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**TO:** GENERAL COMMITTEE

**SUBJECT:** COST SHARING AGREEMENT FOR DUCKWORTH STREET/HIGHWAY 400 INTERCHANGE IMPROVEMENTS

**PREPARED BY AND KEY CONTACT:** L. H. BORGDORFF, P. Eng.  
SENIOR PROJECT ENGINEER (Ext. 4493)

**SUBMITTED BY:** R. S. KAHLE, M. Eng., P. Eng.  
DIRECTOR OF ENGINEERING 

**GENERAL MANAGER APPROVAL:** R. W. MCARTHUR, P. Eng.  
GENERAL MANAGER OF INFRASTRUCTURE, DEVELOPMENT & CULTURE 

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** CARLA LADD  
CHIEF ADMINISTRATIVE OFFICER 

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**RECOMMENDED MOTION**

1. That further to Motion 12-G-185 and ongoing negotiations with the Province and funding contribution by the Federal government, the City Clerk and Mayor be authorized to enter into an agreement with the Ministry of Transportation of Ontario (MTO) for cost sharing the Cundles Road, Duckworth Street and Highway 400 Interchange Improvements, as generally outlined in the MTO's draft agreement dated November 2012.
2. That the Director of Engineering and the Director of Legal Services be authorized to finalize the terms of the agreement, in general accordance with the draft agreement dated November 2012.
3. That the City Clerk and Mayor be authorized to enter into an agreement with the Ministry of Transportation of Ontario (MTO) for the Implementation of an Active Transportation Network through the Highway 400 and Duckworth Street Interchange, as per Appendix "B".
4. That debt which was approved as part of motion 12-G-185 for the Duckworth/Cundles Interchange project of \$7,844,213 be decreased by \$4,474,051 to align with the proposed cost sharing agreement.

**PURPOSE & BACKGROUND**

5. The purpose of the staff report is to seek Council authority to enter into a cost sharing agreement between the MTO and the Corporation, which recognizes funding contribution from the federal government; and confirms the maximum cost sharing values offered by the MTO and the federal government, and to seek Council authority to enter into an agreement to undertake the implementation of a pilot Active Transportation network through the interchange area.
6. The draft cost sharing agreement dated November 2012 is available for review in the Councillor's Lounge.
7. City Council authorized signing a cost sharing agreement with the MTO in January 2012, per Motion 12-G-004 subject to conditions. Specifically, Council adopted Motion 12-G-004 as follows:

"That the City Clerk and Mayor be authorized to enter into an agreement with the Ministry of Transportation of Ontario (MTO) for cost sharing the Cundles Road, Duckworth Street and Highway 400 Interchange Improvements, as generally

outlined in the MTO's draft agreement, subject to amendments that reflect the following general intent:

- a) That the agreement be amended with respect to cost sharing and payment to delete references to the MTO's cost share being limited to a maximum of \$19,000,000 and replaced with appropriate wording that acknowledges the MTO's cost share is based on actual costs apportioned in general conformance with Appendix "B" of City of Barrie Staff Report ENG002-12 inclusive of all costs, direct and indirect, including but not limited to planning, design, construction, contract administration, cost overruns, extra work, unforeseen work and maintenance.
- b) That the agreement be amended to permit the City to receive funding from the MTO for the non-recoverable portion of the HST on the MTO's cost share. (ENG002-12) (File: D00)".

The estimated City of Barrie costs in the draft agreement appended to Staff Report ENG002-12 was \$11,770,949 for the overall Duckworth / Cundles project.

8. In June 2012, Council authorized additional funds toward the interchange improvements per Motion 12-G-185 as follows:

"That further to Motion 12-G-004 the City's contribution to the Duckworth Street/Highway 400 Interchange project be increased by \$4,256,000 and that the project financing be adjusted per Appendix "C" of Staff Report ENG019-12.

The estimated City of Barrie costs was updated to \$15,785,901 for the overall Duckworth/Cundles project. These were the estimated costs after taking into account a scope reduction process.

