

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 28, 2016

Item 16, Report No. 27, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on June 28, 2016.

Councillor Carella declared an interest with respect to this matter as he is an officer of a not-for-profit corporation that owns lands immediately south of the extension of McGillivray Road which is the subject of this matter and did not take part in the discussion or vote on the matter.

16

HIGHWAY 427 EXPANSION PROJECT UPDATE WARD 2 - WEST VAUGHAN EMPLOYMENT AREA

The Committee of the Whole recommends approval of the recommendation contained in the following report of the Deputy City Manager of Planning & Growth Management and the Director of Development Engineering and Infrastructure Planning, dated June 21, 2016:

Recommendation

The Deputy City Manager of Planning & Growth Management and the Director of Development Engineering and Infrastructure Planning, in consultation with the Director of Financial Planning and Development Finance & Deputy City Treasurer recommend:

1. That Council endorse the proposed realignment of McGillivray Road north of Rutherford Road, as identified in the Transportation Environmental Study Report for the Highway 427 Transportation Corridor, Realignment of McGillivray Road, released in March 2016 by the Ministry of Transportation of Ontario.

Contribution to Sustainability

The proposed Highway 427 extension including the realigned McGillivray Road contributes to sustainability by addressing the existing and short-term inter-regional transportation constraints related to the current Highway 427 terminus, and by enhancing goods movement to and from the CPR Vaughan Intermodal facility. In addition, the extension of Highway 427 will facilitate the planned growth in the City, in particular the West Vaughan Employment Area.

In considering the objectives of the City's Community Sustainability and Environmental Master Plan (Green Directions Vaughan), the construction of John Lawrie Street (formerly known as Street "A") will assist in:

- Providing a porous road network to support all modes of transportation
- Developing a City with sustainable built form
- Establishing a network of sidewalks, paths and trails that support all modes of non-vehicular transportation
- Reducing single-occupant vehicle trips by supporting active transportation, carpooling and public transit
- Achieving sustainable growth and development

Economic Impact

The \$10.5M in funding for the works to be completed is comprised of approved capital project DE-7161-15 Street "A"- Highway 427 for \$7.0M and developer contributions of \$3.5M. Included in the \$7.0M is York Region's contribution of one-third of the construction cost of the crossing structures.

In June 2015, Council adopted Committee of Whole Report 26 Item 11 for the Class Environmental Assessment Study – Notice of Study Completion Proposed Collector Street (Street

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 28, 2016

Item 16, CW Report No. 27 – Page 2

“A”) between Huntington Road and Regional Road 27. The report indicated that the total capital cost for the construction of the three structures associated with Street “A” (John Lawrie Street) crossing the future Highway 427 extension, including engineering costs, contingency allowance, non-refundable HST and administration recovery, was approximately \$10.5M, consistent with the project’s financial plan. The three structures included the transitway structure which was an estimated cost of \$3.0M.

The report also indicated that the Ministry of Transportation of Ontario (MTO) requires an up-front payment for long-term maintenance and rehabilitation cost (formerly identified as life-cycle costs) for all new municipal crossing structures. It was estimated that the long-term maintenance and rehabilitation cost for the three structures for the proposed John Lawrie Street extension under Highway 427 could range between \$0.6 and \$2.0 million, and that if the City is required to pre-pay these long-term maintenance and rehabilitation costs then an alternate funding source other than Development Charges would need to be identified.

MTO capital cost estimate for the John Lawrie St. – Highway 427 crossing structures is revised to \$8.9M

In November 2015, the Ministry announced plans to widen the future Highway 427 cross-section by adding one lane in each direction. In February 2016, prior to the release of its Proposal (RFP) for the Highway 427 Expansion Design-Build-Finance Maintain (DBFM) undertaking, MTO gave an updated cost estimate to the City for the three structures crossing the future Highway 427. The Ministry staff advised that the City would not be responsible for the additional costs associated with the wider structures to support the additional widening of Highway 427.

As a result, the construction costs have been revised from \$10.5M to \$11.4M, a \$0.9M increase in costs. This cost includes \$2.5M for the future transitway structure. The City has been informed by MTO that there are no current plans for the construction of the future transitway structure. This reduces the total capital requirement to \$8.9 million including soft costs. During the upcoming budget process, capital project DE-7161-15 will be amended to illustrate the project is for the construction of two structures with a capital cost of \$8.9M. All costs are inclusive of the non-refundable HST and the administration recovery. As confirmed with MTO, the City will not have to make payment to MTO until substantial completion of the northbound and southbound crossing structures which is expected after 2020.

