



INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	April 16, 2014
SUBJECT/REPORT NO:	City of Hamilton's Efforts on Brownfields - 2001 to Present (PED14067) (City Wide)
WARD(S) AFFECTED:	City Wide
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Information:

The City of Hamilton has been recognized, and continues to be viewed, as a national leader in terms of brownfield redevelopment efforts. The City was the first municipality in Canada to adopt a Community Improvement Plan (CIP) specifically geared towards brownfield redevelopment. The Environmental Remediation and Site Enhancement (ERASE) CIP, approved in August of 2001, was the first step in a long line of policy and programming developed by the City aimed at the efficient and effective management of contaminated property and the redevelopment of these properties back into productive land uses. The following is an itemized list of major activities undertaken primarily by the Economic Development Division, with support from various other Divisions and Departments, including, but not limited to: Corporate Services Department (Taxation Division and Financial Planning and Policy Division); Public Works Department (Environment and Sustainable Infrastructure Division); and Planning and Economic Development Department (Planning Division):

- *ERASE CIP (2001)* – Council adopted the first CIP in Canada to provide incentives to encourage the redevelopment of privately held brownfield lands. A couple of Capital Budget lines were created with the adoption of the ERASE CIP for the administration of the ERASE CIP (Brownfield – ERASE – Env Study - Project ID 3620155101 and Brownfield – Pilot Project - Project ID 3620155102). The original ERASE CIP Area was the older industrial area of the City of Hamilton. The program has since been expanded with the success of the programs contained within the CIP leading to the acronym of ERASE being synonymous with brownfield incentives.

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Many Municipalities in Canada have followed in the City of Hamilton's footsteps to create similar CIP's and incentive programming. The ERASE CIP is still going strong after 13 years, resulting in:

- 101 ERASE Study Grant Applications for a total of 294 Acres of land studied and estimated approved grants of \$920,827;
- 32 ERASE Redevelopment Grant Applications for a total of 163 acres of land remediated and redeveloped (or are in the process of redevelopment) and estimated approved grants of \$20,285,861;
- Construction expenditures over an estimated \$3 Million; and,
- Estimated jobs created of approximately 650.

Appendix "A" of Report PED14067 contains a geographical representation of the ERASE applications in the urban area of the City of Hamilton and highlights some of the major redevelopments that have accessed ERASE funding as well as some major institutional brownfield redevelopments.

The City also received the first of its "Brownie Awards" from the Canadian Urban Institute in 2001 under the category of Leadership – Program Implementation.

- *Policy on the Treatment of Potentially Contaminated Properties that Fail Municipal Tax Sale (2003)* – The City of Hamilton was one of the first municipalities in Ontario to adopt a proactive policy on potentially contaminated properties that fail municipal tax sale. The ERASE CIP recognized the need for a standardized policy and identified the review of the City's tax collection procedures and remedies for tax arrears properties as a key element in the City's strategy to promote brownfield development. As part of the adoption of the ERASE CIP (Report ECO01010), Council recommended that a report be prepared and forwarded to Council with respect to a program to review tax collection procedures for abandoned and contaminated industrial properties. The resulting policy has been in effect since 2003 and has been utilized several times by staff when dealing with potentially contaminated properties that have failed tax sale, most recently in 2013 with a property in the North-End of Hamilton. In 2005, a Capital Budget line was created (Brownfield Hazardous Sites Decommissioning Fund – Project ID 3620553100) in response to legislative amendments that allow municipalities authority to enter a site that has failed tax sale in order to perform environmental due diligence, and to be used in conjunction with the policy.
- *Contaminated Site Management Program (2004)* – In 2004, the City adopted the Contaminated Site Management Program with the purpose of providing procedures for City staff in identifying and managing the risks associated with contaminated sites, to ensure that staff is trained, and to continually improve the implementation of the Program through regular monitoring. The program provides staff with more confidence and direction in how to deal with the potential for contamination on City projects (capital works projects and property transactions) where there is the

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possibility for underground contamination. The Program, Manual and Training have proven to be useful for educational purposes and as a tool for capital works projects.

