Agenda – Executive Policy Committee – April 20, 2011

REPORTS

Item No. 1 Demolition Permit Process Review – Regulation of Commercial Building Demolition

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That individuals and corporations intending on engaging in the work of demolishing non-residential structures must be licensed by the City of Winnipeg as a licensed commercial demolition contractor.

2. That non-residential demolition permits shall only be issued to licensed commercial demolition contractors.

3. That the Public Service proceed to establish a licensed commercial demolition contractor permit process and licensing process.

DECISION MAKING HISTORY:

COUNCIL DECISION:

On February 23, 2011, Council concurred in the recommendation of the Executive Policy Committee and approved an extension of time of 60 days in order for the Winnipeg Public Service to report back on the July 21, 2010 Council Motion, as directed by the Executive Policy Committee on September 8, 2010.

On December 15, 2010, Council concurred in the recommendation of the Executive Policy Committee and approved an extension of time of 60 days in order for the Winnipeg Public Service to report back on the July 21, 2010 Council Motion, as directed by the Executive Policy Committee on September 8, 2010.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 8, 2010, the Executive Policy Committee recommended that an extension of time of 60 days be granted in order for the Winnipeg Public Service to report back on the July 21, 2010 Council Motion, as directed by the Executive Policy Committee on September 8, 2010, and submitted the matter to Council.

On September 8, 2010, the Executive Policy Committee referred the July 21, 2010 Council Motion, resolving that the City Auditor or another independent entity fully review the city process for regulating demolitions, and that the Winnipeg Public Service work with the Province of Manitoba to review their safety standards, and to report such a review with recommendations for improvements to Council, to the Winnipeg Public Service for report back in November 2010.

COUNCIL DECISION:

On July 21, 2010, Council ruled automatic referral of the following motion to the Executive Policy Committee:

Moved by Councillor Wyatt,
Seconded by Councillor Vandal,

WHEREAS demolition permits are required by the City during a demolition to ensure all proper safety precautions are in place for the dangerous task of demolishing a building;

DECISION MAKING HISTORY (continued):

COUNCIL DECISION (continued):

AND WHEREAS there was a failure to take proper safety steps to ensure public safety pertaining to the demolition of Transcona Meats/Transcona Locker Room on the 100 block of Regent Ave East;

AND WHEREAS the community was very fortunate that no one was insured or killed in relation to the building collapse;

AND WHEREAS some building materials may have included asbestos and other harmful substances which clearly require provincial government intervention;

AND WHEREAS this incident was the second example in three years of an unsafe demolition resulting in building collapse, with the first being the WRHA site on Main Street, where the collapse of the building precipitated lane closures on Main Street;

THEREFORE BE IT RESOLVED that the City Auditor or another independent entity, fully review the city process for regulating demolitions, and that the Winnipeg Public Service work with the Province of Manitoba to review their safety standards, and to report such a review with recommendations for improvements to Council.

ADMINISTRATIVE REPORT

Title: **Demolition Permit Process Review - Regulation of Commercial Building Demolition**

Critical Path: **Executive Policy Committee - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
G. Solkoski	D. Joshi	N/A	M Ruta A/CAO

RECOMMENDATIONS

1. That individuals and corporations intending on engaging in the work of demolishing non-residential structures must be licensed by the City of Winnipeg as a licensed commercial demolition contractor.

2. That non-residential demolition permits shall only be issued to licensed commercial demolition contractors.

3. That the Public Service proceed to establish a licensed commercial demolition contractor permit process and licensing process.

REASON FOR THE REPORT

On July 21, 2010, Council referred the following motion to the Executive Policy Committee:

"that the City Auditor or another independent entity, fully review the City process for regulating demolitions, and that the Winnipeg Public Service work with the Province of Manitoba to review their safety standards, and to report such a review with recommendations for improvements to Council."

On September 8, 2010, the Executive Policy Committee referred the Council motion to the Public Service for review and report back in November 2010. On December 15, 2010, Council granted a 60 day extension and subsequently, a further 60 day extension on February 23, 2010.

