

**STAFF REPORT:        ENGINEERING & PUBLIC WORKS DEPARTMENT**



**REPORT TO:**            Infrastructure and Recreation Committee  
**MEETING DATE:**      November 8, 2011  
**REPORT NO.:**         EPW.11.103  
**SUBJECT:**             Highway 26 Municipal Class  
                                 Environmental Assessment at Grey Road  
                                 40 – Increase of Cost Share  
  
**PREPARED BY:**       Reg Russwurm, Director of Engineering and  
                                 Public Works

**A.    Recommendations**

THAT Council receive Staff Report EPW.11.103, “Highway 26 Municipal Class Environmental Assessment at Grey Road 40 – Increase of Cost Share”; and,

THAT Council approve the increase in the Town’s cost share of the Municipal Class Environmental Assessment and Preliminary Design Report in the area of Woodland Park Road, Grey Road 40 and Highway 26 from 40% to 47% thereby adding \$7,000 to the Town’s share of the project from \$40,000 to \$47,000; and,

THAT Council approve the Mayor and Clerk executing a cost sharing agreement with the Ministry of Transportation and the County of Grey for the completion of Municipal Class Environmental Assessments and Preliminary Design Reports to be initiated in 2012 along Highway 26 Corridor upon the approval of the Director of Engineering and Public Works and the Town’s Solicitor; and,

THAT Council approve the Mayor and Clerk executing a cost sharing agreement with the Developer(s) for the completion of Class Environment Assessment and Preliminary Design Report for the Highway 26 Corridor from Grey Road 19 to Grey Road 21 upon the approval of the Director of Engineering and Public Works and the Town’s Solicitor.

**B.    Background**

The Town of The Blue Mountains (Town), in cooperation with the County of Grey (County) and the Ministry of Transportation (MTO), completed a Comprehensive Transportation Strategic Plan (Strategic Plan) in March 2010 to evaluate all three levels of the transportation infrastructure within the Town. Suggestions for consideration were put forth to address current required needs as well as improvements which will be required in the future based on growth projections. Highway 26 at the intersections with Woodland Park Road and Grey Road 40 have been identified as an area where transportation (pedestrians, cyclists, vehicular) improvements are required to meet current and future traffic needs.

The Town, in cooperation with the County and the MTO, plan to undertake a Municipal Class “C” Environmental Assessment (EA) and Preliminary Design Study in the area of Grey Rd 40 along the Highway 26 corridor of the suggestions for improvements put forth in the Strategic Plan. The scope of work for this project includes satisfying Phases 1 to 4 of the Municipal Class EA Process and is to culminate in the submission of a Preliminary Design Report for the preferred option.

Figure 1 attached outlines the general area to be considered. At minimum, improvements to Highway 26 / Lakewood Drive / Woodland Park Road, Highway 26 / Grey Road 40 and Grey Road 40 / Woodland Park Road intersections plus a potential interconnection(s) between Woodland Park Road and the adjacent development, Georgian Glen, will be considered.

The original cost sharing of the anticipated \$100,000 project was proposed by the Town to the MTO and the County as follows:

40% MTO: \$40,000  
20% County: \$20,000  
40% Town: \$40,000

The MTO has limited their contribution to 33% thereby stranding 7% or \$7000 of the cost share. The Town has had ongoing discussions with the MTO over the past year but there has been no movement in their position. Inquiry was also made of County Staff whether there could be support for increasing the County share to 27%, however there was no support. Therefore it falls to the Town to increase the Town’s share by 7% or to defer the project until one of the other partners has a change of mind.

There is some importance to the completion of the EA in a timely manner because there is a condition in the Development Agreement for the Georgian Glen Subdivision that Lot 6 (see Figure 1) will be held unsold for a period of 18 months in order for the Town to consider in an EA process whether or not Lot 6 could be utilised as a new interconnection between Woodland Park Road and the Georgian Glen Development. This connection will be needed if either or both ends of Woodland Park Road are closed to the upper tier road as an alternative to a connection between Woodland Park Road at the west end of the Georgian Gate Development. The Development Agreement has not been executed however the Developer has been taking positive steps and execution is expected shortly, likely within the next few months. Without the EA being completed, it is not said that the Town will lose the opportunity that Lot 6 provides, it is just that the Developer will then have the ability to sell the lot.

As an added consideration, the EA considered in this Staff Report is bundled with the EA to be completed at the area of Hwy 26/ Grey Road 2 / Clark Street for economies of scale to reduce the cost of each EA. There is some urgency to complete the EA in the GR2 vicinity to understand the road improvements necessary adjacent to the Cedar Run Development.

