

**Report to/Rapport au :**

**Finance and Economic Development Committee  
Comité des finances et du développement économique**

**and Council / et au Conseil**

**6 March 2012 / le 6 mars 2012**

**Submitted by/Soumis par : Nancy Schepers, Deputy City Manager/  
Directrice municipale adjointe, Planning and Infrastructure/Urbanisme et infrastructures**

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City Wide/ à l'échelle de la Ville

Ref N°:ACS2011-PI-RIO-0003

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**SUBJECT: OLRT DESIGN IMPROVEMENTS-UPDATE**

**OBJET: AMÉLIORATIONS À LA CONCEPTION DU TLRO - MISE À JOUR**

**REPORT RECOMMENDATIONS**

**That the Finance and Economic Development Committee recommend that Council:**

- 1. Receive the design updates for Ottawa's Light Rail Transit Project outlined in this report.**
- 2. Approve the expropriation process for the acquisition of property for the Rideau Station Alignment and direct staff to implement the expropriation for such properties pursuant to the "Expropriations Act" (Ontario), as described in this report.**
- 3. Approve the "bundling" of the 417-Widening Project with Ottawa's Light Rail Transit Project as described in this report; and**
  - a. Direct the Deputy City Manager, Planning and Infrastructure to negotiate and execute agreements with Ontario's Ministry of Transportation to permit the City to undertake and implement the "bundling" of the projects and the completion of the 417-Widening Project, including the project agreement, as described in this report; and**
  - b. Direct staff to make appropriate amendments to the procurement documents, including the request for proposals, for Ottawa's Light Rail Transit Project in order**

to undertake and implement the “bundling” and the completion of the 417-Widening Project.

4. Direct the Deputy City Manager, Planning and Infrastructure, to negotiate and execute a reciprocal agreement with the Ministry of Transportation relating to the reciprocal exchange of property interests for the 417-Widening Project and Ottawa’s Light Rail Transit (OLRT) project and waive the City’s Disposal of Real Property Policy, set out in By-law 2002-38, in respect of the sale of land at fair market value and to authorize the Director of Real Estate Partnership and Development Office to complete such disposals and acquisitions.

## **RECOMMANDATIONS DU RAPPORT**

Que le Comité des finances et du développement économique :

1. Prenne connaissance, aux fins d’information, des modifications apportées au projet du train léger sur rail d’Ottawa (TLRO) décrites dans le présent rapport.
2. Approuve le processus d’expropriation pour l’acquisition de propriétés pour la zone du tracé de la station Rideau et qu’il demande au personnel de commencer le processus d’expropriation pour les propriétés visées, conformément à la « *Loi sur l’expropriation* » (Ontario), comme il est décrit dans le présent rapport.
3. Approuve le regroupement du projet d’élargissement de la 417 avec celui du projet de train léger sur rail d’Ottawa comme il est décrit dans le présent rapport, et :
  - a. demander à la directrice municipale adjointe, Urbanisme et Infrastructure, de négocier et de conclure des ententes avec le ministère des Transports de l’Ontario afin que la Ville soit autorisée à entreprendre et à mettre en œuvre le regroupement des travaux et la réalisation du projet d’élargissement de la 417, y compris l’entente de partage des coûts, comme il est décrit dans le présent rapport;
  - b. demander au personnel d’apporter les modifications appropriées aux documents d’approvisionnement, notamment la demande de propositions, du projet de train léger sur rail d’Ottawa, afin d’entreprendre et de mettre en œuvre le regroupement et l’exécution du projet d’élargissement de la 417.
4. Demande à la directrice municipale adjointe, Urbanisme et Infrastructure, de négocier et de conclure une entente réciproque avec le ministère des Transports de l’Ontario relativement à l’échange réciproque de droits de propriété pour le projet d’élargissement de la 417 et le projet de train léger sur rail d’Ottawa afin de déroger aux exigences de la politique sur l’aliénation et la vente de propriété, établie par le règlement 2002-38, relativement à la vente de terrains à la juste valeur du marché et d’autoriser le directeur du Bureau des partenariats et du développement en immobilier de procéder à ces aliénations et acquisitions.

## EXECUTIVE SUMMARY

This report provides an update on some design improvements on Ottawa's Light Rail Transit (OLRT) project and seeks approval to advance the bundling of the Highway 417-Widening project with the OLRT project.

### **Design Updates**

The following provides an update on some of the design modifications that have been undertaken to improve the OLRT project. Design refinements will continue throughout the procurement process and a final design will be presented to Council for approval at contract award in December 2012.

#### *Rideau Station Alignment*

As directed by Council, work has advanced to meet Council's objective of minimizing the depth, and expanding the catchment area of Rideau Station. This work included a focused engineering review of the Rideau Station area of the tunnel alignment. This review determined it was feasible to shift Rideau Station's location from under the Rideau Canal to east of Sussex Drive. This shift grants increased flexibility to Proponents as they continue to optimize station placement, entrances and construction methods to meet the project budget.

Moving the station eastward on Rideau Street will also give access to the ByWard Market, reduce the depth of the station, and increase the station catchment area. It will also provide a better transit solution by balancing the ridership at the station entrances and by providing entrances closer to transit riders' origins and destinations.

#### *Other Design Updates*

This report also provides updates on design improvements at Train and Bayview stations and on the alignment at the West Portal, where the line enters the Escarpment.

Design changes will continue to occur throughout the procurement process as the private sector teams competing to construct the system are responsible for advancing and completing the preliminary or indicative designs previously presented to Council. Council will have ultimate approval of the design prior to contract award in December 2012. This approval will occur after Infrastructure Ontario has led the evaluation of the three submissions, the selection of the Preferred Proponent and the negotiation of a final agreement. Each Proponent team has full flexibility to propose the best design and construction plan/schedule on which they can guarantee delivery and price. This flexibility is the foundation of the Alternative Financing and Procurement (AFP) delivery model.

## **Highway 417 Bundling**

To eliminate the risk of costly delay, mitigate transit disruption and to maximize innovation, the City has requested that the Province of Ontario consider bundling the Ministry of Transportation's (MTO) Highway 417-Widening project together with Ottawa's Light Rail Transit project. With the support of Infrastructure Ontario, the City proposed undertaking these projects together with a single competition and single responsible private sector team charged with constructing both projects on a common schedule. This would allow the selected Proponent full control of both project schedules and consequently allow the City to hold a single party responsible for performance. The Province supports the proposed bundling approach. This report seeks Council authority for the Deputy City Manager, Planning and Infrastructure to negotiate and enter into an appropriate agreement with the Ministry of Transportation Ontario (MTO) on the City's behalf to bundle the Highway 417-widening project with Ottawa's Light Rail Transit Project, as described in this report and to direct staff to make appropriate amendments to the OLRT project procurement documents.

