

Clause embodied in Report No. 5 of the Administration Committee, which was before the Council of the City of Toronto at its regular meeting held on April 23, 24, 25, 26, 27, and its special meeting held on April 30, May 1 and 2, 2001.

22**Works and Emergency Services Yard Consolidation**

(City Council at its regular meeting held on April 23, 24, 25, 26, 27, and its special meeting held on April 30, May 1 and 2, 2001, deferred consideration of this Clause to the next regular meeting of City Council scheduled to be held on May 30, 2001.)

The Administration Committee recommends the adoption of the following joint report (January 24, 2001) from the Commissioner of Works and Emergency Services and the Commissioner of Corporate Services.

The Administration Committee reports, for the information of Council, having requested the Chief Financial Officer and Treasurer and the Commissioner of Corporate Services to consult with representatives of CUPE Local 416 respecting the communication (March 27, 2001) from the President, Toronto Civic Employees' Union, CUPE Local 416, requesting that the Departments involve representatives of Local 416 in the yards consolidation study.

The Administration Committee submits the following joint report (January 24, 2001) from the Commissioner of Works and Emergency Services and the Commissioner of Corporate Services:

Purpose:

To conduct a pilot project to determine the cost/benefits of consolidation of Works and Emergency Services yard operations. The pilot project will include the investigation of operational efficiencies, environmental impacts, and the capital value of properties identified as surplus as a result of consolidation.

Financial Implications and Impact Statement:

Cost of the first 3 phases of study is estimated to be approximately \$405,000. This amount will be requested in the 2001 Capital Budget Submission for Works and Emergency Services. The funding requirements for each stage of the project will be dependent on the decision at the completion of each phase to proceed with the project. The Phase 1 funding requirement is \$65,000.

The Chief Financial Officer and Treasurer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) Works and Emergency Services in conjunction with Corporate Services, Facilities and Real Estate Division, lead the interdepartmental project team to proceed with Phase 1 of the Yard Consolidation Pilot Project;
- (2) contracted staff be hired to assist with the above and specially to carry out the following activities:
 - assessments of existing properties and facilities;
 - valuation of surplus yards; and
 - production of a cost-benefit analysis;
- (3) development of a conceptual plan and project budget consultants be engaged to carry out the following activities:
 - environmental testing of yard properties;
 - site planning; and
 - Environmental Assessment activities;
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto

Background:

Since the amalgamation of the new City of Toronto, Works and Emergency Services has engaged in a yards rationalization effort that has resulted in ten of the 47 yard locations being declared surplus by Works and Emergency Services. Four of these yards are within the study area, but are not included in the study because their disposition will precede the study timeline. This constitutes a 26 percent reduction in yard facilities. The rationalization of these facilities has been accomplished without any major renovations to existing yard facilities. While there are further opportunities for yard rationalization, in order to accomplish further yard reductions, major renovations or development to existing facilities will be required.

Comments:

To investigate the further potential to rationalize yard locations through yard consolidation an Inter-Departmental team co-led by Facilities and Real Estate and Works and Emergency Services was set-up. Project team members include representatives from the following Divisions:

Corporate Services
Fleet Management, Facilities and Real Estate
Economic Development, Culture and Tourism
Parks and Recreation, Economic Development

Finance

Purchasing and Materials Management

Works and Emergency Services

Ambulance, Solid Waste Management, Support Services, Technical Services,
Transportation, Water and Wastewater