9. In November 2012, the Federal government and Provincial government (MTO) announced funding toward the project that increases the cost share to a maximum of \$33,000,000 as follows:
  - a) The MTO cost share is up to a maximum of \$19,000,000;
  - b) The Federal government's cost share is up to a maximum of \$14,000,000.
10. With the introduction of additional funding by the Federal government, the estimated City of Barrie contribution for the overall Duckworth/Cundles project is expected to be reduced, however the City will assume responsibility for cost overruns exceeding contingencies.
11. The detail design and tender package is approximately 100% complete, subject to the MTO endorsing the design and tender package.
12. Staff has reviewed and negotiated the current draft cost sharing agreement which takes into account the additional funding being offered by the Federal government.
13. The cost sharing is reflected in Appendix "A", showing the total contribution by the MTO and the Federal government as \$33,000,000.
14. The project funding for construction work is included in the 2011 Business Plan. Although construction funding was approved in anticipation of the cost sharing agreement being resolved and tendering being complete, construction has not begun. Construction will not begin until the cost sharing agreement is in place, tendering is complete and the construction contract is awarded.

15. The project includes extending City of Barrie Active Transportation bicycle lanes on Cundles Road and Duckworth Street through the limits of the interchange owned by the MTO. The MTO requires that Barrie and MTO enter into an agreement defining the roles and responsibilities of each party as part of implementing and maintaining the bicycle lanes through the interchange. The agreement is attached in Appendix "B".

#### **ANALYSIS**

16. The Federal government's cost share reflects their acknowledgment that Georgian College and Royal Victoria Hospital serve as regional facilities.
17. Although the announced funding from the MTO and the Federal government is an upset limit, it has provided an opportunity to re-introduce one of the de-scoped items, being the "Welcome to Barrie" sign, back into the contract. The value of that work is estimated at approximately \$198,000.
18. In the June 2012 staff report, the funds required by the Corporation to complete the project were estimated at approximately \$15,786,000. With the November 2012 announcement from the MTO and Federal government, the funds required by the Corporation to complete the project were reduced. However, the City will be assuming responsibility for cost overruns that exceed contingencies.
19. The draft agreement permits the City to recover funding from the MTO for the non recoverable portion of the HST on the MTO's cost share.
20. The Environmental Assessment studies for widening Cundles Road and Duckworth Street concluded that the widened roadways include a bicycle lane in each direction of traffic on the two roadways. The letter of agreement for the bicycle lanes on Duckworth Street through the interchange is consistent with the Environmental Assessment studies.

#### **ENVIRONMENTAL MATTERS**

21. There are no environmental matters related to the recommendation.

#### **ALTERNATIVES**

22. The following alternative is available for consideration by General Committee.

##### **Alternative #1**

General Committee could request staff to negotiate into the cost sharing agreement that the funding offered by the MTO and Federal government not be an upset limit.

This is not recommended knowing that the value of the funding offered for this project includes approximately 7.5% value in project contingencies, which is a standard value in the industry for a project of this nature.

#### **FINANCIAL**

23. The following table identifies the impact of the proposed funding based on the attached cost sharing agreement.

**CAPITAL BUDGET FUNDING**

	Current Budget	Proposed Budget	Adjustment
DCA	\$ 5,549,565	\$ 3,550,477	\$ (1,999,088)
Debenture(Tax-based)	\$ 7,844,213	\$ 3,370,162	\$ (4,474,051)
Tax Capital Reserve	\$ 244,135	\$ -	\$ (244,135)
Developer Agreement	\$ 715,652	\$ 715,652	\$ -
Province of Ontario	\$ 26,084,726	\$ 19,000,000	\$ (7,084,726)
Federal Government	\$ -	\$ 14,000,000	\$ 14,000,000
Sewer Rate	\$ 794,358	\$ 794,358	\$ 0
Water Rate	\$ 638,426	\$ 638,426	\$ -
<b>TOTAL</b>	<b>\$ 41,871,075</b>	<b>\$ 42,069,075</b>	<b>\$ 198,000</b>

24. The reduction in debentures issued relating to \$3.4 million would translate into approximately 0.5% reduction in the utilization of the annual debt repayment limit, and would represent annual savings of approximately \$365,000.