## **RÉSUMÉ**

Ce rapport présente quelques-unes des améliorations conceptuelles apportées au projet de transport en commun par train léger sur rail d'Ottawa (TLRO) et sollicite l'autorisation de procéder au regroupement du projet d'élargissement de l'autoroute 417 à celui du TLRO.

## **Mise à jour sur l'avant-projet**

Voici une mise au point sur certaines des améliorations conceptuelles qui ont été entreprises pour améliorer le projet de TLRO. Le perfectionnement du concept se poursuivra tout au long du processus d'approvisionnement et un concept définitif sera présenté au Conseil pour approbation au moment de l'octroi du contrat en décembre 2012.

### *Tracé de la station Rideau*

Comme demandé par le Conseil, les travaux progressent pour atteindre l'objectif du Conseil de réduire autant que possible la profondeur de la station Rideau et d'étendre son aire de drainage. Ces travaux ont comporté notamment un examen technique ciblé du tracé du tunnel dans le secteur de la station Rideau. Cet examen a permis de déterminer la faisabilité du déplacement de la station Rideau, dont l'emplacement était d'abord prévu sous le canal Rideau, à l'est de la promenade Sussex. Ce changement donne aux proposants une plus grande flexibilité dans leur démarche pour optimiser l'emplacement de la station et de ses entrées et pour déterminer les méthodes de construction de manière à respecter le budget du projet.

Le déplacement de la station à l'est sur la rue Rideau permettra également d'accéder au marché By, de réduire la profondeur de la station et d'accroître l'aire de drainage de la station. Ce sera aussi une meilleure solution de transport en commun en équilibrant l'achalandage aux diverses entrées de la station et en plaçant les entrées plus près des lieux d'origine et des destinations des usagers.

### *Autres modifications conceptuelles*

Ce rapport présente aussi les améliorations conceptuelles apportées aux stations Train et Bayview et dans le tracé du portail ouest, là où la ligne pénètre dans l'escarpement.

Des modifications conceptuelles continueront d'être apportées tout au long du processus d'approvisionnement étant donné que les équipes du secteur privé qui se font concurrence pour l'obtention du contrat de construction du réseau doivent perfectionner et achever les avant-projets sommaires ou indicatifs présentés antérieurement au Conseil. Il reviendra au Conseil d'approuver la conception définitive avant l'attribution du contrat en décembre 2012. Cette approbation sera donnée une fois qu'Infrastructure Ontario aura procédé à l'évaluation des trois soumissions, à la sélection du proposant préféré et à la négociation du contrat définitif. Chacune des équipes a toute la flexibilité requise pour proposer la meilleure conception et le meilleur plan/calendrier de construction en vertu desquels elles pourront garantir la livraison et le prix. La flexibilité est à la base même du modèle de prestation fondée sur d'autres méthodes de financement et d'approvisionnement.

### **Regroupement avec le projet d'élargissement de l'autoroute 417**

Pour éliminer les risques associés à des retards dispendieux et à des interruptions du service de transport en commun et pour maximiser la capacité d'innovation, la Ville a demandé à la Province de considérer la possibilité de regrouper le projet d'élargissement de l'autoroute 417 du MTO avec le projet de transport en commun par train léger sur rail d'Ottawa. Avec l'appui d'Infrastructure Ontario, la Ville a proposé de mener ces deux projets ensemble dans le cadre d'un concours unique et avec une seule équipe du secteur privé responsable qui sera chargée de la construction des deux projets suivant un calendrier de réalisation commun. Ainsi, le proposant choisi aura la maîtrise complète du calendrier des deux projets et la Ville pourrait tenir une seule partie responsable des résultats. La Province est en faveur de cette proposition de regroupement. Ce rapport a pour objet de demander au Conseil d'autoriser la directrice municipale adjointe, Urbanisme et Infrastructure, à négocier et à conclure, au nom de la Ville, une entente appropriée avec le ministère des Transports de l'Ontario (MTO) dans le but de regrouper le projet d'élargissement de l'autoroute 417 avec le projet de transport en commun par train léger sur rail d'Ottawa, comme il est décrit dans le présent rapport et de demander au personnel d'apporter les améliorations appropriées aux documents d'approvisionnement du projet de TLRO.

### **BACKGROUND**

In January 2010, Council approved the [Downtown Ottawa Transit Tunnel \(DOTT\) Planning and Environmental Assessment Study – Recommended Plan](#) (ACS2009-ICS-PGM-0214), providing authority to commence the Environmental Assessment process, Preliminary Engineering activities and the property acquisition process for Ottawa's Light Rail Transit (OLRT) project. The cost estimate to complete the project in 2009 dollars was established at \$2.1 billion.

The Federal and Provincial governments confirmed, in August 2010 and September 2010 respectively, that they would each provide up to \$600 million toward the OLRT project. A formal contribution agreement was completed with the Province in September, 2011 and the Federal contribution agreement is forthcoming. Since September 2010, the City has undertaken a comprehensive preliminary engineering program to confirm overall project feasibility, refine the proposed construction schedule, develop a more detailed capital budget and create the preliminary indicative designs for the OLRT project.

In May 2011, Council approved the “[OLRT Schedule Acceleration and Procurement Option Selection](#)” report (ACS2011-ICS-RIO-0001). This report accelerated the implementation of the OLRT project by one full year and gave authority to use an Alternative Financing and Procurement (AFP) approach to construct the project.

In July 2011, Council approved the “[Implementation of the Ottawa Light Rail Transit \(OLRT\) Project](#)” report (ACS2011-ICS-RIO-0002). This report directed staff to implement the OLRT project using a Design Build Finance Maintain (DBFM) procurement model. In this report Council also directed staff to engage Infrastructure Ontario as the commercial procurement lead for the project in recognition of their experience delivering more than 50 large projects throughout Ontario, on-time and on-budget. By requiring that constructors take responsibility for delivering the desired system outcomes through a DBFM procurement process, the City avoids taking many implementation risks that are associated with the traditional approach to procuring infrastructure projects.

The successful Proponent will be required to provide up to \$400 million of long term financing, ensuring they are at risk for any failure to achieve the desired schedule and system performance. The private sector teams competing to construct the system will be responsible for advancing and completing the indicative designs presented to Council. Council will have ultimate approval of the design at contract award in December 2012.

