

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 27, 2017

Item 4, Report No. 7, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on June 27, 2017.

4

**MILLWAY AVENUE RECONSTRUCTION UPDATE
CAPITAL BUDGET AMENDMENT
VAUGHAN METROPOLITAN CENTRE
WARD 4**

The Finance, Administration and Audit Committee recommends:

- 1) That 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 June 19, 2017, be approved; and**
- 2) That the following be approved in accordance with Communication C5, memorandum from the Deputy City Manager Planning & Growth Management and the Director of Development Engineering and Infrastructure Planning, dated June 19, 2017:**

That Capital Budget DT-7065-11 be increased by a further \$840,000 to adequately fund the construction and contract administration for the Millway Avenue reconstruction project, with funding for City-wide Development Charges.

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 Capital Budget DT-7065-11 be increased by \$2,100,000 to fund the design and construction of a storm by-pass sewer in conjunction with the Millway Avenue reconstruction project funded, in part, through recoveries from York Region Rapid Transit Corporation, York Region and the Toronto Transit Commission and through City-wide Development Charges for the City's portion;
2. THAT authority be delegated to the Chief Financial Officer and City Treasurer to finalize the funding allocation within Capital Budget DT-7065-11 between City-wide Development Charges and Other Contributions based on the outcome of the storm by-pass sewer cost sharing agreement amongst the parties involved;
3. THAT the inclusion of this matter on a public Committee or Council agenda with respect to amending the capital budget identified as DT-7065-11 Millway Avenue Widening and Realignment is deemed sufficient notice pursuant to Section 2(1)(c) of By-law 394-2002, as amended; and
4. That Council ratify the actions taken.

Contribution to Sustainability

The reconstruction of Millway Avenue between Regional Road 7 and Portage Parkway is required to support the Toronto-York Spadina Subway Extension (TYSSE), the York Region Viva network of conventional and rapid transit and the planned growth in the Vaughan Metropolitan Centre (VMC). The TYSSE 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 VMC and the Steeles West Secondary Plan areas.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 27, 2017

Item 4, Finance Report No. 7 – Page 2

The design of Millway Avenue incorporates sustainability measures such as cycling facilities, a passenger pick-up/drop-off area, urban boulevard treatments, generous pedestrian zones and pathways, a landscape plan that reflects the VMC Streetscape and Open Space Master Plan 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.

To date, approximately \$2.44 million has been committed from this budget for land acquisition, early 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 based on pre-tender cost estimates.

The construction tender for the Millway works was released on May 17, 2017 and will close on June 13, 2017. The bid submissions will be reviewed by SmartREIT and its consulting team and City staff. Staff will inform Council of the tender results via a communication to the Finance, Administration and Audit Committee meeting.

So as to not cause delay in the Millway project, staff are recommending that a capital budget increase to capital project DT-7065-11 of \$2.1 million be approved to fund the design and construction of a storm by-pass sewer while the cost sharing agreement between all parties is being finalized, with funding from City-Wide Engineering Development Charges and Other Contributions. The resulting total budget for the is \$9.24 million as noted in Table 1 below. The need for the storm by-pass sewer is discussed in further detail in this report.

Table 1: Project Funding Summary DT-7065-11 Millway Avenue Widening and Realignment	
	Amount
Approved Budget	\$ 7,137,710.00
Capital Budget Amendment Request	\$ 2,100,000.00
Total revised budget	\$ 9,237,710.00

Communications Plan

The results of the Millway Avenue construction tender will be made available to members of Council the week prior to the June 19, 2017 Finance, Administration and Audit Committee. A copy of this report will be forwarded to SmartREIT, TTC, YRRTC and York Region.

Purpose

The purpose of this report is to seek Council's authorization to increase the project budget to initially fund the design and construction of a proposed storm by-pass sewer subject to cost sharing amongst the benefiting parties, and to inform Council of the results of the tendering process for the reconstruction of Millway Avenue in the VMC.

Background - Analysis and Options

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

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 27, 2017

Item 4, Finance Report No. 7 – Page 3

At its meeting on December 13, 2016, Council authorized SmartREIT to project manage and carry out the reconstruction of Millway Avenue from New Park Place to Portage Parkway on behalf of the City. 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.

