6
VIVA PHASE 2 PRELIMINARY ENGINEERING AND LAND ACQUISITION PROGRAMME REPORT

(Regional Councillor Spatafora declared an interest in Clauses 6 and 7 of Rapid Transit Public/Private Partnership Steering Committee Report No. 5 as his father-in-law owns property in the area. Regional Councillor Spatafora did not take part in the consideration or discussion of or vote on these items.)

(Regional Council, at its meeting on June 21, 2007, amended the following report so that the recommendations now read as follows:

1. ***The Recommendations of the Rapid Transit Public/Private Partnership Steering Committee be received.***

2. ***Staff be directed to commence an Environmental Assessment and preliminary engineering for the Yonge Street subway extension to Richmond Hill Centre.***

3. ***Staff be directed to work with the City of Toronto and TTC to develop an integrated and coordinated approach for the timely extension of the Subway.***

4. ***Staff be authorized to retain necessary resources to undertake this work.***

5. ***An interim budget of $3,000,000 through the end of 2007 be allocated from capital reserves to undertake this work.***

6. ***Staff make every effort to recover these funds from province and federal partners.***

7. ***Staff report back on progress on the work plan in the fall 2007, including work completed, future work initiatives and budget implications.***

8. ***Staff continue the practice of taking land through the development review process at no cost in the Yonge Street corridor.***

9. ***The Regional Chair and Clerk be authorized to execute the Provincial and Federal Funding Agreements to secure the Viva Phase 2 – Stage One monies.***

10. Staff report back in the fall as to the timing and priority for all of the York Region rapid transit projects announced as part of the Move Ontario 2020 funding.)

The Rapid Transit Public/Private Partnership Steering Committee recommends the adoption of the recommendations contained in the following report, June 7, 2007, from the Commissioner of Corporate Services and the Vice-President, York Region Rapid Transit Corporation:

1. RECOMMENDATIONS

It is recommended that:

1. Staff be authorized to negotiate appropriate business arrangements, including escrow agreements and permissions to enter onto and construct on privately held lands in the Yonge Street Y1 corridor.

2. Staff be authorized to enter into parking licence agreements, at a nominal fee, on properties being acquired for the Yonge Street rapid transit project to allow for temporary parking until lands are redeveloped and/or required for Regional purposes.

3. Staff be authorized to enter into encroachment agreements on properties being acquired for the Yonge Street rapid transit project to permit encroachments for existing signage and canopies.

4. Staff bring back in September 2007, the business arrangements resulting from the negotiations for Council's authorization to execute.

5. The Chair and Clerk be authorized to execute the Provincial and Federal Funding Agreements to secure the Viva Phase 2 - Stage One monies.

2. PURPOSE

The purpose of this report is to provide a detailed update to Regional Council on the status of the Yonge Street-Y1 preliminary engineering and land acquisition programme. The report is intended to act as a companion to the report titled, "Expropriation of Land Yonge Street - City of Vaughan and the Town of Markham", which is also on this agenda. This report provides a detailed identification of the extensive mitigation measures that are underway to deal with the variety of conditions that the York Region Rapid Transit Corporation (YRRTC) has encountered through detailed engineering and dialogue with landowners, businesses and residents. The report identifies the financial implications of any delay on following through on the next steps associated with the land acquisition programme in the context of the overall Viva Phase 2 work programme. Finally, the purpose of this report is to provide specific recommendations to follow through on the Phase 2 – Stage One work programme.

3. EXECUTIVE SUMMARY

This report provides a comprehensive overview of the detailed work and land acquisition programme underway and supports the companion report recommendations to proceed with the Notices of Application to expropriate lands on theY1 section of Yonge Street. The major findings of this report are:

- The detailed preliminary engineering programme for Viva Phase 2 - Stage One, funded by the federal and provincial and regional governments, is on time and on budget for completion in September at a total cost of $10.5 million.
- The land acquisition programme to acquire approximately 2.5 acres on the 4km corridor, is entering into the detailed negotiation phase with each landowner. The cost of the consultant program to date, to be shared under the specific provisions of funding agreements is $1.3 million. Site specific reference plans and land impacts having been fully identified and the cost to September is anticipated to be a total of $1.85 million.
- The input of affected land owners, residents, businesses (tenants), developers, heritage group and community group representatives and municipal stakeholders have been reflected in a series of mitigation measures identified in this report to address parking, left hand turning movements, landscaping, signage and other impacts.
- Land values in the Yonge Street corridor are escalating and proceeding with timely acquisition to secure these lands will mitigate significant property escalation costs and protects the scheduled construction start of Spring 2008.
- Total expenses at the end of September, not including land acquisition are anticipated to be $12.3 million.
- The momentum for the ongoing negotiation of the land parcels in corridor will be assured by moving forward on serving expropriation notices and is aligned with the completion of the preliminary engineering and design of the Y1 segment.
- Design build negotiations must commence in October of 2007 to commence project construction in Spring 2008 - failure to do so will result in project escalation of $450,000 per month valued against every $100 million dollars of construction, based on the construction price index.
- Any delay in the approval to commence expropriation will result in a significant delay in the commencement of construction on Y1.
- Federal and provincial agreements are based on the Phase 2-stage one business case list of specified projects-deviations from the work programme will require the business case to be restated and could result in a loss of the current funding support.

A timeline chart showing the steps in the property acquisition programme to meet the targeted construction start is attached as *Council Attachment 1*.

4. BACKGROUND

The Viva Phase 2 programme is part of a comprehensive rapid transit strategy adopted by Council in 2003. The three phase strategy is grounded in the principle of choosing the right technology, at the right cost, at the right time. Phase 2 puts the “rapid” into the rapid transit system by building rapidways that will significantly reduce travel time and grow ridership in York Region. Transit ridership growth is a cornerstone of the planned Regional growth in the four major rapid transit corridors to the year 2031.

Viva Phase 2 builds on the success of the initial investment in rapid transit between 2003 and 2005 by converting a significant proportion (67%) of the network into segregated rapidways. These rapidways will provide increased reliability, speed and additional passenger carrying capacity for transit users.

Along with the investment in Phase 2, transit ridership will grow and in Phase 3, segments of the rapid transit network will respond to ridership pressures by converting from bus rapid transit (BRT) to higher order transit technologies, including both light rail transit (LRT) and subway.

Today the Yonge Street corridor, south of Highway 7, experiences a level of ridership demand that warrants rapidways. In 2006, more than two-thirds of all boardings on the Viva network travelled through this segment of the Yonge Street corridor - 5.2 million boardings in one calendar year.

The 2007 Network Configuration draft update findings confirm that ridership will continue to grow on the south Yonge corridor to a point where the ridership can justify the operation of a subway by the year 2021, or shortly thereafter. The findings also confirm that there will be ridership demand in the corridor to justify the continuation of the surface rapid transit with the subway.

5. ANALYSIS AND OPTIONS

The analysis section of this report has been broken down into the following four parts:

5.1 Status of the Phase 2 - Stage One preliminary engineering work programme.
5.2 Status of the Phase 2 - Stage One land acquisition programme.
5.3 Status of the preliminary engineering and land acquisition mitigation strategies.
5.4 Moving forward with completing the preliminary engineering and land acquisition programme.

5.1 Preliminary Engineering Status

The Phase 2 - Stage One work programme is nearing completion.
Work on the Viva Phase 2 programme commenced in 2006 with the announcement of Provincial financial support for the delivery of the preliminary engineering for the south Yonge corridor.

In 2003, Regional Council approved funding for $530 million for its one-third share of the first phase of Viva Phase 2 and affirmed its commitment in 2007 to matching the provincial and federal commitments of $85 million per partner towards the first stage of Phase 2 announced in 2006 and 2007 respectfully (see Figure 1).