IMPLICATIONS OF THE RECOMMENDATIONS

Many of the risks and hazards associated with any construction activity have the potential to become more severe with demolition projects since the purpose of the work is de-construction rather than construction which benefits from ongoing inspections. Depending upon their nature, demolition activity can occur very rapidly giving little time for the City to react should problems or issues be encountered on the construction site.

The City currently relies on the demolition permit review process to manage as much of the risk as possible prior to the work occurring; however, once the demolition permit is issued, there is a significant reliance upon the workmanship and expertise of the contractor to conduct the demolition in a safe and professional manner. This general process is consistent with the four other cities reviewed (see Attachment 3). The establishment of a licensing and permit process for commercial demolition contractors recognizes the importance of ensuring that the demolition work is conducted by competent and knowledgeable individuals and is consistent with two of the four cites reviewed. For cities in Ontario demolitions of certain types of buildings must be conducted under the supervision of a professional engineer as this is an Ontario Building Code regulation (see Attachment 3).

The Planning, Property and Development Department currently administers licensing and permit processes for electrical, plumbing and mechanical contractors and these existing procedures can be extended to include commercial demolition contractors.

Establishing the licensed commercial demolition contractor program will require adjustments to administrative processes, the development of a licensing procedure in consultation with industry and amendments to the Building By-Law No. 4555/87 and the Planning, Development & Building Fees By-Law No. 196/2008 & 77/2009. Initial discussion with industry stakeholders has indicated strong support and willingness to participate. The Public Service will continue to consult with industry to implement a licensing program by January 1, 2012. This will provide the Public Service and industry with sufficient time to prepare.

Provincial legislation adds another set of regulatory protections that are also intended to reduce the risk associated with demolition projects and there is an added benefit offered through provincial inspections that could occur during the demolition activity. Discussions with the Province of Manitoba Workplace Safety and Health Division have revealed opportunities for the City and the Province to share information, coordinate enforcement activities and to monitor demolition work as it occurs. There may also be other opportunities for Workplace Safety and Health to have a role in the demolition contractor licensing and permit process. The workplace safety and health record would be a consideration in receiving and retaining a commercial demolition license.

Improvements to the Department's existing published information pertaining to demolition permits will clearly communicate both the permit review process and the City's expectations during demolition once the permit has been issued. This will provide better instructions and guidelines for non-commercial demolition projects involving removal of single-family homes that may be undertaken by an un-licensed contractor or a homeowner. Our review of other cities provided us with excellent examples of how to improve our existing published information through the use of checklists and more complete descriptions of the demolition permit process.

Although there are more demolition permits issued for residential properties, there is a much lower risk associated with them. Since they usually occur to facilitate new construction, the demolition is done quickly, which limits the duration of the exposure to safety risks during demolition. In addition, since the same contractor is often retained to construct the replacement home, the City has more opportunity to monitor the construction site through ongoing inspections. There are also fewer reported incidents or accidents that might have created unsafe conditions during demolition. For these reasons, the existing permit process for residential demolitions is adequate and there is currently no need to require that residential demolitions be conducted by a licensed contractor which is consistent with three of the four cities surveyed.

HISTORY

The City of Winnipeg Building By-Law No. 4555/87 requires that all demolition projects involving either the removal of an entire building or a portion of a building must have a demolition permit issued prior to commencement of the work.

Demolition permit applications are submitted to the Planning, Property and Development Department for review and processing by internal branches within the Development and Inspections Division and also by external departmental reviews through Public Works and Water and Waste. (Attachment 1 provides an overview and detailed description of the review process.)

Upon completion of the review, the permit is issued to whoever is the applicant, which may be an owner or a contractor, with the expectation that the permit holder will proceed to conduct the work in a manner that is compliant with the permit and any conditions associated with it. The permit and its conditions place the obligation on the permit holder to ensure that the demolition is done in compliance with all other applicable legislation such as the Province of Manitoba Workplace Safety and Health Act and the CSA Standard “Code of Practice for Safety in Demolition of Structures”. (Attachment 2 provides an overview of Provincial Workplace Safety and Health regulations that govern building demolition.)

This approach is consistent with all building permits issued by the City of Winnipeg, however, new construction or renovations benefit from ongoing inspections as construction proceeds through stages, but demolition projects, by their nature, are not inspected until the work is complete. This places a particular responsibility upon the holder of a demolition permit to ensure that the work is conducted in a safe and careful manner to protect not only the health and safety of workers on the construction site, but also adjacent property including the public street. Consequently, a successful and safe demolition project outcome primarily relies upon the skill and abilities of those conducting the work.