Each team will have full flexibility to propose the best design and construction plan/schedule upon which they can guarantee delivery and price. This private sector competition will drive better value while ensuring integration of all elements into a reliable and efficient system. Given that each team will apply its own unique expertise, the preferred design brought to Council for approval will reflect an overall design approach that will vary from the indicative designs prepared during preliminary engineering.

In addition to the procurement elements of the July 2011 report, Council also approved a modified project design that eliminated the previously approved cross-country alignment, replacing it with a tunnel and station configuration along Queen Street. This modification allowed the project to remain within the \$2.1 billion dollar project budget including inflation. In real terms this was an overall budget reduction of more than \$440 million from the original estimate as the new budget absorbed the effect of the 3.2% construction inflation that was not included in the original \$2.1 billion estimated cost.

In October 2011, the competitive Request for Qualification for the OLRT project resulted in a shortlist of three private sector teams. Subsequently, the Request for Proposal document was released to the shortlisted teams with final proposals due from each team in July 2012. Infrastructure Ontario will lead the evaluation of these proposals before the recommendation of a winning Proponent, with their contract and design, for Council approval in December of 2012. Construction is expected to commence in early 2013.

## DISCUSSION

### **A. DESIGN IMPROVEMENTS**

Early last year the Mayor and Council set clear expectations for the development of a financially sustainable plan for public transit. Input from Council and public delegations during consideration of the July 2011 report has been incorporated into ongoing work to improve functionality, lower costs and further reduce risks.

This report provides Council with a project update on some of the design improvements that have been incorporated into the OLRT project to date. Design refinements will continue throughout the procurement process.

#### ***Rideau Station Alignment***

In July 2011, Council approved a modified tunnel alignment which reduced the depth of a significant portion of the tunnel from approximately 40 metres to 16 meters, and the proposed depth of the Rideau Station from 38 metres to 29 metres. However, during Council deliberations on the modified alignment and in stakeholder meetings, two further improvements were suggested:

- *Depth of Station* – Council urged staff to examine the eastern section of the tunnel alignment to see if there were possibilities to further reduce Rideau Station depth;
- *Station Catchment* – Concerns were expressed that the location of the Rideau Station was too close to the Downtown East Station and would not provide optimal service to the ByWard Market area.

Following Council direction to examine options for reducing the depth of Rideau Station and review its placement, staff undertook a focused engineering review on this tunnel section. Work was done to review utilities, ground conditions, possible means and methods of construction as well as station placement. Proponents were advised at the outset of the process that a potential alternate alignment at Rideau Station was being evaluated and were invited to provide feedback.

Originally, the Rideau Station platform was located west of Sussex Drive under the Rideau Canal which forced the tunnel placement deeper. The station was required to provide clearance for two large adjacent sewer pipes on either side of the Canal. Further examination of the expected passenger flows through entrances located in the Rideau Centre and adjacent to the

National Arts Centre demonstrated relatively few riders would access the system through the west end entrance. As such, the significant cost of providing this entrance did not provide appreciable ridership benefit on an ongoing basis.

### ***Innovation Zone and Property Acquisition Strategy***

In order to maximize flexibility and innovation to best achieve the goals outlined in the section above, the proponents will be given the opportunity to optimize their proposals by designing their proposed tunnel and station within the boundaries of a horizontally and vertically defined innovation zone (Figures 1 & 2 the “Innovation Zone”). Only one station entrance will be prescribed, on the south side of Rideau Street into the future Rideau Centre expansion. An underground walkway connecting entrances on the north and south sides of Rideau Street will also be required facilitate pedestrian connection to the By-ward Market. The proponents have the flexibility to choose two more entrance locations and the location of a knock out panel for a fourth station access. They will be required to demonstrate the entrances are well balanced, from a ridership perspective, and that their configuration will provide easy and efficient access to and from the LRT platform.

The feasibility of this public project is supported by retaining design flexibility within the Innovation Zone until the preferred proponent is selected in Fall 2012 and until the final detailed design of the tunnel section and stations to be constructed within the Innovation Zone is identified. As a result, the scope of the proposed expropriation, though limited by the boundaries of the Innovation Zone, is necessarily greater than the area which will ultimately be occupied by the public works themselves. The subterranean interest to be acquired and the structures themselves will be located at a depth that will not substantially interfere with existing uses irrespective of their final location within the Innovation Zone. It is therefore fair, sound and reasonably necessary to include this flexibility in the first Notice to owners whose property is located within the Innovation Zone.

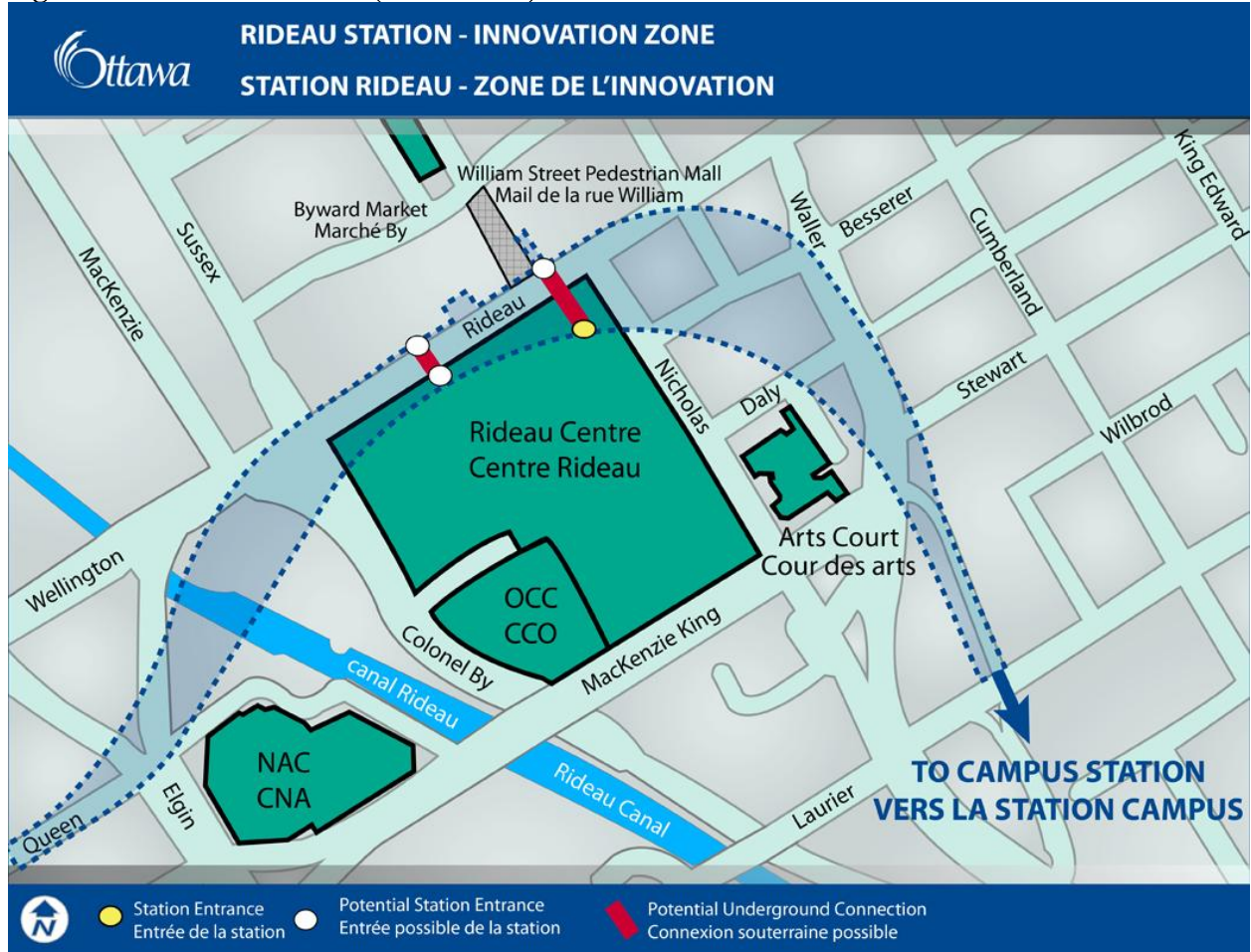
When the first expropriation Notices are issued with respect to the Innovation Zone, detailed sketches will be provided to property owners illustrating the vertical and lateral limits of the Innovation Zone in relation to the affected property.