Figure 1
Viva Phase 2 – Stage One
Estimated Total Cost, Eligible Costs and Construction Cash Flow (from CSIF)

Program Element	**Estimated Cost** ($ millions)
Preliminary Engineering and construction of:	
Segment Y1 (Steeles Avenue to Richmond Hill Centre)	$118
Central Operations and Maintenance Facility (no land)	$ 60
Initial Transitway at Markham Town Centre	$ 5
Cornell Terminal Facility	$ 6
BRT Vehicles	$ 33
Total	$222
Land Acquisition for Segments Y1, Y2 and H3	$ 18
Preliminary Engineering of Yonge Street Segment from Richmond Hill Centre Terminal to Bernard and Highway 7 Segment from Richmond Hill Centre to Unionville Go Station	$ 15
Grand Total	**$255**

In 2006 and 2007, Regional Council approved a property budget of $20.2 million to fund the acquisition of property in the blue phase segments of Phase 2.

The budget breakdown for Phase 2 - Stage One assigned approximately $118 million to the project to deliver the rapidways, stations and rolling stock on Yonge Street south of the Richmond Hill Centre (Y1).

The work program is on-track and scheduled to be complete in September 2007.

The Region has expended significant dollars on the Yonge Street project.
The $10,500,000 budget for preliminary engineering was negotiated with YRRTC's private sector partners, York Consortium 2002 (YC2002). In addition, monies were allocated for the Region's Owners Engineer, a contingency account, and a property budget. To date, approximately 75% of the budget, or $7.9 million, has been expended on the project; to be shared equally between the funding partners back to the dates of their respective announcements.

The approved work programme has been subject to regular progress reports to Steering Committee and is scheduled to be complete by the end of September 2007. At that time, the Region expects to enter into negotiations with YRRTC's private sector partner, YC2002, to develop a design-build contract framed by a Gross Maximum Price (GMP). Following successful negotiations, final engineering design will be completed and the project is scheduled to commence construction no later than Spring 2008. Project completion is scheduled for 2010. The period between October 2007 and Spring 2008 will be used to undertake these negotiations and complete the engineering drawings.

5.2 Regional Land Acquisition Programme Status

The Region is responsible to deliver the 2.5 acres of land on Y1
As part of its current project contract commitments, the Region is responsible for the delivery of the lands required for a construction start in spring 2008. Any delay in the property acquisition process will result in a corresponding delay in the construction start and completion.

The new cross-section of Yonge Street requires the acquisition of 2.5 acres of land, consisting primarily of narrow bands of land on 80 of the 114 affected properties. Each taking is unique in size, depending on its location in the corridor.
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A comprehensive land acquisition programme is underway
In order to meet the delivery targets of the Region's property acquisition programme, Regional Property Services staff, supported by YRRTC, Regional Legal Services staff and outside counsel (Steven Waque of Borden Ladner Gervais LLP, an acknowledged expert in property acquisition and expropriation law), identified the resources needed to undertake the acquisition programme.

To assist Regional staff in the implementation of the acquisition programme, the Region has retained the services of a consultant team of experienced property negotiators (3), appraisers (6), land surveyors (3), parking mitigation experts (1), arborists (3), noise consultants (1), traffic consultants (1), and a community liaison officer (1). These experts will facilitate the acquisition of the property required and help to mitigate the potential impacts on property owners, businesses and residents along the corridor.

The activities of the acquisition team are providing ongoing technical design and engineering support through the YRRTC team.

The acquisition programme is supported by a comprehensive communications and community outreach plan
The acquisition programme was initiated in February with a registered letter delivered to each property owner along Yonge Street. As well, the announcement of the Phase 2 project was supported with information flyers to every household and business owners and registered letters to property owners within approximately one half kilometre of each side of Yonge Street in the adjacent communities in Vaughan and Markham.

On-line surveys and manned kiosks in the major malls have also provided opportunities for community feedback. Three open houses were held in the community in spring 2007 to introduce Viva Phase 2, provide information and to seek input and comment. Two subsequent design based workshops were held in May and June to obtain input into the design features of the rapidways, stations and boulevard treatments along the length of the corridor. The first in a series of special workshop sessions was also held with Thornhill Heritage District community representatives to begin to address heritage design issues and seek input.

Contact with owners and business along the corridor is ongoing
The community liaison officer has been available at all public forums and has extended invitations and met with owners and tenants at their invitation to discuss issues of concern or to provide additional information. YRRTC is currently working on a newsletter to update property and business owners along the corridor. The newsletter is planned to be distributed in June followed by quarterly updates as the project moves forward into construction and final completion. Through our community forums, staff has recognized the need for a communications effort to educate transit riders, motorists and business owners in understanding and negotiating the access and new turning movement regime as the corridor transforms; a short film has been developed and will be available this month for use at public meetings.

