



Staff Report for Committee of the Whole Meeting

Date of Meeting: May 1, 2024

Report Number: SRIES.24.014

Department: Infrastructure and Engineering Services

Division: Infrastructure Delivery

Subject: SRIES.24.014 – Tri-Party Agreement between the City of Richmond Hill, Region of York, and City of Markham to fund the Highway 404 Mid-Block Crossing between 16th Avenue and Major Mackenzie Drive

Purpose:

Seek authorization to enter into a Tri-Party Agreement between the City of Richmond Hill, Region of York, and City of Markham to fund the construction and delivery of the Highway 404 Mid-Block Crossing Works between 16th Avenue and Major Makenzie Drive.

Recommendation(s):

- a) That Staff Report SRIES.24.014 be received.
- b) That the Mayor and the Clerk be authorized to execute a Tri-Party Agreement between the City of Richmond Hill, Region of York, and City of Markham to contribute 1/3 of the total project budget required to construct and deliver the Highway 404 Mid-Block Crossing situated between 16th Avenue and Major Makenzie Drive upon the written recommendation of the Commissioner of Infrastructure and Engineering Services.

Contact Person:

Bob Levesque, P.Eng., Director of Infrastructure Delivery

Luis De Jesus, P.Eng., Manager of Capital Infrastructure Programming and Project Management Office

Report Approval:

Submitted by: Paolo Masaro, P.Eng., Commissioner, Infrastructure and Engineering Services

Approved by: Darlene Joslin, City Manager

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All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner, and City Manager. Details of the report's approval are attached

Background:

Region of York is building mid-block crossings and continuous collector roads to alleviate traffic congestion.

The Regional road network is built on two-kilometer concession blocks with a limited number of continuous collector roads spanning between Regional roads. This results in limited route options to reach destinations throughout the Region which contributes to congestion on the existing road network. Working with the Province and local municipalities, the Region plans to build a series of mid-block highway crossings and continuous collector roads to provide alternative routes for vehicles, cyclist and pedestrians to reach destinations more quickly and safely. The crossings will assist in maintaining the width of existing arterial/regional roads to a human scale which will further facilitate pedestrian movement while still maintaining traffic circulation during peak periods. The need and justification for these crossings were documented in the Region's Mid-Block Crossing Study (2012), the Region's Transportation Master Plan (2016) and Richmond Hill's Transportation Master Plan (2023). The first of these crossings, the Highway 404 Mid-Block Crossing (MBC) just north of Highway 7, also known as Norman Bethune Avenue, was open to traffic in 2018. The Region has also completed Environmental Assessments for 2 future crossings, north of Major Mackenzie Drive East, and north of Elgin Mills Road East.

The second Highway 404 Mid-Block Crossing is planned for north of 16th Avenue (16th Ave MBC).

The 16th Ave MBC works include design and construction of a grade separated mid-block structure to cross over Highway 404 between 16th Avenue and Major Mackenzie Drive; and connection of the Mid-Block Structure to Orlando Avenue in Richmond Hill and Markland Street in Markham, as illustrated in Appendix "A".

In 2023, the Region issued a tender for the construction of 16th Ave MBC. Region Contract RFTC-917-22-22-101 was awarded to the lowest bidder, Brennan Paving & Construction Limited and construction commenced in August 2023.

The 16th Ave MBC project will adopt a similar cost share arrangement to the MBC north of Highway 7, where City of Richmond Hill, Region of York and City of Markham each contribute one third towards the mid-block crossing costs.

Given that construction has commenced, a Tri-Party Agreement is required to establish the roles of the three parties, ownership of the works, and the details of the negotiated cost sharing arrangements for funding the MBC.

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City of Richmond Hill, Region of York and City of Markham are finalizing a Tri-Party Agreement for execution by the three parties.