Attachment 5 provides demolition permit statistics for commercial and residential demolitions for the previous five years. There were more than twice as many residential demolition permits issued than commercial demolitions and most of these were for single-family homes as older properties are removed to allow for new infill residential development.

Demolition projects, as with any construction activity, always have an inherent risk associated with them that damage may be done to property or that the safety of workers maybe compromised should the work not be conducted properly, however, the consequences of poor workmanship are far greater for non-residential demolitions. Commercial buildings are more likely to contain hazardous materials such as asbestos; they are usually much larger or taller than single-family homes and have more complex construction containing concrete, steel or bricks.

With an average of approximately 50 commercial demolition permits issued per year, the exposure to risk could be considered to be statistically negligible. Nevertheless, there have been a few notable examples of demolition projects that were poorly undertaken with consequences that created unsafe conditions for the public, workers on site and public property. It is one of these more recent incidents that precipitated Council’s request for this review. (Attachment 4 provides a description and analysis of some of the primary risks associated with demolition projects.)

FINANCIAL IMPACT

Financial Impact Statement Date: March 30, 2011

Project Name: Demolition Permit Process Review

COMMENTS:

Due to the relatively few (i.e. less than ten) commercial demolition companies we anticipate the revenue generated from the sale of demolition licenses to not be material and will likely just offset any additional costs of administering the demolition license process which we also estimate to be not material and to be accomplished with existing resources. The recommendations in this report will therefore not result in any financial implications for the City of Winnipeg.

Karen Ayotte
Acting Manager of Finance

CONSULTATION

In preparing this report there was consultation with:

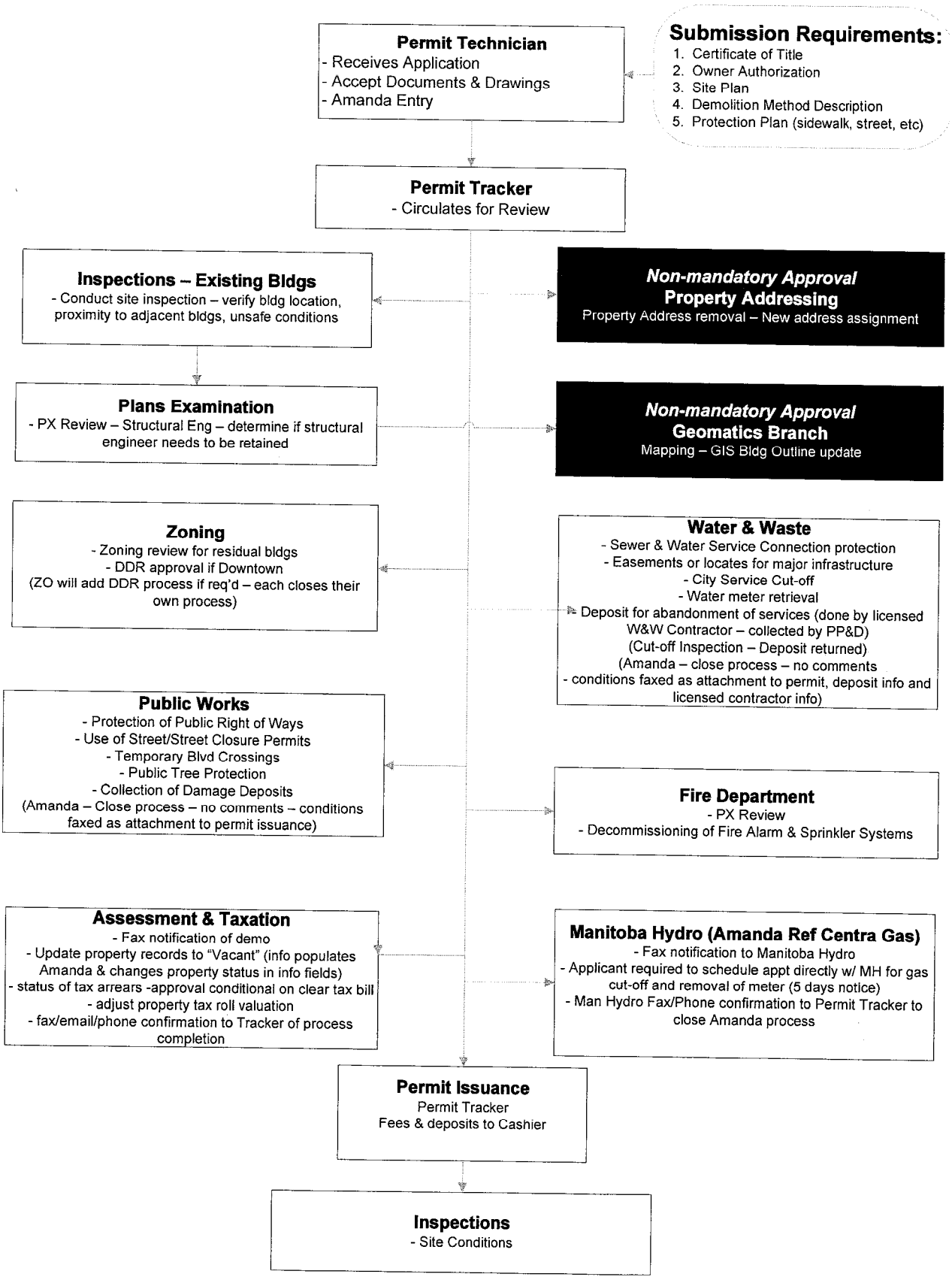
Water and Waste Department
Public Works Department
City Auditor
Province of Manitoba, Workplace Safety and Health

