



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT
 Planning Division

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	December 1, 2015
SUBJECT/REPORT NO:	Natural Areas Acquisition Fund Strategy Implementation Guidelines (PED09007(b)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Melissa Kiddie Natural Heritage Planner (905) 546-2424 Ext. 1290 Steve Robichaud Director of Planning and Chief Planner
SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That Appendix “A” to Report PED09007(b) respecting the Natural Areas Acquisition Fund Strategy Implementation Guidelines be approved;
- (b) That the funding for the Natural Areas Acquisition Fund Strategy be referred to the 2016 Budget process;
- (c) That staff be directed to enter into a Natural Areas Land Acquisition Funding Agreement with each Conservation Organization, and that the Mayor and City Clerk be authorized to execute such Agreements in a form and content generally in the form as attached in Appendix “H”, and that is acceptable to the City Solicitor and the General Manager of Planning and Economic Development or his / her designate and which are consistent with the Natural Areas Acquisition Fund Strategy and Natural Areas Acquisition Fund Strategy Implementation Guidelines.

EXECUTIVE SUMMARY

In 2008, Council directed staff to research different municipal models for the establishment of a Hamilton Natural Areas Protection Fund. It was anticipated that this Fund (known as the Natural Areas Acquisition Fund; (NAAF)) would provide funding to Conservation Organizations (e.g. Conservation Authorities, Naturalists’ Club) to acquire

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lands that contribute to the overall quality of the City's natural environment. To obtain the goal of protecting natural areas through land acquisition, a Natural Areas Acquisition Fund Strategy was adopted by Council in 2009 (Report PED09007(a)).

Through the NAAF Strategy, the City would provide funding to Conservation Organizations for land acquisition (direct fee-simple or conservation easements) up to 50 percent of the acquisition cost to a maximum of \$50,000. The 2009 Report noted that Council approved requests for funding the NAAF Strategy would be submitted through the Capital Budget process (\$100,000 annually for 2011, 2012 and 2013 and \$300,000 annually in perpetuity after 2013).

To protect lands within the City's Natural Heritage System (NHS), NAAF Strategy Implementation Guidelines are required. These Guidelines will allow for the protection and strengthening of the NHS in the long term, and as a result, it is recommended that the Implementation Guidelines identified in Appendix "A" of this Report be adopted.

Alternatives for Consideration – See Page 20

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Currently there is \$300,000 within the NAAF Account (Account #8121459100). No additional funding is being requested through this Report. As identified in the November 3, 2009 Economic Development and Planning Committee Minutes for Report PED09007(a), Natural Areas Acquisition Fund (NAAF) requests (\$100,000 annually for 2011, 2012 and 2013 and \$300,000 annually afterwards in perpetuity) would be submitted annually through the Capital Budget process. The money would provide land acquisition funding to a Conservation Organization up to 50 percent of the acquisition cost (direct fee-simple or conservation easements) to a maximum of \$50,000 per acquisition. Since the maximum amount that can be provided to a Conservation Organization at one time is \$50,000, the amount of money required for each acquisition will be approved by the General Manager of Planning and Economic Development or his / her designate. Funding would not be provided until an Agreement of Purchase and Sale has been signed by the Conservation Organization.

Since the funding will be through the Capital Budget process, the unused funding would be rolled over from one financial year to the next.

Staffing: Administration of the implementation of the NAAF Strategy would be assumed through existing Planning and Economic Development Department staff. Currently, Natural Heritage Planning staff within the Development Planning, Heritage and Design Section have assumed this role. Staff would be responsible for the coordination of this program. Duties would include coordinating Staff and Conservation Organization Working Groups

(development of Terms of Reference, organization of meetings), circulation of funding applications to relevant City departments, review of applications and reporting to Council.

Prior to the release of NAAF monies, additional support, through the establishment of a Staff Working Group, will be required. The Staff Working Group will include staff from Real Estate, Financial Services and Legal Services and will be responsible for evaluating funding applications (based on their expertise) and making recommendations to the General Manager of Planning and Economic Development or his / her designate. It is important to note that Legal Services will not be involved in the evaluation of properties but will provide assistance to evaluators. Through consultation with these core Divisions / Departments, it is anticipated that this support could be provided through existing staff and that no additional full-time equivalent (FTEs) positions are required to facilitate the implementation of the NAAF Strategy.

Legal: A Natural Areas Land Acquisition Agreement (Agreement), which sets out the obligations and expectations of those participating in the Program, would need to be signed. A draft Agreement that has been developed in conjunction with Legal Services staff has been appended to this Report (Appendix "H").

HISTORICAL BACKGROUND

Chronology

January 15, 2008: A Motion (found in Appendix "B" to this Report) was approved by Council, directing staff to review the potential for a Hamilton NAAF.

