



Hamilton

# INFORMATION REPORT

<b>TO:</b>	Chair and Members General Issues Committee
<b>COMMITTEE DATE:</b>	October 19, 2016
<b>SUBJECT/REPORT NO:</b>	Piers 5-8 Environmental Site Assessment (PW16072) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Gavin Norman, P. Eng. Manager, Waterfront Development 905-546-2424, Ext. 4812
<b>SUBMITTED BY:</b>	Robert Norman, BLA, OALA, CSLA Director, Strategic Planning Public Works Department
<b>SIGNATURE:</b>	

## Council Direction:

Not Applicable

## Information:

### Background

The purpose of this Information Report is to update Council about the Piers 5-8 Environmental Assessment Study (environmental work) being completed to support public and private sector development of the Waterfront. Staff provided the West Harbour Development Subcommittee a verbal update regarding this matter on August 4, 2016.

On October 12, 2011, Council approved Capital Project 4241006001 (Waterfront Development Corporation) as the funding source for key studies to accelerate public and private sector development of Piers 5, 6, 7, and 8. At General Issues Committee on April 18, 2012, approval was received to create a corporate "Waterfront Development Office" (Report PED09200(a)) and direction given to draft a Terms of Reference for the implementation of the studies, and further that the Hamilton Waterfront Trust (HWT) be approved as a single source vendor to carry out the project management of the studies.

Recommendation from PED09200(a):

- (e) That the General Manager of the Planning and Economic Development Department, be authorized to draft a "Terms of Reference" for the implementation of the Council approved studies for Piers 5, 6, 7, and 8, as set out in the October

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11, 2011 General Issues Committee Report, and that Hamilton Waterfront Trust (HWT) be approved as the retained agency to carry out the project management of such studies.”

The City’s working arrangement with the HWT is formalized in a Project Management Agreement (PMA), executed in January 2015. The PMA speaks to overarching principles of mutual interest and collaboration in the carrying out of respective roles in each waterfront project, the City’s overall authority, reporting and the management of projects, compensation to the HWT, and the need for more specific terms of reference for individual projects.

Studies project managed by the HWT as the approved vendor included: Piers 5-8 Servicing Study and Pro Forma, Pier 8 Pumping Station Class EA, and Piers 5-8 Environmental Site Assessment. Dillon Consulting was retained by HWT as the prime sub-consultant, with the City’s approval, for each of the studies. Each of these studies are key pieces of work required to support the redevelopment of Piers 5-8.

Environmental work began in 2014 and has proceeded as expected as it relates to fulfilling the requirements of the Ministry of the Environment and Climate Change (MOECC). The ministry prescribes the legislative and regulatory requirements for assessing the environmental condition of a site, the clean-up of brownfield sites and the filing of Records of Site Condition (RSC) in the provincial Environmental Site Registry.

Staff has found the work to date completed by the HWT and its sub-consultant satisfactory and necessary to reach the City’s goal of being development-ready by 2018. Notwithstanding, the scope of environmental study work and hence the cost is significantly greater than originally assumed.

#### Need to Undertake Additional Work

The initial strategy to complete environmental studies on Piers 5-8 was to complete Phase 1 and Phase 2 of the Environmental Site Assessment process. Since that time, the strategy has evolved to assure that Council’s goal of having the lands development ready by 2018 could be achieved. The change in strategy included:

1. Enhanced investigation to address feedback from the MOECC and to reduce the overall time required to acquire MOECC approval.

Although common to most brownfield redevelopment, Piers 5-8 in particular are not overly impacted by contamination or deleterious material found on typical brownfield sites; however, upon completion of the original scope of work, results of the environmental findings did reveal several areas of concern that require an increased level of effort to meet legislative requirements of the Ministry of Environment and Climate Change (MOECC) and in turn prepare the lands for public and private sector development.

2. Completing environmental work on former Federal lands acquired by the City of Hamilton in 2015.

The block of land (3.2ha) on Pier 8 where the Discovery Centre, Williams Cafe, and the skating rink is located was acquired by the City from the Federal government in late 2015. Approximately half of this block will be redeveloped in accordance with the Setting Sail Secondary Plan so staff has added it in the study area.

3. To proceed beyond completing Phase 1 and Phase 2 studies and obtain a Record of Site Condition (RSC) for Development Blocks.