SUBMITTED BY

Department	Planning, Property and Development
Division	Development and Inspections
Prepared by:	Martin Grady, Zoning and Permits Administrator
Date:	April 8, 2011
File No.	O:\Reports Directive\Development and Inspections\Zoning and Permits\Demolition Permit Process Review - Report.doc

Attachment 1: Demolition Permit Process Flowchart

Non-Residential Demolition Permit Application



Attachment 1 continued: Demolition Permit Process

Description of Demolition Permit Review Process

Demolition Permit Submission

An owner or a person or contractor authorized to act on behalf of the owner may file an application for a demolition permit. The submission documentation is noted in the flowchart.

The following stakeholders in the permit process conduct their reviews simultaneously:

PP&D Inspections Branch – Existing Buildings

Inspector attends the site to verify the building location and determine the site conditions such as proximity to existing adjacent buildings and any unsafe conditions. The results of the inspection are provided to the plan examination branch for consideration during their review.

PP&D Plan Examination Branch

Building code review including structural there may be a determination that the applicant retains the services of a structural engineer to review the demolition.

PP&D Zoning

If the project is located in the Downtown, a Downtown Design Review application will be required.

Public Works

Primary consideration is given to the protection of the public street right-of-way including sidewalks and lanes. Temporary street closures or boulevard crossing approvals may be required as well as measures taken to protect street trees. Damage deposits are taken and held pending completion of the demolition then returned upon a successful inspection. Public Works conditions and/or other permits are added to the demolition permit when it is issued.

Water and Waste

Primary consideration is given to the protection of City sewer and water service connections and any major infrastructure that might be located on or adjacent to the site. Abandonment of services must be done by a contractor who is licensed by Water and Waste and damage deposits are held and released upon inspection.

Fire Department

Review for decommissioning of fire alarm and sprinkler systems.

Manitoba Hydro - Gas

Applicant must schedule an appointment with hydro for gas service cut-off and removal of the meter. **This must be done prior to issuance of the demolition permit.**

Other

Property addressing, and the PP&D geomatics branch are informed. Assessment and Taxation Department must amend the tax roll and confirm that there are no tax arrears on the property.

Attachment 2: Provincial Roles and Responsibility

The Province of Manitoba - Labour and Immigration, is responsible for administering the Manitoba Workplace Safety and Health Act and Regulations through the Workplace Safety and Health Division and the Inspection Services Branch.