Staff would prefer that this project be completed to put the uncertainty of the road configuration in the area of GR40 to rest and to bundle it with the GR2 EA. This report has been brought forward in the affirmative to approve the increase in the cost share of the Town for the consideration of Council. The cost sharing of the anticipated \$100,000 project budget would then be:

33% MTO: \$33,000  
20% County: \$20,000  
47% Town: \$47,000

An option that was considered and not recommended was reducing the project budget to \$85,000 which would permit the 33/20/40 cost share still at the budgeted Town cost of \$40,000. Although the margin of error when developing project budgets is within this cost differential and recent experience indicates that consultant fee schedules are becoming aggressive, Staff felt that the increase in allocated budget using road reserves is the conservative approach.

Going forward, the cost sharing of any capital improvements that may result from the study will need to be negotiated with the other road authorities. The cost sharing proposed in this report is only for the EA and Preliminary Design Report, and does not in any way infer that the capital works will be in this proportion or only paid for by the road authorities.

Upon the resolution of the cost sharing arrangement in principle, Staff will be preparing a cost sharing agreement with the MTO and the County for the EA's to be initiated in 2012 along the Highway 26 corridor. If the GR40 EA cost sharing is not agreed upon, this project will not proceed and will not be included in the cost sharing arrangement. The cost sharing arrangement as currently agreed and proposed in this report is as outlined below along with a brief overview of the three projects considered.

1. Hwy 26 / GR2 / Clark Street: The need to address the future improvements in this area is driven in part by the Cedar Run Development and to address the potential re-alignment of the Georgian Trail and Lakeshore Road. In order to prepare the Master Development Agreement for Cedar Run the functionality of the Hwy 26 / CR2 / Clark Street intersections needs to be assessed in conjunction with the alignment of the trail and Lakeshore Rd.
  - Project estimate: \$150,000
  - Cost share:
    - 33% MTO: \$50,000
    - 33% County: \$50,000
    - 33% Town: \$50,000

2. Hwy 26 / GR40 / Woodland Park Road: The intersection of Hwy 26 / Woodland will be considered for closure for access management purposes and CR40 / Woodland may be closed for safety concerns. All the local traffic could be routed through the new Georgian Glen Subdivision. The EA is to be done within 18 months of the execution of the subdivision agreement expected within a few months.
  - Project estimate: \$100,000
  - Cost share:
    - 33% MTO: \$33,000
    - 20% County: \$20,000
    - 47% Town: \$47,000
  
3. Hwy 26 from GR 19 to GR 21: The key drivers on this project are the Terrasan and Eden Oak Developments. Both of the developments require improvements along Hwy 26. In addition, a number of intersections for closure / re-alignment within this stretch of Highway 26 are to be considered in the EA.
  - Project estimate: \$300,000
  - Cost share:
    - 40% MTO: \$120,000
    - 10% County: \$30,000
    - 50% Town:
      - 10% Taxation: \$30,000
      - 40% Developer Contribution: \$120,000

Staff recommend that the cost sharing agreement with the MTO and the County be executed by the Mayor and Clerk upon the recommendation of the Director of Engineering and Public Works and the Town's Solicitor. Furthermore, Staff also recommend that the cost sharing agreement with the Developer(s) paying for the share of the EA from GR19 to GR21 be executed by the Mayor and Clerk upon the recommendation of the Director of Engineering and Public Works and the Town's Solicitor.

### **C. The Blue Mountains' Strategic Plan**

The generation of this report furthers the Town's Strategic Goal #2 "Addressing the Town's municipal infrastructure needs", and Strategic Goal #6 "Providing a strong, well managed municipal government".

### **D. Environmental Impacts**

None

### **E. Financial Impact**

The current 2011 and proposed 2012 Capital Budget contemplated the Town having a 40% or \$40,000 share of the Environmental Assessment. A 7% increase in the cost share will result in a \$7,000 increase in the capital budget. The increase in the project cost could be funded from reserves.

### **F. In Consultation With**

This report has been reviewed by Rob Cummings, Director of Financial Services with respect to the source of funding for the increase in the Town's budgeted contribution of \$7,000 should the resolution be approved.

### **G. Attached**

1. Location Map of subject area.

Respectfully submitted,

***Reg Russwurm***

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Director of Engineering and Public Works

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**Figure 1 – Site Location Map**

