

Committee of the Whole (2) Report

DATE: Tuesday, September 19, 2023

WARD(S): 5

TITLE: YONGE NORTH SUBWAY EXTENSION RESOURCING AND MUNICIPAL INFRASTRUCTURE AGREEMENTS

FROM:

Vince Musacchio, Deputy City Manager, Infrastructure Development

ACTION: DECISION

Purpose

To seek Council approval to enter into a Resource Agreement (“**RA**”) with Metrolinx for the Yonge North Subway Extension project (the “**YNSE Project**” or “**Project**”). The RA is necessary to set roles and responsibilities for both the City and Metrolinx for the duration of the YNSE project, ensuring that sufficient City staff resources are dedicated to assisting with the planning and delivery of this important infrastructure.

Additionally, to seek Council approval to enter into future Municipal Infrastructure Agreement(s) (“**MIA**”) with Metrolinx for the YNSE project. A MIA sets the roles and responsibilities for Metrolinx to design and construct new City-owned infrastructure on the City’s behalf.

Report Highlights

- City of Vaughan staff and Metrolinx have been collaborating on the Yonge North Subway Extension Project since 2020, operating under a Comfort Letter between Metrolinx and York Region dated August 7, 2020 and updated on March 31, 2023.
- The Resource Agreement outlines the roles and responsibilities of the City and Metrolinx, to plan and deliver the YNSE Project.
- The terms outlined in the Resource Agreement provide for Metrolinx to fully reimburse the City for full-time equivalent (FTE) staff resources dedicated to the review, coordination and monitoring of the YNSE Project.

Report Highlights continued

- The Resource Agreement also describes the process through which the City is able to recover ad-hoc staff time spent on the YNSE Project.
- Through the design process, replacement of the City's existing watermain has been identified as necessary to eliminate risks to the YNSE project and to minimize future impacts to residents and businesses on Yonge Street. Metrolinx has agreed to include the design and replacement of the City's watermain as part of the scope of works.
- The future Municipal Infrastructure Agreement outlines the roles and responsibilities of the City and Metrolinx to complete this work as part of the YNSE Project. The City's portion of the watermain replacement cost will be included in a future capital project and funded from the water infrastructure reserve.
- As design work continues, additional replacement or construction of City-owned infrastructure may be identified to minimize risks to the YNSE Project and to minimize future impacts to City residents and businesses, which will require separate Municipal Infrastructure Agreements.

Recommendations

1. That the Deputy City Manager, Infrastructure Development, or designate, be authorized to enter into and execute a Resource Agreement (RA), and any amendments or ancillary documents, with Metrolinx, in accordance with this report, on behalf of the City, in a form satisfactory to Legal Services;
2. That the Deputy City Manager, Infrastructure Development, or designate, be authorized to enter into and execute Municipal Infrastructure Agreement(s) with respect to the replacement or new construction of City-owned elements of the YNSE Project, and any ancillary documents, with Metrolinx, in accordance with this report, on behalf of the City, in a form satisfactory to Legal Services;
3. That Council approve the creation of the identified full-time equivalent (FTE) positions in accordance with the RA, which will be fully funded by Metrolinx, and that staff be directed to make any necessary operating budget amendments;
4. That the inclusion of this matter on a Public Committee or Council agenda with respect to the Operating Budget amendment identified in the "Resource Agreement (RA) with Metrolinx" is deemed sufficient notice pursuant to Section 2(1)(c) of By-Law 394-2002, as amended; and
5. That all necessary by-laws be enacted to carry out the recommendations in this report.

Background

Metrolinx assumes responsibility for delivery of the Yonge North Subway Extension.

In April 2019, the Government of Ontario announced the YNSE Project as part of a \$28.5 billion expansion to Ontario's transit network. The YNSE Project is a joint effort by Metrolinx and Infrastructure Ontario as the contracting authority. It is the first project of its kind in Ontario: the design and construction of an extension to the existing Toronto Transit Commission (TTC) Line 1 (Yonge-University) subway being led entirely by the Province of Ontario with the TTC as a primary stakeholder.