The Workplace Safety and Health Regulations contain detailed and extensive requirements that are specifically intended to regulate the demolition of buildings including the handling of asbestos. The Act also provides the opportunity to enforce the regulations through the issuance of Orders and the imposition of significant fines for those found guilty of an offence.

Construction project sites, including demolition sites, must notify and be registered with the Workplace Safety and Health Division. Each site is provided with a registration number and the Division maintains a record of who the contractor is and when the work is scheduled to commence. Site inspections are conducted by Safety and Health officers on an audit basis and the likelihood of an inspection occurring is in part dependent upon receipt of complaints or if the contractor is not known to the Division.

<u>Workplace Safety and Health Regulation for Demolition Work</u>

The following is a brief overview of the regulations that pertain specifically to demolition work that the person responsible for the work must ensure:

- Develop and implement a safe work procedure for demolition work and provide training to workers.
- Conduct the work in a way that ensures workers or others (the public) are not exposed to safety or health risks.
- Demolish the building floor by floor from the top downward if workers are in the building.
- Prior to demolition, remove all hazardous substances including asbestos, glass, explosive materials.
- Disconnect all utility services.
- Barricade the site to prevent unauthorized access.
- Conduct the work under the supervision of a competent person.
- Provide written notice to the owner of an adjacent building that may be affected by the demolition.
- Undertake demolition work in accordance with procedures certified by a professional engineer if there is a risk that the structural stability of an adjacent building may be impacted.
- Promptly remove all construction debris from the site.
- Provide adequate ventilation and protection from dust including properly installed debris chutes.
- No wall or portion of the building is to be left in an unstable condition or in danger of collapsing.
- Workers and equipment must be located clear of any falling material or debris.
- For demolition of a portion of a building by pushing, the point at which the force is applied must be located at least two-thirds up the height of the portion or as specified by a professional engineer.
- For demolition of a portion of a building by pulling, the horizontal distance from the equipment used for pulling to the face of the building portion must be at least 20% greater than the height of the portion.
- No crane boom may be used for pushing or pulling down a building.
- Determine if pre-stressed or post-tension concrete parts are present in the building and if so, they must be demolished in accordance with the specifications of a professional engineer.
- Secure any structural members to prevent dropping or swinging and avoid additional weight.
- If asbestos is present, it must not be allowed to be released into the atmosphere and must be removed.
- Workplace Health Safety must be notified if asbestos is present at least 5 days prior to commencement of the demolition.

Attachment 2 continued: Provincial Roles and Responsibility

Comparison of City of Winnipeg and Province of Manitoba Roles and Responsibilities

Role/Responsibility	City of Winnipeg	Province of Manitoba
Permit Application and Review Process	Primary role	MB Hydro for disconnection of gas service prior to permit issuance.
Permit Issuance with conditions	Primary role – utility disconnection included in conditions.	Secondary role – requirement for utility disconnection.
Protection of City Infrastructure and public safety	Primary role - onus on applicant to conduct the work in accordance with permit conditions – use of street permit for barricading sidewalks/street.	Secondary role – requirement for the construction site to be secured for public safety.
Protection of adjacent property	Primary role - onus on applicant to conduct the work in accordance with permit conditions.	Secondary role – requirement for work to be conducted in a manner that does not create a safety risk for adjacent property.
Health and Safety of workers.	Secondary role	Primary role – hazardous materials removal – building collapse.

Overlapping Interests

The Manitoba Workplace Safety and Health Act and Regulations contain specific requirements for the manner in which a building demolition is to be conducted with the primary focus on the safety and health of the workers engaged in the activity. The hazards and safety risks for workers that the regulations seek to manage also have implications for the City of Winnipeg's primary focus on the protection of City infrastructure and the general public. For instance a partial building collapse not only poses a hazard to workers on the job site but may also have implications for damage to the public street or the safety of pedestrians and vehicles.

Recent discussions with the Workplace Safety and Health Division conducted, as a result of this review process, has generated an interest in exploring opportunities for a more coordinated approach to regulating demolition projects. For example, the Province could be notified of any significant demolition projects when the permit is issued to assist in the conduct of their workplace health and safety inspections.