Based on updated estimates from MTO, the total long-term maintenance and rehabilitation cost for the two structures, excluding transitway structure, will be approximately \$3.0 million, which is a significant increase from the Environmental Assessment (EA) estimates. MTO indicated that their estimate is based on observations of deterioration of various elements of MTO’s bridge inventory and unit costs of broader rehabilitation work is based on the guidelines provided by the bridge office, the same guidelines MTO uses for capital planning of bridge rehabilitation needs. Additional parameters such as traffic management costs, complexity of the works, and geographic location of the project (i.e. Central Region vs. other regions) are also taken into consideration. MTO is currently developing a policy for the funding of long-term maintenance and rehabilitation costs, which is expected to be completed in the next two to four years. The policy will outline the obligations of each party as it pertains to the long-term maintenance and rehabilitation cost of these structures. If the City is required to pre-pay these long-term maintenance and rehabilitation costs then an alternate funding source must be identified during future budget deliberations.

Communications Plan

MTO will be advised of the approved recommendations originating from this report.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 28, 2016

Item 16, CW Report No. 27 – Page 3

A more comprehensive update on the Highway 427 Expansion project including a presentation by MTO to Council is planned for Fall 2016.

Purpose

The purpose of this report is to provide Council with an update on the status of MTO's Highway 427 Expansion project, and seeks Council endorsement of the proposed realignment of McGillivray Road as defined in the TESR released by MTO in March 2016. The report also provides an update on the estimated capital and long term rehabilitation and maintenance costs of the structures associated with the John Lawrie Street crossing of the future Highway 427 and associated funding strategy.

Background

Highway 427 Extension Transportation Corridor EA was approved in 2010

In 2010, MTO completed the Highway 427 Extension Transportation Corridor Environmental Assessment. This study identified that Highway 427 should be extended 6.6km from its existing terminus at Highway 7 northerly to Major Mackenzie Drive West and also identified a protected transitway along the west side of the highway extension.

West Vaughan Employment Secondary Plan was approved in 2014

In 2014, the Ontario Municipal Board (OMB) approved the West Vaughan Employment Secondary Plan (WVESP), which established the framework for employment growth on the lands generally west of Regional Road 27, including the land use planning framework for Block 59. The WVESP identifies a network of collector roads that are needed to support the planned employment growth, and to provide connectivity in the City's transportation system. This planned road network includes proposed east-west collector road (John Lawrie Street, formerly known as Street "A") that extends from the existing intersection of Trade Valley Drive and Huntington Road through Block 59 to the intersection of Martin Grove Road and Regional Road 27.

The John Lawrie St. - Highway 427 crossing structures must be constructed in conjunction with the Highway 427 Extension project

In 2014, MTO commenced the procurement process for the extension of Highway 427 from the current terminus at Highway 7 to Major Mackenzie Drive West. For constructability reasons it was identified that the John Lawrie St. crossing structures at the future Highway 427 were to be constructed in conjunction with the highway project. As such, John Lawrie St. was directly impacted by the Highway 427 extension. MTO staff advised that they could consider including the John Lawrie St. crossing structures in the highway construction project if the City could secure all the necessary approvals, property and funding by early summer 2015.

John Lawrie Street Environmental Assessment was approved in Summer 2015

Shortly after the WVESP was approved by the OMB, the landowners in Block 59 submitted a Block Plan/MESP application that is currently under review by staff and external agencies. Given the potential social, environmental and economic impacts related to the construction of this collector road it was identified early in the Block Plan process that a Municipal Class Environmental Assessment was required to ascertain the preferred design and alignment of John Lawrie St. through the block.

In May 2014, the City of Vaughan and the Block 59 Landowners Group, as co-proponents initiated the Schedule 'C' Municipal Class EA, in conjunction with the planning process for Block

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 28, 2016

Item 16, CW Report No. 27 – Page 4

59. In June 2015, the City and the Block 59 Landowner Group filed the EA and confirmed the preferred alignment for John Lawrie St. The Environmental Assessment study for the John Lawrie Street was approved in summer 2015.

MTO released the Highway 427 Expansion Request for Proposal in March 2016 including the John Lawrie St. - Highway 427 structures

Following the John Lawrie St. EA approval, the City made an official request to the MTO in October 2015 to include the crossing structures in its upcoming RFP for the Highway 427 Design Build Finance Maintain undertaking. In March 2016, MTO and Infrastructure Ontario (IO) released the RFP which included the John Lawrie – Highway 427 crossing structures.

