

Region of Waterloo
Planning, Development, and Legislative Services
Economic Development

To: Planning and Works Committee
Meeting Date: March 7, 2023
Report Title: Charles St. Terminal Visioning Process, Community Consultation & Technical Studies

1. Recommendation

For Information.

2. Purpose / Issue:

This Report provides an update to Reports PDL-ECD-19-03, PDL-ECD-20-07, and PDL-ECD-22-08 on work underway as part of the Charles Street Terminal Visioning project, including: community engagement, both feedback shared to date and upcoming engagement opportunities, and the status of technical studies.

3. Strategic Plan:

The visioning process for the Charles Street Terminal re-development supports several Strategic Plan Focus Areas and Imperatives in the 2019-2023 Strategic Plan including: Thriving Economy Objective 1.1; Environment and Climate Action Objectives 3.1 and 3.5; Healthy, safe and inclusive communities Objective 4.2 and 4.5; and Responsive and engaging public service Objectives 5.1.

4. Report Highlights:

- a) The Charles Street Terminal Visioning Project aims to deliver a redevelopment plan based on four (4) community driven guiding principles which have been approved by Council, including Affordable Housing; Climate Action; Equity, Diversity and Inclusion; and, Thriving Economy.
- b) Ongoing Community Engagement: Building on the four community-driven guiding principles, staff continue to listen and learn from community through a series of engagement activities to determine bold ideas for the site. These activities range from surveys and street team interviews to targeted stakeholder labs. Community feedback across different Regionally led initiatives including the Community Safety and Well Being Plan (2022) and the Indigenous Space Needs Study (2023)

have identified the significance of the Charles Street Terminal in community, and the feedback is being incorporated into the visioning process for the site.

- c) **Technical Assessments:** A series of technical studies are underway to establish baseline site conditions, which will inform the visioning process and development opportunities on the Site. Environmental Site Assessments and a Preliminary Geotechnical Investigation were completed for the site. Initial results identify the presence of soil and groundwater concerns on the site, which will require full or partial remediation prior to development of the land. Both City and Regional Staff are currently working with the consultant to evaluate the results of the studies.

5. Background:

On November 5, 2019, Planning and Works Committee authorized Regional staff to initiate the development of a strategy and vision for the future use of the former bus terminal site as a mixed-use development outlined in Report PDL-ECD-19-03.

On August 11, 2020, Planning and Works Committee authorized a project budget to commence the required technical site studies and community consultation to prepare the site for disposition, with a direction to report back with an updated community consultation plan outlined in Report PDL-ECD-20-07.

On June 7, 2022, Planning and Works Committee received report PDL-ECD-22-08 for information on the initial findings of the public online engagement survey, which garnered over 1,000 responses on climate action, affordable housing, economic prosperity, and equity, diversity and inclusion. Commentary also emphasized the importance of equity in the process, and a strong desire for community-based, community-driven engagement opportunities.

This report provides an update on the status of the works program for the project.

Environmental Considerations

MTE Consultants Inc. were engaged to complete both Environmental and Geotechnical analysis of the site in the summer of 2022. The work program commenced on site in September 2022, with final on site sampling and analysis completed in November 2022. Draft reports issued have identified environmental concerns in both soil and groundwater at the site. These results are not considered dissimilar to other urban infill sites with former industrial uses either on, or in proximity, but do verify the complexity of the re-development program, and the need for a Remediation Action Plan.

Remediation of soil contaminants is an achievable outcome on site, where groundwater contaminants will need to be managed through a risk assessment and on site management process.

Investigations to date indicate soil contamination was generally identified at shallow depths of less than 1.5 metres below ground surface, and included exceedances of the applicable standards for lead, petroleum hydrocarbons, and polycyclic aromatic hydrocarbons (PAHs). Deeper soil contamination was identified at one borehole location at a depth of 2.3-3.4 metres below ground surface, which is attributed to waste from past demolition of buildings. Elevated concentrations of parameters related to road salt application were also identified throughout the site, which are not a concern for RSC filling but will be a consideration for excess soil management during future redevelopment.

