

# Staff Report to Council

**Title:** MTO Russell Street and  
Sidewalk Maintenance Agreements

**Report Number:** Development Services-  
2024-01

**Director:** Infrastructure &  
Development

**Manager:** Development Services

**Meeting Date:**  
Wednesday, February 14, 2024

**Date to be considered by Council:**  
Wednesday, February 14, 2024

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## Recommendation:

That Council direct staff to move forward with the execution of the Highway 21 at Russell Street Legal Agreement and the Sidewalk Maintenance Agreement; and further That the Mayor and Clerk sign any necessary documents related to the agreements; and

That Council direct staff to enter into a front-ending agreement with the beneficiaries for cost recovery from the improvements; and further

That Council direct staff to undertake an update to the ASDC should the property owners not be agreeable to a front-ending agreement inclusive of a budget amendment to undertake the study.

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## Executive Summary:

The Ministry of Transportation (MTO) has identified that the Russell Street and Highway No. 21 intersection is in need of improvements to address traffic flow and safety issues. Through development and servicing needs at the Kincardine Business Park it is recommended that beyond the MTO proposed improvements the Municipality make the improvements necessary to bring the intersection up to an “ultimate” design. Staff are asking that Council direct staff to enter into agreements for both a Highway 21 at Russell Street Improvement Agreement and a Sidewalk Maintenance Agreement. Costs attributed to the improvements for the eastern leg of the intersection are recommended to be recovered through a front-ending agreement with the land beneficiaries. Should the benefitting landowners not proceed with a front-ending agreement, staff recommend an update to the Area Specific Development Charge (ASDC) for the overall site development and improvements.

## **Strategic Priorities:**

B.5-Evaluate and proactively plan for infrastructure to meet population growth and long-term sustainability

## **Financial Considerations:**

The estimated costs of the works are \$1,000,000, plus applicable surcharges and the Harmonized Sales Tax ("HST"). Additional information related to other infrastructure investments is available in a separate report to council.

The Municipality has a floating rate capital loan with Infrastructure Ontario for water, sanitary and stormwater servicing for the 9/21 Business Park, which was drawn on to complete the Durham Street extension. Other works remain, including a possible water booster station and storm ponds but will not happen until the time that development triggers either works necessary; and there is a high potential that the ponds are constructed privately and turned over to the Municipality through a development agreement.

The total loan taken out was \$4.25 million and to date we have used \$1.826 million. Staff suggest leveraging the borrowed funds to complete the intersection improvements in conjunction with the balance of MTO works if required. The final costs of the intersection improvements would be assigned back to the benefiting lands in the Business Park through a front-ending agreement which would come back to Council for ratification later.

The historical costs were assigned to the lands through an ASDC. The net developable area for the site is comprised of 71.81 acres (29.06 hectares). The previous cost was \$68,486 / acre (\$169,236 / hectare) to develop. As a comparator to the ASDC approach, with the addition of the proposed MTO works the updated costs are anticipated to be \$82,411 / acre (\$203,645 / hectare). The existing ASDC is set to expire in 2025 and will require an update prior to expiration.

The Municipality will be responsible for the maintenance and capital replacement of the sidewalk features installed under these works. The Municipality has adequate staffing and fleet resources to support the proposed works. Additional ongoing annual investment would be required to support the maintenance and replacement costs of this new infrastructure.

## **Policy:**

N/A

## **Context and Background Information:**

The Ministry of Transportation (MTO) has the authority to construct the province's highways, and the responsibility to maintain and repair them, under *the Public Transportation and Highway Improvement Act*.

The ministry works to alleviate traffic constraints and to accommodate forecasted population and economic growth by investing in new highway projects and improvements. It also invests in maintaining and repairing existing highways through its rehabilitation program. MTO has identified that the Russell Street and Highway No. 21 intersection is in need of improvements to address traffic flow and safety issues. The planned improvements included traffic lights (signals) and improved turning lanes to address the three legs of the existing intersection.

