



Report to: Development Services Committee

Meeting Date: June 13, 2022

SUBJECT: Highway 404 Mid-Block Crossing, North of 16th Avenue –
Project Update and Utility Relocations (Ward 2)

PREPARED BY: Andrew Crickmay, P. Eng., Senior Capital Works Engineer,
Ext. 2065

REVIEWED BY: Alain Cachola, P. Eng., Senior Manager, Infrastructure and
Capital Works, Ext. 2711

RECOMMENDATION:

1. That the report entitled “Highway 404 Mid-Block Crossing, North of 16th Avenue – Project Update and Utility Relocations (Ward 2)”, be received; and,
2. That the tendering process for the relocation of existing utilities for the Highway 404 Mid-Block Crossing North of 16th Avenue, be waived in accordance with Purchasing By-Law 2017-8, Part II, Section 7 Non-Competitive Procurement item 11.2 which states “Requests for Tenders, Requests for Proposals and Requests for Quotation may not be required for goods and services provided by any of the following: (b) utilities; and,
3. That Staff be authorized to issue a Purchase Order to the Regional Municipality of York (“York Region”), in the amount of \$929,994.59, inclusive of HST, for Markham’s share of the cost for utility relocation work; and,
4. That the Engineering Department Capital Administration Fee in the amount of \$17,547.07, be transferred to revenue account 640-998-8871 (Capital Administration Fees); and,
5. That Markham’s portion of the project cost in the amount of \$947,541.66 (\$929,994.59 + \$17,547.07), be funded from capital project #22030 (Highway 404 Mid-Block Crossing, North of 16th Avenue – Utility Relocation) with an available budget of \$2,282,700 as outlined in this report; and,
6. That the remaining balance in capital project #22030 in the amount of \$1,335,158.34 (\$2,282,700.00 - \$947,541.66) be returned to the original funding source; and further,
7. 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 a purchase order to York Region for the City of Markham's share of the Mid-Block Crossing North of 16th Avenue for utility relocations.

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 east-west collector roads crossing over Highway 404 to support future growth. These new crossings over Highway 404 are identified in the City's and Region's Official Plans and will be owned and maintained by the respective local municipalities. The roads serve to connect communities and street networks across Highway 404, and allow local trips to be redirected from Regional east-west arterial roads. The construction of these new crossings over Highway 404 will be funded from development charges.

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 (16th Avenue – 2015, Major Mackenzie Drive – 2017 and Elgin Mills – 2015) and is currently undertaking detailed design for the crossing north of 16th Avenue.

As noted above, the EA study for the mid-block crossing north of 16th Avenue was undertaken by York Region in consultation with Markham and Richmond Hill and was completed in February 2015. 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 started the road design in 2016 and is currently scheduled to have the design completed in Q3 2022.

OPTIONS/ DISCUSSION:York Region's Policy on Collector Road Crossings of 400-Series Highways

York Region has a Policy for the funding of Collector Road Crossing of 400 Series Highways. The policy establishes the protocol and procedure used to determine the extent that a local municipality road project crossing a 400-series highway is eligible for Regional funding contributions.

York Region, Richmond Hill and Markham recently completed the construction of the Mid-Block Crossing North of Highway 7 (Norman Bethune Avenue) and utilized the Collector Road Crossing of 400-Series Highways Policy as the framework for the Tri-Party Agreement.

Two reports for this project were prepared previously for Development Services Committee (DSC) on October 15, 2019. One of the reports dealt with recommendations for Markham's share of the cost of the Mid-Block Crossing North of 16th Avenue (EA

and detailed design), Mid-Block Crossing North of Major Mackenzie Drive (EA), and Mid-Block Crossing North of Elgin Mills Road (EA). The second DSC report related to Markham's share of the cost for the property acquired to date.

Staff are recommending in this report that Markham contribute funds towards its share of the utility relocation work through a Purchase Order to York Region, in accordance to the City of Markham's Purchasing By-law.

The table below (Table 1: Project Cost Summary) summarizes the cost sharing between York Region, Markham and Richmond Hill. The total cost for Markham is higher than Richmond Hill due to additional property and construction costs that are 100% Markham's portion and not within the equal shared portion of the project. York Region's policy for funding collector road crossings of 400-series highways outlines the process and criteria for determining the funding contribution.