February 3, 2009: Report PED09007 (Proposed Natural Areas Acquisition Fund) was presented to Council. This Report was prepared in response to the Council Motion (January 15, 2008) requesting staff "research different municipal models for the establishment of a Hamilton NAAF and report back to the Economic Development and Planning Committee". The minutes associated with this Report can be found in Appendix "C".

November 3, 2009: Report PED09007(a) (Proposed Natural Areas Acquisition Fund Strategy) was presented to Council. The goal of the NAAF Strategy was to establish objectives that would provide specific, measureable and time-targeted direction to Conservation Organizations interested in acquisition of NHS lands within the City of Hamilton. This Report provided the details on the different acquisition tools available and the framework for determining lands suitable for acquisition.

The minutes associated with this Report can be found in Appendix "D".

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November 2012: The Planning and Economic Development Department Business Plan for 2013 identified key initiatives that support the three strategic priorities and which consume staff resources. One of these key initiatives was to develop NAAF Strategy Implementation Guidelines, which satisfies Strategic Priority 1.6 (Enhance Overall Sustainability: financial, economic, social and environmental).

December 2012 to February 2013: A Work Plan was prepared to aid in providing a road map for the development of the NAAF Strategy Implementation Guidelines (Implementation Guidelines). The Work Plan was divided into two components, i) Research and ii) Development of Implementation Guidelines. To gain an understanding of the NAAF Strategy and the most effective way to implement it, the Research component began during this time.

February 2013 to March 2014: As a result of the NAAF Strategy (Report PED09007(a)), a framework for implementation of this Strategy was required. This framework, as outlined through the Implementation Guidelines, provides guidance to both Conservation Organizations and the City of Hamilton on the execution of the NAAF Strategy. The information obtained through the Research component of the Work Plan was used to develop the Implementation Guidelines.

A level of commitment for the continuation of the development of the Implementation Guidelines was provided within the Planning and Economic Development Department Business Plan for 2014.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Provincial Policy Statement (2014)

The protection of ecological systems including natural areas, features and functions has been identified as a matter of provincial interest. Section 2.0 (Wise Use and Management of Resources) of the Provincial Policy Statement (PPS) indicates “Ontario’s long-term prosperity, environmental health, and social well-being depend on conserving biodiversity, protecting the health of the Great Lakes and protecting natural heritage, water, agricultural, mineral and cultural heritage and archaeological resources for their economic, environmental and social benefits” (PPS, 2014, page 22). The following policies, amongst others, are applicable:

“2.1.1 Natural features and areas shall be protected for the long term.

2.1.2 The diversity and connectivity of natural features in an area, and the long-term ecological function and biodiversity of natural heritage systems, should be maintained, restored or, where possible, improved, recognizing linkages between and among natural heritage features and areas, surface water features and ground water features.

2.1.3 Natural Heritage Systems shall be identified in Ecoregions 6E and 7E recognizing that natural heritage systems will vary in size and form in settlement areas, rural areas and prime agricultural areas.”

The NHS has been defined in the PPS as “a system made up of natural heritage features and areas and linkages intended to provide connectivity (at the regional or site level) and support natural processes which are necessary to maintain biological and geological diversity, natural functions, viable populations of indigenous species, and ecosystems”.

The Implementation Guidelines are consistent with the policies of the PPS.

Greenbelt Plan (2005)

The vision of the Greenbelt Plan is to give permanent protection to the natural heritage and water resource systems that sustain ecological and human health and that form the environmental framework around which major urbanization in south-central Ontario will be organized.

“1.2.2 Goals

To enhance our urban and rural areas and overall quality of life by promoting the following matters within the Protected Countryside.

2. Environmental Protection

- a) Protection, maintenance and enhancement of natural heritage, hydrologic and landform and functions, including protection of habitat for flora and fauna particularly species at risk;
- b) Protection and restoration of natural and open space connections between the Oak Ridges Moraine, the Niagara Escarpment, Lake Ontario, Lake Simcoe and the major river valley lands, while also maintaining connections to the broader natural systems of southern Ontario beyond the Golden Horseshoe such as the Great Lakes Coast, the Carolinian Zone, the Lake Erie Basin, the Kawartha Highlands and the Algonquin to Adirondacks Corridor;
- c) Protection, improvement or restoration of the quality and quantity of ground and surface water and hydrological integrity of watersheds; and,
- d) Provision of long-term guidance for the management of natural heritage and water resources when contemplating such matters as development, infrastructure, open space planning and management, aggregate rehabilitation and private or public stewardship programs.”

The Implementation Guidelines have taken these goals into consideration and will assist in the protection, maintenance and enhancement of the Natural Heritage System.