**LINKAGE TO COUNCIL STRATEGIC PRIORITIES**

25. The recommendation included in this Staff Report support the following goals identified in the 2010-2014 City Council Strategic Plan:

Strengthen Barrie's Financial Condition.

26. The cost sharing agreement with the MTO:

- a) solidifies the Provincial government's and Federal government's participation in cost sharing and could serve as a template for future similar highway bridge reconstructions at other locations in the City; and,
- b) reduces the strain on municipal tax dollars.

APPENDIX "A"

April/12 tender section totals, April 16 Barrie update

	April 2012 Tender	Budget With 1.76% Non-Recoverable HST	Barrie Share	Barrie Share	MTO/Federal Government Share (Under Negotiation) <sup>2</sup>	
<b>REASONING FOR MTO SHARE AND INCREASE FROM 2009 TO 2011 ESTIMATE IN BOLD</b>						
<b>I - CUNDLES ROAD</b>						
Section A - Site Preparation						
Section B - Road Works						
Section C - Storm Drainage						
Section D - Sanitary Sewers						
Section E - Watermain						
Section F - Traffic Signals						
F1 - Livingstone Street East						
F2 - Lion's Gate Boulevard						
F3 - Street 'A'						
Section G - Illumination						
<b>TOTAL SECTION I</b>	<b>\$3,484,873.00</b>	<b>\$3,546,207.00</b>	<b>100.0%</b>	<b>\$3,546,207.00</b>	<b>0.0%</b>	<b>\$0.00</b>
<b>II - CUNDLES ROAD COMMERCIAL EXTERNAL SERVICING</b>						
Section A - Road Works						
Section B - Watermains						
<b>TOTAL SECTION II</b>	<b>\$375,925.00</b>	<b>\$382,541.00</b>	<b>100.0%</b>	<b>\$382,541.00</b>	<b>0.0%</b>	<b>\$0.00</b>
						\$3,928,748.00
<b>III - SWM POND AND OUTFALL CHANNEL IMPROVEMENT WORKS</b>						
Section A - Site Preparation						
Section B - Storm Drainage						
Section C - Stormwater Management Pond						
Section D - Channel						
Section E - Landscaping for Stormwater Management Facility						
Section F - Landscaping for Drainage Channel						
<b>TOTAL SECTION III</b>	<b>\$1,157,634.00</b>	<b>\$1,178,008.00</b>	<b>90.0%</b>	<b>\$1,060,207.20</b>	<b>10.0%</b>	<b>\$117,800.80</b>
						upgrade portion of channel Hwy to Little Lake and quantity/quality controls for Duckworth St. widening
<b>IV - JC MASSIE WAY</b>						
Section A - Site Preparation						
Section B - Road Works						
B5 - Sidewalk						
Remaining B items						
Section C - Storm Drainage						
Section D - Illumination						
<b>TOTAL SECTION IV</b>	<b>\$796,725.00</b>	<b>\$810,747.00</b>		<b>\$417,859.00</b>		<b>\$392,888.00</b>
						50% Barrie, 50% MTO as part of Interchange Improvements
						City Sidewalk, 100% Barrie
						50% Barrie, 50% MTO as part of Interchange Improvements
						50% Barrie, 50% MTO as part of Interchange Improvements
						50% Barrie, 50% MTO as part of Interchange Improvements
<b>V - CAPILANO PARK</b>						
Section A - Site Preparation						
Section B - Road Works						
<b>TOTAL SECTION V</b>	<b>\$115,295.00</b>	<b>\$117,324.00</b>	<b>100.0%</b>	<b>\$117,324.00</b>	<b>0.0%</b>	<b>\$0.00</b>
						City of Barrie Park
<b>VI - BARRIE NORTH SIGN</b>						
Section A - Site Preparation						
Section B - Road Works and Services						
<b>TOTAL SECTION VI</b>	<b>\$229,670.00</b>	<b>\$233,712.00</b>	<b>6.0%</b>	<b>\$14,022.72</b>	<b>94.0%</b>	<b>\$219,689.28</b>
						*MTO REQUEST TO SHIFT 400SB FOR POTENTIAL CORE/COLLECTOR REQUIRES THAT WELCOME TO BARRIE SIGN NEED
<b>VII - DUCKWORTH STREET (CAH AREA EXCLUDED)</b>						
Section A - Site Preparation						
Section B - Road Works						
A13 - Concrete Sidewalk						
Remaining Road Works Items						
Section C - Storm Drainage						
Section D - Sanitary Sewers						
Section E - Watermain						
Section F - Traffic Signals						
F1 - Bell Farm Road						
Section G - Illumination						
<b>TOTAL SECTION VII</b>	<b>\$696,196.00</b>	<b>\$708,449.00</b>		<b>\$369,317.18</b>		<b>\$348,131.82</b>
						50% Barrie, 50% MTO
						City Sidewalk, 100% Barrie
						50% Barrie, 50% MTO
						50% Barrie, 50% MTO
						50% Barrie, 50% MTO
						50% Barrie, 50% MTO
						50% Barrie, 50% MTO
						50% Barrie, 50% MTO
<b>VIII - GRADING</b>						
Section A - Road Works						
A13 - Concrete Sidewalk						
Remaining Road Works Items						
Section B - Sanitary Sewers						
Section C - Watermains						
<b>TOTAL SECTION VIII</b>	<b>\$13,839,684.20</b>	<b>\$14,083,263.00</b>		<b>\$1,363,259.86</b>		<b>\$12,720,003.14</b>
						*INCREASE MTO IDENTIFIED THROUGHOUT AS MORE DETAIL WAS DEVELOPED AND TRAFFIC GROWTH FOR HOSPITAL
						*IN 2009 ITEMS NOT KNOWN OR YET DEVELOPED WERE NOT INCLUDED IN THE COST ESTIMATE
						City Sidewalk, 100% Barrie
						*LONGER/MORE EXTENSIVE SCOPE ADDED
						*LONGER/MORE EXTENSIVE SCOPE ADDED
						*IN 2011 MTO EXPANDED SCOPE TO INCLUDE LONG TERM ISSUES: 2 LANE NB EXIT, 120 VS 110 KM/HR DESIGN SPEED, I

