

MTO PROPOSAL - October 27, 1997

FUNDING AGREEMENT: Lincoln M. Alexander Parkway (East-West Section) and the Red Hill Creek Expressway (North-South Section) to be referred to as the "Parkway".

Principles

- The M.T.O. and R.H.W. agree to enter into an agreement whereby M.T.O. will contribute \$106.75M towards the implementation costs of the Parkway beyond those expended to December 31, 1995. The M.T.O. will further be responsible for the construction of the interchange at the Q.E.W. while R.H.W. will be responsible for the first phase of the expansion of the interchange at Highway 403.
- **The M.T.O. and Hamilton Wentworth agree that subject to the terms and conditions of the environmental exemption order, the target for completion of the project shall be 2001.**
- A Schedule "A" will be drafted to show the proposed Parkway and interchanges.

Scope

- R.H.W. as proponent, plans to complete, own, and operate the Parkway from the Highway 403 to the south limit of the interchange with the Q.E.W.. Construction of the N-S portion is as described in the Environmental Exemption Order dated May, 1996 and shown in Figure 8.
- **The M.T.O. and R.H.W. agree that it is a desirable objective to proceed immediately with the design and construction of the Highway 403 (Phase I) interchange to connect to the recently opened E-W freeway, the target for completion being December, 1999.**
- The M.T.O. plans to design and construct the interchange of the Q.E.W. with the Parkway. R.H.W. will act as the proponent within the study limits tentatively defined as Brampton Street in the south and the westerly limits as indicated in the Environmental Exemption Order. The final limits of the interchange to be discussed.
- R.H.W. shall arrange for the acquisition of land or such interest in land as may be necessary for the implementation of this agreement.

Administration

- R.H.W. will submit a Project Plan indicating a contract schedule, contract content, estimated costs, and a cash flow scenario over the expected life of the project. R.H.W. submit updates of this schedule on a semi-annual basis to M.T.O., indicating completed contracts and any proposed revisions.
- **R.H.W. will submit the contract documents, including plans, general specifications, item form, cost estimates, details of property acquisition, and the bidders summary to the M.T.O. for information and file purposes.**
- The M.T.O. will contribute to direct costs for purposes of design, construction and administration of the Parkway, but will not contribute to unrelated work that may be included in these contracts, due to the convenience that the circumstances may afford.

Financial Arrangements

- The M.T.O. will contribute 60% of the total costs of all projects approved and implemented under this Agreement effective starting in the fiscal year 1997, to a maximum of \$20 million in each fiscal year, subject to an overall maximum.
- At the option of the M.T.O. an amount greater than \$20 million may be paid to R.H.W. in support of actual Project costs, but not exceeding 100 % of the total expenditure in a given fiscal year.
- In the event that project has reached completion and the total provincial contribution of \$106.75 M has not been exhausted, the M.T.O. will pay the remaining funds to the limit of the overall maximum within one calendar year of final Project completion.

Payment Procedures

- Payment will be provided annually based on reported expenditures submitted to the M.T.O. by February 1st of each year following the year of incurred expenditures. The M.T.O. will provide payment to the Region by March 31st of each year.
- Upon written request by R.H.W., the M.T.O. will provide a mid-year (September) payment, to a maximum of \$10 million. The request must include an invoice and appropriately supported expenditure summary. The balance of the years financial commitment would then be provided as the year end payment.
- R.H.W. will provide to M.T.O. and affidavit at year end (December 31) verifying that all submitted expenditures were incurred exclusively for the Project.