



Memo

To: Council

From: Kelly Scherr, P. Eng., MBA, FEC,
Managing Director, Environmental and
Engineering Services and City Engineer

Date: March 18, 2021

Re: Wharncliffe Road South Improvements:
100 Stanley Street Update

1.0 Introduction

An information report was provided to Civic Works Committee on March 2, 2021 which provided an update on the status of the 100 Stanley Street property as it relates to the Wharncliffe Road South Improvements project. The report identified the process required for the project team to continue with the mitigation recommendation identified in the 2018 Environmental Assessment (EA) to relocate the heritage dwelling. The 2018 Environmental Assessment identified that the structure could not remain on site and the only two technically feasible mitigation alternatives for the impacted heritage dwelling were either relocation or demolition. Both options involve fulfilling the requirements under the Heritage Act. The EA recommended to proceed with relocation as it offered the best opportunity to protect the cultural heritage value of the dwelling.

At the March 2, 2021 Civic Works Committee, staff were asked to provide members of Council with additional information regarding the cost, schedule, and risks associated with relocation or demolition of the heritage dwelling at 100 Stanley Street.

2.0 Cost

It is estimated that the cost to relocate the heritage dwelling will be in the order of \$900,000 to \$1,100,000 more than the estimated cost to demolish the dwelling. This estimate includes the estimated revenue from the sale of the relocated dwelling.

The main reason for the range in the above noted costs is related to temporary utility work which is required for the relocation and will be better defined as the final construction schedule is developed.

This is one component of a larger project. This schedule implications of the 100 Stanley Street options introduce the risk of additional construction cost for the overall project as identified in the Conclusion section.

3.0 Schedule

The project schedule requires the 100 Stanley Street site to be clear by late Fall, 2021. Both relocation and demolition may be able to achieve this, but each approach presents schedule risks as detailed in the following sections.

3.1. Relocation Schedule Risks

The relocation process involves planning, heritage and engineering processes that were detailed in the CWC report. As it relates to schedule risk, the relocation process requires approval of a Minor Variance Application for the receiving site. As this process is subject to public participation, an objection from the public would be referred to the Local Planning Appeal Tribunal (LPAT). The likelihood of this is considered low; however, it could delay relocation by over one year.

3.2. Demolition and Commemoration Schedule Risks

In response to the March 2, 2021 Civic Works Committee meeting, staff have engaged with the Ministry of Environment, Conservation, and Parks (MECP) seeking their opinion with respect to potential demolition of the heritage dwelling considering the approved EA Study, the Part 2 Order requests and the Minister's Decision. MECP have requested additional information regarding the Environmental Assessment study and have not provided a final opinion at this time. Based upon MECP guidance, the City would pursue any adjustments to the EA and associated Minister's Decision. It is anticipated that public engagement will be required and that objection from public or stakeholder groups is likely to be encountered.

Based on recent changes to the EA process, it has been determined that the public appeal mechanism associated with the public review period for EAs and EA Addendums is now limited to concerns that deal with indigenous or treaty rights. Therefore, this potential delay could be less than the typical year delay experienced on previous projects. However, delays could still be experienced during the Ministry determination of the nature of any objection since this is a recent change.

Additionally, there are other legal mechanisms available to individuals or groups who are concerned with the demolition of the heritage dwelling at 100 Stanley Street. A legal challenge may delay the project in the order of one year or more.

The process to demolish and commemorate would also require a Heritage Alteration Permit application and report to the London Advisory Committee on Heritage (LACH) and Planning and Environment Committee (PEC). The commemoration aspects associated with demolition would be developed through the Heritage process. The City's Heritage Planner and Director would not recommend approval of the application.

4.0 Conclusion

The 2018 EA recommended the relocation of the heritage dwelling at 100 Stanley Street as the preferred alternative to address heritage considerations. Under the EA process, there were two Part 2 Order requests to the Minister related to this heritage issue and requesting the project be subject to an individual EA. The Minister's Decision acknowledged the relocation recommendation and imposed a number of conditions upon the City related to this recommendation.

The net cost difference between the relocation and demolition options is \$900,000 to \$1,100,000 which includes the estimated resale value. Both approaches have public touch points that introduce the potential for delays; however, this risk exposure is significantly greater for the demolition alternative based on previous formal opposition. Although MECP has not provided final advice regarding the EA process that would be required to proceed with demolition of the heritage dwelling, there is significant risk that this change would solicit opposition which could lead to delay from challenges either through the EA process or other avenues. Additional project costs triggered by objections to the demolition option would be expected due to construction delays and additional professional fees. Construction cost escalation in recent years has been in the order of 2 to 3% annually.