DIFFERENT BREAKDOWNS FOR 2009

FOR 2009-HIGHWAY 400 SB+STAGING  
FOR 2009-S-EW RAMP  
FOR 2009-N-EW RAMP  
FOR 2009-W-S RAMP  
FOR 2009-E-S RAMP

April/12 tender section totals, April 16 Barrie update						
	April 2012 Tender	Budget With 1.76% Non-Recoverable HST	Barrie Share	MTO/Federal Government Share (Under Negotiation) <sup>2</sup>	REASONING FOR MTO SHARE AND INCREASE FROM 2009 TO 2011 ESTIMATE IN BOLD	
IX - ELECTRICAL	\$1,933,542.00	\$1,967,572.00	14.3%	\$281,362.80	85.7%	\$1,686,209.20 *LONGER 400 IMPACT DUE TO LONGER 400 SB ALIGNMENT FOR ADDED 400 STRUCTURE SEPARATION FOR POTENTIAL
X - BRIDGE STRUCTURE	\$10,483,010.00	\$10,667,511.00	14.3%	\$1,525,454.07	85.7%	\$9,142,056.93 *MTO SHARES WILL BE INCREASED FOR POTENTIAL MORE COMPLEX FOUNDATION, BRIDGE, AND STAYING RETAINING
Sub-total Sections I-X	\$33,112,554.20	\$33,695,334.00	26.9%	\$9,068,554.81	73.1%	\$24,626,779.19 \$29,766,586.00
XI - MISCELLANEOUS	\$1,123,570.00	\$1,143,345.00	26.9%	\$307,712.84	73.1%	\$835,632.16 sharing reflects weighted average of Sections I-X. NEW SECTION ADDED AND ITEMS MOVED HERE TO REFLECT MTO FORM
Tender Cost without Cont. CA, HST, etc	\$34,236,124.20	\$34,838,679.00		\$ 9,214,099.76		\$ 25,022,024.44
UTILITIES	\$1,000,000.00	\$1,017,600.00	28.6%	\$291,033.60	71.4%	\$726,566.40 MTO pay 5 of 7 lanes under 400 on Duckworth. LONGER/MORE EXTENSIVE SCOPE.
<b>TOTAL SECTIONS I - XI + Utilities</b>	<b>\$35,236,124.20</b>	<b>\$35,856,279.00</b>	<b>27.0%</b>	<b>\$9,667,301.25</b>	<b>73.0%</b>	<b>\$26,188,977.75</b>
7.5% Contingencies		\$2,688,220.93		\$725,047.59		\$1,963,173.33
<b>CONSTRUCTION TOTAL PLUS 7.5% CONTINGENCIES</b>	<b>\$37,878,833.52</b>	<b>\$38,545,499.93</b>		<b>\$ 10,392,348.84</b>		<b>\$ 28,153,151.08</b>
5% Construction Administration on above total		\$1,927,275.00		\$ 519,617.44		\$ 1,407,657.55
<b>CONSTRUCTION TOTAL PLUS 7.5% CONTINGENCIES &amp; 5% CA</b>		<b>\$40,472,774.92</b>		<b>\$ 10,911,966.28</b>		<b>\$ 29,560,808.64</b>
DESIGN COSTS						
MH Design Fees		\$3,500,000.00	27.0%	\$943,643.77	73.0%	\$2,556,356.23 Design costs split at% of TOTAL SECTIONS I-XI above. MORE COMPLEX GEOTECHNICAL/FOUNDATIONS SCOPE PER MTO F
Estimate for Remaining Design by MH		\$400,000.00	27.0%	\$107,845.00	73.0%	\$292,155.00 " " " "
SUE Costs		\$50,000.00	50.0%	\$25,000.00	50.0%	\$25,000.00 Barrie utilities split as impacted by lowering Duckworth for new 400 bridge
Master Transportation Consultant		\$1,100.00	27.0%	\$296.57	73.0%	\$803.43 Design costs split at% of TOTAL SECTIONS I-XI above
Staff Costs		\$91,200.00	100.0%	\$91,200.00	0.0%	\$0.00 *SCOPE CHANGE ABOVE PLUS PRELIMINARY DESIGN OF MANY OF ITEMS NOT IN MTO TESR OR BARRIE ESR SUCH AS I
