



Report to: Development Services Committee

Meeting Date: May 16, 2023

SUBJECT: Sidewalk Network Completion Program Status (City-Wide)
PREPARED BY: Henry Lo, Manager, Transportation Planning, Ext. 4030
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RECOMMENDATION:

- 1) That the report entitled “Sidewalk Network Completion Program Status (City-Wide)” be received; and
- 2) That Council endorse the revised Sidewalk Network Completion Program as described in this report and Attachment ‘A’, with its implementation subject to the annual budget request and approval process; and
- 3) That staff provide an annual update on the status of the Sidewalk Network Completion Program including any adjustments made to the program; and
- 4) That all requests for major changes to the Sidewalk Network Completion Program, as defined in the report, be subject to Council approval; and
- 5) That an average annual incremental amount of \$69,040 for sidewalk maintenance be added to the operating budget, subject to Council approval through the annual budget approval process; and further
- 6) That staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

This report provides the status of the Sidewalk Completion Program and presents a detailed consultation/communication process for the Program that was developed after consultations with members of Council in 2022 and 2023.

BACKGROUND:

Staff have reported extensively to Council on the sidewalk program

Starting in 2015, Council directed staff to investigate the development of a sidewalk network completion program. Through a series of presentations and reports to Development Services Committee since then, staff have provided information on the health and safety benefits of sidewalks, alignment of completing the sidewalk network with strategic City policies and plans, the extent of sidewalk gaps in the existing sidewalk network and the prioritization process for programming sidewalk projects.

In May 2017, Council directed staff to prioritize closing sidewalk gaps on arterial and collector roads and updated the City's sidewalk policy to include sidewalk on both sides of major and minor collector roads.

In December 2018, Council approved the 10-year Sidewalk Network Completion Program to complete 64.6 km of sidewalk gaps on arterial and collector roads.

Staff proceeded to implement sidewalk projects scheduled for 2019, 2020 and 2021. Unfortunately, over that period, significant capital cost increases and other project implementation challenges were encountered, necessitating an update to the Sidewalk Completion Program.

On March 28, 2022, staff presented a report to DSC entitled "Sidewalk Network Completion Program Update (City Wide)" that provided an update on the status of the sidewalk network completion program and recommended a revised sidewalk capital program to be fully constructed by 2030. DSC referred the report back to staff and directed staff to focus on completing sidewalk gaps on arterial and major collector roads prior to minor collector roads and to report back on how the program will work in regards to consultation with the local Councillors and community.

Implementation of the Sidewalk Network Completion Program had been progressing within available funding

The 2019-2028 Sidewalk Network Completion Program approved by Council in December 2018 prioritizes sidewalk gaps on arterial and collector roads. The status of sidewalk network gaps on arterial and collector roads as reported in 2018 is summarized in Table 1 below.

Table 1: Summary of Sidewalk Gaps in 2018

Sidewalk Gaps	Length (km)
To be programmed	64.6
To be constructed through other construction projects	21.1
Outside of urban boundary	13.9
Deferred due to constructability issues	7.7
TOTAL	107.3

Council had approved the 64.6 km of sidewalk gaps in the 2019-2028 Sidewalk Network Completion Program. Other sidewalk gaps on arterial and collector roads were to be constructed as part of larger construction projects or were deferred as they are outside of the City urban boundary at the time or deferred due to constructability issues based on a high level review.

The 21.1 km of sidewalk gaps to be constructed by others are through land development projects or York Region or City road projects. So far, 795 m of sidewalk gaps from this group have been constructed, all from land development construction.

Only \$4.82M funding was available in the 2017 Development Charge Background Study, which limited the City's ability to implement much of the sidewalk program. Therefore, program activities since the December 2018 program approval have been focused on planning and detailed design work to provide a stream of shovel-ready projects for construction in the following years when funding from the 2022 DC Background Study becomes available. In that regard, the following design and construction projects were awarded between 2019 and 2022:

Table 2: Summary of Sidewalk Program Activities from 2019 to 2022

Year	Design (km)	Construction Completed (km)
Prior to 2019	1.46	
2019	4.61	0.10
2020	4.21	0.71
2021	6.12	
2022	*	3.34

*No design work was started in 2022 following Council's decision to defer endorsement of a revised sidewalk capital program in March 2022.