Once the preferred proponent is selected in Fall 2012, and following identification of the final detailed design of the tunnel section and stations to be constructed within the Innovation Zone, the City will refine its property requirements and proceed with expropriation of only those subterranean interests within the Innovation Zone that are specifically required to support the selected design.

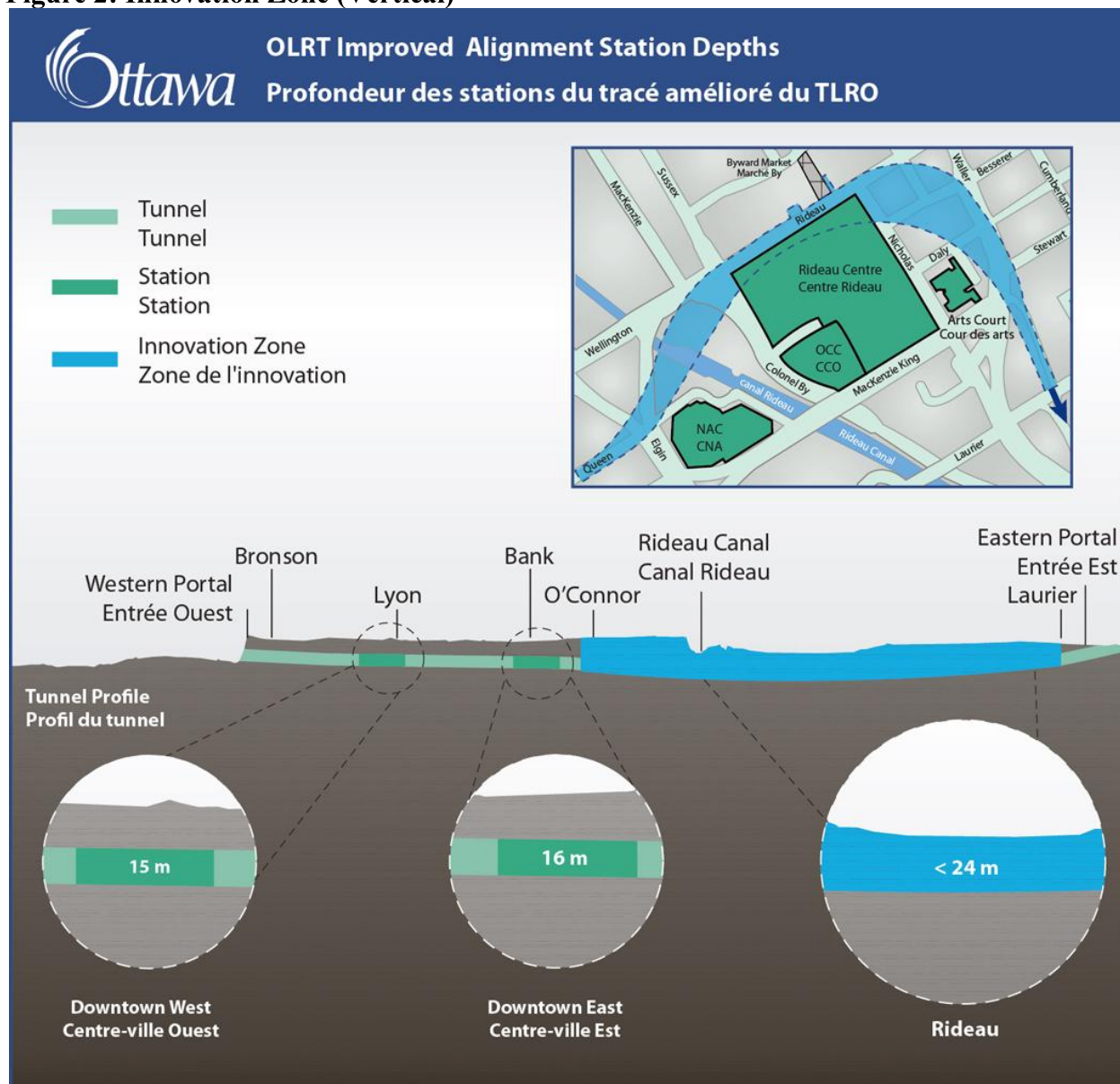
#### **Additional Property Acquisitions Required for the Rideau Station Alignment:**

As the design process evolves, the City may identify additional property interests which must be expropriated in order to support the Rideau Station Alignment including property required for station entrances. Prior to serving Notices of intent to expropriate such interests, detailed sketches will be provided to the affected property owners illustrating the boundaries of the affected property.