<b>TOTAL DESIGN COSTS</b>		<b>\$4,042,300.00</b>	<b>27.0%</b>	<b>\$1,167,985.35</b>	<b>71.1%</b>	<b>\$2,874,314.65</b> *COMPLEX MTO APPROVALS/PERMITTING ADDED, COST SHARING NEGOTIATIONS, LEGAL SURVEYS AND TRANSFERS I
<b>OVERALL TOTAL</b>		<b>\$44,515,074.92</b>	<b>27.1%</b>	<b>\$12,079,951.63</b>	<b>72.9%</b>	<b>\$32,435,123.29</b> 44515074.92 *MTO REQUEST TO CHANGE FROM ONLY DESIGN PER MTO STANDARDS TO MORE DETAILED TENDER, Q SHEETS AND S
<b>ACCOUNT FOR MTO-BARRIE PROJECT COST SAVING MEASURES</b>						
- Defer additional lane widening at Hwy. 400 existing S-EW off-ramp		\$ 275,000.00	6.0%	\$16,500.00	94.0%	\$258,500.00
- Defer Relocation of City of Barrie Sign		\$ 198,000.00	6.0%	\$11,880.00	94.0%	\$186,120.00
- Eliminate traffic signals at JC Massie Way and Lion's Gate		\$ 246,000.00	100.0%	\$246,000.00	0.0%	\$0.00
- Remove High Mast Lighting and use Partial Illumination at exit ramps		\$ 1,590,000.00	14.3%	\$227,370.00	85.7%	\$1,362,630.00
- Eliminate Superpave on City portion		\$ 30,000.00	100.0%	\$30,000.00	0.0%	\$0.00
- Reduce extent of asphalt resurfacing (Highway ramps)		\$ 20,000.00	6.0%	\$1,200.00	94.0%	\$18,800.00
- Reduce extent of Highway ramp improvements (design speed limited to 110 km/h)		\$ 285,000.00	6.0%	\$17,100.00	94.0%	\$267,900.00
<b>Total Project Cost Savings</b>		<b>\$ 2,644,000.00</b>	<b>20.8%</b>	<b>\$ 550,050.00</b>	<b>79.2%</b>	<b>\$ 2,093,950.00</b>
<b>NET PROJECT COST</b>		<b>\$ 41,871,074.92</b>	<b>27.5%</b>	<b>\$11,529,901.63</b>	<b>72.5%</b>	<b>\$30,341,173.29</b>
<b>Cost Share Adopted by Council in June 2012</b>						
- Project Cost savings estimated by MTO staff		\$6,900,000.00				
- Project Cost savings estimated and proposed by City staff		\$2,644,000.00				
Difference in estimated project cost savings		\$4,256,000.00	100.0%	\$4,256,000.00	-100.0%	-\$4,256,000.00
Cost share that adding 50% of the difference in cost savings to Barrie's share and subtracting it from MTO's share						
<b>NET PROJECT COST (OPTION 2)</b>		<b>\$ 41,871,074.92</b>	<b>37.7%</b>	<b>\$ 15,785,901.63</b>	<b>62.3%</b>	<b>\$ 26,085,173.29</b>
<b>Cost Share Proposed in December 2012</b>						
- Cost share adopted by Council in June 2012		\$ 41,871,074.92	37.7%	\$ 15,785,901.63	62.3%	\$ 26,085,173.29
- Cost share based on funding offered by MTO and Federal Government in November 2012		\$ 41,871,074.92	21.2%	\$ 8,874,074.92	78.8%	\$ 33,000,000.00
- Include Relocation of City of Barrie Sign		\$ 198,000.00	100.0%	\$198,000.00	0.0%	\$0.00
<b>NET PROJECT COST</b>		<b>\$ 42,069,074.92</b>	<b>21.6%</b>	<b>\$ 9,083,976.55</b>	<b>78.4%</b>	<b>\$ 32,985,098.37</b>
<b>Difference in project cost shares</b>				<b>\$6,716,826.71</b>		<b>\$6,914,826.71</b>