The Notice of Completion for the Transportation Environmental Assessment Report to amend the Highway 427 Transportation Corridor EA was issued by MTO in March 2016

In November 2015, MTO publically announced plans to widen the alignment of the extended section of Highway 427 by one additional lane in each direction to allow for the implementation of High Occupancy Toll (HOT) lanes in order to help manage congestion. An ultimate configuration will be comprised of four lanes in each direction from the current terminus at Highway 7 to Rutherford Rd. (the same section where the future Highway 427 will cross John Lawrie St.) and three lanes in each direction from Rutherford Rd. to the future terminus at Major Mackenzie Dr. West. As confirmed by MTO, the additional John Lawrie Street structure costs associated with the extra Highway 427 lanes will be borne by the Ministry.

A Public Information Centre was held by MTO in December 2015 and a Transportation Environmental Study Report (TESR) to amend the Highway 427 Transportation Corridor EA (approved in 2010) was released on January 28, 2016. From the City's perspective, most of the widening is accommodated in the centre median of the corridor, and no expansion of MTO's protected right-of-way is proposed. Therefore, the City is generally satisfied with the findings.

Some discussion is underway with MTO regarding planned mitigation measures and concerns with MTO plans to protect and restore lands in Block 59 that landowners and the City require for City infrastructure to service the western part of Block 59. City staff are awaiting a response to earlier correspondence to MTO on this issue of the locations and details of planned mitigation, including ecological compensation.

In addition to the extension from Highway 7 to Major Mackenzie, MTO plans to widen the existing Highway 427 section between south of Albion Road of Highway 7 from six to eight lanes. As such, MTO held a Public Information Centre on May 26, 2016 to provide an overview of the procurement process, supplemental environmental investigations, anticipated timelines and next steps for the project.

On March 31, 2016, MTO released a Transportation Environmental Assessment Report to establish the final realignment of McGillivray Rd. and intersection location with Rutherford Rd.

The Highway 427 EA identified that the future highway would cross over Rutherford Rd. and that McGillivray Rd. should remain at grade but would need to be realigned to resolve a spacing conflict with the Rutherford Road interchange. The EA also identified that the final alignment for McGillivray Road will be determined in consultation with the City of Vaughan and York Region.

On March 31 2016, MTO released a Transportation Environmental Assessment Report (TESR) that establishes the final alignment of McGillivray Rd. at Rutherford Rd. The proposed realignment follows an adjacent woodlot to avoid crossing the West Robinson Creek and ties with

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 28, 2016

Item 16, CW Report No. 27 – Page 5

the proposed future Di Poce Way in Block 59 to the south of Rutherford Rd as shown on Attachment 1. City staff reviewed the TESR and is satisfied with the findings of the TESR on the final McGillivray Rd. realignment.

The realignment of McGillivray Rd. will be carried out in conjunction with the construction of Highway 427 expansion. More information on the construction timing will be provided once it is available.

Draft York Region TMP update recommends partial or full funding of mid-block crossings by the Region

York Region recognizes the direct tangible benefits that the City's collector road network provides to the regional road system. As part of the Transportation Master Plan (TMP) Update and growth management strategy, York Region is currently developing a policy with respect to the funding and ownership of mid-block crossings of 400-series highways. These crossings are seen as essential in achieving finer-grid road networks throughout the Region, and supporting economic development and a growing population. York Region staff indicated that this policy is to be finalized by May 2016 and presented to Regional Council in June 2016. The Region has indicated that the Policy is expected to recommend partial or full funding of mid-block crossings by the Region to support and manage growth. The York Region TMP Update is expected to be finalized in Fall 2016.

MTO will prepare a draft policy concerning the allocation of long-term maintenance and rehabilitation cost of the 400-Series Highway crossing structures by April 1, 2018

For the past year, York Region has been in discussions with MTO with respect to the practise of requiring municipalities to pay the long-term rehabilitation costs of municipal road crossing structures. In response to these discussions and due to the lack of clear policy, MTO advised that they will be starting a process to develop a policy on long-term maintenance and rehabilitation of the 400-series highway crossing structures.

A Draft Policy to be prepared by MTO prior to April 1, 2018 will set out the Ministry's position concerning the allocation of long-term maintenance and rehabilitation costs attributable to infrastructure (such as approaches, illumination, bridge bearing pads, girders, expansion joints, bridge decks, abutments, footings, railings and barrier walls), including grade separations such as the Highway 427 - John Lawrie crossing structures. Following completion of the draft policy, MTO will engage in consultations with stakeholders.