Places to Grow: Growth Plan for the Greater Golden Horseshoe

The Implementation Guidelines conform with Section 4 - Protecting What is Valuable of Places to Grow. Specifically,

“4.2.1 Natural Systems

3. Planning authorities are encouraged to identify natural heritage features and areas that complement, link or enhance natural systems.
4. Municipalities, Conservation Authorities, non-government organizations and other interested parties are encouraged to develop a system of publicly accessible parkland, open space and trails including shorelines within the Greater Golden Horseshoe that:
 - (2). is based on good land stewardship practices for public and private lands.”

Rural Hamilton Official Plan

The City contains many natural areas and features that contribute to the municipality’s beauty, unique character and quality of life. A systems approach has been undertaken to develop a NHS within the City, which consists of Core Areas and Linkages. These connections are important for maintaining biodiversity and the long-term health and viability of natural systems. The Greenbelt NHS and the Niagara Escarpment Plan area are also included within the City’s NHS. The City focuses on protecting and enhancing the NHS through land use planning policies, habitat restoration and management, stewardship, acquisition and education and awareness. The following goals have been outlined within Section C.2.0 Natural Heritage System of the Rural Hamilton Official Plan.

- “C.2.1.1 Protect and enhance biodiversity and ecological functions.
- C.2.1.2 Achieve a healthy, functional ecosystem.
- C.2.1.3 Conserve the natural beauty and distinctive character of Hamilton’s landscape.
- C.2.1.4 Maintain and enhance the contribution made by the Natural Heritage System to the quality of life of Hamilton residents.
- C.2.1.5 Restore and enhance connections, quality and amount of natural habitat.

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- C.2.1.6 Provide opportunities for recreational and tourism uses where they do not impact natural heritage features.
- C.2.1.7 Monitor and periodically assess the condition of Hamilton's natural environment".

Support for the NAAF Strategy and its implementation can be found within the following Natural Heritage System Management policies.

- "C.2.11.1 The City shall support agencies, community organizations, and private landowners in their efforts to protect and enhance natural heritage features through private habitat restoration and stewardship, land trusts, public acquisition, conservation easements, property tax mechanisms and similar tools.
- C.2.11.2 The City shall continue to work with Conservation Authorities, other levels of government, landowners and the community to support education, outreach, and landowner stewardship programs.
- C.2.11.3 The City shall prepare a strategy for the use of non-regulatory measures for the management of natural areas which includes: conservation easements, land trusts, public land dedication or acquisition, an Environmental Reserve Fund to support the acquisition and management of municipal natural areas and financial incentives such as tax relief or grants to landowners who manage and maintain significant natural areas on their land in a natural state."

Hamilton has a unique NHS that is comprised of distinct landforms and features (i.e. the Niagara Escarpment, Lake Ontario shoreline, karst, drumlins as well as Significant Woodlands, Environmentally Significant Areas, Areas of Natural and Scientific Interest and wetlands) that perform a variety of functions that support local biodiversity. The acquisition of lands aids in protection of the NHS in perpetuity. The Implementation Guidelines within Appendix "A" of this Report provides a foundation for implementing the intent of these policies.

Urban Hamilton Official Plan

As within the Rural Hamilton Official Plan, a systems approach has been undertaken within the Urban Hamilton Official Plan to delineate a NHS. The NHS consists of the Niagara Escarpment Plan Area, Core Areas and Linkages identified by the City. Policy goals for the Natural Heritage System in urban Hamilton have been outlined within Section C.2.0 Natural Heritage System of the Urban Hamilton Official Plan. These goals are:

- "C2.1.1 Protect and enhance biodiversity and ecological functions.

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- C2.1.2 Achieve a healthy, functional ecosystem.
- C2.1.3 Conserve the natural beauty and distinctive character of Hamilton's landscape.
- C2.1.4 Maintain and enhance the contribution made by the Natural Heritage System to the quality of life of Hamilton's residents.
- C2.1.5 Restore and enhance connections, quality and amount of natural habitat.
- C2.1.6 Provide opportunities for recreational and tourism uses where they do not impact natural heritage features.
- C2.1.7 Monitor and periodically assess the condition of Hamilton's natural environment."

Support for the NAAF Strategy and its implementation can be found within the following Natural Heritage System Management policies.

- "C.2.2.8 All natural features, required vegetation protection zones, and enhancement or restoration areas on a property shall be placed under appropriate zoning in the zoning by-law and/or protected through a conservation easement to the satisfaction of the City or the relevant Conservation Authority, or deeded to a public authority. Acquisition by a public body may also be considered as an option for protecting natural features and functions.
- C.2.12.1 The City shall support agencies, community organizations, and private landowners in their efforts to protect and enhance natural heritage features through private habitat restoration and stewardship, land trusts, public acquisition, conservation easements, property tax mechanisms and similar tools.
- C.2.12.2 The City shall continue to work with Conservation Authorities, other levels of government, landowners and the community to support education, outreach, and landowner stewardship programs.
- C.12.3 The City shall prepare a strategy for the use of non-regulatory measures for the management of natural areas which includes: conservation easements, land trusts, public land dedication or acquisition, an environmental reserve fund to support the acquisition and management of natural areas and financial incentives such as tax relief or grants to landowners who manage and maintain significant natural areas on their land in a natural state."

