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HIGHWAY 7 TRANSFER
MAIN STREET (MARKHAM) TO MARKHAM BY-PASS
TOWN OF MARKHAM

The Transportation and Works Committee recommends the adoption of the recommendations contained in the following report, December 18, 2006, from the Commissioner of Transportation and Works:

1. RECOMMENDATIONS

It is recommended that:

1. Highway 7 between Main Street (Markham) and Markham By-Pass, in the Town of Markham, be assumed into the Regional road system and be designated as Highway 7 (Y.R. 7), effective April 1, 2007.
2. The Regional Chair and Regional Clerk be authorized to sign the necessary agreements, once received from the Ministry of Transportation, subject to review by Legal Services.
3. The Regional Solicitor prepare the necessary amendment to the Road Consolidation By-law R-1107-96-126 to include the new section of Highway 7, as outlined in Recommendation 1.
4. The proposed 2007 Roads Operating and Maintenance Budget be increased by \$90,000 to cover the cost of maintaining the transferred road.
5. Regional staff be directed to include future capital (expansion) needs for this section of Highway 7 in the next update to the Regional Development Charges By-law.

2. PURPOSE

The purpose of this report is to consider the assumption of Highway 7 from Main Street (Markham) to the Markham By-Pass, in the Town of Markham into the Regional road system.

3. BACKGROUND

At its meeting of September 21, 2006, Regional Council adopted the recommendations from the Transportation and Works Committee which approved the transfer of a portion of Highway 7 from Highway 48 to the new Markham By-pass, subject to satisfactory negotiations for capital and maintenance funding. The report is attached as *Attachment 1*.

Regional control of this section of Highway 7 would facilitate compact mixed-use pedestrian-friendly development in the area, and would result in better transit stops, and better connections to a proposed transit terminal at the eastern boundary of Markham.

Staff from the Ministry of Transportation and the Region have met and negotiated potential financial compensation for the transfer of this section of Highway 7. The Ministry is now anxious to proceed (*See Attachment 2*).

4. ANALYSIS AND OPTIONS

The two staffs have agreed that the section of Highway 7 from Main Street (Markham) to the Markham By-Pass, in the Town of Markham should be transferred into the Regional road system. As a condition of this transfer, the Province will provide the Region with funding for the five year capital needs (\$903,884) which basically consists of the resurfacing of Highway 7 from Highway 48 to the Markham By-Pass.

In order for the transfer to be completed, authorization should be given to the Regional Chair and Regional Clerk to sign the necessary agreements, subject to review by Legal Services.

It is proposed that the funds received from the Ministry of Transportation be retained in a transfer reserve fund to meet the ongoing construction needs for the transferred highway. Similar reserve funds were established to receive the Provincial compensation for Highway 11 (Yonge Street) and Highway 48 (Markham Road), south of Highway 7.

It is proposed that the transfer take place effective April 1, 2007. From this time on, the Region will be responsible for the ongoing maintenance of the road. The funds for this maintenance have not been included in the proposed 2007 Roads Operating and Maintenance Budget. It is therefore proposed that the 2007 Roads Operating and Maintenance Budget be increased by \$90,000 to cover the cost of winter and non-winter maintenance.

5. FINANCIAL IMPLICATIONS

The financial implications resulting from the proposed transfer of Highway 7 from Main Street (Markham) to the Markham By-Pass are estimated to be \$120,000 per year for operations and maintenance. The Province has agreed to provide funds in the amount of \$903,884 to cover the five-year capital needs. After the first five years and for any other capital improvements, the Region would be required to include the works in the 10-Year Roads Capital Budget.

The growth-related portion of the future capital cost would have to be included in any future Development Charge By-law updates to partially cover the reconstruction and

widening costs. The cost apportionment is typically 76.5% development charges and 23.5% tax levy for any future capital cost of reconstruction and/or widening.

The Ministry of Transportation has not agreed to fund future yearly maintenance and operating costs. These are estimated at \$120,000 per year. The annual Regional roads maintenance budget would have to be increased to fund the maintenance from the date of assumption.

6. LOCAL MUNICIPAL IMPACT

The Town of Markham wishes to expedite the transfer of jurisdiction of the section of Highway 7 from Ninth Line to Reesor Road to the Region in order to apply Regional arterial road standards to facilitate the development of a compact, mixed-use pedestrian-friendly and transit-supportive node along this section of Highway 7 in accordance with Provincial and Regional policy.

7. CONCLUSION

The section of Highway 7 from Main Street (Markham) to the Markham By-Pass has been the subject of discussion between the Ministry of Transportation and the Region. This road performs more of a Regional than a Provincial function and therefore it makes sense to consider the transfer.

It is, therefore, proposed that the Region agree to the transfer of the portion of Highway 7 from Main Street (Markham) to the Markham By-Pass in the Town of Markham, effective April 1, 2006. The Province has agreed to provide funds for the five year capital needs (\$903,884) as a condition of the transfer.

In addition, the Region will be responsible for the ongoing operation and maintenance of the road once it is transferred. It is, therefore, proposed that the 2007 Roads Operating and Maintenance Budget be increased by \$120,000, each year, to cover the cost of maintaining the road.

For more information on this report contact Paul Jankowski, General Manager of the Roads Branch in the Transportation and Works Department at extension 5901.

The Senior Management Group has reviewed this report.

(The attachments referred to in this clause were included in the agenda for the January 10, 2007 Committee meeting.)