

SUBJECT: Highway 404 Mid-block Crossing, North of 16th Avenue and Cachet Woods Court Extension – Project Update and Property Acquisition (Ward 2)

PREPARED BY: Marija Ilic, Manager, Infrastructure and Capital Projects, Ext. 2136

REVIEWED BY: Alain Cachola, Senior Manager, Infrastructure and Capital Projects, Ext. 2711

RECOMMENDATION:

1. That the report titled “Highway 404 Mid-block Crossing, North of 16th Avenue and Cachet Woods Court Extension – Project Update and Property Acquisition (Ward 2)”, be received; and
2. That staff be authorized to issue a purchase order to the Regional Municipality of York (“York Region”) in the amount of \$7,123,121.06 inclusive of HST impact, for Markham’s share of the cost for the property acquired to date; and
3. That the Engineering Department Capital Administration fee in the amount of \$142,462.42, be transferred to revenue account 640-998-8871 (Capital Administration Fee); and,
4. That the purchase order and capital administration fees be funded from Capital Project #19035 (Hwy 404 Midblock Crossing, North of 16th Avenue & Cachet Woods), which currently has an available funding of \$11,984,300.00; and
5. That the remaining funds of \$4,718,716.52 be kept in the account to cover the cost of the remaining properties to be acquired for the project; and
6. That Staff continue to work with York Region to finalize the detailed design, and acquisition of additional lands by York Region, and report back on the possible accelerated schedule of the construction of the section of road and the bridge over Rouge River, between Markland Street and Cachet Woods Court Extension in advance of the Mid-block Crossing over Highway 404; and
7. That the Mayor and Clerk be authorized to execute an agreement with the City of Richmond Hill and York Region for the design of the Highway 404 Mid-block Crossing, North of 16th Avenue and Cachet Woods Court Extension and property acquisition required for the project, provided the form of such agreement is satisfactory to the Director of Engineering and the City Solicitor; and further,
8. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to obtain Council approval to:

- Pay the Regional Municipality of York (“York Region”) Markham’s share of the cost of the property acquired to date by York Region (\$7,123,121.06) from Capital Project #19035,
- Transfer the Capital Administration fee (\$142,462.42) to the Department’s revenue account 640-998-8871,
- Keep the remaining funds in the account for further property acquisition,
- Work with York Region to complete the detailed design and explore opportunities to accelerate the construction program to bridge the Rouge River. The acceleration of this road section was requested by Development Services Committee in 2015.
- Execute an agreement with York Region and the City of Richmond Hill for the design of the Highway 404 Mid-block Crossing, North of 16th Avenue and Cachet Woods Court Extension and property acquisition required for the project.

BACKGROUND:

In 2012, City of Markham Council endorsed a study prepared for York Region, City of Markham (“Markham”) and City of Richmond Hill (“Richmond Hill”) that confirmed the need for crossings of Highway 404 to support future growth. These new east-west collector roads over Highway 404 are identified in the City’s and Region’s Official Plans and will be owned by respective local municipalities. The roads serve to connect communities and street networks across Highway 404, and allow local trips to be alleviated from Regional east-west arterial roads. These capital projects are funded from development charges.

The first of the crossings (north of Highway 7) was constructed and opened to public in 2018 (Norman Bethune Avenue). York Region completed Environmental Assessment (“EA”) Studies for the remaining Highway 404 mid-block crossings and is currently undertaking detailed design for the crossing north of 16th Avenue.

The EA study for the mid-block crossing north of 16th Avenue was undertaken by York Region in consultation with Markham and Richmond Hill. The EA recommended preferred alignment (Attachment “A”) of the east-west road from Woodbine Avenue in City of Markham to Leslie Street in the City of Richmond Hill, with an overpass at Highway 404. York Region started the road design in 2016 and is currently scheduled to be completed in Q2 2020. Construction of this mid-block crossing is identified in the York Region’s Infrastructure Acceleration Reserve to be expedited to 2022.

OPTIONS/ DISCUSSION:

The EA Study identified property requirements and further refined the areas needed for the project through detailed design. York Region has commenced the acquisition process, and is consulting with the affected property owners. York Region staff consults with Markham staff on the property transactions as Markham is a funding partner.

York Region Policy for Cost Sharing

In accordance with York Region's Policy for funding Collector Road Crossings of 400-Series Highways, York Region, Markham and Richmond Hill will equally share the cost of required property between Vogell Road in Richmond Hill and Cachet Woods Court in Markham ("Equal Shared Portion"). The balance of the property required east of Cachet Woods Court will be funded 100% by Markham ("100% Markham Portion"). Similarly, the property required west of Vogell Road in Richmond Hill will be funded 100% by Richmond Hill. The sketch shown in Attachment "B" illustrates the Equal Share Portion and the 100% Markham Portion.