Groundwater contamination related to chlorinated solvents was identified on the Site. The analysis was not able to identify a source of contamination on the site. Localized exceedances related to metals (cobalt and zinc) and acid/base/neutral compounds (ABNs) were also identified in groundwater.

A preliminary Remediation Work Plan and Cost Estimate is being prepared by the consultant to outline how environmental concerns could be addressed for the property. Regional and City staff must consider the options available, including whether this work is completed by the Region and City, or as part of the development program led by the future proponent of the land. Other factors considered include timelines; costs; development restrictions; liability to the public, liability to City and Region; ownership structure; excess soil management; and, brownfield funding eligibility.

Staff will bring a report back to Council for direction on the preferred approach to environmental remediation of the site.

Geotechnical Considerations

The MTE report provided recommendations related to site preparation, excavations, dewatering, foundation design, site servicing, and pavement structure. These recommendations will inform future design analysis. The final report will be provided to plan takers through the formal RFP process, to inform submissions.

Technical Study Work Plan

Technical design and landscape studies, along with financial modelling, disposition strategy, and market analysis will commence in the spring to help guide the path toward re-development. This work will occur concurrent to the ongoing Multi-stakeholder and community engagement work over the course of the spring and summer. Regional staff will bring back recommendations to Council at key milestones including the approach to environmental remediation, and disposition to the market in 2023.

The current thinking is to advance the site to disposition through a two-phase Request for Proposal process in 2024, which would identify an industry partner to develop the land. This approach is subject to feedback and analysis gained through this next phase

of work, and final direction from Council.

Staff continue to work with the City of Kitchener on the details of a Memorandum of Understanding for ownership and cost sharing.

6. Area Municipality Communication and Public/Stakeholder Engagement:

Area Municipality Communication:

Regional staff have established an integrated working group with the City of Kitchener with representation from both organization's Planning, Economic Development, Housing, Equity Services, and Communications departments. The group is comprised of seven (7) Regional staff, and six (6) City staff, and meets on regular basis.

Per the direction outlined in the June 2022 report to Council, the composition of this working group structure will be expanded to include members of the public with the addition of (5) Community Connector roles. These paid, temporary positions will bring broader community voices with relevant expertise or lived experience to the planning table.

The Working Group sets the framework for community engagement, and direction on analysis of technical findings, and informs the recommendations which will move forward to Council.

City staff are aware of and have reviewed this report coming forward to Regional Council, and will be communicating these materials with City Council in alignment with council meeting timelines.

Concurrent to this project, the Region-led work around Indigenous space needs proposes a series of findings coming out of their engagement work over the last half of 2022. The recommendations put forward from that Study, will be considered in developing the future vision for the terminal site.

Public/Stakeholder Engagement:

Phase 1 – Broad Community Survey on Values (Late fall 2021)

The public engagement campaign for the redevelopment of 15 Charles Street began in late 2021 with the launch of an online, broad public survey. This survey, which yielded approximately 1,000 responses served to validate that the priorities, or guiding principles, established by the City of Kitchener and Region which include economic prosperity, affordable housing, environmental sustainability and equity, diversity and inclusion.

In addition to the work led by the Region and City, ReAllocateWR and Land Back Camp co-founders have called on the Region of Waterloo to "support and lead alongside the Indigenous community in advocating for an Indigenous community hub in the heart of

Kitchener." They continue to seek support for this direction through a documentary, events and a public petition.

Phase 2 – Identifying Needs by Community (Summer – Fall 2022)

The second phase of the Region-led community engagement was developed to 'meet community where they are'. Through the summer and early fall of 2022, facilitators – Street Teams - were stationed at prominent locations and meeting places in downtown Kitchener (market, central library, bus stations, Victoria Park, Blues Fest, and Gaukel Street) and conducted short-burst interviews with people using downtown amenities. An online companion survey was also provided to people who wanted to share privately. Just over 500 responses were collected. The summarized insights indicated the desire for:

- affordable and supportive housing options,
- space for Indigenous, Black, racialized and 2SLGBTQ+ peoples groups;
- community space with indoor and outdoor options (with a majority of responses emphasizing need for an Indigenous Community Space);
- creation of a multimodal site with housing, healthcare services, retail and community space.