**Figure 1: Innovation Zone (Horizontal)**



**Figure 2: Innovation Zone (Vertical)**

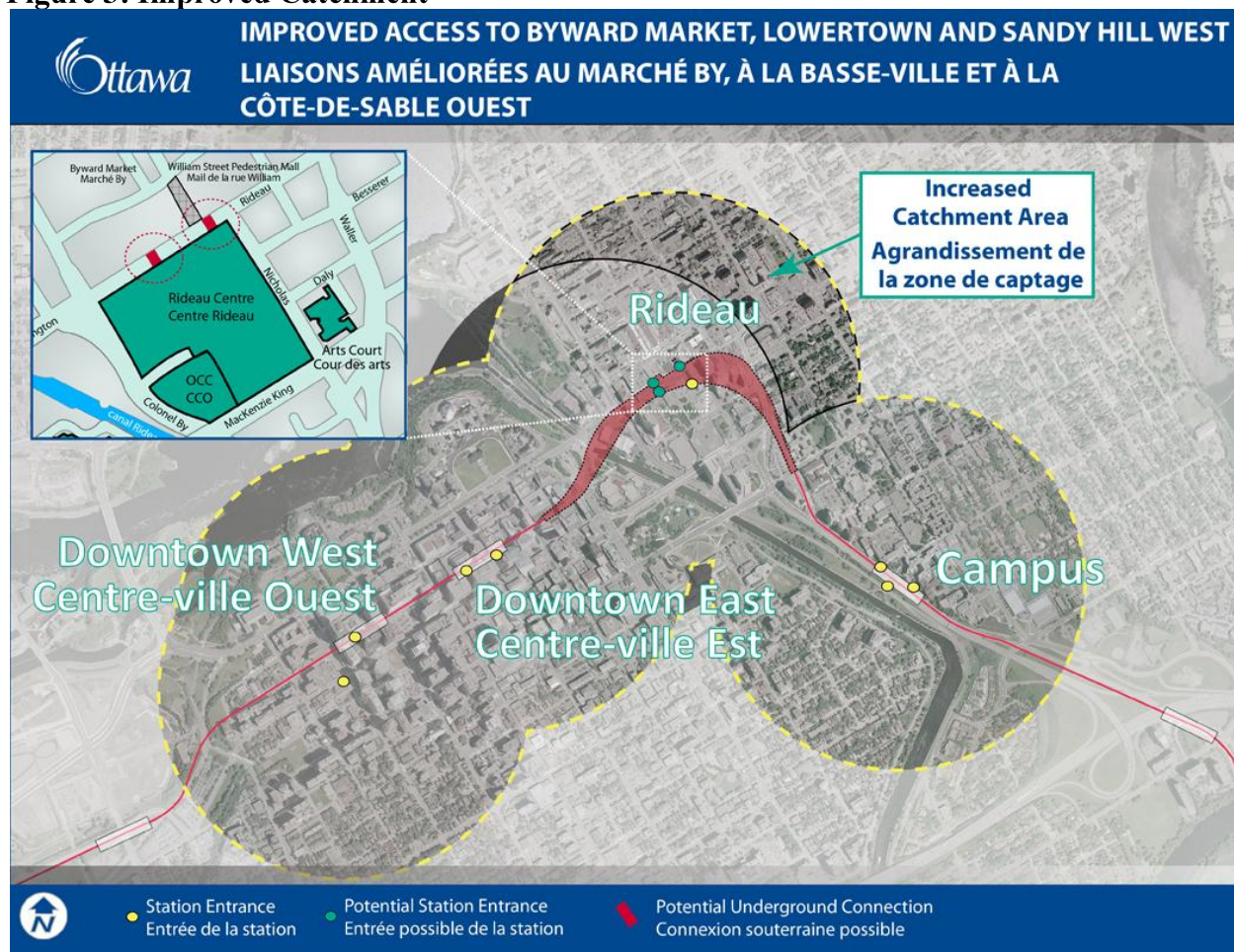


### **Benefits**

By moving Rideau Station out from underneath the canal it will be possible to further reduce the depth of the alignment at that location. The goal of reducing the depth of Rideau Station was highlighted by both Council and public delegations during the July 2011 deliberations. The new station entrances will be closer to travel origin/destinations and will service a greater ridership catchment than the original location – both in the short and long term.

The improved Rideau Station location will provide better bus connectivity. It will also be positioned where existing bus operations focus their transfers between the Société de transport de l'Outaouais (STO) and the OC Transpo transit systems.

**Figure 3: Improved Catchment**



The flexibility given to Proponents within the innovation zone will assist them in maintaining the budget envelope provided by Council. The Rideau Station location will allow for a direct tie-in with the highest foot traffic area between the ByWard Market and the Rideau Centre. The opportunity to create an underground transit concourse will enable the potential removal of the overhead walkways on Rideau Street at some point in the future.

Rideau Station will now provide near complete coverage of the Central Area, placing the majority of it within a 600 m radius from at least one station, as designated in the Official Plan. The new Rideau Station entrances provide full coverage of the ByWard Market and bring Sandy Hill West and a majority of Lowertown West within the 600 m standard along the revised alignment.

The relocation of Rideau Station supports and reinforces the policies in Section 3.6.6, Central Area, in the Official Plan including:

*3. The City will promote the Central Area as a vital and active place by:*

a) Encouraging a range of day/night and year-round activities through such means as extended transit service, and supporting the staging and creation of cultural facilities, festivals, theatre, music, public art, commemorations and other activities and special events.

*8. To give walking, cycling and public transit priority in the Central Area:*

b) The Transportation Master Plan will include provisions for a transportation system that reduces the use of automobiles and encourages the use of walking, cycling and public transit as the principal means of access to and mobility within the Central Area, particularly between east and west of the Canal.

In addition, this direction is consistent with the recently received Sustainability and Resilience Plan and Term of Council Priorities on active mobility.

