

# Staff Report



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To	<b>Committee of the Whole</b>
Service Area	Infrastructure, Development and Enterprise Services
Date	Monday, October 4, 2021
Subject	<b>MTO Connecting Links Program 2022-2023 – York Road Phase 3</b>

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## Recommendation

1. That staff be authorized to submit an application to the Ministry of Transportation with respect to the 2022-2023 Connecting Links Program for the reconstruction of York Road from Stevenson Street to Victoria Road.
  2. That staff be authorized to confirm to the Ministry of Transportation that Council:
    - a. supports of the project identified in the application;
    - b. confirms that capital funding is available for the municipal contribution component; and,
    - c. agrees that if the application is successful, the municipality will proceed with the project in accordance with the timelines specified in the application.
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## Executive Summary

### Purpose of Report

The purpose of this report is to seek Council authorization to proceed with an application submission to the Ministry of Transportation with respect to the 2022-2023 Connecting Links Program for the reconstruction of York Road from Stevenson Street to Victoria Road.

### Key Findings

An application for the Ministry of Transportation Connecting Link Program requires Council to pass resolutions related to the program. The application is due November 19, 2021.

The project proposed for Connecting Links funding is the reconstruction of York Road from Stevenson Street to Victoria Road, which is in the detailed design phase with construction planned to start in April 2022.

The City's application is for \$3 million, which is the maximum amount permitted.

### Financial Implications

Currently, funding for the reconstruction of York Road from Stevenson Street to Victoria Road is included in the 2021/2022 Capital Budget Forecast. The total

project budget is \$10,003,400, with net eligible project costs of \$6,263,650. After accounting for the City 10% share of costs (\$626,365), the provincial funding requested through the Connecting Link Program for this project is \$3,000,000.

By the resolution in this report, Council is committing \$7,003,400 of funding to this project as a way to leverage \$3,000,000 in grant funding. \$5,943,400 has been allocated in previous years and \$4,060,000 is being requested in 2022 to fully fund the project budget of \$10,003,400. If the application for the 2022 – 2023 Connecting Links program is successful, the City will be reimbursed the \$3,000,000 that is being applied for. The City commitment is funded from the Infrastructure Renewal Reserve Fund, the Stormwater Capital Reserve Fund, the Water Capital Reserve Fund and the Wastewater Capital Reserve Fund. These reserve funds have sufficient funds to meet this commitment.

Should the grant application be successful, it would enable \$3,000,000 of previously committed tax and stormwater funding to be reallocated to other priority capital road and stormwater reconstruction projects.

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## **Report**

### **Connecting Links Program**

Connecting Links are municipal roads that connect two ends of a provincial highway through a community or to an international or interprovincial border crossing. These critical roadways serve both provincial and municipal interests by carrying long-distance provincial highway traffic moving through communities and local traffic within the community. Connecting links are designated under section 21 of the Public Transportation and Highway Improvement Act, R.S.O. 1990, c. P. 50 as amended. Under the Act, a connecting link remains a “highway” under the jurisdiction and control of the municipality.

Within the City of Guelph, there are two provincial Connecting Links: i) extension of Highway 6 along Woolwich Street and Woodlawn Road; and ii) extension of Highway 7 along Woodlawn Road, Wellington Street, Wyndham Street and York Road.

The Ministry of Transportation’s Connecting Links Program provides dedicated provincial funding for road and bridge projects on connecting link highways designated under the Public Transportation and Highway Improvement Act. The Program provides funding for eligible capital improvement costs of road related infrastructure – not maintenance. The responsibility for maintenance of connecting links lies with the municipality. Under section 44 of the Municipal Act, R.S.O. 2001, the municipality that has jurisdiction over a highway or bridge must keep it in a reasonable state of repair.

Since connecting links serve interregional traffic needs, the Ministry provides funding up to 90% of total eligible project costs for approved connecting link projects. The maximum amount of funding for eligible costs is \$3 million per road project and, new for the 2021-2022 program, \$5 million for a bridge project. The applicant is required to contribute the remaining 10% of eligible project costs and pay for all ineligible project costs. The municipality cannot use capital funding from any other application program for the same road or bridge project funded under the Connecting Links Program.