The core principles of the Tri-Party Agreement are:

- **Tri-Party Cost of the Works.** City of Richmond Hill, Region of York, and City of Markham will equally share the “Tri-Party Cost of Works” related to the Highway 404 crossing between Vogell Road in Richmond Hill and Markland Street in Markham. The Tri-Party cost of the works includes detailed design, costs to acquire lands from third parties, constructing the road, structural, and electrical works, and costs to cover all other components required to deliver the Highway 404 Crossing to Ministry of Transportation (MTO) Standards.
- **Municipal Cost of the Works.** The “Municipal Cost of the Works” includes works within the respective municipality’s right of way in connection to the 404 Highway Crossing such as road illumination, railing, lighting, and sign illumination; sidewalks, boulevard aprons to separate road from sidewalks or multi-use paths; and streetscaping features. For Richmond Hill, the Municipal Cost of Works includes works between Leslie Street and Vogell Road. The Agreement provides that Richmond Hill and Markham will independently bear the “Municipal Cost of the Works” within their respective municipality.
- **Project Management and Administration.** The construction phase is being led by the Region as was agreed to by the parties given that the MTO would only enter into agreement with the Region. The City of Richmond Hill and the City of Markham will each pay 6% of their respective share of the construction contract cost to the Region to cover tendering, construction, project management and administration.
- **Long-Term Maintenance and Replacement.** In accordance with the terms of the MTO Agreement, the Ministry will maintain the Grade Separated Structure of the Highway 404 Crossing, except for the maintenance and repairs to the road surfaces of the Highway 404 Crossing Structure.
- **Road Surface Rehabilitation and Maintenance.** The costs, liabilities and obligations related to the ongoing summer and winter maintenance and repairs of the road surface of the Highway 404 Crossing Structure will be borne by Markham and Richmond Hill equally.
- **Ownership and Jurisdiction.** Markham and Richmond Hill will have title to and jurisdiction over the portion of the Highway 404 Crossing that is located on Markham lands and the Richmond Hill lands, respectively. In accordance with MTO Agreement, the MTO will have title to and jurisdiction over the part of the Highway 404 Crossing that is located on the Province’s lands, i.e. Highway 404 Mid-Block Crossing Structure.

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The City of Richmond Hill and the City of Markham are in the process of finalizing a maintenance agreement.

Staff have been in discussions with City of Markham to determine how road rehabilitation, summer and winter maintenance responsibilities, and obligations, will be shared. The intent is to include these requirements as a separate schedule in the Tri-Party Agreement. The basis of the maintenance schedule arrangement is to alternate responsibilities with the City of Markham every year beginning on October 1st of that year.

During the one-year period, each party would perform maintenance and road surface rehabilitation/repair activities on the MBC between Vogell Road in Richmond Hill and Markland Street in Markham.

Winter Maintenance will be performed at the sole cost of the municipality with responsibility during their respective term. The costs of any required Road Surface rehabilitation and repairs will be shared proportionally by Markham and Richmond Hill irrespective of the term.

The municipality with responsibility to perform the works will invoice the other municipality for its share of the cost for the Road Surface Maintenance works plus an administrative charge of four (4%) for the design, inspection and administration of said works.

Richmond Hill will undertake Road Surface and Winter Maintenance beginning from the date when Final Acceptance of the 16th Avenue MBC is achieved and will continue until September 30th the next year. The estimated annual operating cost for repairs and maintenance is \$32,000.

Financial/Staffing/Other Implications:

Upon execution of the Tri-Party Agreement, the City of Richmond Hill will be financially committed to pay the Region of York for the City's portion of this project. Any outstanding funding requirements will be requested as part of the 2025 capital budget process, as outlined in table 2 below.

The total Tri-Party Cost of the 16th Ave MBC is estimated at 52.3M, inclusive of contingency. The cost is inclusive of detailed design, utility relocations, land acquisition, construction, project management and administration costs.

Table 1 shows the City's share of the cost for the Highway 404 Mid-Block Crossing Works as well as the municipal cost of works along Orlando Avenue between Leslie Street and Vogell Road. The City's total project cost is estimated at \$28.3M.