1 km of sidewalks on local streets were also completed

In addition, between 2019 and 2021, approximately 1 km of sidewalks on local roads (i.e. outside of the Sidewalk Network Completion Program) were completed in response to requests from local residents and in consultation with Ward Councillors to address pedestrian safety concerns.

Average project cost has increased significantly since 2018

The development of the 10-year sidewalk program in 2018 and projected ability to complete the initial 64.6 km of sidewalks was based on the average cost of \$2.0 million to design and construct about 6.5 km of sidewalks per year. That equates to a unit cost of roughly \$315 per metre of sidewalk.

This \$315 per metre average unit cost only included costs associated with the detailed design and construction of standard sidewalk projects. It did not include costs associated with additional scope and measures to mitigate impacts and other issues related to the installation of a standard sidewalk. With the remaining project locations for the sidewalk program located in more established neighbourhoods and within constrained rights-of-way, staff have developed a more realistic average per metre cost estimate for completing the remaining sidewalk projects at \$600 per metre. This revised cost estimate is reflective of the actual costs from recent sidewalk tenders awarded in 2019 to 2021. It is important to note that the estimated unit rates for constructing sidewalks may continue to rise going forward due to lingering COVID-19 pandemic impacts and other world events.

OPTIONS/ DISCUSSION:

Consultation with members of Council completed with consensus views

At the March 28, 2022 DSC meeting, the deputations and discussion touched on a number of fundamental aspects of the sidewalk program. Following the referral by

Committee, staff conducted a series of individual meetings with members of Council to provide a comprehensive review of the program and to get feedback on the following:

- program background
- sidewalk policy
- health and safety benefits of a connected sidewalk network
- project prioritization criteria
- a revised communications and notification protocol
- mitigating impacts of sidewalk construction
- process for approval of the annual program and requests for changes

While there were concerns expressed by a few Councillors on specific sidewalk projects, there was a general consensus on the rationale for the sidewalk program and support for its implementation. There were also suggestions on additional sidewalk projects on local roads to be added to the program. As these new requests are outside of the arterial and collector road focus of the current program, they will be considered separately and will require Council budget approval for consideration and implementation.

An improved resident communications/notification protocol has been developed

With a timeline identified for every sidewalk project in the revised capital plan, affected residents and businesses will be notified earlier in the implementation process.

An improved notification protocol for residents and businesses has been developed in response to the Council direction from March 2022. Under the revised notification protocol, affected residents and businesses will be informed (including regular website updates) at the following key milestones in the implementation process:

- At the constructability review stage;
- At initiation of preliminary design;
- At initiation of detailed design;
- At initiation of pre-construction;
- Prior to commencement of construction;
- Regular construction updates;
- Post construction update.

The actual measures and tools for the revised notification protocol will be developed in consultation with Corporate Communications to determine the most cost effective measures as well as ensuring maximum resident awareness of planned sidewalk projects.

Revised sidewalk capital program developed

Through the review of the Sidewalk Network Completion Program in 2022, several minor changes have been made:

- sidewalk gap on Old 9th Line – Box Grove By-pass to Sanders Drive, was reduced by 1.752 km;
- sidewalk gap on Denison Street – Birchmount Road to Milliken Meadows Drive, was reduced by 0.2 km; and
- sidewalk gap on 14th Avenue – 100 m west of Markham Road to Markham Road was added.

These minor changes results in the total length of remaining sidewalk gaps being reduced from the original 64.6 km to 62.77 km.

As well, with approximately 4.12 km of these sidewalk gaps already constructed (see Table 2), and with 1.22 km of sidewalk gaps already budget approved for construction, the Sidewalk Program is left with 57.43 km of sidewalk gaps to be constructed.