Urban Development Services

City Planning

The project team considered a comprehensive study of the Corporation's full yard inventory, but opted for a pilot project to determine the potential benefits of yard consolidation and to test the City's ability to implement a major yards consolidation project. The project team has identified Works and Emergency yards within the area bounded by Jane Street in the West, Lawrence Avenue West in the North, Wellington Street in the South and Yonge Street in the East (Appendix A) as the initial focus for yard consolidation. This area contains 11 of the remaining 37 Works and Emergency Services yards in the City and 4 yard locations already declared surplus by Works and Emergency Services (Appendix B). The 4 yards locations that have already been declared surplus will not be included in the pilot study, but have been identified in the report as they have yet to be designated for other uses or for sale. The yards in the study area provide a good pilot to assist the Corporation identifying the quantitative and qualitative benefits available that may be available through yard consolidation. The benefits of consolidation may include reduction of facility operating, support service and operational service delivery costs, revenue from the sale of surplus property, avoidance of capital cost expenditures and increased property tax base for redeveloped properties, employment opportunities and neighbourhood improvement potential. Most of the facilities are small and house a single function. The area was selected as it has the highest concentration of yard facilities within a defined geographic area. A number of yards within the project area have the potential to accommodate an expanded yard operation by redeveloping the existing site. In addition, some of the sites that may become surplus as the result of a consolidation have high market values based on location and zoning designation (Appendix C).

In order to determine the feasibility and desirability of a major yard consolidation initiative in this part of the City – a 4-phase process is proposed.

Phase 1	Preliminary cost/benefit analysis
Phase 2	Detailed cost benefit analysis
Phase 3	Community Consultation/Site Planning
Phase 4	Design and Construction

Phase 1:

Phase 1 of the project would involve the development of a preliminary cost/benefit analysis of the project. Phase 1 activities would include a general assessment of the land and facility conditions and a real estate appraisal of each site. The operational requirements for a consolidated site and development costs would also be developed. Phase 1 would result in a report to the Works Committee that forecasts the potential costs and benefits of a major yard consolidation. In order to complete Phase 1, the hiring of a contracted project manager will be required. The project manager, with the support from City staff, will perform the general

assessment of land and facility conditions, real estate appraisals, estimation of property tax revenues from redeveloped sites, consolidated yard requirements and cost benefit analysis. The project manager will be initially hired on a 6 month contract. It is estimated that \$65,000 will be required to complete this phase. Regardless of whether the project proceeds past Phase 1, the assessment of facility conditions will benefit the Corporation as many of the existing facilities are in need of significant capital improvement. The cost of Phase 1 will be requested in the 2001 Capital Budget Submission for Works and Emergency Services.

Phase 2:

Phase 2 of the project would involve a more detailed cost/benefit analysis. Given the previous land uses of many of these sites, more detailed Condition Assessments will be required in order to determine the true market values of these sites. These assessments may include borehole drilling, groundwater and methane testing and contaminant migration modelling. A consultant will be engaged to conduct these assessments, which is expected to cost \$125,000. A more detailed examination of the operational efficiencies that may be gained through consolidation will also be performed in Phase 2. While staff will perform most of the work to identify operational efficiencies, the contracted project manager will assist and coordinate this process and the assembly of the final cost benefit analysis. To complete this phase the project manager's contract will need to be extended an additional 6 months requiring \$50,000 in funding for a total cost of \$175,000 for Phase 2. Although funding of this phase will be dependent on a decision to proceed with the Phase 1 Report, funds for Phase 2 will also be requested in Works and Emergency Services' 2001 Capital Budget Submission.

Phase 3:

Phase 3 of the project would involve community consultation, environmental assessment and site planning activities. Municipal projects of this type are required to undergo an Environmental Assessment under provincial statute. While the study will focus on existing City of Toronto properties, at this stage of the project it is impossible to ascertain, whether the project will be classified as a Schedule "A", "B" or "C" project (Appendix D). If the recommendation is to consolidate the yards on existing City of Toronto yard properties and no land acquisition is required, the project would be considered as a Schedule "A" project. If the recommendation were to consolidate the yards on a new site the project would be considered to be a Schedule "B" or "C" project depending on cost. The main difference in the requirements between Schedule "B" and "C" projects is that Schedule "C" projects require a higher level of public consultation, more detailed environmental inventories and evaluation of alternative designs. Given the City's interest in public consultation and identifying the impacts of projects of this type on local communities, it is recommended that regardless of the Class Environmental Assessment designation that a comprehensive consultation process with the impacted residential and business communities be undertaken. The project will also include a Transportation Impact Study, which will allow the City to determine any potential transportation impacts to residents and businesses within the vicinity of redeveloped or new yard locations.