The policies above highlight the importance that the City has placed upon the protection and enhancement of the natural environment. Through the traditional planning approvals process, the intent of the policies is met through the preparation of Environmental Impact Statements (EIS) and Linkage Assessments (LA). Guidance for these tools is provided through specific EIS and LA Guidelines. Currently, there is no guidance provided for non-traditional processes such as land acquisition. The Implementation Guidelines in Appendix “A” of this Report provides this guidance.

RELEVANT CONSULTATION

The following agencies and departments were consulted in the preparation of the Implementation Guidelines. The comments provided have been incorporated into the Analysis Section of this Report.

Greater Golden Horseshoe Municipalities

There are many municipalities in the Greater Golden Horseshoe that have implemented land securement strategies, which include land acquisition funding. In order to implement an effective NAAF Strategy, it is important to learn from other’s experiences. As a result, consultation with the following municipalities occurred in 2013:

- Halton Region;
- Peel Region; and,
- York Region.

This consultation involved interviewing appropriate staff in face-to-face and telephone meetings as well as attending a York Region Land Securement Working Group. Refer to Appendix “E” for specific comments provided by other municipalities.

Conservation Organizations

There are many organizations that acquire land within the City of Hamilton. In order to understand land acquisition from their perspective, Natural Heritage Planning staff consulted the following Conservation Organizations:

- Conservation Halton;
- Grand River Conservation Authority;
- Hamilton Conservation Authority;
- Hamilton Naturalists’ Club; and,
- Niagara Peninsula Conservation Authority.

The draft Implementation Guidelines were provided to these organizations for their review on April 15, 2014. Through this consultation, concerns were expressed with regards to Conservation Organization Agreements, Areas of Priority Interest, Eligible Funding Costs and Timing of Applications. Staff have considered the information gathered through this consultation in the development of the Implementation Guidelines.

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Refer to Appendix “F” for specific comments provided by the Conservation Organizations.

Internal Departments

The success of the implementation of the NAAF Strategy relies on the expertise provided by many different departments within the City. The following sections were consulted:

- Legal Services Division, City Manager’s Office;
- Economic Development (Real Estate), Planning and Economic Development Department; and,
- Finance and Administration, Corporate Services.

The draft Implementation Guidelines were provided to representatives of these Departments for review on April 16, 2014. Since this time, several discussions have occurred with Legal Services, Real Estate and Finance to finalize the Implementation Guidelines and the Funding Agreement.

Comments provided by staff are contained in Appendix “G”. Staff have considered the information gathered through this consultation in the development of the Implementation Guidelines.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

1. The proposed Implementation Guidelines that are attached as Appendix “A” of this Report have merit and can be supported for the following reasons:
 - a) The City of Hamilton has a long-standing tradition of protecting natural features (historically through the establishment of Environmentally Significant Areas within the former Region of Hamilton-Wentworth and now through the development of a NHS that protects natural features and their functions within the entire City);
 - b) Although there are Provincial and municipal interests protecting NHS areas and their functions, policies, zoning by-laws and guidelines may change over time and land acquisition is directly, with partner agencies or through conservation easements, the strongest way to protect the NHS in perpetuity;
 - c) The proposed Implementation Guidelines support the goals of the Provincial Policy Statement, Greenbelt Plan, Places to Grow and Rural and Urban Hamilton Official Plans by aiding in the protection of the NHS; and,
 - d) The Implementation Guidelines implement a motion from Council, which identified the need for the establishment of a NAAF. Subsequent to this motion, a NAAF Strategy was developed in 2009, which provided details on

the suite of acquisition tools available and the framework for determining the NHS lands that would be suitable for acquisition.

The adoption of these Implementation Guidelines would allow the program to be initiated, provide clear direction on the implementation of the objectives of the NAAF Strategy, and realize the intentions of Council in an efficient and accountable manner.