- *ERASE CIP Expansion and Amendments (2005)* – With recognition that property contamination and brownfield redevelopment were not necessarily limited to the older industrial area of the City of Hamilton, and that financial incentives were often necessary in other areas of the City to encourage private sector brownfield redevelopment, the City embarked on an expansion to the ERASE CIP and some associated amendments to programming contained within it. In November of 2005, Council approved the amendments and expansion to the ERASE CIP Area to the full limits of the urban area of the City of Hamilton. The ERASE Study Grant Program, ERASE Redevelopment Grant Program, ERASE Tax Assistance Program and the ERASE Municipal Acquisition and Partnership Program all became eligible in the entire urban area of the City. Appendix “A” to Report PED14067 provides a graphic to demonstrate the geographical spread across the urban area of sites that have utilized the financial incentive programs.
- *Brownfield Redevelopment and Intensification Office (2007)* – In 2006, Council passed a motion that Planning and Economic Development staff present to Committee and Council a plan to establish a “Brownfield Redevelopment and Intensification Office” with the goals and objectives of creating an inventory of infill and redevelopment opportunities, identifying and addressing the barriers associated with infill, adaptive reuse and redevelopment properties. Staff reported back in 2007, as a result of the Historical Land Use Inventory (HLUI) initiative which was underway that the City uses the potential outcomes of that study to help identify and supply information to the ERASE Redevelopment Opportunities Marketing Program. As it relates to the establishment of a Brownfield Intensification Office, staff reported that the brownfields program already had a dedicated resource that deals solely with brownfield issues and that, once the Historical Land Use Inventory and the Marketing Strategy are completed, the Planning and Economic Development Department will review the staffing situation and, if additional resources need to be added to the existing complement, then that request could be brought forward as part of the 2008 Budget for Council’s consideration.
- *Province of Ontario Study “Evaluating the Impacts of Municipal Brownfield Incentives” (2007)* – A study conducted by the Ministry of Municipal Affairs and Housing (MMAH) in 2007 validated the City’s efforts in relation to brownfield redevelopment programming. The Study titled “Evaluating the Impacts of Municipal Brownfield Incentives” produced the results outlined below showing that Hamilton exceeds all Ontario municipalities in activity levels:

Location	Total Applications	Remediated Sites	Redeveloped Sites
Hamilton	19	13	12
Ontario (average)	4	4	3

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- *Hamilton's Redevelopment Prioritization Strategy and Recommended Application of Province's \$3 Million Brownfields Contribution* (2008) - In April 2007, the City of Hamilton received an unconditional grant of \$3 Million from the Province of Ontario for brownfield redevelopment. At the Committee of the Whole on April 24, 2007 Council decided that this money should not be used to fund an enhancement to the Economic Development annual budget and agreed that the monies had to be used exclusively for brownfield redevelopment. Although no formal direction was provided, it was implied that staff should identify potential applications and strategies for use of the one-time funding from the Province. Consequently, staff recommended that a Request for Proposal (RFP) be prepared to retain a consultant to develop a model (including evaluative criteria) to assess and rank potential brownfield redevelopment opportunities in the City of Hamilton based on municipal best practices and the brownfield redevelopment objectives of the City. Furthermore, staff recommended that the consultant identify and prioritize those properties most likely to develop and having the greatest redevelopment value to the City whereby the full capital grant of \$3 Million received from the Province of Ontario in April 2007 may be utilized to expedite their redevelopment. On January 30, 2008, City Council directed that the *Hamilton's Redevelopment Prioritization Strategy and Recommended Application of Province's \$3 Million Brownfields Contribution* be referred back to Planning and Economic Development staff to identify and complete those items which can be handled in-house using City resources, and that staff report back to the Economic Development and Planning Committee respecting revised terms for engaging a consultant. The Province's \$3 Million contribution would later be allocated to a couple of projects including Beasley Park and Pier 8.
- *Historical Land Use Inventory* (2008) – As part of the City's Department initiative "Focusing on Employment Lands", the City retained MMM Group to design and compile a comprehensive HLUI for the urban area of Hamilton. This study was presented as a package including a Peer Review – Comprehensive Employment Land Study, Municipal Comprehensive Review and Conversion Analysis for Employment Lands Study and Updated Employment Land Supply/Budget. These studies were done as part of an effort to provide background information for the new Official Plan and the Airport Employment Growth District. The Historical Land Use Inventory is a Geographic Information Systems (GIS) database, compiled from existing data sources, that identifies and describes sites, its past uses, contaminants of concern, and has the ability to track site assessments and remediation efforts in a comprehensive and consistent manner. The intention of the database was to provide feedback to fine tune the ERASE Community Improvement Plan and to supply information for the ERASE Municipal Acquisition and Partnership Program. The HLUI was to complement the City's Contaminated Sites Management Program for Municipal works (CSMP) by offering a greater level of detailed contaminant screening information and Water and Wastewater proposed to use the information to identify possible sources of contaminants, while the Source Protection Planning group looked to identify existing threats to drinking water sources. It also served to assist in the employment lands inventory and Vision 2020 initiatives.

The HLUI identified 91 Vacant Brownfield sites for a total of 152 ha (377 ac) scattered throughout the City's urban area. Over 50% of the total land within the inventory is located outside the designated employment areas. Furthermore, only 20 ha were found to be located within the Bayfront Industrial Area. It is important to note that while the HLUI was intended to be updated and monitored regularly, it still represents a snapshot in time. The 91 vacant brownfield sites that were identified effectively became the target sites for prioritization and the City, therefore, did not report back on revised terms for engaging a consultant to produce a prioritization strategy. Recent review of the 91 vacant sites that were compiled as part of the HLUI found that 29 of those sites have been sold, consolidated, already redeveloped or are in the process of redevelopment.