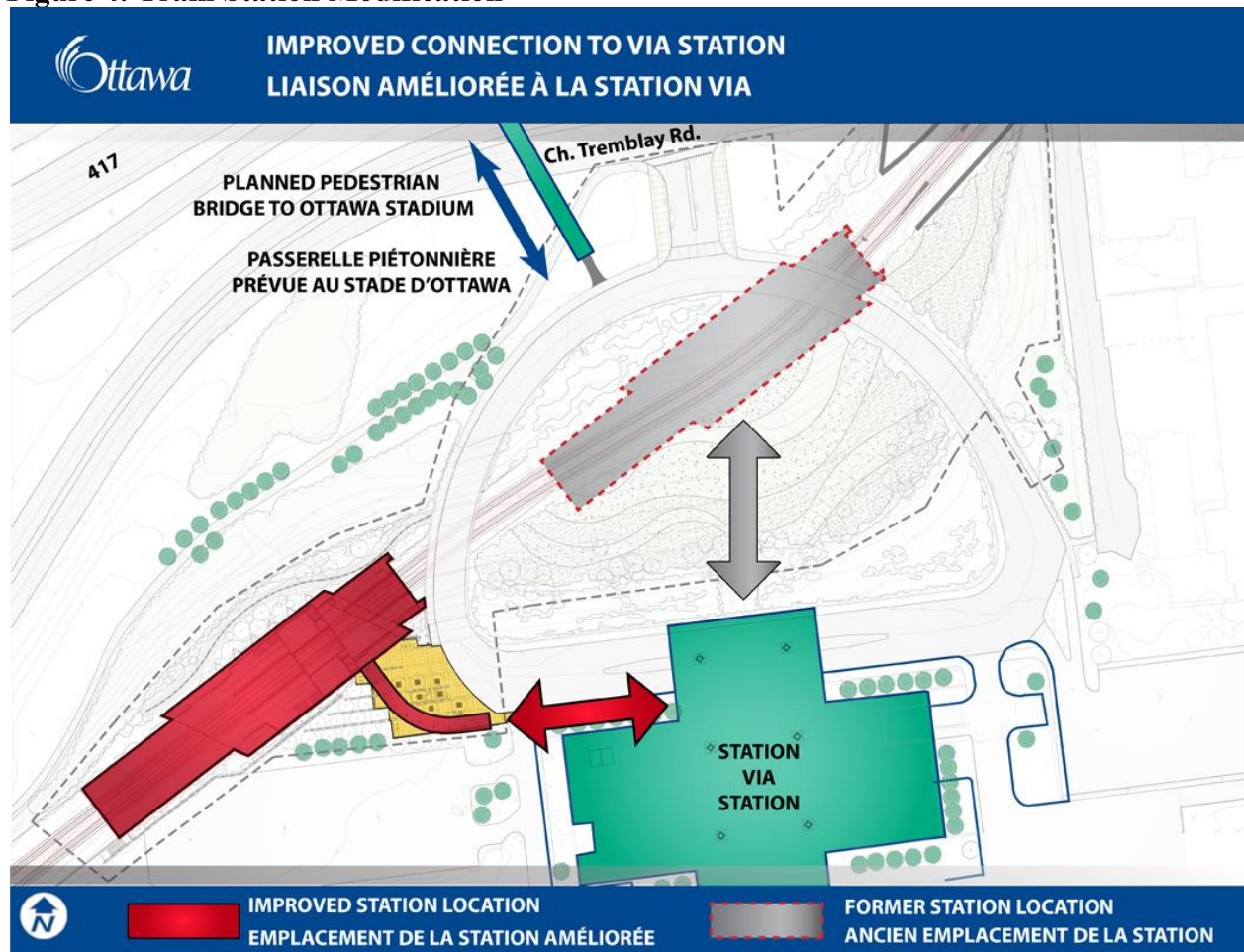
The revised location of the Rideau Station will reduce operating and maintenance costs associated with the ridership circulation into and out of the Rideau Station.

## **B. ADDITIONAL DESIGN REFINEMENT**

### ***Train Station***

The National Capital Commission has required that the location of Train Station be shifted to the west. As a result it will no longer be in the centre of the D shaped entrance/exit road leading from Tremblay Road to/from the Via Rail train station. This shift will allow for a shorter walk to access the Via Rail station while also providing a better connection to the proposed pedestrian bridge to the baseball stadium. The design of the Coventry Road pedestrian bridge has been adjusted to facilitate a better connection to this station by continuing the bridge across Tremblay Road and bringing it to grade in this same quadrant.

Figure 4: Train Station Modification



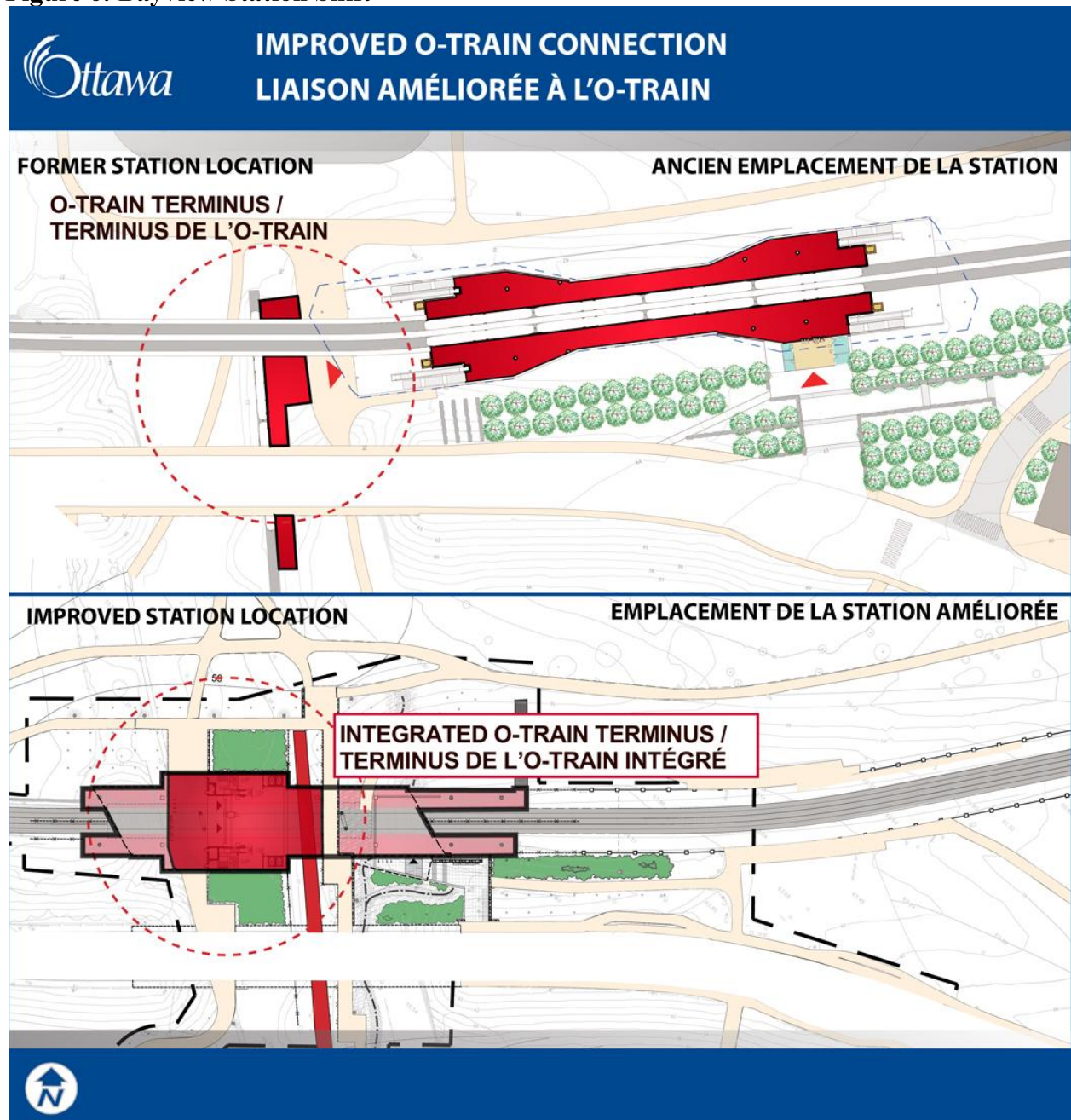
**Figure 5: Train Station Pedestrian Connections**