Notes:  
 1. Contingencies are at 7.5%, HST is at 1.76%, Contract Administration is at 5%  
 2. Cost Sharing with MTO is in preliminary stages.  
 3. Cost Saving Measures listed above include design, construction and contingencies

APPENDIX "B"

Ministry of  
Transportation  
Regional Director's Office  
Central Region  
2<sup>nd</sup> Floor, Bldg. D  
1201 Wilson Avenue  
Toronto, Ontario M3M 1J8  
Tel (416) 235-5400  
Fax (416) 235-5323

Ministère des Transports  
Bureau du directeur régional  
Région du Centre  
Edifice D, 2<sup>e</sup> étage  
1201, avenue Wilson  
Toronto ON M3M 1J8  
Tél. : 416 235-5400  
Télec. : 416 235-5323



December 1, 2012

Mr. Leonard Borgdorff, P.Eng.  
Senior Project Engineer  
City of Barrie,  
70 Collier Street  
Box 400  
Barrie, ON  
L4M 4T5

Dear Mr. Borgdorff:

**RE: Letter of Agreement for the Implementation of an Active Transportation Network through the Highway 400 and Duckworth Street Interchange**

The purpose of this Letter of Agreement ("Letter Agreement") between the Corporation of the City of Barrie ("the City") and Her Majesty the Queen in right of the Province of Ontario, represented by the Minister of Transportation for the Province of Ontario ("the Ministry") is to document the roles and responsibilities of each party to address the City's request for the implementation of an Active Transportation Network through the Kings Highway 400 and Duckworth Street interchange (the "Interchange").

