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**TO:** GENERAL COMMITTEE

**SUBJECT:** COST SHARING AGREEMENT FOR THE HIGHWAY 400 BRIDGE AT TIFFIN STREET – FUTURE REHABILITATION COSTS

**WARD:** 2 AND 6

**PREPARED BY AND KEY CONTACT:** R. MADORE, CET, LEL,  
SENIOR PROJECT MANAGER (Ext. 4303) *Rm SP*

**SUBMITTED BY:** J. WESTON, M.A. Sc., P. Eng., PMP  
DIRECTOR OF ENGINEERING *J. Weston*

**GENERAL MANAGER APPROVAL:** R. FORWARD, MBA, M.Sc., P. Eng.,  
GENERAL MANAGER OF INFRASTRUCTURE & GROWTH MANAGEMENT *R. Forward*

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** C. LADD  
CHIEF ADMINISTRATIVE OFFICER *C. Ladd*

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**RECOMMENDED MOTION**

1. That the cost sharing principles for the reconstruction of the Highway 400 Bridge at Tiffin Street as approved through Motion 14-G-181, be amended to include payment of the City's share of actual future bridge rehabilitation costs estimated to be required in 25 and 50 years, subject to the Province developing a policy to require municipalities to pay future rehabilitation costs of provincial infrastructure for which they are paying a capital cost share.
2. That funds be allocated each year into the Tax Capital Reserve for the City's share of the future rehabilitation costs of the Tiffin Street Bridge.

**PURPOSE & BACKGROUND**

3. The purpose of this report is to provide an update on the discussions that have taken place between the Ministry of Transportation (MTO) and City staff pertaining to cost-sharing of the future rehabilitation costs of the Highway 400 Bridge at Tiffin Street, and to recommend that the City agree to pay its share of the actual rehabilitation costs at the time of the rehabilitation work, subject to the Province developing a policy to require municipalities to pay future rehabilitation costs of provincial infrastructure for which they are paying a capital cost share.
4. On June 25, 2014, City Council adopted Motion 14-G-181 pertaining to the cost sharing agreement with the MTO (Cost Sharing Agreement – Reconstruction of Highway 400 Bridge at Tiffin Street) as follows:
  - a) That the principles of a cost sharing agreement with the Ministry of Transportation (MTO) relating to the reconstruction of the Highway 400 bridge at Tiffin Street, as shown in Appendix "A" to Staff Report ENG011-14, be endorsed.
  - b) That the Director of Engineering and the Director of Legal Services be authorized to finalize the terms of a cost sharing agreement with the MTO, in general accordance with the endorsed cost sharing principles.

- c) That the Mayor and City Clerk be authorized to enter into a cost sharing agreement with the MTO, in general accordance with the endorsed cost sharing principles.
  - d) That funding for the City's share of the construction costs for the reconstruction of the Highway 400 Bridge at Tiffin Street, currently estimated to be \$5.06 million, be approved for inclusion in the 2015 Business Plan.
5. There is City owned infrastructure within the MTO's right of way at Tiffin Street that must be relocated as part of the MTO's project. Specifically, there is an existing City owned watermain and storm sewer under the bridge and a trunk sanitary sewer located to the north of the bridge. The City has permits with the MTO for these services to be located on the MTO property and, through the Public Service Works on Highways Act, the City is required to pay for a portion of the costs to adjust and relocate these services as required for the proposed bridge replacement.
6. As outlined in Staff Report ENG011-14, the MTO originally requested that the City contribute their share (40.6%) towards two rounds of bridge rehabilitation estimated to be required in 25 and 50 years, to be payable at the completion of the bridge reconstruction project, and that this be included in the cost-sharing agreement. However, given that there was no legislative or policy basis for municipalities to contribute towards future rehabilitation costs for the MTO owned infrastructure, this was not included in the cost sharing principles endorsed by Council through Motion 14-G-181.
7. The MTO has estimated the City's share of the future rehabilitation costs for the Tiffin Street Bridge to be \$1,255,758 in 25 years and \$1,255,758 in 50 years, and they have advised that the present value of these amounts is \$1,007,867.
8. The MTO is proceeding with the design of the reconstruction of the Highway 400 Bridge at Tiffin Street including the bridge widening to accommodate the City's future widening of Tiffin Street. The MTO is requesting that the City sign the cost sharing agreement, including both capital and future rehabilitation costs, as soon as possible as they are currently incurring costs on the City's behalf without a formal agreement.
9. The MTO had originally planned to deliver the Tiffin Street Bridge Replacement Project using a Design-Build approach but now plans to use a conventional Design-Bid-Build delivery approach due to utility conflicts. The MTO now plans to complete the design in 2015 and issue the tender for construction in early 2016. The City's share of the pre-design costs was \$380,000. Based on the revised approach, the City's share of the detailed design cost is \$385,021 for a total City share of the design cost of \$765,021 (the construction cost will decrease by a corresponding amount). The revised design cost is within the City's 2015 budget for this project.