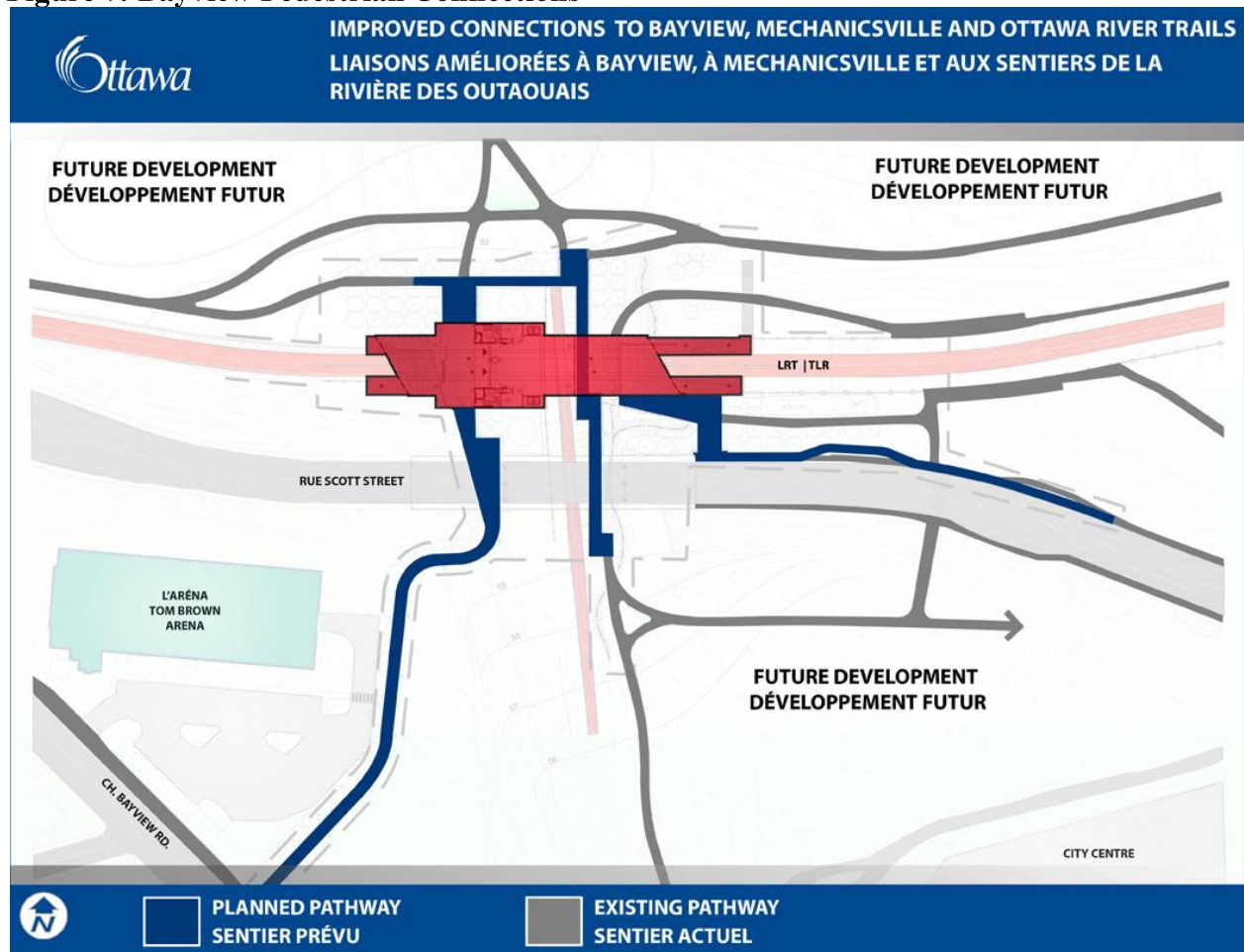
### ***Bayview Station***

The improved Bayview Station location has shifted west to be located above the O-Train station. This location provides a better and more convenient connection to the O-Train, which will improve the overall user experience by enhancing connectivity throughout the transit system. The new location will also provide better pedestrian and cycling connections for residents in Mechanicsville and Hintonburg to the southwest and Dalhousie to the southeast. The ability to provide a future connection so that North-South trains can continue into downtown is protected in this new configuration. The ability to continue north for a possible interprovincial connection is also protected with these station refinements.

Figure 6: Bayview Station Shift



**Figure 7: Bayview Pedestrian Connections**



### *Alignment at West Portal (Escarpment)*

The west tunnel portal (entry point) is now located west of Commissioner Street. This will safeguard the physical integrity of the escarpment, a protected natural feature under the Cathedral Hill Heritage Conservation District. It will also allow Commissioner Street to temporarily remain open and continue to function as a secondary access point to the parliamentary and judicial precinct and the Cliff Street Heating and Cooling Plant as required by the Federal Government.

**Figure 8: Updated Escarpment Alignment**



### ***Immediate Project Advancement***

As outlined in the July 2011 OLRT Implementation report, the project designs presented to Council and the public up to now are indicative preliminary designs, available to Proponents as they develop their more detailed plans. The three shortlisted Proponent teams will complete the designs with maximum freedom to innovate and optimize as they attempt to deliver the best system for the lowest cost. This freedom to innovate and optimize is the foundation of the Alternative Financing and Procurement delivery model.

As each team will be required to stand by their designs through financing, and submit a fixed-price through a 30-year maintenance obligation, each team will also need to work to ensure proper integration, function and durability over the long-term. Further, the teams are required to consider the federal approvals process for stations located on federal lands. As a result, aspects of the stations and system proposed by various teams will vary from the baseline presented to Council as teams use their own techniques, innovations and strategies to deliver the best overall value to the City.