SmartREIT issued construction tenders for the Millway Avenue works on May 17, 2017

The tender for the reconstruction of Millway Avenue from New Park Place to Portage Parkway was issued by SmartREIT on May 17, 2017 and will close on June 13, 2017. The submitted bids will be reviewed by SmartREIT and their consulting team before award. City staff will be participating in the tendering process. Staff will inform Council of the tender results via a communication to the Finance, Administration and Audit Committee.

The design of Millway and Apple Mill includes a new storm by-pass sewer to address a flooding risk at the new intersection of Millway and Regional Road 7

At a meeting in December 2016, senior staff from Toronto Transit Commission (TTC), York Region Rapid Transit Corporation (YRRTC), York Region and the City agreed that a storm by-pass sewer was necessary to address a flooding risk at the new intersection of Millway Avenue and Regional Road 7. This flooding risk has the potential to impact the subway station. This proposed storm by-pass sewer is needed to capture major system flows at the intersection and redirect them to the Edgeley storm water management pond. The alignment of the by-pass sewer will extend along Millway Avenue and the proposed Apple Mill Road extension then cross Jane Street and outlet directly to the Edgeley Storm Water Management Pond as generally shown on Attachment 1. The proposed storm by-pass sewer has been incorporated into the current design of Millway and Applemill Road and included in the tender package.

A cost sharing methodology is currently being developed for the storm by-pass sewer

The parties including SmartREIT committed to collaboratively develop a cost sharing arrangement for the sewer works once the design and costs were better known. Because the development of a cost sharing methodology for this by-pass sewer is complex, the parties requested the City in March 2017 to retain an engineering consultant experienced in cost sharing arrangements to assist. In April 2017, City staff retained the firm of SCS Consulting Group (SCS) to undertake this assignment. SCS has developed a number of cost sharing alternatives, which are currently being reviewed by each party. It is expected that it will take a number of months to establish a cost sharing methodology that each party is prepared to recommend to their respective Council or Board for approval. In May 2017, Vaughan Council authorized the execution of a cost sharing agreement with the parties.

An initial funding source must be identified before SmartREIT will award the construction contract for the storm by-pass sewer

All the parties agree that the storm by-pass sewer is necessary to address the potential flood risk and must be constructed in conjunction with the Millway Avenue road works. SmartREIT is undertaking the reconstruction of Millway Avenue on behalf of the City and has committed to pay their proportionate share of the storm by-pass sewer, however, is not prepared to award the construction contract without a funding commitment from the other benefiting parties. Since a cost sharing agreement amongst the parties is a number of months away, staff is recommending that the City fund the public sector component of the by-pass sewer with cost recovery from TTC and YRRTC/York Region based on the cost sharing agreement.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 27, 2017

Item 4, Finance Report No. 7 – Page 4

A partial recovery of the storm by-pass sewer costs is anticipated from the other parties and will be applied to the capital project when received. The funding allocation between City-Wide Engineering Development Charges and Other Contributions will be finalized once the split between the City's obligations and the other party's obligations is finalized.

The City will facilitate the timely reconstruction of Millway Avenue by initially funding the storm by-pass sewer.

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. The Region and/or York Region Rapid Transit Corporation will be funding partners in the storm by-pass sewer.

Conclusion

The tender for the reconstruction of Millway Avenue from Regional Road 7 to Portage Parkway was issued by SmartREIT on May 17, 2017 and closed on June 13, 2017. The bid submissions will be reviewed and the tender results will be provided to the Finance, Administration and Audit Committee via a communication.

To facilitate the installation of the necessary storm by-pass sewer and to avoid delaying the Millway Avenue reconstruction project, staff are recommending that Capital Budget DT-7065-11 be increased by \$2,100,000 to fund the public sector component of the design and construction of the storm sewer by-pass with partial recovery from York Region Rapid Transit Corporation, York Region and the Toronto Transit Commission based on the cost sharing agreement to be executed amongst the parties.

Attachment

1. Storm By-Pass Sewer Location 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.)



C5
Communication
FAA - June 19/17
Item #4

memorandum

DATE: JUNE 19, 2017

TO: MAYOR AND MEMBERS OF COUNCIL

FROM: JOHN MACKENZIE, DEPUTY CITY MANAGER PLANNING & GROWTH
MANAGEMENT
ANDREW PEARCE, DIRECTOR OF DEVELOPMENT ENGINEERING AND
INFRASTRUCTURE PLANNING

SUBJECT: COMMUNICATION
FINANCE, ADMINISTRATION & AUDIT COMMITTEE – JUNE 19, 2017
ITEM NO. 4, MILLWAY AVENUE RECONSTRUCTION UPDATE
CAPITAL BUDGET AMENDMENT
VAUGHAN METROPOLITAN CENTRE
WARD 4

Recommendation

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

1. THAT Capital Budget DT-7065-11 be increased by a further \$840,000 to adequately fund the construction and contract administration for the Millway Avenue reconstruction project, with funding from City-wide Development Charges.

