
TO: GENERAL COMMITTEE

SUBJECT: COST SHARING AGREEMENTS WITH THE MINISTRY OF TRANSPORTATION FOR HIGHWAY 400 CROSSING WORKS

WARD: ALL

PREPARED BY AND KEY CONTACT: C. PACKHAM, LEGAL COUNSEL
EXTENSION # 4511

SUBMITTED BY: I. PETERS, DIRECTOR OF LEGAL SERVICES
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CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That the General Manager of Infrastructure and Growth Management be authorized to complete cost sharing agreements for various Highway 400 Crossing projects within the City's boundaries with the Ministry of Transportation (MTO) in a form approved by the Director of Legal Services, the Director of Engineering and the Director of Finance.
2. That the Mayor and City Clerk be authorized to execute cost sharing agreements for Highway 400 Crossing Projects with the MTO.

PURPOSE & BACKGROUND

3. The purpose of this report is to seek Council's approval to authorize the completion and execution of future cost sharing agreements for various Highway 400 crossing works and infrastructure improvements with the MTO. The City would be expected to enter into a cost sharing agreement where the Highway 400 crossing works would incorporate design and construction elements requested by the City in addition to the MTO's proposed works.
4. In recent years the City and the MTO have been involved in the replacement and upgrade of several highway crossings along the Highway 400 corridor within the City's limits. These include crossings at Cundles Road/Duckworth Street, Tiffin Street and most recently for the initial phase of works for McKay Road.
5. The City has most recently obtained authority to enter into a cost sharing agreement with the MTO for the Tiffin Street Highway 400 crossing project in order to provide for improvements and infrastructure requested by the City. The design and construction of this project was initiated and is being managed by the MTO with City input.
6. The MTO has recently undertaken works for the McKay Road crossing and have, at the City's request, incorporated a number of components intended to permit the City to widen the overpass and provide for a future interchange as efficiently as possible. The City is expected to share in the costs of the initial phase of the McKay Road crossing works to the extent of the costs associated with the future widening and interchange required by the City.

7. The City is also currently undertaking the design and construction of the Harvie Road/Big Bay Point Road Highway 400 Crossing. MTO has requested that the City include design and construction of associated highway improvements as part of the City's project.
8. It is anticipated that in addition to the McKay Road and Harvie Road/Big Bay Point Road Highway 400 Crossings, there will be several future Highway 400 Crossing projects that will require cost sharing agreements between the MTO and the City in order to accommodate certain improvements required by the City and the MTO. These include, for example, crossings at Essa Road and Dunlop Street.
9. The costs to the City of any future Highway 400 crossing projects will be initially forecasted in the City's Capital Plan, and finalized through annual budget approval for the years in which the projects will occur. No cost sharing agreement will be signed without a council approved spending plan in place for the applicable Highway 400 Crossing project.

ANALYSIS

10. The cost sharing agreements with the MTO permit both the City and the MTO to incorporate both present day and future requirements for Highway 400 crossings into these projects. This helps to reduce the costs and complexity associated with accommodating future works once current works are completed.
11. For example, through cost-sharing, the City is able to request that the MTO include design and construction components in the current McKay Road project that will enable the City to widen the overpass and construct an interchange when needed in the future. This effectively reduces the future costs of completing these works by ensuring that the current design and construction accounts for the need to incorporate a future overpass widening and potential interchange.
12. In addition, combining works required by both the MTO and the City allows for both projects to proceed concurrently with a single design consultant and a single constructor. This reduces the complexities involved with multiple consultants and constructors, and also permits the different components of work to proceed in a coordinated manner. An additional benefit of this approach is reduced impacts on businesses and traffic.
13. Where the City is initiating a project for Highway 400 Crossing works, it is expected that the MTO will agree to share in the costs of any additional works it requires for the Highway 400 Controlled Access Highway Limits. More typically, the MTO will be initiating Highway 400 Crossing projects, wherein the City will be able to request additional works provided that it agrees to share in the costs. The final structure of each agreement will depend to some extent on who initiates each Highway 400 Crossing Project and what works are required by the City and the MTO. It is anticipated that the majority of future cost sharing agreements will be in a form similar to that entered into for the Tiffin Street Highway 400 Crossing project, which has been a successful arrangement to date.
14. Primary responsibility for contract administration and oversight will depend on whether the City or the MTO initiates each Highway 400 Crossing project.
15. The City and the MTO will develop cost sharing principles for each individual Highway 400 Crossing Project. The total cost attributable to the City for each project will be subject to budget approval as normal.

16. It is currently anticipated that future costs of rehabilitation of any works completed for each Highway 400 Crossing Project will be borne by the MTO. This principle will be enshrined in each cost sharing agreement.
17. Staff intend to update council with individual memorandums for each agreement in order to provide council with greater detail on the specifics of each project prior to execution of the agreements by the Mayor and Clerk.

ENVIRONMENTAL MATTERS

18. There are no environmental matters related to the recommendation.

ALTERNATIVES

19. The following alternative is available for consideration by General Committee:

Alternative #1 General Committee could choose not to authorize staff to finalize and arrange for the execution of cost sharing agreements with the MTO.

This alternative is not recommended as these agreements provide for a coordinated approach to design and construction that provides for increased efficiency and collaboration. Cost-sharing also provides for opportunities to incorporate works required to accommodate future infrastructure, thus avoiding additional costs and complexity in the future when additional works are required.

FINANCIAL

20. The City's entering into a cost sharing agreement with the MTO for any Highway 400 Crossing project will be contingent upon approval by Council within the City's normal budgetary approval process for capital.

LINKAGE TO 2014-2018 COUNCIL STRATEGIC PLAN

21. The recommendation included in this Staff Report support the following goals identified in the 2014-2018 City Council Strategic Plan:
 - Well Planned Transportation
 - Responsible Spending
 - Vibrant Business Community
22. The City and the MTO are working closely together to ensure that required improvements to infrastructure surrounding Highway 400 are being completed as efficiently and cost-effectively as possible.