The Proponents will submit their designs, cost, and construction schedule in July 2012 as part of their respective proposals. Staff from the Rail Implementation Office and Capital Transit Partners, with assistance from Infrastructure Ontario, will evaluate these submissions to ensure technical compliance with the operational and design requirements as set out in the Request for Proposal documents.

Once the evaluation is complete, final negotiations will then be conducted by Infrastructure Ontario, City staff and their expert advisors with the Preferred Proponent to ensure the City obtains the best value/cost for the design submitted. The referred Proponent's contract and their design will then be presented to Council for approval in December 2012.

Over the next four months, the City's project team will also be undertaking additional field work to further enhance the geotechnical and hydrogeological data available to Proponents. This will mean additional drilling of boreholes mainly along the tunnel alignment and establishing monitoring wells.

Other than the expropriations in the Rideau Street Alignment innovation zone, for which approval is currently being sought in this report, the expropriation process will continue to move forward as previously authorized by Council.

### **C. BUNDLING OF THE HIGHWAY 417 AND OLRT PROJECTS**

In June 2011, the Provincial government announced it would fund the widening of Highway 417 from Ottawa Road 174 to the Nicholas Street exit. The City of Ottawa had requested this project be fast-tracked to enable an alternate transit route during the construction of the OLRT project. The newly constructed lanes will be used to carry bus traffic during conversion of the Transitway from Bus Rapid Transit to Light Rail Transit. The proposed schedule for the 417- widening Project would see construction begin in the Fall of 2012 and completed in the Fall of 2015. The Ministry of Transportation has nearly completed the design work for a traditional design build approach to completing the project.

In order to provide an alternative corridor for rapid bus transit, the construction schedule for the conversion of the Transitway is highly interdependent on the successful completion of the widening of this section of the 417-Widening. Any delay in construction would result in either a costly delay in OLRT project construction and implementation, or an unacceptably compromised bus transit service for east Ottawa.

Even if completed on schedule, it is important to recognize that the amount of innovation the three shortlisted OLRT Proponents can bring to the 417-Widening Project is limited by the fact that the highway must be widened first and that the date of completion for that widening is beyond their control. This limitation eliminates a significant opportunity to reduce costs and total project schedule. The Infrastructure Ontario AFP procurement method works best when the private sector is given maximum flexibility in project design and schedule. Proponents have a strong incentive to reduce the total construction period as it lowers the cost of the construction financing they must provide.

To mitigate the risk of costly delay, reduce transit disruption and to allow private sector innovation, the City requested that the Province consider bundling the 417-Widening Project together with the OLRT project. With the support of Infrastructure Ontario, the City proposed undertaking these projects together with a single competition and single responsible private sector team charged with building both works on a common schedule. This would afford the selected Proponent full control of both project schedules and consequently allow the City to hold a single party responsible for performance.

The Province supports the proposed bundling approach. The Province will allocate the appropriate funding for the 417-Widening Project to the City but will be responsible for all design works related to the 417-Widening Project.

Certain enabling works will be advanced and completed during the 2012 construction season. For example, construction of columns in the Rideau River to support the widened bridge will be advanced to summer/fall of this year so that seasonal dependent work is completed in advance of contract award. Similarly, advance works for the Coventry Bridge may be delivered in 2012 to ensure seamless integration with the 417-Widening Project works.

The City and the Ministry of Transportation (MTO) anticipate entering into a project agreement outlining their respective rights and responsibilities for the 417-Widening Project. As well, the City and MTO anticipate entering into a reciprocal agreement that would permit the transfer of property rights between the parties at a nominal cost.

In connection with the reciprocal agreement, MTO has identified various City-owned properties that will be required beginning in 2012 on a temporary basis for bridge construction and staging purposes. The MTO has requested a nominal payment for these property rights. The final alignments and designs for the OLRT project have not been completed. As a result, the City has yet to identify its property requirements from the MTO. Once the property rights are known, the MTO will reciprocate.

To facilitate the reciprocal transfer, staff are requesting that Council waive the City's Disposal of Real Property Policy, set out in By-law 2002-38, in respect of the sale of land at fair market value and authorize the Director of the Real Estate Partnership and Development Office to complete such disposals and acquisitions.

## RURAL IMPLICATIONS

N/A

## CONSULTATION

Staff will be hosting a Public Open House that will include these updated designs this Spring.

## COMMENTS BY THE WARD COUNCILLOR(S)

N/A

## LEGAL/RISK MANAGEMENT IMPLICATIONS

### **(i) 417 Project Legal Agreements**

Although the City and the Province have agreed, in principle, to the “bundling” of the 417-Widening Project with the OLRT Project, certain legal agreements will be necessary to effect such “bundling”. As these legal agreements have not yet been finalized, it should be noted that:

- the City’s ability and authority to “bundle” requires that there be completed legal agreements;
- the final terms and conditions of the “bundling” are the subject of on-going negotiations and will be as set out in the legal agreements; and
- the respective rights and obligations of the City and the Province in respect of “bundling” are the subject of on-going negotiations and will be as set out in the legal agreements.

### **(ii) Innovation Zone-Property Acquisitions Strategy**

Commencing expropriation proceedings for subterranean property interests located within the Innovation Zone may give rise to compensation claims from affected owners.

## FINANCIAL IMPLICATIONS

Costs associated with implementing the land acquisition recommendations of this report have been provided for in the capital budget and long range financial plan for Transit.

Capital costs for widening the Highway 417 will be fully recovered from the Province of Ontario. As discussed in the report, this bundling is expected to result in schedule certainty and innovation.

## TECHNOLOGY IMPLICATIONS

There are no technology implications associated with this report.

## CITY STRATEGIC PLAN

The recommendations contained herein directly and indirectly support the following objectives of the Corporate Planning Framework:

EP1	Promote Ottawa globally
EP3	Support growth of local economy
TM1	Ensure sustainable transit services
TM2	Maximize density in and around transit stations
TM3	Provide infrastructure to support mobility choices
TM4	Promote alternative mobility choices
ES3	Reduce environmental impact
HC1	Achieve equity and inclusion for an aging and diverse population
SE2	Improve operational performance
GP1	Improve the public's confidence in and satisfaction with the way Council works
GP3	Make sustainable choices
FS1	Align strategic priorities to Council's tax and user fee targets
FS2	Maintain and enhance the City's financial position

## SUPPORTING DOCUMENTATION

N/A

## DISPOSITION

Following Committee and Council approval of the recommendations contained herein, the Rail Implementation office and the Deputy City Manager, Planning and Infrastructure will undertake the following:

- 1) Advance the “bundling” of the 417-Widening and OLRT projects as outlined in the report; and
- 2) Begin the expropriation process for the acquisition of property for the Rideau Station Alignment as outlined in the report.