The project is currently at the 90% detailed design stage. York Region has advised City staff that they are continuing to advance pre-construction utility relocations, approvals (MTO, NAV CAN / Transport Canada, MECP, DFO, TRCA), and anticipate to issue the tender and start construction by Q4 of 2022.

FINANCIAL CONSIDERATIONS

The following tables summarize the overall project cost, previously approved budget, 2022 budget request, and future budget requests:

Table 1: Project Cost Summary – Mid-Block Crossing North of 16th Avenue.
(As Provided By York Region May 2022)

| Description | Total Cost | Richmond Hill Share | York Region Share | Markham Share |
|--|--------------------------|-------------------------|-------------------------|--------------------------|
| Construction & Property | \$ 91,806,832.74 | \$ 22,977,559.30 | \$ 14,084,893.11 | \$ 54,744,380.33 |
| Utility Relocation | \$ 1,417,362.12 | \$ 540,008.74 | \$ 0.00 | \$ 877,353.39 |
| Detailed Design | \$ 5,183,819.41 | \$ 1,727,939.80 | \$ 1,727,939.80 | \$ 1,727,939.80 |
| Contract Admin., Inspection & Material Testing | \$ 7,528,290.94 | \$ 1,917,009.21 | \$ 907,389.89 | \$ 4,703,891.83 |
| York Region Admin. Fee (6%) | \$ 6,356,178.31 | \$ 1,629,751.02 | \$ 1,003,213.37 | \$ 3,723,213.92 |
| Sub-Total | \$ 112,292,483.53 | \$ 28,792,268.08 | \$ 17,723,436.17 | \$ 65,776,779.28 |
| Markham Admin. Fee (2%) | \$ 1,315,535.59 | \$ 0.0 | \$ 0.0 | \$ 1,315,535.59 |
| Total Cost | \$ 113,608,019.11 | \$ 28,792,268.08 | \$ 17,723,436.17 | *\$ 67,092,314.86 |

*A + B + C (Below)

Table 2: Previously Approved Markham Budget

| | | |
|---|-------------------------|----------|
| EA & Design (Account #18048) – Mid-Block Crossing N. of 16 th Avenue | \$ 608,403.80 | |
| Property Acquisition (Account #19035) | \$ 11,984,300.00 | |
| Total | \$ 12,592,703.80 | A |

Table 3: 2022 Approved Budget

| | | |
|--|------------------------|----------|
| MBC, N. of 16 th Avenue – Utility Relocation (Account #22030) | \$ 2,282,700.00 | |
| Utility relocation cost (inclusive of York Region Admin. Fee) | \$ 929,994.59 | |
| Markham Admin fee | \$ 17,547.07 | |
| Total Award: | \$ 947,541.66 | B |
| Return to original funding source: | \$ 1,335,158.34 | |

Table 4: Future Budget Request

| | | |
|--------------|-------------------------|----------|
| **2023 | \$ 53,552,096.40 | |
| Total | \$ 53,552,096.40 | C |

**The 2023 budget request includes the remaining budget required for Markham's share of the project cost. The majority of the budget request will be for the construction component of the mid-block crossing project.

Note that the costs identified above are estimates based on the 90% design. The final project cost estimate will be provided by York Region once the detailed design is completed, and will subsequently be requested as part of the 2023 Capital Budget request.

Capital account #22030 (Highway 404 Mid-Block Crossing, North of 16th Avenue – Utility Relocation) currently has available funding of \$2,282,700. Staff recommend that a Purchase Order in the amount of \$929,994.59 be issued to York Region for the utility relocation work.

The remaining funds in project 22030 in the amount of \$1,335,158.34 will be returned to the original funding source.

ALIGNMENT WITH STRATEGIC PRIORITIES:

The proposed work for the mid-block crossing is required to continue to accommodate development in the 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 Financial Services department was consulted and their comments have been addressed in this report.

RECOMMENDED BY:

Frank Clarizio, P. Eng.
Director of Engineering

Arvin Prasad, MCIP, RPP
Commissioner, Development Services

ATTACHMENTS:

Attachment 'A' – Highway 404 Mid-Block Crossing, North of 16th Avenue Preferred Alignment