Phase 3 – Stakeholder Labs & Expansion of the Working Group (Winter – Spring 2023)

In addition to the users of downtown amenities that the Street Teams targeted, nine additional distinct stakeholder groups have been identified as priority for tailored conversations. These groups include:

- ***Downtown Kitchener business community*** (BIA Board & Membership, Greater KW Chamber of Commerce)
- ***Downtown Neighbourhood Associations***
- ***City of Kitchener's Economic Development committees*** (Downtown Action Advisory Committee, Economic Development Advisory Committee)
- ***Environmental Group(s)*** (City of Kitchener's Environmental Advisory Committee, Sustainable Waterloo Region, TransformWR)
- ***Housing Group(s)*** (City of Kitchener's Housing and Homeless Steering Committee, housing providers and partners)
- ***Arts & Culture*** (City of Kitchener's Arts and Culture Advisory Committee, downtown-based arts and culture organizations)
- ***Youth under 18**** (Children and Youth Planning Table, and Smart Waterloo Region Innovation Lab)
- ***Post-secondary students and stakeholders***
- ***Members of the urban Indigenous community, and of other equity-deserving communities*** (Black and racialized groups, members of 2SLGBTQ+ communities)

These sessions have been designed to facilitate deeper conversation into curated topics dependent on the participants. Generally topics will include affordable housing, economic prosperity, sustainability, community space and equity-driven initiatives, and will examine how stakeholders envision the incorporation of these into a potential development.

In tandem to these sessions, the Working Group is also working to broaden its membership to include five Community Connectors and at least one community-based facilitator. The purpose of these roles will include both broadening reach to ensure members feedback is gathered from as many relevant stakeholders as possible, and to ensure that engagement with priority community members is conducted with best practices for that group.

There is a call for expressions of interest to join the Working Group on the project's Engage page currently.

Phase 4 – Design Workshops and Activations (Spring – Fall 2023)

While specific next steps will be determined shaped on the feedback collected through both the stakeholder meetings, and through ideation with the newly expanded Working Group members, we anticipate future engagement to be through more dynamic applications like design workshops and place-making activations. Examples may include historical walking tours, on-site installations, design competitions, charrette workshops.

7. Financial Implications:

The funds allocated for this work (\$800,000) were initially approved in the Region's 2022 budget. Costs incurred to date on this project amount to \$228,300, leaving a balance of \$571,700. The Region's approved 2023-2032 Economic Development Capital Program includes \$571,700 (2023 - \$346,700 and 2024 \$225,000) for the Charles Street Disposition (Project 99088) to be funded from the General Tax Supported Capital Reserve.

Expenditures to prepare the site for EOI / RFP and disposition will be incurred over the next 12-18 months, with the City of Kitchener contributing their proportionate share toward up front technical work, apportioned on the split in land ownership.

Of the total costs incurred to date, \$48,300 has been directed to community facilitation and engagement initiatives, with \$142,400 being expensed in association with environmental and geotechnical investigations, and the balance on land survey and other communications costs.

Cost associated with additional consultation efforts including funding of the Community Connector roles and Community Facilitator(s), along with remaining technical studies will be absorbed within the current approved budget.

Should the disposition of land move forward through an RFP Award process, staff will provide recommendations on the allocation of proceeds of sale, which could include the refunding of the General Tax Supported Capital Reserve.

8. Conclusion / Next Steps:

The Working Group will continue to advance technical study work, financial modelling, urban design analysis, and community engagement over the course of 2023.

Staff will report to Council at key milestones in the project plan, and provide recommendations seeking direction on approach to environmental remediation, and the land disposition strategy in the coming months.

The Working Group will continue listening and learning from the conversations underway across various Region and City-led initiatives around the visioning for Kitchener's downtown, community needs, indigenous space needs, and other planned project specific outreach with stakeholders and in community.

9. Attachments:

Appendix A: Glossary of Terms

Appendix B: Presentation slide deck, Planning & Works Committee March 7, 2023.

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