Through development and servicing needs at the Kincardine Business Park it is recommended that beyond the MTO proposed improvements the Municipality make the improvements necessary to bring the intersection up to an ultimate design. The improvements include the following:

- Construction of a new roadway within the MTO Right-of-Way east of the intersection Highway 21 and Russell Street including lanes created for the purpose of traffic travelling east and west on Russell Street and for traffic entering northbound and southbound of Highway 21 (“Russell Street East Leg”), and associated grading and drainage improvements, (the East Leg will end at the current property limits within the MTO road allowance).
- The construction of a lane at the intersection of Highway 21 and Russell Street for traffic traveling northbound on Highway 21 to turn east onto Russell Street;
- The construction of a lane at the intersection of Highway 21 and Russell Street for traffic traveling southbound on Highway 21 to turn east onto Russell Street;
- The construction of sidewalks along Russell Street and within the MTO Right-of-Way. The sidewalk installation will ensure pedestrians can safely traverse to the Highway corridor and cross safely through use of the traffic signaling system to an adjacent sidewalk. Both features will be constructed to current AODA standards to support accessibility. Active transportation is a vital element of road design and safety and will be achieved to support the future growth of the overall site;
- The construction of pedestrian refuges and the creation of pedestrian crosswalks at the intersection;
- The installation of tactile walking surface indicators in accordance with the Ministry’s Standard Drawings and Specifications, and complying with the Accessibility for Ontarians with Disabilities Act, 2005, S.O. 2005, c. 11 (“AODA”);
- The installation of traffic and pedestrian signals, detections, illumination, and push buttons in accordance with the electrical drawings, the PHM-125 and any applicable revisions, and in compliance with any applicable AODA requirements.

Staff have been working with the MTO and legal to draft an agreement to address the improvements. The Municipality would be responsible for all Capital costs for the improvements beyond that of the MTO original improvements and would be responsible for the maintenance of the sidewalks within the MTO corridor once complete. Staff are asking that Council direct staff to enter into both the Highway 21 at Russell Street Improvement agreement and the Sidewalk Maintenance Agreement. The costs associated with the improvements would then be assigned back to the benefiting lands within the Business Park.

### **Consultation Overview:**

Consultation has taken place over approximately 24 months with MTO, potential developers, municipal engineers, staff and legal counsel to discuss design and implementation strategies. Benefitting property owners are aware that the cost of upgrades will require assignment back to their lands.

## **Origin:**

MTO advised of plans to upgrade intersections in the Municipality along Highway 21. With servicing extensions and development plans of the Business Park, both parties agreed to explore build out of the east leg including all turning lanes and signalization considerations during the core scope of MTO's work in order to build out the ultimate needs at the timing of MTO's core project.

## **Implementation Considerations:**

The MTO will incorporate the design and tendering of the Municipal work into the MTO project and be responsible for obtaining any approvals including an Environmental Assessment if required. MTO will tender and oversee the project contract. The Municipality will be kept apprised of the project and its progress through MTO updates.

The Municipality will be responsible for maintenance and future replacement of the newly constructed sidewalk. The impact on operations is an incremental increase and will be absorbed by the existing staffing and fleet complement through our operating budget.

## **Risk Analysis:**

The Municipality has a significant interest in the economic vibrancy of its community. Continuing to promote and support development is vital to economic growth to create jobs, keep up with rising costs, and maintain a competitive advantage over other municipalities. The proposed improvement to the Business Park entrance will only help to further attract development opportunities.

If the model for cost recovery is through an additional charge to the existing ASDC, Council should be aware that financial recovery is triggered by the development of each acre / hectare of land; so financially the Municipality will not recover invested costs until lands are developed for that portion. By undertaking a front-ending agreement with the beneficiaries, the Municipality would recover the costs associated with the intersection improvements following completion of the works based on the terms of the agreement.

If work is deferred, this could have an impact on the overall site's opportunity to move forward with development. The Municipality has been investing in upgrades to support the build out of the Business Park dating back to 2018 (Russell St servicing upgrades and extension), followed by the Durham Street extension in 2020. While we have seen some advancement on the planning front for both property owners, we have yet to see development beyond the Lakeside dealership take place. By entering a front-ending approach vs an addition to the ASDC, the private landowners will be investing which will hopefully trigger development on the sites.

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<b>Attachments:</b>	Highway 21 at Russell Street Legal Agreement Sidewalk Maintenance Agreement
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<b>Submitted by:</b>	Adam Weishar, Director of Infrastructure and Development