Attachment 3: Demolition Permits in Other Cities

Process	Winnipeg	Ottawa	Calgary	Vernon	Regina
Detailed Guides/Checklists/Online Info.	Poor	Excellent	Excellent	Good	Good
Utility disconnection clearance prior to permit.	No	Yes	Yes	No	Yes
Professional Engineer supervises demolition.	No	Yes*	No	No	No
Licensed Contractor required.	No	No	Yes	No	Yes
Require compliance with other Prov. Regulations.	Yes	Yes	Yes	Yes	Yes

* This is a requirement of the Ontario Building code.

Most other Cities in Canada approach demolition permit approvals in a similar way to the City of Winnipeg. There are usually requirements to ensure disconnection from municipal and private utilities and for a full review similar to Winnipeg's process. Most also include conditions on the permit to ensure that Provincial workplace health and safety legislation is followed.

Where Cities differ is with respect to the timing of the requirement for utility disconnection. Some require that these arrangements have been made prior to the issuance of the permit and that documentation demonstrating this is submitted as part of the permit application while others, such as the City of Winnipeg, make these a condition of the permit. (An exception to this is the requirement for Manitoba Hydro confirmation that the gas supply has been disconnected prior to issuance of the permit.)

The practice of including utility disconnection as a condition of the demolition is consistent with the "one window" approach to the submission of all permit applications that was implemented through the Permits Express Project. This prevents the applicant from having to engage with multiple City departments prior to or during the permit application process and has resulted in greater efficiencies in both permit issuance and processing. The use of damage deposits and post-demolition inspections by Water and Waste and Public Works also ensures that the disconnection from City utilities is done properly and that any damage to the street right-of-way is repaired.

Some jurisdictions require that the work be conducted by a contractor licensed by the city but this occurs in Cities that license all general contractors including demolition contractors. Cities in Ontario must require that for certain types of buildings, the demolition be conducted under the supervision of a Professional Engineer as this is an Ontario Building Code regulation.

The four selected Cities all had good online published information and guides for both making demolition permit applications and following procedures for utility disconnection. Some such as the City of Ottawa provide very clear and concise information including detailed checklists for applicants.

By comparison, the City of Winnipeg's information guide for demolition permit applications is not as effective and should be improved to clearly communicate both the permit review process and the City's expectations once the permit has been issued.

Attachment 4: Risk Analysis

Risk	Managed	Residual Risk
Damage to City Services.	Permits and damage deposits.	Damage may occur. Adequate deposit will ensure repairs are conducted.
Damage to City Street R.O.W.	Permits and damage deposits.	Damage may occur. Adequate deposit will ensure repairs are conducted.
Public Safety in the Street.	Permit conditions, street closures. Responsibility of permit holder.	Risk to public safety remains. Reliance on the expertise of the contractor.
Damage to adjacent property.	Pre-issuance inspection and permit conditions. Responsibility of Permit holder.	Risk to adjacent property remains. Reliance on the expertise of the contractor.
Hazardous materials.	Permit conditions. Responsibility of Permit holder. Workplace Safety and Health legislation.	Hazardous material may be discovered or ignored. Reliance on the expertise of the contractor. Workplace Safety and Health inspections possible.
Gas Explosion/Fire	Pre-issuance clearance from MB Hydro. Responsibility of Permit holder.	Minimal risk. Reliance on the expertise of the contractor.
Building Collapse	Pre-issuance inspection, structural review and permit conditions. Responsibility of Permit holder.	Reliance on the expertise of the contractor.
Site left in an unsafe condition.	Inspections and complaints based enforcement.	Minimal risk after demolition is completed. Some risk during demolition. Reliance on the expertise of the contractor to secure the site daily after work.

Many of the risks associated with a demolition project are primarily mitigated through reliance upon the expertise of those conducting the demolition work. Provincial Workplace Safety and Health does conduct inspections of sites on a limited basis during the demolition activity but not every site is inspected. Should an issue arise such as a partial building collapse resulting in property damage or injury, it is the contractor who will be held to account by both the Province and the City.

Attachment 5: Demolition Permit Statistics

Year	Commercial	Residential	Total
2006	49	127	176
2007	48	127	175
2008	59	125	184
2009	51	102	153
2010	63	160	223
Total	**270**	**641**	**911**

Average number of commercial demolitions per year: 54

Average number of residential demolitions per year: 128