It is proposed that the public consultation process include a range of activities such as regular information updates to the local community and a number of public events. Local Councillors and Community Councils will also be kept informed and involved in the activities. While Works

and Emergency Services staff will facilitate the public meetings, consultants will be required to carry out the Environmental Assessment and Transportation Studies and assist in the public consultation process. It is estimated that the project will require \$75,000 for these purposes.

The other major environmental activity, a detailed evaluation of the site conditions of the relevant facilities, will be completed as part of Phase 2 of the project. Phase 3 will also involve the development of a conceptual plan for the designated consolidation site. The plan will provide the detail required to determine an appropriate capital budget for the consolidated facility and including building and facility requirements and a site and implementation plan. Consultants will be engaged to assist in the development of the conceptual plan and it is estimated this work will cost \$90,000. All funds required for Phase 3 will be requested in Works and Emergency Services' 2001 Capital Budget Submission.

Phase 4:

If the project receives approval to proceed Phase 4 of the project will involve design and construction activities for the consolidated facility. It is anticipated the request for funding for the facility design will be included in the Department's 2003 Capital Budget Submission and funding for construction to be included in the 2004 Capital Budget Submission.

A report containing recommendations on proceeding to the next phase will be submitted to the Works Committee and Administration Committees at the completion of each phase of the project. A summary of the financial requirements and timing of the each phase is contained in Appendix E.

Impacts on Other Programs:

Consolidation of Works and Emergency Services locations would also enable the Corporation to consolidate Fleet, Material Management and Support Services located within these yards. It is important to ensure that the pilot project is co-ordinated with a number of other Corporate initiatives related to these activities including, the Corporate Fleet study, Stores and Material Management Review and the implementation of the Common Services model. While the pilot project will be based on the existing provision of services directly delivered by City staff, co-ordination also is required with any Alternative Service Delivery Strategy adopted by the City.

Conclusions:

The small existing yards in the study area do not lend themselves to economies of scale and present limited opportunity for service improvement or increased operational efficiency. Some of these yards may be located on marketable land, and there is potential for the City to capitalize on the land values of these sites while increasing operational efficiency through consolidation. A combination of expertise from an outside consultant and internal City staff will confirm this premise. The disposal of surplus property will also be the subject of a further report.

The Commissioner of Economic Development, Culture and Tourism, and the City Treasurer have been consulted and concur with the contents and recommendations of this report.

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List of Attachments:

Appendix A: Map – Yard Consolidation Opportunities
Appendix B: Site Information – Yards
Appendix C: Zoning and Planning comments and explications.
Appendix D: Overview of Environmental Assessment Process
Appendix E: Project Schedule and Costs

Appendix D

Overview of the Environmental Assessment Process Applicable to Municipal Undertakings:

Municipal undertakings with respect to road, water, and wastewater projects, including for example, the establishment of municipal works yards, are dealt with through the Class Environmental Assessment process. This process is a provincially approved planning and decision making procedure, designed to ensure that environmental effects are considered and mitigated. The Class Environmental Assessment (Class EA) also ensures that members of the public are properly informed of the undertaking and are given opportunities for input.

The Class EA process reflects five key principles of successful planning under the EA Act. It should be noted that for municipal undertakings prescribed under the EA Act, it is a legal requirement that this process is adhered to, and not doing so would contravene the EA Act. The five key principles are as follows:

- (1) consultation with affected parties early on, such that the planning process is a co-operative venture;
- (2) consideration of a reasonable range of alternatives;

- (3) identification and consideration of the effects of each alternative on all aspects of the environment;
- (4) systematic evaluation of alternatives in terms of their advantages and disadvantages to determine their net environmental effects; and
- (5) provision of clear and complete documentation of the planning process followed to allow “traceability” of decision-making with respect to the project.