- *Brownfield Land Banking Study (2008)* – Conestoga-Rovers & Associates (CRA) was retained by the City of Hamilton in November 2007 to complete background research on best practices in municipal land banking and to determine if the City of Hamilton should proactively consolidate and assemble lands in a public Brownfield Land Bank. The study also included an examination of issues related to the possible clean up the properties necessary to make them “shovel ready” for businesses to locate. The research, completed in 2008, concluded that Brownfield Land Banking by the City of Hamilton is not recommended as a land management tool. The primary reasons being the potentially significant liabilities associated with owning environmentally impaired properties, the limited protection from these liabilities for innocent landowners, and the lack of adequate Provincial and Federal funding for Brownfields in Ontario.
- *Brownfield Sub-Committee – Hamilton Chamber of Commerce (2008)* – The Business Development Committee of the Hamilton Chamber of Commerce struck a sub-committee to advise and report on issues pertaining to brownfield redevelopment in the City of Hamilton. Staff sat on this committee and used it as a sounding board when contemplating changes to policy, including revisions to the ERASE CIP. The Sub-Committee was formed with approx. 8-9 members including three environmental consultants, two industrial/commercial real estate brokers, a Landfill representative, a private consultant, a chamber representative and City staff. This group, disbanded as a sub-committee of the Chamber in 2012, still meets on an ad-hoc basis from time-to-time to discuss brownfield related issues.
- *Hamilton Health Science, Hamilton General Hospital (HGH) Redevelopment and Brownie Award (2009)* – Hamilton Health Sciences and the City of Hamilton were honoured with the National Brownfield Award for a redevelopment project that started back in 2003 with a former Stelco Nail Factory failing tax sale. The Award came as a result of the brownfield remediation work for the Hamilton General Hospital (HGH) brownfield project which included the creative acquisition, the partial environmental clean-up and capping of the Wellington Ferguson Block, the environmental clean-up of the HGH north site and the infilling of the north site with

the Regional Rehabilitation Centre and the David Braley Cardiac, Vascular and Stroke Research Institute. This is one of the great success stories of the ERASE Municipal Acquisition and Partnership Program with the City contributing a grant of \$100,000 towards the Remedial Action Plan as well as issuing an RFP on the brownfield properties that failed tax sale that eventually became part of the redevelopment.

- *ERASE CIP Amendments (2010)* – In anticipation of regulatory reform by way of legislative amendments to O. Reg. 153/04 (Brownfield Record of Site Condition) that the MOE was proposing, staff felt the need to revisit the ERASE program. After a review of the ERASE CIP and through consultation with the brownfield industry, staff initiated several amendments to the ERASE CIP to better position the programming for when the new regulations took effect in July of 2011. The result was an amended CIP that saw a new program introduced (Downtown Hamilton / West Harbourfront Remediation Loan Program), additional eligible costs included, and administrative changes that allowed for the consistent and effective administration of the programs.
- *Practical Workshop for Redevelopment in Canada Brownie Award (2011)* – The City of Hamilton partnered with The BLOOM Centre for Sustainability on a national workshop series raising issue and awareness around brownfields. The resulting workshop in Hamilton saw the brownfield industry, developers, government, and the real estate community come together to discuss regulatory reform and discover solutions to existing issues. The workshop series won a Brownie award in the category of Communications, Marketing, and Public Engagement.
- *Downtown Hamilton / West Harbourfront Remediation Loan Program Brownie Award (2013)* – This past year, the City of Hamilton was again recognized with a Brownie Award for its innovative Remediation Loan program, one of Canada's only municipal loans for remediation. The program won in the category of Financing, Risk Management and Partnerships, and continues Hamilton's tradition of excellence in brownfield policy and programming.
- *Record of Site Condition (RSC) Amendments to ERASE Programs (2014)* - As a result of market conditions and several applicants inquiring about the need of an RSC as a requirement of the ERASE programs when one is not required by law, staff initiated an amendment to the ERASE Redevelopment Grant Program, Tax Assistance Program, and Downtown Hamilton / West Harbourfront Remediation Loan Program to accept a peer reviewed risk assessment as an alternative measure to an RSC. This will allow greater flexibility into the ERASE programs by allowing applicants to tap into necessary financial assistance often needed through the ERASE program when a property is not moving to a more sensitive land use, while still satisfying the City that the property is being remediated to appropriate levels.
- *Bayfront Industrial Area Strategy (2014)* – Staff are currently rolling out a plan forward on the Bayfront Industrial Area Strategy which originally received Capital

Budget in 2011, and staff are investigating additional funding from the Federation of Canadian Municipalities (FCM) Green Municipal Fund (GMF). The Bayfront Industrial Area Strategy was originally contemplated as a secondary plan for the Bayfront Industrial Area, but has since been revisioned into a strategy including the brownfield component. The Bayfront Industrial Area represents opportunities and challenges for the City moving forward and is currently home to many industries employing approximately 16,135 people (City of Hamilton Employment Survey, 2012).

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report PED14067 – Geographical Representation of ERASE Applications

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