2. The proposed Implementation Guidelines implement the objectives outlined within the NAAF Strategy, specifically objectives 2, 3, 4 and 5:
 - *Objective 2: To identify and develop eligibility criteria for securement or acquisition activities that prioritize municipal interests and will complement related municipal interests and programs (e.g. Vision 2020, Corporate Strategic Plan).*

To be eligible for funding under the NAAF, lands must meet specific criteria (known as Primary and Secondary Criteria) outlined within the Implementation Guidelines. Primary Criteria lands include:

- Core Areas: Core Areas are the most important components of the NHS in terms of biodiversity, productivity, ecological and hydrological functions. Core Areas have been defined within the Rural and Urban Hamilton Official Plans and include Significant Woodlands; Environmentally Significant Areas; Areas of Natural and Scientific Interest; wetlands; watercourses; lakes; seepage areas and springs; habitat of endangered, threatened and special concern species; fish habitat, significant valleylands, significant wildlife habitat, sand barrens, savannahs, prairies and alvars;
- Linkages: Natural areas within the landscape that ecologically connect Core Areas;
- Areas designated as Niagara Escarpment Plan Area;
- Areas designated as Greenbelt Plan “Natural Heritage System”; and,
- Areas identified as a priority through the Conservation Organization Working Group: Since each of the Conservation Organizations have their own mandate for acquiring properties, it is important to coordinate these efforts. This coordination will be through a Conservation Working Group who will establish priority areas for acquisition.

Secondary Criteria lands are those not identified within the NHS but are ecologically important within the City of Hamilton. These lands are viable options for acquisition if Primary Criteria lands are not available. Secondary Criteria lands are:

- Areas designated as Greenbelt Plan “Protected Countryside”;

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- Lands contiguous to conservation areas, adjacent to Core Areas or other public and / or protected lands;
- Priority areas for protection and / or restoration as identified in Watershed Plans, Subwatershed Plans, Environmental Impact Statements as well as agricultural lands;
- Trail corridors (e.g. Bruce Trail);
- Lands which provide opportunity / potential for enhanced connectivity;
- Unopened road allowances (e.g. for conservation trail purposes);
- Rehabilitated aggregate pits and quarries offered for donation; and,
- Wellhead protection areas (as outlined within the Halton-Hamilton Source Water Protection Plan).

Lands that meet one of the Primary Criteria will be the main focus for funding; however lands identified as Secondary Criteria perform a function in supporting the NHS and should be considered for acquisition should they become available and no suitable Primary Criteria lands are available.

- *Objective 3: To operate on a multi-agency and multi-stakeholder basis and provide a source of leveraged funds that will complement partner agency contributions and / or grants.*

There are not a lot of funders associated with land acquisition and the majority of funding is through community fundraising. The Council approved NAAF provides funding of 50 percent of the acquisition costs up to a maximum of \$50,000. Through consultation with the Conservation Organizations (i.e. Conservation Halton, Grand River Conservation Authority, Hamilton Naturalists' Club and Niagara Peninsula Conservation Authority), there has been overwhelming support for a program that assists in the protection of natural features and their functions within the City of Hamilton. For example, Conservation Halton staff indicated that they were "eager to participate as an active stakeholder".

- *Objective 4: Any land securement or acquisition will be undertaken in full consultation with all interested stakeholders including relevant Municipal Citizen Advisory Committees (e.g. Environmentally Significant Areas Impact Evaluation Group) and will be administered on a consistent and equitable basis.*

Land acquisition involves the collaboration of many departments within the City of Hamilton. Prior to any of the funding being provided to Conservation Organizations, a Staff Working Group will be established to review and evaluate funding applications. A Terms of Reference for this working group has been provided within the Implementation Guidelines.

While there is a certain level of risk associated with land acquisition, the Implementation Guidelines provide a level of comfort to Conservation Organizations by providing an efficient, accountable process.

- *Objective 5: To complement existing land securement activities by partner agencies including conservation authorities and non-government organizations operating in the City of Hamilton.*

There are many groups involved in land acquisition within the City of Hamilton. A key step in the implementation of the NAAF Strategy is the engagement of Conservation Organizations. The establishment of the Conservation Organization Working Group allows for collaboration with each of these groups to determine priorities for acquisition. To aid in this collaboration, a Conservation Organization Working Group Terms of Reference has been included within the Implementation Guidelines.

3. Currently, there is no guidance on how a Conservation Organization can access the NAAF. The Implementation Guidelines provide this guidance. Through consultation with Conservation Organizations and other municipalities, the content of the Implementation Guidelines is consistent with other land acquisition programs. Council would be required to evaluate the success of the program and make any required changes to the Implementation Guidelines. To evaluate the program, performance measures will be addressed through an annual report to Council. These performance measures are further explained within the reporting section below. The general framework for these Guidelines has been provided below.

Roles and Responsibilities

The implementation of the NAAF Strategy relies on many different participants (i.e. Council, City of Hamilton staff and Conservation Organizations). The Implementation Guidelines provide clear direction on roles, responsibilities and allows for accountability on how the funds are allocated.

City staff from the Planning and Economic Development Department will be responsible for administering the program with the assistance from other departments (i.e. Legal Services, Real Estate and Finance). Conservation Organizations will be responsible for participating in a working group to identify existing acquired lands and areas of priority interest (an area of land that the Conservation Organization has targeted for acquisition) as well as completing the application process to obtain funding for land acquisition.