The Class EA applies to municipal infrastructure projects. Since these projects vary in terms of environmental impact they are defined by schedules. The following is a brief description of the three schedules.

Schedule A: Projects that are limited in scale and have minimal adverse environmental effects (i.e., maintenance and operational activities). These projects are approved and may proceed to implementation without following the Class EA planning process.

Schedule B: Projects that have potential for some adverse environmental effects (i.e., improvements and minor expansions to existing facilities). The proponent is required to undertake a screening process involving mandatory contact with directly affected public relevant government agencies, to ensure that they are aware of the project and that their concerns are addressed.

Schedule C: Projects that have potential for significant environmental effects (i.e., construction of new facilities). These projects must proceed under the full planning and documentation procedures specified in the Class EA document. Schedule C projects require that an Environmental Study Report be prepared and submitted for review by the public.

It should be noted that for projects that fall under the “Class Environmental Assessment for Municipal Road Projects”, the associated cost is a factor in the schedule selection. The Class EA document identifies particular cost ranges for specific types of projects.

The Ministry of the Environment (MOE) recognizes that projects included under the Class EA will have predictable environmental effects, which can be mitigated. Since the degree of the environmental impact is not always directly related to the project size or cost, it is necessary to allow for special treatment of projects that significantly impact the environment. The MOE has established a provision to elevate the status of such a project from the Class EA process to make it subject to an Individual EA, known as a “bump-up”. It should be noted that any schedule (i.e., Schedule A, B or C) can be bumped-up. Therefore, it is better for the municipality to resolve issues early on in the process as opposed to having the Minister decide on issues through a lengthier and less certain bump-up review.

In order to assist the municipality in meeting the five key planning principles and in determining the appropriate schedule, the Class EAs follow a five-phase planning and design process as listed below:

- Phase 1: Identification of the problem or deficiency.
- Phase 2: Identification of alternative solutions to the problem and establish the preferred solutions.
- Phase 3: Examine alternative methods of implementing the preferred solution.
- Phase 4: Documentation of the rationale, planning, design and consultation process in an Environmental Study Report and
- Phase 5: Construction, operation, and monitoring (where applicable).

Note that the identification of a preferred solution based solely on financial and operational considerations and subsequently following the above steps is unlikely to satisfy the requirements of the EA Act. It is necessary that the municipality use the Class EA process to identify the preferred method of achieving the objectives of the undertaking.

Appendix E: Project Schedule and Costs

Phase	Activity	Responsibility	Cost	Phase Total	Start Date
1	Condition Assessment – Land and Facilities	Contracted Staff			February 2001
	Cost Benefit Analysis	Contracted Staff			
	Consolidated Yard Requirements	Contracted Staff			
	Real Estate Appraisal	Contracted Staff		\$65,000	
2	Condition Assessment – Land	Consultants	125,000		October 2001
	Cost Benefit Analysis	Contracted Staff			
	Service Delivery Methods	Contracted Staff	50,000	175,000	
3	Site Planning	Consultants	90,000		September 2002
	Environmental Assessment	Contracted Staff	75,000	165,000	
4	Design		To be determined		March 2003
	Construction		To be determined		January 2004

(A copy of Appendices A, B and C referred to in the foregoing report was forwarded to all Members of Council with the March 27, 2001, agenda of the Administration Committee and a copy thereof is also on file in the office of the City Clerk.)

The Administration Committee reports, for the information of Council, having also had before it a communication (March 27, 2001) from Mr. Brian Cochrane, President, Toronto Civic Employees Union, Local 416, CUPE, requesting that representatives from Local 416 be involved in the yards consolidation study.