At the project meeting held on July 27, 2011 the Ministry's consultant, MMM Group, presented to the City a recommended design configuration for an Active Transportation Network through the Interchange. Subsequent to this meeting, City and Ministry staff reached an agreement on the design features of the Active Transportation Network through the Interchange. The purpose of implementing these design features is to enhance the safety for all road users and the efficient operation of both the arterial road and the freeway. These design features are unique, whereby the City and Ministry agree and acknowledge that the design is a pilot project which requires monitoring and evaluation to ensure the safety of the travelling public. The design features are as shown in the attached drawing as well as in Schedule "D" to the cost-sharing agreement between the Ministry and the City for greater certainty. A summary of the design features are listed below:

1. Provide 3.35m through lane widths along Duckworth Street under the bridge and within the immediate vicinity of the bridge.
2. Provide a 0.5m buffer area between the through lanes and bicycle lane.
3. Provide a 1.5m bicycle lane through the Interchange and within the immediate vicinity of the Interchange.
4. Provide coloured bike lane pavement at conflict areas as shown in Figure 1 of this Letter Agreement.

5. Two-stage left turn bike box at the intersection of Georgian Drive as shown in Figure 1.
6. Provide zebra pavement markings at off-ramp terminals.
7. Provide pavement markings as guidance for cyclists and clarification for drivers.
8. Provide appropriate signage for all roadway users.

Upon completion of the construction of the Active Transportation Network, the Ministry will monitor this pilot project site for three (3) years. The Ministry will assess the benefits and impacts from this pilot project after three years and if at any time, the Ministry determines that the Active Transportation Network is not appropriate, then the Ministry may terminate this Agreement and arrange for the removal of any or all parts of the Active Transportation Network.

The terms and conditions of this Letter Agreement are as follows:

1. The final cost estimate and quantities to be included in the City's contract for the reconstruction of the Interchange shall be agreed to by both the Ministry and the City after submission of tender quotations;
2. Upon completion of the Active Transportation Network, as per the agreed upon design, and notification from the City to the Ministry, the Ministry shall inspect the Active Transportation Network and advise the City of any defaults in the completion of or defects in the implementation of the Active Transportation Network.
3. Once the Active Transportation Network has been constructed and accepted by both the City and the Ministry, the City shall be responsible for the surface maintenance and repair costs of Duckworth Street and sidewalks within the Interchange limits as per sub-section 20 (2) of the Public Transportation Highway Improvement Act, and as per the Ministry's Directive B-101.
4. The Ministry shall monitor the operation and assess the benefits and impacts of the pilot project for three years following the completion of the Active Transportation Network. The City agrees to provide all necessary annual traffic volumes and collision data along Duckworth Street to the Ministry after the completion of the Active Transportation Network for a minimum of three years. If at any time, the Ministry upon reviewing the benefits and impacts of the pilot project determines that the Active Transportation Network is not appropriate, than the Ministry, at its sole discretion, may terminate this Letter Agreement and arrange for the removal of any or all parts of the Active Transportation Network. Costs for the removal of any or all parts of the facility will be shared between the City and the Ministry at a cost proportionate to the contributions made by both parties to the broader cost-sharing agreement for the reconstruction of the Interchange.
5. The City is responsible for its share of the cost and expense of the design, tender, construction and contract administration of the Active Transportation Network as outlined in various sections of the broader cost-sharing agreement between the City and the Ministry for the reconstruction of the Interchange.
6. The City shall complete the Active Transportation Network work as outlined in various sections of the broader cost-sharing agreement between the City and the Ministry for the reconstruction of the Interchange.



By signing this Letter Agreement, both parties agree to the terms and conditions of this Letter Agreement and will carry out its respective role and responsibility. Please sign all three original copies and retain one copy for your records and return two copies to the Ministry.