Council approved the sidewalk capital program in December 2018 whereby the sidewalk gaps on arterial and collector roads would be completed by 2028. Considering the capital cost increases and project challenges expected for the remaining sidewalk projects, staff have developed a revised seven (7) year annualized capital program to complete all the sidewalk gaps on arterial and collector roads, as shown in Attachment 'A' and summarized in Table 3.

Table 3: Summary of Revised Sidewalk Capital Program

Construction Year	Proposed Km of Sidewalks	2018 Cost Estimate (\$M)	2023 Cost Estimate (\$M)
1	2.91	\$ 0.92	\$ 1.74
2	9.25	\$ 2.91	\$ 5.55
3	9.02	\$ 2.84	\$ 5.41
4	8.47	\$ 2.67	\$ 5.08
5	9.32	\$ 2.93	\$ 5.59
6	8.97	\$ 2.83	\$ 5.38
7	9.49	\$ 2.99	\$ 5.70
Total	57.43	\$ 18.09	\$ 34.46

Active sidewalk design projects to be completed

There are three (3) sidewalk design contracts that are currently active, covering approximately 10.29 km of sidewalk gaps. The three contracts are at various stages (30%, 60%, 90%, etc.) of the design process and will continue to completion by the end of 2023. This will provide a shovel-ready project stream for construction once the funding requirements for the sidewalk gapping program is finalized.

Staff will work with Corporate Communications to incorporate the improved resident communications/notification protocol described above in completing these active design assignments.

Council approval is required for annual sidewalk program

As with other capital programs, implementation of the sidewalk program will also be subject to Council approval through the annual budget request and approval process of the annual sidewalk program, based on funding availability.

Council approval is needed for major changes to the sidewalk program

The annual sidewalk program will be based on the overall capital plan, but may include minor changes that do not require Council approval, such as recommendations from a constructability review of the program. Each annual sidewalk program will be tabled

through a preceding annual sidewalk program update report to Council and through the annual capital budget request and approval process. Through the annual program updates to Council, major changes to the sidewalk capital plan, such as the following, may be requested:

- Removing or cancelling a project;
- Adding project(s) to the capital plan (e.g., sidewalks on local roads).

Staff recommend that these types of major changes to the sidewalk capital program proceed only with Council approval as they may affect awarded contracts, approved budgets or budget availability.

FINANCIAL CONSIDERATIONS

Remaining sidewalk gaps on arterial and collector roads were included in the 2022 Development Charge Background Study

The City undertook the update of the Development Charges Background Study in 2022 and, as a part of this process the sidewalk capital program was reassessed and updated to account for gaps identified in the Sidewalk Network Completion Program. The cost of the program included in the 2022 DC Background Study was \$34.5M, of which 65% (\$22.4M) is identified as eligible for funding from development charges, 17.5% (\$6.0M) from Community Benefit Charges and 17.5% (\$6.0M) from other sources such as taxes.

Ontario's More Homes Built Faster Act (Bill 23) included changes to the Development Charges Act that affects municipalities' ability to fund infrastructures such as sidewalks from development charges

Subsequent to the approval of the DC Background Study in May 2022, the Province provided royal assent to Bill 23, the *More Homes Built Faster Act* in November 2022, which included provisions that retroactively and prospectively impacted the City's development charge by-laws.

Bill 23 included two main changes that will negatively impact the City's development charge recoveries:

- 1) The retroactive imposition of a 5-year phase-in of development charge rates, which mandated that the City reduce its collections by 20% in the first year of its by-law, with a gradual 5% increase each year, until year 5 when the "full" development charges will apply. This change reduces the amount of development charge recovery, which is required to fund growth-related infrastructure.
- 2) The communication that land will be excluded as an eligible cost, recoverable through development charges. The Province has indicated that a new regulation-making authority will prescribe the services for which land cost will be excluded - this is anticipated to be signaled by the winter of 2023. The exclusion of land could have a significant impact on the City's development charge recoveries, as land is a major component of some services and carries an exponential cost. Any debt incurred for land purchases may not be recoverable through development charges and, future purchases will require funding from other sources such as property taxes.