The negotiators have made their initial contacts with property owners
The negotiators have contacted property owners along the corridor as the initial step in the acquisition negotiation process. At the next round of contact in early June, the negotiators will have final surveys of the required property, as well as offers to purchase the property at the appraised value. Staff anticipates it will require at least one additional meeting with owners during the summer to get a better understanding of whether each respective owner is willing to enter into a purchase and sale arrangement with the Region or conversely is opposed to the acquisition.

Survey work is nearing completion
The preliminary engineering drawings formed the basis of the property acquisition requirements. The drawings were used to prepare the surveys to describe and confirm the exact dimensions and area of the Region's property interest. During the survey process, some fine-tuning was undertaken to confirm engineering requirements. Field work has

been completed and the surveys finalized. The final surveys form the basis of the calculation of property value based on the appraised values.

Appraisals have been completed for all of the properties
The appraisal process for Yonge Street has a number of unique challenges given the wide variety in the type of uses and conditions of properties along the Yonge Street corridor. Through acquisition team discussions, it was determined that the best approach to achieving an understanding of property value was to assign experts to each of the property types along the corridor. Certified and experienced appraisers were retained to provide assessments of properties falling into the six following property categories:

- High density residential/Condominium properties.
- Retail sites.
- Gas stations.
- Heritage retail properties.
- Single family residential.
- Publicly owned properties.

The appraisals have all been completed and are being finalized with Regional staff in consultation with Borden Ladner Gervais LLP. The appraised per square foot values are being assigned to each of the property surveys in order to determine fair market value for each property involved. The appraisal work has confirmed that property values along the Yonge Street corridor have been escalating in value over the past year. That escalation is expected to continue through the Region's acquisition timeframe.

Authorizing "Notices of Application for Approval" will not oblige the Region to proceed to Expropriation
The next step in the protection of the Region's interest is to authorize Notices of Application for Approval to Expropriate (the "Notices"). Authorizing the issuance of the Notices will keep the acquisition programme on track, while still providing time and opportunity to negotiate and close purchase and sale arrangements with property owners.

The issuance of the Notices will not create any legal obligations for the Region. There is no obligation in law for the Region to proceed to expropriate. The Notices will allow owners to decide whether to continue negotiations or to request a hearing of necessity. The additional contacts between the negotiators and the Region will provide a greater understanding of the scope of compensation that will be required to complete the acquisitions. Following the determinations of the Hearing of Necessity, staff will report back to Council to seek instructions.

The issuance of the Notices of Application in mid-summer will protect the timeline to commence construction in late spring 2008. Failure to deliver the Notices this summer will result in the loss of the 2008 construction season. The issuances of the Notices keeps the Region's options open and permits the property acquisition to move forward without legal risk. Not proceeding will delay the acquisition programme, increase the escalation impact on property costs, and risk construction cost penalties.

Some property acquisitions will be secured through planning applications
At the commencement of the property acquisition programme, YRRTC confirmed that a small number of properties were before the area municipalities for Site Plan or other approvals. There were five such properties in total. The Planning Act allows the Region the right to acquire the lands required for the implementation of the rapid transit project as a condition of approval of development of four of these properties. As part of the circulation and comment process, Regional staff has requested dedications as conditions of approval.

As a follow-up to the applications, YRRTC and/or Regional staff has met with property owners to discuss the Region's property requirements. Currently, it would appear that not all of the properties will proceed with their applications. Staff will continue to pursue transfer of lands to the Region on those remaining sites still under active consideration, such as the Liberty Hy & Zel's site and the Post Office site, and will report back to Council in the Fall.

The need for access to the lands to construct the project may not coincide with the timing of the land transfer because of the time required to complete the planning approvals. To deal with the difference in the transfer timing, the Region may consider escrow arrangements together with a right to enter and construct with individual owners to permit the construction to proceed, while at the same time protecting the owner's rights to any development credits attributable to the property and protecting the Region's ability to ultimately effect the transfer.