Initially, the strategy was to only complete due diligence requirements of the Phase 2 environmental work on the development blocks. A future land developer would be responsible to acquire a Record of Site Condition, which would allow the lands to be re-zoned to residential/mixed use. Upon further review, the change in strategy to obtain a Record of Site Condition for development blocks is a marginally low cost investment which will increase private sector development interest and ultimately increase land value. Moreover, lands on Piers 5-8 to be retained by the City for parks, trails, and public amenity space require a RSC so it's cost effective to complete the additional work on the development blocks at the same time.

4. To advance site clean-up efforts to help expedite MOECC approval.

As environmental testing proceeded, there were a handful of areas identified on Pier 8 that exhibited contamination typically caused by local fuel spills and leaking underground storage tanks. As these areas will need to be cleaned up as part of the servicing of the land and construction of parks, etc., staff decided to proceed with the remediation in advance as this would also help expedite the approvals process through the MOECC.

#### Expenditures for Environmental Work

The scope of HWT's environmental work has changed as noted above, but continues to be necessary to support the City's goal of being development-ready in 2018. This has resulted in a need to both increase spending to complete the Phase 1 and Phase 2 environmental studies, but also advance spending on future planned environmental work to ensure lands can be development-ready by 2018.

Generally, the scope of work to meet MOECC and City requirements for environmental testing and remediation was contemplated and imbedded in the Implementation Plan budget within both specific tasks and projects identified within the plan.

The Implementation Plan identified a budget allowance for Engineering Studies of which \$214,000 was allocated to complete the initial scope set for the Phase 1 and Phase 2 ESA studies. The Plan also specified an allowance of \$1,000,000 for site clearing and remediation. In that the full requirements for testing and clean-up are unknown until the Phase 1 and Phase 2 studies are completed, any funding required beyond these initial allocations is to be funded in proportion through several projects identified in the plan that have requirements for environmental reporting and clean-up.

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The budget Implementation Plan for the project environmental work is being funded from the following:

- Engineering Studies (\$450,000)
- Pier 8 Site Clearing and Remediation (\$1,000,000)
- Pier 8 Building Demolition (\$900,000)
- Piers 5-7 Waterfront Trail and Boardwalk (\$1,135,000)
- Pier 6 Artisan Village (\$1,070,000)
- Pier 7 Commercial Village / Piazza Public Space (\$3,050,000)
- Pier 8 Park (\$1,250,000)
- Pier 8 Promenade (\$6,500,000)
- Pier 8 Servicing (\$9,030,000)

It is intended that the additional cost to complete the RSC process for the development blocks will be recovered through the sale of the lands to the private sector.

Table 1 illustrates the breakdown of costs for the environmental study and expected remediation efforts to date.

Table 1 – Cost Breakdown

Scope of Work	Value of Work	Status of Work	Funding Allocation within Implementation Plan Budget
Phase 1 and 2 ESA	\$214,000	Complete	Assigned to Engineering Studies task
Supplemental Phase 2 Investigations	\$869,000	90% Complete	Assigned to Site Clearing / Remediation and Building Demolition tasks
Former Federal Lands	\$87,000	To be Completed	Apportioned to individual projects
Record of Site Condition Process	\$531,000	To be Completed	Apportioned to individual projects
Site Remediation	\$474,000	10% Complete	Assigned to Site Clearing / Remediation task
Total	\$2,175,000		

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### Going Forward

To date, the City has committed approximately \$1,200,000 to environmental investigation and remediation. An additional \$975,000 is estimated to be spent to finalize the supplemental Phase 2 investigations, obtain a Record of Site Condition from the MOECC, and complete environmental clean-up to support future development. The total cost of environmental work is estimated to be \$2,175,000 and not unforeseen given the planned change in land use of a sizeable piece of property, plus the addition of 3.2ha of former Federal lands on Pier 8 (results in a 23% increase in land area).

Currently, the environmental work can be accommodated within existing budgets; however, please note that the total cost is an estimate as future work still requires finalization of detailed work plans. Moreover, the nature of obtaining environmental approvals through the MOECC is an iterative process, both through the regulatory requirements and the fact assumptions for clean-up can change once excavation of a site begins.

It is staff's intention to continue with the same approach for the remaining work; i.e. HWT continue to retain Dillon Consulting (and contractors that may be required) to provide the environmental engineering testing, analysis and preparation of reports and filing of the RSC to the MOECC as they have extensive knowledge, expertise, and background with the site which will allow staff to deliver Council's goal of being development-ready by 2018.