Protocol and Procedures for the Application Process

As identified through Conservation Organization and municipal consultation, the intent of this section of the Implementation Guidelines is to provide clear, descriptive, step-by-step instructions for both the Conservation Organization (applicant) and the City (administrator).

- *Eligibility of Projects:* Lands that meet one of the Primary Criteria will be the main focus for funding; however lands identified as Secondary Criteria perform a function in supporting the NHS and should be considered for acquisition should they become available and no suitable Primary Criteria lands are available.
- *Eligibility of Costs:* The focus of the NAAF is to provide funding for land acquisition. Funds shall be used only for direct fee simple purchase of land or conservation easements.
- *Eligibility of Funding:* The focus of the NAAF is to provide funding to Conservation Organizations within Hamilton who are currently interested in land acquisition. Funds from this program are meant to support funding from other available sources. The City will provide up to 50 percent of the purchase price to a maximum of \$50,000. Program funding is through the Capital Budget process.
- *Funding Application:* A funding application, which is found within Appendix “A” of this Report, is required to be submitted for each request from a Conservation Organization. Applications will be considered on a case-by-case basis. An Application Checklist has been provided to ensure that the application is reviewed in a timely and efficient manner. In an effort to expedite the process, the General Manager or his / her designate has been identified as the delegated approval authority since the amount of funding available is \$50,000 or less.
- *Evaluation of Application:* Each funding application will be reviewed by members of the Staff Working Group (based on their disciplines) using standardized criteria. Generally, a qualitative method will be used to evaluate the applications; however if more than one application is received at a time, a quantitative method (weighted score for each category) may be used. If an application has not been accepted on the basis that there are several applications received and / or that the NAAF have been used for a particular year, the application may be re-submitted in a subsequent year.
- *Deadlines of Application:* Funding requests may be submitted by a Conservation Organization anytime throughout the year for the remaining NAAF funds as opportunities arise. Due to the level of review required, a minimum of three months will be required once a funding application has been submitted.
- *Approval of Funding:* Since the maximum funding available is \$50,000, the funding will be approved by the General Manager of Planning and Economic Development or his / her designate. The funding will not be provided until an

Agreement of Purchase and Sale has been signed by the Conservation Organization. If a funding application has been denied, the Conservation Organization cannot appeal the decision.

Reporting

Reporting is essential to determine the success of this program. To provide the City with an opportunity to evaluate the successes and failures of the NAAF and the implementation of the NAAF Strategy, in those years where funding requests have been received and approved, an annual report will be prepared by staff and presented to Planning Committee. The annual report will focus on:

- a summary of funding applications received;
 - a summary of the organizations completing these applications;
 - a summary of the lands acquired that have been identified as Areas of Priority Interest;
 - a summary of recommendations for funding requests made by the General Manager of Planning and Economic Development and his / her designate;
 - a summary and justification of unsuccessful applications;
 - a summary of total funding requested;
 - a summary of expenditures;
 - a summary of the total hectares of lands acquired within the Natural Heritage System;
 - a summary of education activities completed by the City;
 - an analysis of the appropriate levels of funding that have been provided for the NAAF; and,
 - recommendations for areas for improvement.
4. Through consultation with the Conservation Organizations, it was identified that there were concerns with the draft Implementation Guidelines sent out for review on April 15, 2014. These concerns were identified through four broad themes of Conservation Organization Agreements, Areas of Priority Interest, Eligible Funding Costs and Timing of Applications. These ideas and concerns have further been explored in the development of the Implementation Guidelines.

Concern 1: Conservation Partner Agreements

Within the draft Implementation Guidelines sent to the Conservation Organizations for review, it was identified that each Conservation Organization would enter into a legal binding agreement (Natural Areas Land Acquisition Agreement) with the City. This Agreement would outline the obligations of the Conservation Organizations as well as the City and was modelled from the Halton Region Land Securement Strategy. The Conservation Organizations were apprehensive with committing to entering into a legal binding agreement without reviewing it first.

How has this Concern Been Addressed

In consultation with Legal Services, it is imperative to have a legal binding agreement that sets out the responsibilities of both the City and the Conservation Organization. An Agreement has been drafted (refer to Appendix "H"), which contains fair and reasonable terms granting funding to Conservation Organizations for land acquisition. Since the maintenance and enhancement of the quality and integrity of the NHS is a shared responsibility between the City and the Conservation Organization, the Conservation Organization is to enter into the Agreement at the beginning of the NAAF application process. To reduce the processing time for NAAF applications, this Agreement would be required to be signed only once instead of for each acquisition application.

Concern 2: Areas of Priority Interest

Since each of the Conservation Organizations have their own mandate for securing properties, it is important to coordinate these efforts. In the draft Implementation Guidelines, this coordination was identified through the development of Areas of Priority Interest (API). Identification of priority areas enables the implementation of this program City wide. Through consultation with the Conservation Organizations, the following concerns were noted.