The Extreme Fitness and Thornhill Plaza sites appear to not to be under active consideration by the local municipalities. Staff is pursuing confirmation with Markham staff of the Thornhill Paint Store owner's intent to proceed to replace the historic porch on the front of the existing building.

Staff recommend, as a result of this analysis, the following:

1. Staff be authorized to negotiate appropriate business arrangements including escrow agreements and permissions to enter onto and construct on privately held lands arrangements in the Yonge Street Y1 corridor.

4. Staff bring back in September 2007, the business arrangements resulting from the negotiations for Council's authorization to execute.

5.3 Status of the Preliminary Engineering and Land Acquisition Mitigation Strategies

An important outcome of the engineering and land acquisition process is the refinement of the plans affecting each and every land owner along the Yonge Street corridor, demonstrating the Region's responsiveness to concerns raised by residents with respect to potential impacts on the community. This section of the report speaks to the efforts to date to address these concerns.

The Yonge Street EA required the Region to continue to mitigate the impacts of the Yonge street rapidway plan through the preliminary engineering design work

The Viva Phase 2 work programme provides a technical design and engineering layout for the transit rapidways, intersections, stations and boulevards along the length of the Yonge Street corridor that implements and refines the approved Environmental Assessment (EA).

One of the conditions of the approved EA is the requirement to mitigate the impacts of the rapidway implementation on the existing conditions, wherever possible. By way of example, while the existing general traffic lanes were displaced outward within the Yonge Street right-of-way to accommodate the centre rapidways and stations, no new general travel lanes were added.

In addition to the reduction of the travel lanes through the heritage area to 3.25 metres to minimize the impact on existing structures, the width of the outside travel lanes in all other areas was reduced from the 3.5 metres, shown in the EA, to 3.3 metres in accordance with more recent Regional Great Streets recommendations. Wherever possible, overall pavement width was reduced from that approved by the EA through the elimination of some right hand turn lanes that were not warranted by traffic volumes. This allowed a reduction in property acquisition, a narrower right-of-way and shorter pedestrian crossing distances.

Another example of mitigation reflected in the design to date, is the protection of existing driveway locations with turning radii being refined to meet Regional standards. Similarly, intersections and daylight triangles were reconfigured where necessary to conform to Regional engineering safety criteria.

Finally, the EA required that the emerging design ensured that a minimum Regional boulevard width was restored and centre medians were introduced wherever possible in order to maximize landscape treatments to enhance the pedestrian environment and mitigate visual impacts. This design work is well underway in close consultation with the community.

Arborists have inspected tree impacts where identified

Viva Phase 2 will have impacts on some of the existing tree inventory along the corridor. The implementation of the project is intended to mitigate this impact through retaining as many existing trees as possible, moving trees where practical and planting new trees in the boulevards and medians to compensate for tree loss and to provide an overall net gain in landscaping throughout the corridor.

Through property negotiation discussions, existing tree and landscaping impacts are often raised as specific owner concerns. Arborists have been retained to work with each negotiator to undertake site inspections, determine the health of the tree and its potential for survivability in the context of the construction programme and to recommend mitigation measures including tree planting on private property or, failing a practical on-site solution, financial compensation. To date the negotiators have identified a number of potential tree impacts which have been inspected and reviewed by the arborists. The arborists are continuing to refine their work to determine optimal solutions for tree survival in the corridor.

Parking impacts are being addressed through Regional licenses and more efficient layouts of existing parking lots

The preliminary engineering and surveys have confirmed that of the 114 properties affected by the project, 30 have potential parking impacts. Of the total, 16 were confirmed as having parking loss impacts totalling 103 spaces along the corridor. From the outset of the preliminary engineering work, staff has made it a priority to mitigate the potential loss of parking on properties throughout the corridor. With no two properties being the same, this is a detailed site-by-site undertaking. In addition, staff has been working with the local municipalities to assure that the zoning by-laws currently provide or are amended to provide that any non-compliance with zoning or development resulting from any acquisitions is deemed to comply with the applicable zoning by-law.

