



Report to: Development Services Committee

Meeting Date: November 9, 2020

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

PREPARED BY: Andrew Crickmay, Senior Capital Works Engineer, Ext. 2065
Marija Ilic, Manager, Infrastructure and Capital Works, 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 for lands on Cachet Woods Court, Markland Street and Orlando Avenue (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 \$4,578,870.88, inclusive of HST impact, for Markham’s share of the cost for properties required for the project; and
3. That the Engineering Department Capital Administration fee in the amount of \$91,577.42, 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 \$4,718,716.00; and
5. That the remaining funds of \$48,267.70 be kept in the account to cover any additional cost for the project; and further,
6. 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:

- Issue as Purchase Order to the Regional Municipality of York (“York Region”) for Markham’s share of the cost of the properties to be acquired by York Region (\$4,578,870.88) from Capital Project #19035;
- Transfer the Capital Administration Fee (\$91,577.42) to the Department’s revenue account 640-998-8871;

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 Markham’s and York Region’s Official Plans and will be owned by the 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 collector roads over Highway 404 are funded from development charges and are included in Markham, Richmond Hill and Region of York Development Charges Background Studies.

The first of the crossings (north of Highway 7) was constructed and opened to the public in 2018 (Norman Bethune Avenue). York Region completed Environmental Assessment (“EA”) Studies for the remaining Highway 404 mid-block crossings (north of 16th Avenue, north of Major Mackenzie Drive E., and north of Elgin Mills Road), 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 Markham to Leslie Street in Richmond Hill, with an overpass at Highway 404. York Region presented the EA to DSC on February 17, 2015. York Region started the road design in 2016, which is currently scheduled to be completed in Q2 2021. Construction of this mid-block crossing is identified in York Region’s Infrastructure Acceleration Reserve to be expedited in 2022.

OPTIONS/ DISCUSSION:

The EA Study identified property requirements and further refined the areas needed for the project through detailed design. York Region has commence the acquisition process, and is consulting with the affected property owners, both within the City of Markham and City of Richmond Hill. York Region staff has been in consultation with Markham staff on the property transactions for the project 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 is to 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.

Markham’s share for the Equal Shared Portion is further discussed in the “*Highway 404 Mid-block Crossing, North of 16th Avenue and Cachet Woods Court Extension – Project Update and Property Acquisition (Ward 2)*”, DSC report dated October 15, 2019.

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 dated 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 the developer was 10.58 acres.

York Region is currently in the process of acquiring the lands on Cachet Woods Court (100% Markham Portion), Markland Avenue, east of Cachet Woods Court (100% Markham) and Orlando Avenue, east of Vogell Road (33% Markham). The location of the lands are identified in Attachment 'B'. The property purchase prices have been reviewed by Real Estate staff and are found to be reasonable. Staff recommend that Markham issue a Purchase Order to York Region to cover the cost of the lands to be funded 100% by Markham, 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 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 in 2022. Due to the ongoing road widening work by the Ministry of Transportation ("MTO") on Highway 404, York Region may not be able to commence construction over Highway 404 until MTO has completed its contract in 2024. York Region is working closely with MTO to review the current MTO work, and how the proposed Highway 404 Mid-block Crossing work will be scheduled.

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. Staff has received authority from Council to enter into the tri-party agreement as noted in the in the "*Highway 404 Mid-block Crossing, North of 16th Avenue and Cachet Woods Court Extension – Project Update and Property Acquisition (Ward 2)*", DSC report dated October 15, 2019.

FINANCIAL CONSIDERATIONS

The Following table outlines the property cost and fees for the acquired lands:

Description	Cost	Cost Share		
		Markham	York	Richmond Hill
Lands on Cachet Woods Crescent	\$ 348,403.81	\$ 348,403.81		
Lands on Markland Street (east of Cachet Woods Crescent)	\$ 1,684,190.44	\$ 1,684,190.44		
Lands on Orlando Avenue (east of Vogell Road)	\$ 7,047,301.10	\$ 2,349,100.37	\$2,349,100.37	\$2,349,100.37
Total Cost:	\$ 9,079,895.36	\$ 4,381,694.63	\$2,349,100.37	\$2,349,100.37
York Region Fees:	\$ 408,595.29	\$ 197,176.26	\$105,709.52	\$105,709.52
Sub-Total:	\$ 9,488,490.65	\$ 4,578,870.88	\$2,454,809.88	\$2,454,809.88
Markham's Fee:	\$ 91,577.42	\$ 91,577.42	\$0.00	\$0.00
Cost of Current Acquisition:	\$ 9,580,068.07	\$ 4,670,448.30	\$2,454,809.88	\$2,454,809.88

Capital Account #19035 (Hwy 404 Midblock Crossing, N of 16th Ave & Cachet Woods) currently has an available funding of \$4,718,716.00. Staff recommend that a Purchase Order in the amount of \$4,578,870.88' 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 \$ 48,267.70, be kept in the account to cover any remaining cost for this project.

ALIGNMENT WITH STRATEGIC PRIORITIES:

The proposed work for the mid-block crossings are required to continue to accommodate development in the City of Markham and southern York Region. As such, 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' – Mid-block Crossing Preferred Alignment
Attachment 'B' – Property acquired by York Region