

<u>Milestone Activity</u>	<u>Time Frame</u>
Tendering	May 2017
Award	June 15, 2017
Underground Servicing	July 2017
Road works	August – September 2017
Landscape/streetscape	September – November 2017
Electrical (streetlights/signals)	October 2017
Top Asphalt and pavement markings	November 2017

The shared objective of the parties is to have the reconstruction of Millway Avenue completed before the TYSSE opens for service at the end of 2017. Staff will continue to monitor the progress of the work and provide regular updates to Council over the course of the next nine months.

The timely establishment of the necessary traffic and parking regulations on Millway Avenue will be required before the road is reopened to traffic

The reconstructed Millway Avenue will include cycling facilities, a passenger pick-up/drop-off area, on-street parking and U-turn prohibitions, pedestrian zones and new signalized intersections. Accordingly, the City's Comprehensive Traffic By-law will need to be updated and amended to institute these new cycling facilities and to regulate vehicular traffic and parking on Millway Avenue as well as on Apple Mill Road and New Park Place. Given the time constraints and challenges associated with delivering these road projects before the end of 2017, staff are requesting authorization from Council to bring forward the necessary traffic by-laws for Millway Avenue, Apple Mill Road and New Park Place directly to Council.

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

The reconstruction of Millway Avenue and the development of the mobility hub in the VMC are consistent and contribute to advancing priorities endorsed by Council specifically:

- Facilitate the development of the VMC
- Improve municipal road network
- Continue to develop transit, cycling and pedestrian options to get around the City; and
- Invest, renew and manage infrastructure and assets

Regional Implications

York Region is a partner in the Toronto-York Spadina Subway Extension project and is the proponent of the new YRT Bus Terminal located at the north-west corner of Millway Avenue and Apple Mill Road in the VMC. The design and reconstruction of Millway Avenue is being closely coordinated with York Region and York Region Rapid Transit Corporation.

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York Region is committed to fund the design, construction, long-term maintenance and rehabilitation costs associated with the passenger pick-up/drop-off area on the west side of Millway Avenue next to the York Region Bus Terminal.

Conclusion

The design and reconstruction of Millway Avenue from Regional Road 7 to Portage Parkway will be delivered in two parts in conjunction with the TYSSE project and by SmartREIT on behalf of the City. Based on the pre-tender cost estimate, the funds budgeted by the City for the Millway reconstruction works are sufficient to complete the project.

The current implementation strategy provides for the design of Millway Avenue to be finalized in late April 2017 followed by the release and award of a construction contract by mid-June 2017. Construction is scheduled to commence in June 2017 and be completed at the end of November 2017 before the opening day of the subway near the end of 2017.

Staff will monitor the progress of the work and provide regular updates to Council over the course of the next nine months.

Attachment

1. Millway Avenue Reconstruction Plan

Report prepared by:

Andrew Pearce, Director, Development Engineering & Infrastructure Planning, Ext 8255

(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.)