Markham's share for the EAs and detailed design is further discussed in the "*Hwy 404 Mid-Block Crossing Cost Sharing with York Region (North of 16th Avenue, North of Major Mackenzie Drive and North of Elgin Mills Road) (Ward 2)*", DSC report, October 15, 2019.

Property Acquisition

In 2018, York Region purchased lands owned by the DG Group immediately east of Highway 404 (Attachment "B"). The total area of land that York Region acquired from DG Group was 10.58 acres in area. While only a portion of these lands are required for the road, York Region purchased the entire property to mitigate possible injurious affection costs. York Region, Richmond Hill and Markham will determine the future use and ownership of the surplus lands that are not used for the road right-of-way. Staff will report back on the future use of surplus lands at a later date.

York Region is currently in the process of acquiring additional lands required for the project. Staff will report back in 2020 on the cost sharing of the remaining lands to be acquired for this project.

Staff recommend that Markham issue a Purchase Order to York Region to cover for its share of the acquired lands to date, in accordance with the City of Markham Purchasing By-law.

Construction Timetable

In 2015, the recommended road alignment was presented by York Region to Markham's Council prior to filing of the EA. Council recommended that "staff report back on advancing the design and construction of the section of road and the bridge over the Rouge River, west of Markland Street to Cachet Woods Court".

York Region's current Infrastructure Acceleration Reserve recommends that the project be constructed starting 2022. Due to the ongoing road widening work by the Ministry of Transportation ("MTO") on Highway 404, the Region may not be able to commence construction over Highway 404 until MTO has completed its contract in 2024.

Staff will continue to work with York Region on finalizing the detailed design, and identifying any delays in starting construction. Staff will report back and seek Council's

authority if the construction of the extension of Cachet Woods Court, and the municipal road crossing over Rouge River to Woodbine Avenue is to be advanced.

Tri-Party Agreement

York Region, Richmond Hill and Markham will enter into an agreement to govern the design of the Highway 404 Mid-block Crossing, North of 16th Avenue and Cachet Woods Court Extension and property acquisition required for this project. This agreement will also set out the cost sharing obligations for the property acquisition costs relating to the project.

FINANCIAL CONSIDERATIONS

The following table outlines the property cost, cost share and fees for the acquired lands:

Description	Cost	Cost Share		
		Markham	York	Richmond Hill
Property – Equal Shared Portion	\$ 7,530,928.08	\$ 2,510,309.36	\$ 2,510,309.36	\$ 2,510,309.36
Property -100% Markham Portion	\$ 3,869,205.27	\$ 3,869,205.27	\$ 0.00	\$ 0.00
Total Purchase Price:	\$ 11,400,133.35	\$ 6,379,514.63	\$ 2,510,309.36	\$ 2,510,309.36
Soft Costs**	\$ 1,328,817.78	\$ 743,606.43	\$ 292,605.68	\$ 292,605.68
Sub-Total:	\$ 12,728,951.13	\$ 7,123,121.06	\$ 2,802,915.04	\$ 2,802,915.04
Markham's Fee:	\$ 142,462.42	\$ 142,462.42	\$ 0.00	\$ 0.00
Cost of Current Acquisition:	\$ 12,871,413.55	\$ 7,265,583.48	\$ 2,802,915.04	\$ 2,802,915.04

** Soft costs (11.65%): include the York Region's Fees, land transfer tax, due diligence costs, legal fees, disbursements and HST Impact.

Capital Account #19035 (Hwy 404 Midblock Crossing, N of 16th Ave & Cachet Woods) currently has an available funding of \$11,984,300.00. Staff recommend that a Purchase Order in the amount of \$7,123,121.05 inclusive of York Region's Fees, land transfer tax, due diligence costs, legal fees, disbursements and HST Impact. Staff also recommend that the remaining funds of \$4,718,716.52 be kept in the account to cover the cost of the remaining properties to be acquired for this project

ALIGNMENT WITH STRATEGIC PRIORITIES:

The proposed work for the mid-block crossings are required to continue to accommodate development in City of Markham and southern York Region. Therefore, the recommendations align with the City's Strategic Plan goals of "Safe & Sustainable Community" and "Stewardship of Money & Resources"

BUSINESS UNITS CONSULTED AND AFFECTED:

The Legal Department and Finance Department were consulted and their comments have been addressed in this report.

RECOMMENDED BY:

Brian Lee, P.Eng.
Director of Engineering

Arvin Prasad, MCIP, RPP
Commissioner, Development Services

ATTACHMENTS:

Attachment “A” – Highway 404 Midblock Crossing, North of 16th Avenue Technical
Preferred Alignment

Attachment “B” – Property Acquired by York Region