The YNSE Project begins at the Extraction Shaft north of the existing Line 1 terminus, Finch Station, and follows Yonge Street north to the Royal Orchard Community, then proceeds east and runs parallel to the CN tracks north to approximately German Mills Creek, north of 16th Avenue. The YNSE Project extends across five (5) municipalities, the City of Toronto, City of Markham, City of Vaughan, City of Richmond Hill, and York Region. Several project sites and construction activities will extend across multiple municipalities.

To support a comprehensive Transit project approach, the provincial government passed Bill 171, Building Transit Faster Act, 2020 (the "**Act**") on July 8, 2020, which received Royal Assent and came into force as law. The purpose of the Act is to expedite the planning, design and construction process of four priority transit projects: Ontario Line, Scarborough Subway Extension, Yonge North Subway Extension and Eglinton Crosstown West Extension.

In addition, in 2020 the Province of Ontario and York Region entered into a Regional Municipality of York Transit Partnership (Yonge North Subway Extension) Preliminary Agreement. In the absence of an executed RA, Metrolinx provided York Region with a Comfort Letter dated August 7, 2020, which committed Metrolinx to funding staff resources for York Region and all member municipalities, in order to ensure continued progress in moving forward with the YNSE Project while the RA was drafted.

The Resourcing Agreement outlines the roles and responsibilities of the City and Metrolinx to plan and deliver the YNSE Project.

To improve the delivery of the YNSE Project, on March 31, 2023, Metrolinx reissued their Comfort Letter to each of the local municipalities of Vaughan, Markham, Richmond Hill and York Region, to establish a direct relationship with each municipality with a goal of entering into a Resource Agreement as quickly as possible to identify and enable the

City's hiring of staff required to support the needs of the Project. This letter also reconfirmed that Metrolinx will continue to provide cost recovery to the City for its valuable support in the YNSE Project, while the terms and conditions of the RA are negotiated and finalized.

Over the past eight months the Infrastructure Planning and Corporate Asset Management Department has taken on the responsibility to lead the negotiations and review of the draft RA with various internal stakeholder departments, including Legal Services, to ensure the City's interests are protected and our roles and responsibilities are clear.

Through the negotiations with Metrolinx, the RA stipulates that the City will support advancement of the YNSE Project through a number of full-time positions dedicated to the YNSE Project, ad-hoc review and input from department staff City-wide, and, if required, consultant resources. Costs incurred from each of these three sets of resources will be fully reimbursed by Metrolinx. On this basis, staff are satisfied with the RA and support execution of the Agreement.

Metrolinx is progressing with work on the Advance Tunnel (AT) Contract which will impact City infrastructure.

The Request for Quote (RFQ) for the Advance Tunnel (AT) Contract offers companies interested in competing for the tunnelling work an opportunity to be included in the bidding process when it commences, by requesting that they present their qualifications and construction expertise. Metrolinx, along with Infrastructure Ontario, will create a shortlist of qualified teams that will be invited to bid on the AT contract through a Request for Proposals, which is expected to be released in Q4 2023 with the award pending for 2024.

As part of the ongoing design review of the AT works, the City has continued to request the inclusion of the iron watermain replacement on Yonge Street within the scope of the AT works, to eliminate risks to the YNSE project and to minimize impacts to residents and businesses. Metrolinx is now able to move forward on this City request as part of the AT Contract through a pending MIA. Staff are requesting that Council delegate the authority to enter into this pending MIA and future MIAs, on behalf of the City to ensure the inclusion of critical City capital works as part of the YNSE Project.