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Table 1: Total Estimated Capital Project Cost

Project Component	Tri-Party CRH Share	Municipal CRH Cost	CRH Total
Detailed Design	\$1,698,054		\$1,698,054
Property	\$5,919,176	\$1,205,807	\$7,124,983
Utility Relocation		\$530,669	\$530,669
Construction	\$7,922,111	\$7,533,055	\$15,455,166
Contract Administration	\$735,739	\$793,278	\$1,529,017
Material Testing	\$155,957	\$198,880	\$354,836
Administrative Fees	\$985,862	\$615,701	\$1,601,564
Sub Total	\$17,416,899	\$10,877,390	\$28,294,289

Table 2 provides a summary of the City’s approved capital budget and the need to request an additional \$2M as part of the 2025 capital budget, to be funded from Development Charges.

Table 2: City of Richmond Hill Total Project Budget Summary

CRH 16th Ave MBC Project Budget Summary	
CRH Approved Project Budget to date (Fully funded from Development Charges)	\$26,463,800
CRH Estimated Total Project Costs	\$28,294,289
Paid to Region to date	\$3,226,068
Remaining Approved Budget	\$23,237,732
Estimated 2025 Budget required	\$1,830,489

The Tri-Party agreement requires the City of Richmond Hill and the City of Markham to perform maintenance and road surface rehabilitation/repair activities on the MBC between Vogell Road in Richmond Hill and Markland Street in Markham. The maintenance arrangement will require alternate responsibilities between the Cities every

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year. A future operating budget increase will be required to address the annual operating cost for road surface repairs and winter maintenance, estimated at \$32,000.

Relationship to Strategic Plan:

The recommendations in this report relate to Pillar 1, Growing a Livable, Sustainable Community, specifically, Priority 1, managing growth in a way that enables choice and connection for the city, its residents and businesses now and in the future. The delivery of the Highway 404 mid-block crossing will enhance transportation infrastructure, promote active and sustainable modes of travel, and address traffic congestion.

Climate Change Considerations:

The Highway 404 Mid-Block Crossing will enhance vehicular traffic movements, reduce traffic congestion and helping to lower GHG emissions in Richmond Hill. The proposed sidewalk and multi-use path will contribute to climate change mitigation by enabling more walking and cycling through the community, thereby reducing the need for vehicular transportation.

Conclusion:

The two-kilometer spacing of York Region's arterial road network is an outdated concession road system developed over a century ago. Many of York Regions communities are contained in blocks bounded by former concession roads which now carry the bulk of the traffic. In many cases, access from Regional roads into neighbourhoods tends to be through congested intersections with a limited number of mid-block collectors. The Highway 404 Mid-Block Crossing north of 16th Avenue will address congestion within the 16th Avenue and Major Mackenzie Drive corridors facilitating traffic movement across Highway 404 between Richmond Hill and Markham.

The 16th Ave MBC project is a joint effort between the City Richmond Hill, Region of York, and City of Markham with each party sharing equally (with the exception of Municipal Cost of the Works), in the total cost of the project. A Tri-Party Agreement has been negotiated by the parties, which established the roles of the three parties, ownership of the works, and the details of the negotiated cost sharing arrangements for funding the Mid-Block Crossing.

Staff is satisfied that the negotiated arrangements meet the needs and requirements of the City and staff recommends that the Tri-Party Agreement be executed and endorsed.

Attachments:

The following attached documents may include scanned images of appendixes, maps and photographs. All attachments have been reviewed and made accessible. If you require an alternative format, please call the contact person listed in this document.

- SRIES.24.014 – Attachment A – Location Map 16th Avenue Highway 404 Mid-Block Crossing Site

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Report Approval Details

Document Title:	SRIES.24.014 Tri-Party Agreement to Fund the Highway 404 Mid-Block Crossing.docx
Attachments:	- SRIES.24.014 Attachment A Location Map.docx
Final Approval Date:	Apr 10, 2024

This report and all of its attachments were approved and signed as outlined below:

Bob Levesque - Apr 8, 2024 - 2:47 PM

Gigi Li - Apr 9, 2024 - 2:09 PM

Paolo Masaro - Apr 10, 2024 - 9:36 AM

Darlene Joslin - Apr 10, 2024 - 10:06 AM