Economic Impact

The additional budget request of \$840,000 for the Millway Avenue reconstruction project can be accommodated from the City-wide Development Charge Reserve without negatively impacting the Reserve balance.

The resulting total budget for the Millway Avenue Reconstruction project is \$10.077 million as noted in Table 1 below.

Table 1: Project Funding Summary DT-7065-11 Millway Avenue Widening and Realignment	
	Amount
Approved Budget (2011)	\$ 7,137,710.00
Capital Budget Amendment Request (Recommendation 1)	\$ 2,100,000.00
Capital Budget Amendment Request (Recommendation 1 this memo)	\$ 840,000.00
Total revised budget	\$ 10,077,710.00

Background

SmartREIT is undertaking 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. The construction tenders for the Millway works were released on May 17, 2017 and closed on June 13, 2017. The bid submissions are currently being reviewed in detail; however, based on the initial results, a budget increase of \$840,000 is required to fund the project as outlined in the Table 2 below.

Table 2: Millway Avenue Reconstruction (New Park Place to Portage Parkway) City components -	Current Cost Estimate Based on Tender Results
Millway Avenue – Site mobilization, earthworks, roadworks, underground services, street lighting, landscape and streetscape	\$ 4,150,000.00
10% contingency	\$ 415,000.00
Subtotal Construction Cost	\$ 4,565,000.00
Utility relocations and adjustments	\$ 215,000.00
Engineering, Contract Administration, Testing and Inspection	\$ 460,000.00
Management fee, permits, disbursements, etc.	\$ 300,000.00
Total estimated project cost (excluding applicable taxes)	\$ 5,540,000.00
Available Budget	\$ 4,700,000.00
Additional Required funding	\$ 840,000.00

The majority of the additional budget is required to provide for a typical ten percent contingency allowance and utility relocations and adjustments.

An agreement in principle has been reached to cost share the storm by-pass sewer

At a meeting on June 16, 2017, senior staff from the Toronto Transit Commission, York Region, York Region Rapid Transit Corporation, Smartreit and the City reached an agreement in principle to share the cost of the storm by-pass sewer equally. For the purpose of cost sharing, York Region and York Region Rapid Transit are considered as one entity. Based on the agreed upon cost sharing methodology, the estimated cost of the storm by-pass sewer (\$2.1 million) will be divided by four resulting in each party paying approximately \$525,000 including the City. The City's share of the storm by-pass pipe will be funding from City-wide Development Charges. The necessary agreements are now being prepared to formalize this cost sharing arrangement.

Conclusion

Based on the initial review of the tenders for the reconstruction of Millway Avenue, a budget increase of \$840,000 is required to fund the project.

On June 16, 2017, an agreement in principle was reached amongst the parties with respect to the cost sharing of the storm by-pass pipe. Based upon the agreed cost sharing methodology, the City's share of the sewer works will be approximately \$525,000, which will be funded from City-wide Development Charges.

Respectfully submitted,


JOHN MACKENZIE
Deputy City Manager,
Planning & Growth Management


ANDREW PEARCE
Director, Development Engineering
& Infrastructure Planning

Copy to: Daniel Kostopoulos, City Manager
Stephen Collins, Deputy City Manager, Public Works
Laura Mirabella-Siddall, Chief Financial Officer and City Treasurer
Tim Simmons, Chief of Corporate Initiatives and Intergovernmental Relations
Barbara McEwan, City Clerk
Lloyd Noronha, Director, Financial Planning and Development Finance/Deputy City Treasurer

**MILLWAY AVENUE RECONSTRUCTION UPDATE
CAPITAL BUDGET AMENDMENT
VAUGHAN METROPOLITAN CENTRE
WARD 4****Recommendation**

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

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Attachment

1. Storm By-Pass Sewer Location Plan

Report prepared by:

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

Respectfully submitted,

JOHN MACKENZIE
Deputy City Manager,
Planning and Growth Management

ANDREW PEARCE
Director, Development Engineering
and Infrastructure Planning

BYPASS ALIGNMENT SKETCH

SCALE 1:2500
JUNE 2017