These changes will negatively impact the City's long term strategic financing plans, which will now have to be revisited to account for the reduced development charge recoveries. In addition, the uncertainty surrounding the service(s) for which land may no longer be eligible as a recoverable cost is making long term forecasting very problematic. The estimated revenue shortfall for the 5-year phase-in and land exclusion is estimated at \$51.5M annually, if all land is excluded from being DC eligible. In light of reduced development charge recoveries, the City is faced with the prospect of increasing taxes or reducing service levels, unless the Province bridges the shortfall. It is difficult to do a proper assessment of Bill 23's impact on the City's long-term capital program until there is clarity on the treatment of land, as well as the potential for the Province to bridge some or the entire funding gap.

The legislative changes under Bill 23 could also affect how the City utilizes its non-DC funding sources, as Council may choose to prioritize non-DC funding more strategically to various growth related infrastructures.

Proposed sidewalk capital program considers the uncertain financial scenario

The reduced development charge recoveries may necessitate a re-evaluation and re-prioritization of the City's capital programs/projects, which may lead to the focus being re-directed to infrastructure that directly impacts growth in new development areas (e.g. roads and bridges). As such, there may be a need to pause the \$34.5M sidewalk program until a full assessment is conducted on the City's long-term capital programs and financing strategies determined.

However, a possible scenario resulting from the complete review of the City's various capital program priorities after the financial impacts of Bill 23 have been clarified may be a reduced sidewalk program, possibly by 20% to 50% or more. Even under such a scenario, annual capital budget requests for the sidewalk program would still be needed and would take into consideration the City's new, long term financial sustainability. Due to the uncertainty of the impacts from Bill 23 on the City's financial situation the sidewalk capital program has been revised with the first year construction program being less than 50% of the subsequent years. This will allow the City to better assess the financial impacts of Bill 23 and develop appropriate capital priorities for future projects.

Operations budget for sidewalks will increase as more sidewalks are completed

Sidewalk operating and maintenance as well as life cycle costs, are subject to the final design and operational requirements. Currently, the annual operating and maintenance unit cost is \$8.24 per linear metre of sidewalk, resulting in, on average, an additional incremental \$69,040 (8,379 m x \$8.24/linear metre) annually in operating and maintenance costs for the next 7-year period of the Sidewalk Completion Program. The actual incremental operating cost will be subject to the length of sidewalk constructed in each year, and will be requested as part of the annual operating and capital budget process.

As sidewalks are added to City infrastructure inventory, the Life Cycle reserve will be updated accordingly. As the useful life of sidewalks are 40 years, there is no immediate impact to the life cycle reserve over the next 25 years.

Local road sidewalk projects require alternative funding sources

As has occurred in the past, requests for sidewalks on local roads are received and considered from a pedestrian safety perspective. The Sidewalk Network Completion Program, which is focused on sidewalk gaps on arterial and collector roads, is included in the 2022 DC Background Study and is identified as 65% eligible for funding from development charges, 17.5% from Community Benefit Charges and 17.5% from other sources such as taxes. As any local road sidewalk projects would not be eligible for funding through Development Charges and/or Community Benefit Charges, a separate funding avenue through other sources such as taxes must be identified for local road sidewalk projects. Staff will work with the Finance Department when there are requests for local road sidewalk candidates to identify the funding availability for each local road sidewalk project and present it to Council through the annual budget approval process for consideration.

HUMAN RESOURCES CONSIDERATIONS

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

The sidewalk program aligns with the strategic focus for a Safe & Sustainable Community, through the on-going management of the City's transportation network. It is also consistent with various policies in the City Official Plan on complete communities, City-building and encouraging more and safer active transportation in Markham.

BUSINESS UNITS CONSULTED AND AFFECTED:

Finance and Operations departments have been consulted in preparing this report.

RECOMMENDED BY:

Frank Clarizio, P.Eng.
Director, Engineering

Arvin Prasad, MCIP, RPP
Commissioner, Development Services

ATTACHMENT:

'A': Revised Sidewalk Network Completion Capital Program – Design and Construction.