The Region has retained a parking layout expert to determine if any potential losses can be eliminated or reduced through re-striping of existing lots. Preliminary work so far has confirmed that of the 30 properties examined re-striping is able to mitigate 36 spaces that might otherwise have been lost. The re-striping represents a significant cost saving over compensation for lost spaces.

For the remaining properties, staff are investigating opportunities to retain impacted spaces through a combination of design strategies, including parking lots being re-striped more efficiently and permitting parking to occupy a portion of the Region's boulevard through license arrangements pending re-development of the property. These arrangements may stay in place for as long as the property is not required by the Region and/or until the property undergoes redevelopment, in which case, the full widening in its final design configuration will be achieved through site plan approvals with the adjacent municipalities.

Finally, and as a last resort, the Region may have to provide financial compensation for any parking loss on a per space basis. This is expected to apply to a small percentage of the properties having parking impacts along the corridor.

The Region is preparing site specific parking recommendations for the on-street parking immediately north of Steeles Avenue

The implementation of the project will eliminate three blocks of on-street parking(41 spaces) between Steeles and Doncaster on the east side of Yonge Street. Today, in the off-peak hours, on-street parking permissions are available in three of the four blocks. On-street parking will not remain once the rapidways are constructed.

The Region is preparing recommendations to examine the use of the on-street facilities to support business activities, as well as to identify opportunities to provide alternative on-street parking and to identify other potential opportunities to provide off-street parking spaces in the area to serve local business needs.

Signage impacts are being addressed

Concerns about the ability, especially of commercial business owners, to retain existing signs are being addressed. Staff has identified a potential of 73 signs that could be impacted by the project.

A review has been undertaken by Borden Ladner, of each potentially impacted property to assess whether there is a sign by-law conformity issue with the placement or size of the sign. This issue has been highlighted with municipal staff since sign conformity is a local area municipality responsibility.

Staff is investigating the opportunity to have as many existing signs deemed to be in conformity to continue to be allowed, so as not to trigger new by-law conditions, until owners decide to replace their signs. As well, staff is investigating whether existing ground signs can remain in place under some form of encroachment or other arrangement provided the locations don't cause visibility, access or pedestrian safety problems.

Encroachment agreements may be necessary to accommodate existing canopies and overhangs. Staff recommend that following completion of their investigations that they be authorized to enter the necessary encroachment agreements.

YRRTC is examining additional intersection locations

Through the detailed meetings and discussions with the community, access to existing businesses and residences has been identified as a concern as a result of the elimination of the continuous turning lane that currently runs down Yonge Street. Business owners are particularly sensitive to the loss of unrestricted left turn capabilities into and out of their properties. This change will affect every segment of the rapid transit corridor as the network is extended across 100 kms of routes.

The elimination of left turning movements is not unique to the Regional rapidways and is a design feature of the of the Region's Great Streets standards for six lane arterials where HOV lanes and a centre median are fundamental features. This change will require the travelling public to become accustomed to safe, signalized left turns and u-turns.

The approved EA recommended an optimum balance between rapid transit reliability and frequency of service with general traffic movements and identified eleven signalized intersections along the corridor, approximately 200-400 metres apart, where left turn and u-turn movements could be made safely and reliably on their own signal phase. In order to address some of the concerns expressed by owners, staff are examining the feasibility of providing additional left turn and u-turn capabilities at two locations; between Steeles and Doncaster and between Clark and Elgin, where intersection spacing permits and rapid transit operations can be maintained and the median objectives for planting along the corridor are not compromised significantly. A comparative analysis of the frequency of signalized left turn intersections along the south Yonge Street corridor with comparable existing arterials with medians and restricted turning, is illustrated in *Council Attachment 2*. The additional intersections will also have to be finalized in the context of the recommendations and direction outcomes of the studies currently and shortly to be underway in Markham and Vaughan on lands adjacent to Yonge Street from Steeles Avenue north to just south of Elgin Avenue. An assessment of the potential impacts on businesses throughout the GTA and North America by changes to the left turn movements and centre median emplacement is being finalizws by the YRRTC team and will be provided separately.

Staff recommend, as a result of this analysis, the following:

2. Staff be authorized to enter into parking licence agreements, at a nominal fee, on properties being acquired for the Yonge Street rapid transit project to allow for temporary parking until lands are redeveloped and/or required for Regional purposes.