#### **ANALYSIS**

10. The MTO staff and City staff have met on several occasions to discuss the request for the City of Barrie to pay for a portion of the future rehabilitation costs of this bridge (based on capital cost share). The City's key concern is that there is currently no legislative or policy basis for municipalities to pay these costs and these costs are not included in municipal asset management plans because the infrastructure is provincially owned.

11. The MTO has advised City staff that the practice of asking municipalities to pay their share of future rehabilitation costs for provincially owned infrastructure started about 10 years ago. Since this practice began, in MTO Central Region, there have only been three examples where municipalities have entered into agreements with the Province to pay these costs:
  - a) 2006, City of Vaughan, Applewood Crescent (new flyover bridge to connect Applewood Crescent over Hwy 400 and 407)
  - b) 2007, City of Mississauga, Confederation Parkway (new flyover bridge to connect Confederation Parkway over Hwy 403)
  - c) 2015, Halton Region, Tremaine Road (new interchange at Tremaine Road and Highway 401)
12. On January 22, 2015, Mayor Lehman and Councillor Brassard attended a meeting with Minister of Transportation, Steven Del Duca, to discuss this matter. Following this meeting, the matter was discussed at the February meeting of Large Urban Mayor's Caucus of Ontario (LUMCO) and a motion was passed requesting the MTO "to re-evaluate their requirement for municipalities to cost share on the future rehabilitation costs of provincially owned infrastructure and to work with the municipal sector to clarify this position". On April 14, 2015, LUMCO sent a letter to the Minister outlining their motion (refer to Appendix "A").
13. The MTO has indicated to City staff that, if the City does not agree to pay for the future rehabilitation costs, then the MTO will replace the existing bridge without incorporating the City's need for future widening of Tiffin Street into the new bridge; the bridge would be reconstructed to the current road width of 15.5 metres rather than the 26.1 metres required to widen Tiffin Street to five lanes. The next opportunity to widen the bridge to accommodate a widening of Tiffin Street would be in approximately 75 years (the expected life of the new bridge).
14. Tiffin Street is currently a two lane arterial road that experiences an average traffic volume of approximately 12,000 vehicles per day with minimal traffic congestion. As required by the Province, the City is planning for growth to a population of 210,000 people by 2031, and will likely be required to continue to grow beyond 2031. The estimated average traffic volumes on Tiffin Street in 2031 will approximately double to 23,400 vehicles per day, which would result in significant traffic congestion on the current two lane road, and therefore the Multi-Modal Active Transportation Plan recommends widening Tiffin Street to five lanes by 2031. Much of the growth beyond 2031 is anticipated to occur in former Barrie and will add significant additional traffic volumes on Tiffin Street.
15. Through recent discussions with the MTO, City staff have proposed that, instead of the City paying for the future rehabilitation costs upfront, that the City agree to pay its share of the actual costs at the time of the bridge rehabilitation estimated to be required in approximately 25 and 50 years. In addition, City staff have proposed that the City would only pay these costs in future if the Province develops a policy requiring municipalities to pay future rehabilitation costs of provincial infrastructure for which they are paying a capital cost share. The City's share of the actual costs would be paid in accordance with the provincial policy.
16. The MTO has advised City staff that they agree with the proposed conditions of the cost-sharing agreement as outlined in this report and will enter into the cost-sharing agreement based on the amended principles.

17. Therefore, staff recommend that the cost sharing principles for the reconstruction of the Highway 400 Bridge at Tiffin Street be amended to include payment of the City's share of actual future bridge rehabilitation costs at the time of bridge rehabilitation estimated to be required in approximately 25 and 50 years, subject to the Province developing a policy to require municipalities to pay future rehabilitation costs of provincial infrastructure for which they are paying a capital cost share. Also, staff recommend that funds be allocated each year into the Tax Capital Reserve for the City's share of the future rehabilitation costs of the Tiffin Street Bridge.
18. If the Province develops a policy to require municipalities to pay future rehabilitation costs of provincial infrastructure for which they are paying a capital cost share, then staff will amend the City's Transportation Asset Management Plan to account for payment of the City's share of future rehabilitation costs of provincially owned assets where the City is paying a capital cost share.

### **ENVIRONMENTAL MATTERS**

19. The following environmental matters have been considered in the development of the recommendation:
  - a) The proposed bridge widening will promote active transportation by allowing for the construction of sidewalks and bicycle lanes in each direction through the Tiffin Street Bridge at Highway 400. These active transportation elements promote healthy living and reduce reliance on motor vehicles to help reduce impacts on the environment.