After consulting with the stakeholders and prior to April 1, 2020, MTO will finalize the Policy and issue a copy to the City. If MTO implements the long-term maintenance and rehabilitation costs policy, the City will be required to pay the MTO the amount calculated in accordance with the Final Policy or \$3.0M as per MTO's long-term maintenance and rehabilitation costs estimate. Payment of long-term rehabilitation and maintenance cost related to the transitway crossing structure will be determined in the future based on discussions with the MTO at a time closer to the transitway construction. If MTO fails to complete the Policy by April 1, 2020, then the City will not be required to pay the long-term rehabilitation costs of the structures.

As the draft policies are still being prepared, final agreements with MTO and York Region are not anticipated to be executed by late August 2016

An agreement is required between the City and MTO with regards to the payment of capital cost and long term rehabilitation and maintenance cost of the John Lawrie St. – Highway 427 crossing structures. As conditions of the agreements are still being discussed, the final agreements are not anticipated to be executed by late August 2016.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 28, 2016

Item 16, CW Report No. 27 – Page 6

Next Steps in the process

The next steps are as follows:

- Finalize agreements between the City and MTO regarding financial matters including the capital cost and long-term maintenance and rehabilitation cost principles (August 2016)
- Financial Close of the Highway 427 Expansion RFP expected in February 2017 and selection of the preferred design-build team
- Resolution of MTO proposed approach to ecological compensation/mitigation with implications on the western part of Block 59
- Presentation by MTO staff to Council on the status of the Highway 427 Expansion project (Fall 2016)
- Planned construction start of Highway 427 expansion and the John Lawrie St. – Highway 427 crossing structures (mid-late 2017) with an anticipated timeframe of 4-5 years

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

In consideration of the strategic priorities related to the Term of Council Service Excellence Strategy Map, the recommendation of this report will assist in:

- Improving municipal road network
- Continuing to develop transit, cycling and pedestrian options to get around the City
- Investing, renewing and managing infrastructure assets
- Attracting investment and creating jobs

Regional implications

York Region's Official Plan (2010) supports the implementation of mid-block collector roads as the presence of this infrastructure prioritizes the development of this area for employment uses.

As a key stakeholder, York Region has been involved in regular meetings to discuss and coordinate various aspects and impacts of the Highway 427 Expansion on municipal infrastructure projects.

Although jurisdictional responsibility for the construction and on-going maintenance of the mid-block collector roadway and highway crossings is at the local municipal level, direct tangible benefits to the Region are realized as a result of this construction. These benefits include:

- The provision of additional transportation capacity to the Regional arterial roads
- Relief from expansion pressures on nearby Regional arterial roads
- Facilitating Regional transit improvements/initiatives
- Improving the provision of emergency services
- Supporting the Region's intensification goals
- Increased opportunities for growth of related businesses by the connection of employment areas flanking each side of the Highway 427 extension

Over the last year, York Region has taken the lead in negotiating the appropriate funding strategy with MTO on long-term maintenance costs for 400-series highway mid-block crossings in the Region.

Through policy, York Region is committed to contributing 1/3 of the construction cost of 400-series highway crossing structures.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 28, 2016

Item 16, CW Report No. 27 – Page 7

Conclusion

The John Lawrie Street – Highway 427 crossing structures are included in the RFP for the Highway 427 Expansion project that was released by MTO and IO in March 2016. The construction of the structures will be carried out in conjunction with the construction of the Highway 427 extension. Additionally, City staff is working with the MTO and York Region to identify the best solution funding arrangements for capital and long-term rehabilitation and maintenance costs. The agreements between MTO and the City, and the City and York Region are required to define the responsibilities of the parties with respect to the payment of capital cost and long-term maintenance and rehabilitation cost. Any resulting financial obligations that are over and above those in capital project DE-7161-15 will be brought forward for consideration during future budget processes.

In addition, staff are recommending that the City endorse the proposed realignment of McGillivray Road as defined in the TESR released by MTO in March 2016.

Attachment

1. McGillivray Road Realignment at Rutherford Road

Report prepared by:

Mani Shahrokni, Transportation Project Manager, Ext. 8163
Selma Hubjer, Manager, Transportation Planning, Ext. 8674
Jackie Lee Macchiusi, Senior Manager, Corporate Financial Planning & Analysis, Ext. 8267

(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.)

Councillor Carella declared an interest with respect to the foregoing matter as he is an officer of a not-for-profit corporation that owns lands immediately south of the extension of McGillivray Road which is the subject of this matter and did not take part in the discussion or vote on the matter.