- i. Areas of Priority Interest are to be identified and any application outside of a priority area would be evaluated after those on the priority list but applications can be submitted at any time. There is concern that funds may be allocated to properties not on the priority list before one on the list is considered.
- ii. The establishment of a list of priority properties is a good start; however flexibility needs to be provided. A property identified on the property list may take many years to acquire while one not on the list, that meets the criteria, may become available unexpectedly.
- iii. The identification of priority properties as outlined within the draft Implementation Guidelines indicated that information would be conveyed in a confidential report to Council. Concern was expressed with the maintenance of this information and the potential impact on land values if the list became publicly available.
- iv. When considering Areas of Priority Interest, areas identified within the Natural Areas Inventory / Nature Counts Project and the existing area / extent of natural heritage and hydrologic features on potential corridor, linkage or restoration potential should be included as part of the determination of priority areas.

How Has the Concern Been Addressed

Areas of Priority Interest, which have now been revised (for clarity) to properties of interest are intended to provide a road map of each of the Conservation

Organizations agendas for land acquisition. The Implementation Guidelines have been revised to:

- i. Recognize that land acquisition is dynamic and that the Areas of Priority Interest list is subject to change.
- ii. Recognize that properties that exhibit eligibility criteria but are not identified as priorities may be considered on a first come, first serve basis subject to evaluation.
- iii. Through consultation with the City's Legal Services, it was identified that there is no authority to allow for a confidential report to be prepared to Council or for a confidential database to be developed to manage this information. Since this is a road map of each of the Conservation Organizations agendas, the onus will be on each group to keep the details of these properties and provide relevant information during the application process.
- iv. The Natural Areas Inventory / Nature Counts Project focuses on Environmentally Significant Areas (ESAs) within the City of Hamilton. These features are identified within the Rural and Urban Hamilton Official Plans as Core Areas. As a result, they have been included within the Primary Criteria.

Concern 3: Eligible Funding Costs

Within the February 2009 Report (PED09007), it was identified that the NAAF would be used for:

- o Direct property costs for acquiring partial (conservation easements) or full rights to land (fee simple purchase);
- o Costs directly associated with land purchase including costs for legal, appraisal, property survey work and land title searches; and,
- o Costs directly associated with providing materials for public education or stewardship initiatives to promote the NAAF.

However, in the November 2009 Report on the Natural Areas Acquisition Strategy (PED09007(a)) and subsequent NAAF Strategy (Appendix "A" of PED09007(a)), it was identified that funding would be for direct fee-simple purchase of the land or conservation easements. Funding would not be available for soft costs (i.e. current market appraisals, legal surveys, title searches, Phase I Environmental Assessments) because these costs could be recovered through existing funding programs. The draft Implementation Guidelines took this into consideration.

Conservation Organizations; however expressed concerns with this based on the following:

- i. Soft costs may be required for lands that are being donated, bequeathed or dedicated. It would be unfortunate to miss an opportunity for acquisition if funding for these costs was not readily available.
- ii. Other sources of funding are becoming scarce and it is unknown if they will continue. It would be beneficial to include soft costs since this would allow the property to be protected. Monies for initial signage and fencing or other stewardship projects necessary to enhance and / or restore the natural heritage features can be identified through other sources and can often be provided as in-kind support. As a result, monies from the NAAF should not be used to fund these initiatives.

How Has the Concern Been Addressed

While staff have considered the Conservation Organizations' concerns with regards to funding all acquisition costs (including soft costs), this is not a consistent approach with the approved NAAF Strategy or with other municipalities that have similar programs.

Concern 4: Timing of Applications

Within the draft Implementation Guidelines, deadlines for applications have been identified. Funding requests may be submitted by a Conservation Organization throughout the year as opportunities arise. Due to the level of review required (a number of different departments are involved) and the report review cycle, a minimum of three months would be required once a funding application has been submitted.

While the Conservation Organizations recognize that there is a certain level of risk involved in land acquisition, concerns have been raised with the timing that had been identified (too much lead time). This could potentially diminish involvement in the acquisition process. In addition, acquisitions may need to occur quicker than the time that has been proposed. It was suggested that a process be developed that gives the Conservation Organization assurance that the funding would be available. This would allow the acquisition to not fall through and give the Conservation Organization some assurance that upfront funds would be obtained.

How Has the Concern Been Addressed

Through the Background Review phase, City staff consulted both Halton and Peel Regions with regards to timelines. As with the City of Hamilton, both Regions have a similar review cycle.