### **ALTERNATIVES**

20. There are two alternatives available for consideration by General Committee:

#### **Alternative #1**

General Committee could decide not to agree to pay for the bridge rehabilitation costs.

This Alternative is not recommended as the MTO has indicated to City staff that they would construct the bridge to its existing width which would restrict future widenings on Tiffin Street and cause significant traffic congestion for approximately 75 years, unless the City decided to widen the bridge prior to the next the MTO bridge replacement. The City would still be required to pay for its share of the design costs spent to-date and for any adjustments to the City owned services under and adjacent to the bridge.

#### **Alternative #2**

General Committee could decide to pay the future rehabilitation costs in the amount of \$1,007,867 upfront (to be payable at the completion of the bridge reconstruction project). The MTO would then assume full responsibility for future rehabilitation of the bridge.

This Alternative is not recommended as there is currently no legislative or policy in place that requires municipalities to pay for future rehabilitation costs of provincially owned infrastructure, and the City has not accounted for these costs in its asset management plans. Also, this would impact the City's capital plan and result in the deferral of higher priority City projects.

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**FINANCIAL**

21. There are sufficient funds in the 2015 capital budget to pay for the City's share of the detailed design costs.
22. Upon execution of the cost-sharing agreement with the MTO for the Highway 400 at Tiffin Street Bridge Replacement project, the City would allocate funds to the Tax Capital Reserve each year such that the required funds are available in 25 and 50 year to pay the City's share of the future bridge rehabilitation. If a provincial policy is not in place requiring municipalities to pay these costs, then the allocated funding will be available to fund other projects as prioritized through the annual business planning process.
23. If the Province develops a policy to require municipalities to pay future rehabilitation costs of provincial infrastructure for which they are paying a capital cost share, then it will be more cost-effective for the City to set aside small amounts of funding each year so that the funds are available when the work is required, rather than paying the full amount today and having to defer higher priority City projects.

**LINKAGE TO 2014 – 2018 COUNCIL STRATEGIC PLAN**

24. The recommendations included in this Staff Report support the following goals identified in the 2014-2018 Strategic Plan:
  - Responsible Spending
  - Well Planned Transportation
25. Transferring small amounts of funding to a reserve over time is more cost-effective for the City than transferring the full amount upfront to the MTO.
26. By entering into a cost-sharing agreement with the MTO for the Highway 400 at Tiffin Street Bridge Replacement project, the City ensures that we will be able to widen Tiffin Street when required to maintain the level of service of the City's transportation system.

Appendix "A"

# LUMCO

## Large Urban Mayors' Caucus of Ontario

April 14, 2015

The Honourable Steven Del Duca  
Minister of Transportation  
3<sup>rd</sup> Floor, Ferguson Block  
77 Wellesley Street West  
Toronto, Ontario M7A 1Z8

*STEVE*  
Dear Minister Del Duca:

First, let me take this opportunity to thank you for meeting with me on Thursday, January 22 to discuss the MTO's request for municipalities to cost-share on the future rehabilitation and replacement of MTO structures.

As you may know, I am also Chair of the Large Urban Mayors' Caucus of Ontario (LUMCO). As the Mayors of Ontario's 27 largest cities, LUMCO represents 67% of Ontario's population. We work to advance the issues facing Ontario's cities through public policy development, advocacy and discussion.

At our February meeting, LUMCO passed a motion urging the MTO "to re-evaluate their requirement for municipalities to cost-share on the future rehabilitation costs of provincially-owned infrastructure and work with the municipal sector to clarify this position."

Municipalities across Ontario are facing significant infrastructure deficits and this cost-sharing requirement is a further form of provincial downloading that municipalities cannot afford. In Barrie alone, this new requirement would add approximately \$54 million to existing capital budgets, which are already stretched to the limit. The lack of consistency with how this new cost-sharing requirement is being applied within the municipal sector makes it very difficult for local governments to develop accurate asset management plans.

LUMCO Mayors urge the MTO to re-evaluate their requirement for municipalities to cost-share on the future rehabilitation costs of provincially-owned infrastructure. Per your suggestion, we are bringing the issue to the AMO-MOU table at an upcoming meeting.

Thank you again for meeting with me on this matter. I can be reached at [officeofthemayor@barrie.ca](mailto:officeofthemayor@barrie.ca) or by contacting my office at 705-792-7900.

Sincerely,



Jeff Lehman  
Mayor, City of Barrie  
Chair, LUMCO

cc: Gary McNamara, President, AMO & Mayor, Town of Tecumseh,  
Pat Vanini, Executive Director, AMO

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