Previous Reports/Authority

[Yonge North Subway Extension \(YNSE\) – Spring 2023 Update, Item 14, Report No. 28, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on June 20, 2023](#)

[Metrolinx Initiatives Update – Spring 2023, Item 8, Report No. 23, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on May 16, 2023](#)

[Metrolinx Initiatives Update – Fall 2022, Item 3, Report No. 46, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on December 13, 2022](#)

[Metrolinx Initiatives Update – Spring 2022, Item 6, Report No.16, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on April 26, 2022](#)

[Yonge North Subway Extension – Route Refinement Update, Item 7, Report No. 6, of the Committee of the Whole, which was adopted, as amended, by the Council of the City of Vaughan on February 15, 2022](#)

[Metrolinx Initiatives Update Fall 2021, Item 7, Report No. 52, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on November 16, 2021](#)

[Metrolinx Initiatives Update Spring 2021, Item 12, Report No. 14, of the Committee of the Whole, which was adopted, as amended, by the Council of the City of Vaughan on April 20, 2021](#)

[Metrolinx Initiatives Update Fall 2020, Item 4, Report No. 51, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on November 17, 2020](#)

[Metrolinx Activities Update – Spring 2020, Item 14, Report No. 20, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on May 27, 2020](#)

Analysis and Options

Execution of the Resource Agreement will help to ensure the delivery of the YNSE Project by providing cost recovery to the City for its valuable support in meeting key deliverables for the Project, while meeting Council's 2022 to 2026 Transportation and Mobility Strategic Priority.

The YNSE project meets the overall goals of the strategic plan and the Mayor's 10-year Action Plan to Fight Traffic Gridlock in Vaughan. It leverages a partnership with Metrolinx to deliver enhanced and sustainable transportation infrastructure by empowering existing and future residents and businesses of Vaughan to use sustainable travel options. Improved walking, cycling and public transit services all contribute towards mitigating roadway congestion.

Coordinating replacement of aging City infrastructure with the YNSE project minimizes disruptions to residents and businesses.

The City currently has a watermain program with a goal of replacing all metallic watermain pipe as this material type is approaching the end of its service life and is becoming prone to failure. Metallic pipe is vulnerable to any settlement or shaking and is likely to fail around the proposed stations and underground excavation locations during construction. The YNSE Project presents an opportunity to minimize future traffic and water service disruptions to residents and businesses on Yonge Street by improving service reliability through the replacement of this aging infrastructure.

Financial Impact

The staff resource funding component of the RA results in a net zero impact to the City's budget for identified full-time equivalent (FTE) positions, ad-hoc staff time, and consultant resources.

Once the watermain replacement details have been finalized with Metrolinx in the MIA, a future capital project budget will be submitted as part of the City's annual Capital Budget submission to cover the costs. This funding will draw from the water infrastructure reserve.

Future MIAs will also be communicated to Council and the appropriate financial methods will be identified to fund the work completed by Metrolinx on behalf of the City.

Operational Impact

The RA and this report have been completed in consultation with the following departments: Legal Services, Environmental Services, Financial Planning and Development Finance & Policy Planning and Special Programs.

Broader Regional Impacts/Considerations

The new watermain replacement on the west side of Yonge Street will be City-owned infrastructure in York Region's Road allowance. Infrastructure relocations/ replacements discussions are ongoing with York Region, City of Markham and Metrolinx. The City of Markham is also moving forward with new watermain replacement on the east side of Yonge Street.

Conclusion

Staff are working with Metrolinx to finalize the YNSE Project RA to ensure that sufficient staff resources are dedicated to assisting with the planning and delivery of this important infrastructure.

Inclusion of the City's watermain replacement within the YNSE Project is critical to minimize risks to the delivery of the project. The City will be responsible for the long-term maintenance of the new City-owned infrastructure, and for its agreed upon portion of costs for the City's watermain replacement, which will be paid through the water infrastructure reserve.

Delegated authority to enter into Metrolinx's RA as well as future MIAs is time sensitive to meet the anticipated YNSE Project schedule.

The Yonge North Subway Extension will result in enhanced transit, pedestrian and cycling infrastructure which will mitigate the impacts of traffic congestion and encourage travelers to shift towards more sustainable modes of transportation. In addition, coordinating construction of both Metrolinx and City infrastructure to occur simultaneously minimizes the impact of construction on residents and businesses.

For more information, please contact Selma Hubjer, Director, Infrastructure Planning and Corporate Asset Management, ext. 8674.

Attachments

N/A

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