City staff recognizes that there may be circumstances where an offer needs to be made more quickly than the application process will allow. The Implementation

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Guidelines have been revised to indicate that the Conservation Organization may submit the application and discuss the project with staff as early as possible within the negotiation process. This will allow a better understanding of risks involved prior to making any formal decision.

An Application Checklist has been provided to ensure that the application is reviewed in a timely and efficient manner. In an effort to expedite the process, the delegated authority for approving funding applications has been provided to the General Manager of Planning and Economic Development or his / her designate since the amount of funding available is \$50,000 or less.

- 5 To implement the NAAF Strategy and obtain the goal of protecting the NHS through land acquisition, funding for Conservation Organizations to acquire lands would be 50 percent of the acquisition cost up to a maximum of \$50,000. It is preferred that funding should continue to be submitted through the Capital Budget process as outlined in Report PED09007(a) (\$100,000 annually for 2011, 2012 and 2013 and \$300,000 annually afterwards in perpetuity).

This is the preferred option as it provides a source of funding that can be renewed and adjusted on an annual basis. In addition, the unused funding would be rolled from one financial year to the next. Based on discussions with Conservation Organizations, this is crucial to the success of the program providing an opportunity for the program to meet its objectives over time.

6. The success of implementing the NAAF Strategy is based on the administration of the program by the City and the use of it by Conservation Organizations. To accomplish this, it is preferred that a Natural Areas Land Acquisition Funding Agreement be signed between each Conservation Organization and the City. This Agreement sets out the obligations and expectations of those participating in this program.

This Agreement sets out the obligations and expectations of those participating in this program and would only need to be signed once instead of for each funding application. To aid in the collaborative process of this program, the Conservation Organization should enter into this Agreement at the beginning of the NAAF application process. A draft Agreement can be found in Appendix "H" of this Report. The content within this Agreement is consistent with other land acquisition programs. The final content would be developed in conjunction with the City Solicitor and the General Manager of Planning and Economic Development or his / her designate. If major changes are required, the Agreement would be brought to Council for approval.

ALTERNATIVES FOR CONSIDERATION

Alternative A - To not Approve the Guidelines attached as Appendix "A" in this Report

The staff recommendation is to approve the Implementation Guidelines as attached in Appendix "A" of this Report. An alternative to this recommendation would be to not approve the Implementation Guidelines.

Currently, the City of Hamilton does not have a clear process for implementing the NAAF Strategy, and many of the Conservation Organizations involved in land acquisition are unaware of this program. As a result, this program has been underutilized and the funding has not been allocated to appropriate NHS protection as was originally intended.

Although the current planning processes (i.e. policies and zoning) will continue to protect the NHS, if this alternative was adopted, the objectives of the NAAF Strategy would not be implemented and the NAAF would continue to be administered in an ad hoc manner.

The financial requests for the NAAF are to be submitted annually through the Capital Budget process. Based on the November 3, 2009 Council approved NAAF Strategy (PED09007(a)), these requests were to be \$100,000 annually for 2011, 2012 and 2013 and \$300,000 annually in perpetuity. Since the program has not been initiated, money has not been accrued over time (currently there is \$300,000 within this account).

While the funds within the NAAF account can currently be used by Council, there is not an appropriate mechanism in place to ensure that the funding is used for land acquisition by Conservation Organizations to protect and enhance the features and functions of the NHS. As a result, this is not a recommended alternative.

Alternative B - Approve the Guidelines attached as Appendix "A" of this Report with Modifications

The staff recommendation is to approve the Implementation Guidelines as attached in Appendix "A" of this Report. Within the NAAF Strategy, it was identified that the permitted uses for the NAAF would include costs for direct fee-simple purchase of the land or any initial site maintenance costs (e.g. signage, fencing or trail construction) that promotes public access. This is the preferred option.

An alternative to this recommendation would be to amend the Implementation Guidelines with modifications that Council deems appropriate. This alternative is not recommended because it would result in further consultation and further delay in the implementation of this program. The approval of the Implementation Guidelines within Appendix "A" of this Report would ensure that the program would be implemented in a timely manner.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

APPENDICES AND SCHEDULES ATTACHED

- Appendix “A” - Natural Areas Acquisition Fund Strategy Implementation Guidelines
- Appendix “B” - 2008 Economic Development and Planning Committee Motion
- Appendix “C” - 2009 Economic Development and Planning Committee Minutes-February 3, 2009 PED09007 (Proposed Natural Areas Acquisition Fund)
- Appendix “D” - 2009 Economic Development and Planning Committee Minutes-November 3, 2009 PED09007(a) (Proposed Natural Areas Acquisition Fund)
- Appendix “E” - Consultation with Greater Golden Horseshoe Municipalities and Other Land Securement Groups
- Appendix “F” - Consultation with Conservation Organizations
- Appendix “G” - Consultation with City Departments
- Appendix “H” - Natural Areas Acquisition Agreement

:MK/th