Funding decisions are based on an assessment of connecting link needs, the Ministry's prioritization of submitted projects and the available budget in any year. Municipalities are required to complete a structured application form to be eligible for connecting link funding. The Ministry assesses the proposed project and the municipality's multi-year connecting link needs.

The Ministry will notify the successful and unsuccessful municipalities. After successful notification, project costs incurred after April 1, 2022 will be refundable but a Contribution Agreement must be entered before any payments are made.

The following link to the Program Application Guide provides additional detail and background: [Ministry of Transportation's Connecting Link Program Application Guide](#)

## **City of Guelph Application**

City staff identified the reconstruction of York Road from Stevenson Street to Victoria Road (Phase 3) as an appropriate and timely project for the Connecting Links Program.

The reconstruction of York Road from Stevenson Street to Victoria Road will implement a portion of the approved Municipal Class Environmental Assessment for York Road from Wyndham Street to the east City limit. The project involves full street reconstruction (515m) including the replacement of underground infrastructure (storm sewers, sanitary sewers, watermains, services and related appurtenances). The roadwork will consist of the replacement of curb and gutter and sidewalks plus inclusion of bicycle lanes, which is consistent with the City's Cycling Master Plan. The pavement structure will be upgraded for the expected truck and bus traffic as York Road is part of the City's Permissive Truck Route and a transit route. The integration of water and wastewater infrastructure replacement work into the project will lengthen the long-term life of the road structure by not having to replace the underground infrastructure before the end of the pavement's lifecycle.

In addition to detailed project information and costing, the application must be accompanied by a council resolution / bylaw that:

- i. demonstrates council's support of the project identified in the application;
- ii. confirms that capital funding is available for the municipal contribution component; and
- iii. indicates that if the application is successful, that the municipality will proceed with the project in accordance with the timelines specified in the application.

The City's application clearly demonstrates that the York Road reconstruction project meets all requirements of the Connecting Links Project. Further, the City will comply with the conditions identified in both the application and the policies for Connecting Links.

Upon receipt of notification from the Ministry of Transportation regarding the success of the application, City staff will update Council and provide next steps through an Information Report.

## **Financial Implications**

The Ministry of Transportation will provide funding for up to 90% of total eligible project costs. The maximum amount of funding for eligible costs is \$3 million per

project. The applicant is required to contribute the remaining 10% of eligible project costs and pay for all ineligible project costs.

Currently, funding for the reconstruction of York Road from Stevenson Street to Victoria Road is included in the 2022 Capital Budget Forecast. The total project budget is \$10,003,400 with net eligible project costs of \$6,263,650. After accounting for the City 10% share of costs (\$626,365), the provincial funding requested through the Connecting Link Program for this project is \$3,000,000.

By the resolution in this report, Council is committing to the project if the funding application is successful. The commitment is \$3,263,650 for road and stormwater works and by extension \$3,737,150 for water/wastewater components of the project and other non-eligible costs. The City commitment is funded from the Infrastructure Renewal Reserve Fund, the Stormwater Capital Reserve Fund, the Water Capital Reserve Fund and the Wastewater Capital Reserve Fund. These reserve funds have sufficient funds to meet this commitment.

Should the funding application be successful, this grant would enable the reallocation of \$3,000,000 of tax and stormwater funding to other priority capital road and stormwater reconstruction projects. Upon receipt of notification from the Ministry of Transportation regarding the status of the application, City Staff will update Council and provide next steps.

## **Consultations**

Greg Clark, CPA, CMA, Manager, Financial Strategy & Long-Term Planning

## **Strategic Plan Alignment**

Building our Future – by managing existing infrastructure and maintaining existing community assets and securing new ones.

## **Attachments**

None

## **Departmental Approval**

Tara Baker, Treasurer / General Manager, Finance

Reg Russwurm, MBA, P.Eng, Manager, Design and Construction

## **Report Author**

Steven Di Pietro, P.Eng. Project Engineer, Engineering & Transportation Services

## **This report was approved by:**

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## **This report was recommended by:**

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