3. Staff be authorized to enter into encroachment agreements on properties being acquired for the Yonge Street rapid transit project to permit encroachments for existing signage and canopies.

4. Staff bring back in September 2007, the business arrangements resulting from the negotiations for Council's authorization to execute.

5.4 Moving Forward with Completing the Preliminary Engineering and Land Acquisition Programme

In order to meet the proposed construction start by Spring 2008, the Region must continue to negotiate friendly acquisitions and to serve notice of application for approval to expropriate. Additionally, land escalation and transaction costs will be contained.

Preliminary Engineering to be completed in order for design build negotiations and final design to be completed in the fall of 2007 and tendered in the winter of 2008

Over the course of the summer, preliminary engineering will be completed, and will set the stage for negotiations to commence in October. At this juncture, the initial budget and work programme for the YRRTC office will be exhausted as this project moves to the design stage. Accordingly, there must be sufficient comfort that the acquisition programme will be completed in time for the design-build negotiations to set a GMP for the project. Failure to do so will result in construction values increasing by as much as $450,000 per month against a project valued at $100 million, based on the construction price index. Failure to move forward with the work programme will also result in the YRTTC office carrying costs attributable to the Yonge Street project while not having a budget source starting in October.

Negotiations are underway to finalize the Provincial and Federal funding commitments to Phase 2 - Stage One

Funding commitments for Viva Phase 2 - Stage One have been directly tied to the approval of the business case supplied to the Federal Government. That programme and the resulting support of the Federal and Provincial Governments of $85 million dollars per partner followed two years of extensive dialogue with politicians and senior government staff to secure financial support for this programme. Announcements made to date are also specifically linked to these programmes. There is no assurance whatsoever that any changes to the approved business plan and programme will be considered without needing to completely restate and resubmit a revised request under new terms and timing.

In effect, the Region's relationship with its funding partners is reinforced by its demonstrated ability to proceed efficiently with approved programs; this has been our strength to date, allowing the Region to stay in step with the leading transit-related funding announcements to date.

Any deviation from the current work programme which triggers a requirement for a new EA, and the resulting time delay, could see the monies set aside by the senior levels of government for this project being allocated in favour of other transit projects located outside the Region and ready to go to construction, which may be viewed by senior governments as having a higher priority than those that we might advance.

Staff recommend, as a result of this analysis, the following:

5. The Chair and Clerk be authorized to execute the Provincial and Federal Funding Agreements to secure the Viva Phase 2 - Stage One monies.

6. FINANCIAL IMPLICATIONS

Table 1 below, identifies the costs to date and estimated costs to September 30, 2007 for the project

Table 1
Viva Phase 2 – Stage One Costs

PROJECT ELEMENT:	SPENT TO DATE	ESTIMATED TOTAL EXPENDITURE TO SEPT 30/07
YC – PE for Y1 ▪ Work Program ▪ Contingencies	 $6.04 M (to April 30) $0.38 M (to April 30)	 $7.67 M (complete) $0.21 M (complete)
YC – PE for Y2/H3	$0	$2.10 M
Owner's Engineer Services	$0.26 M (to May 31)	$0.51 M
Regional Lands Budget	$1.129 M (to May 31)	$1.85 M
Consultant Total:	**$7.8 M**	**$12.3 M**

7. LOCAL MUNICIPAL IMPACT

Local municipal cooperation will be required to evaluate the feasibility of providing additional traffic signals at the two identified additional intersections along the corridor. As well, municipal cooperation will be required to help assess and potentially deliver mitigation measures for signage conformity and parking either along municipal streets or in off-street locations.

8. CONCLUSION

The Region has made substantial commitments to the timely delivery of its land acquisition programme along the Yonge Street corridor. Delays will open up the Region to additional property and project related costs not covered under the tripartite funding formula. Moving forward with the next steps in the property acquisition programme will allow the Region to maintain the completion schedule, provide an opportunity to understand the scope and impact of potential opposition, and preserve the Region's ability to make further decisions regarding completing the acquisition programme.

The Senior Management Group has reviewed this report.

(The attachments referred to in this clause are attached to this report.)