Sincerely,

Lou Politano, P.Eng.  
Regional Director

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The below representatives have been granted authorization by their respective organization/corporation to enter into this Letter Agreement:

Ministry of Transportation of Ontario

The Corporation of the City of Barrie

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Lou Politano, P.Eng.  
Regional Director, MTO Central Region

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Jeff Lehman  
Mayor

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Date

---

Date

---

Dawn McAlpine  
City Clerk

---

Date

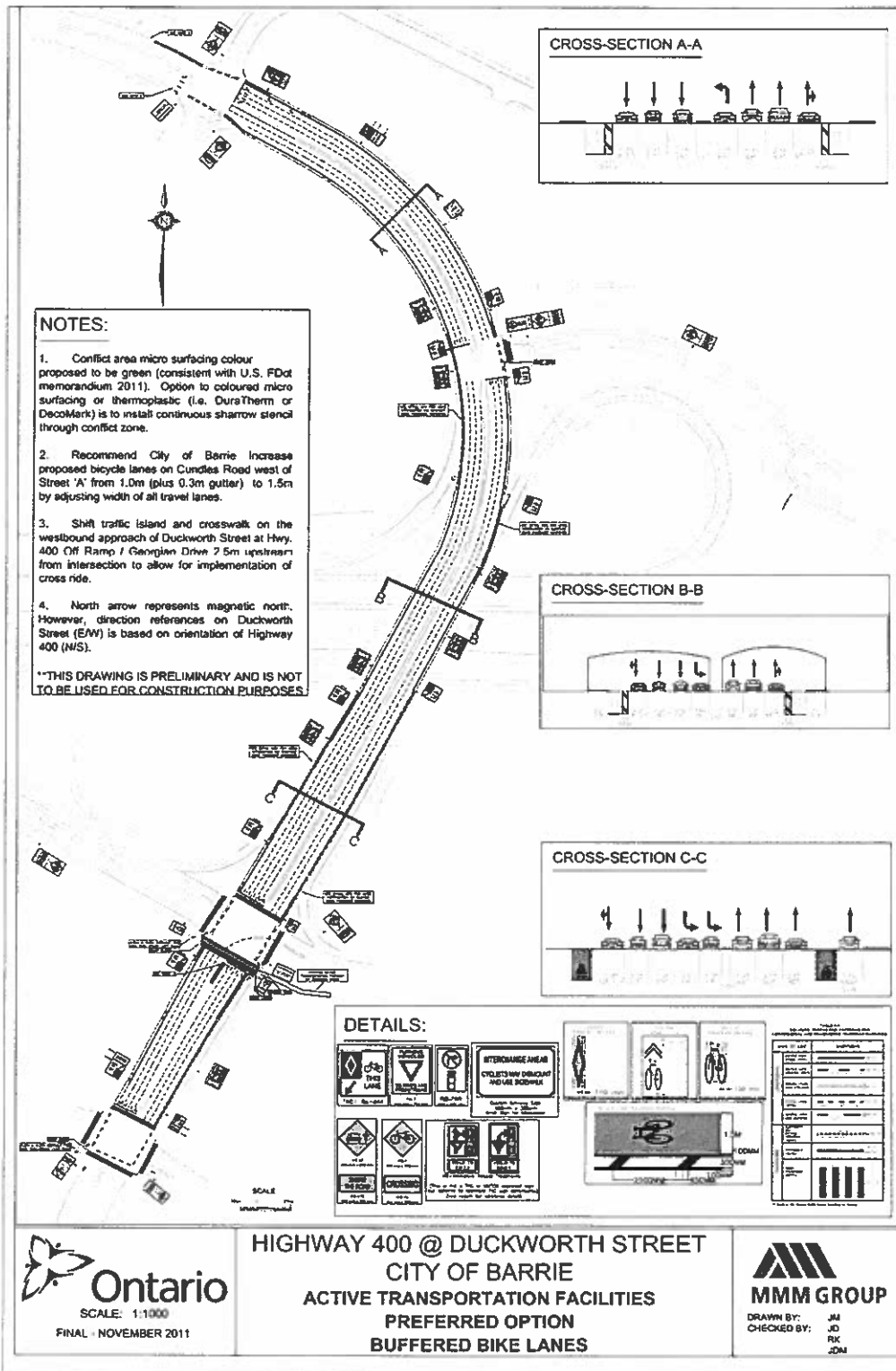


Figure 1: Proposed Active Transportation Network facility on Duckworth Street in the vicinity of King's Highway 400