



INFORMATION REPORT

TO:	Chair and Members General Issues Committee
COMMITTEE DATE:	November 25, 2016
SUBJECT/REPORT NO:	Stadium Precinct Park, 43 Lloyd Street - Funding Strategy (PW16106) (Ward 3)
WARD(S) AFFECTED:	Ward 3
PREPARED BY:	Cynthia Graham Manager, Landscape Architectural Services 905-546-2424, Extension 2337
SUBMITTED BY:	Robert Norman, BLA, OALA, CSLA Director, Strategic Planning Public Works Department
SIGNATURE:	

Council Direction:

Item 8 (i) from January 19, 2016, at General Issues Committee:

“Staff was directed to report back to the General Issues Committee with a funding plan for the Council approved development of the former Dominion Glass Park development including, but not limited to both city-wide and area rating reserve options for consideration during the 2017 Capital Budget process.”

Information:

The purpose of this report is to respond to the above Council direction.

Due to a significant dollar range of project completion costs, it is not feasible at this time to report on funding for development costs, based on the following factors:

1. A number of properties are identified for Land acquisition per confidential report PW16068 (August 18, 2016).
2. Final remediation costs and strategy is yet to be determined through a Risk Assessment process (timeline for a Risk Assessment is approximately 18 months).
3. The prioritization of the Stadium Precinct Park in relation to other City Park Development Projects with a Limited City Capital Envelope.
4. Public consultation, design process and park amenity requirement analysis have yet to be undertaken and these can affect the overall costs of park development. Timeline for public consultation and detailed design is approximately 18 months,

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following the identified Risk Assessment process identified in Item 2 above also forecasted as 18 months in duration.

Previously, confidential Report CES14022 was approved on April 16, 2014 at General Issues Committee that directed a total of \$12,418,475 to the current project to fund the acquisition, demolition, remediation, and design of the park project. Report CES14022 captured estimated costs for the project excluding park development costs. To date, the total Council approved Budgeted Funding for the Stadium Precinct Park, 43 Lloyd Street Capital Project are \$12,418,475 plus \$600,000 (Victoria Street land sale) for a total of \$13,018,475. There is a high probability that the current remediation and park design work being undertaken for this project will utilize the balance of the approved budgeted funds for this project.

Based on the initial discussions of design, the programming for the future park was anticipated to include the replacement facility for the Brian Timmis field which would include a football field, spectator seating, field house and parking. In addition, it was contemplated that the future park would have baseball diamonds, a neighbourhood play area, walking trails, tree planting, and a protective berm on the north property line with the Canadian National (CN) track. Recent discussions with Recreation staff have included the possibility of a track around the football field. This program was estimated at \$7,700,000 in 2014, however, dependent upon final park development design, updated cost estimates and land acquisition options, the final park development completion costs may be significantly higher. As delineation of the contaminants and Risk Assessment must be undertaken and completed, design work cannot proceed at this time to provide an updated budget from the original estimate of \$7.7 million in 2014.

Therefore, staff recommend coming back to Council with funding options when more accurate budgeted project development costs (including land acquisition options) become available. It is anticipated that this information would be feasible for consideration as part of the 2019 Capital Budget submission, and will identify any operating costs associated with the park development.

Potential Funding sources for the park development are listed as follows:

Possible Funding Source	Description
Existing Capital Funds from Stadium Precinct Projects	If there are any funds unspent from the remediation of the Dominion Glass property, these unspent funds could be considered by Council during the applicable Capital Budget process for development of the park facilities. In addition, funds unspent from the other construction projects in the Stadium Precinct could be applied to the park development when available. The current balance of the project ID 4401456401 is \$3,827,417, to be used towards the remediation and completion of demolition of the property, however, it is not anticipated that any significant funds will remain after remediation.

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Possible Funding Source	Description
Development Charges	Finance staff will identify if the park development is eligible for any development charge funds. Eligibility will be dependent upon whether a portion of the development can be attributed to growth. Development charges were part of the funding strategy for the acquisition of the lands for the park. In the future Development Charge study, due for update in 2019, the park development project will be evaluated to determine if it is eligible for development charge funding.
Open Space Capital Block	The open space block is capped yearly at \$3.241 million, to fund park projects across the City. This park development project will have to be prioritized in relation to other City park projects versus a limited annual City Capital funding envelope.
Unallocated Capital Reserve	In any particular year, Council has the ability to direct unallocated Capital reserve funds towards a priority. Council would have the authority to utilize this funding source towards the park development costs for this project. There are corporately controlled reserves such as the Council Strategic Projects Reserve that Council could allocate funds from, if this park development is determined to meet the objectives of the reserves as set by Council.
Federal and Provincial Grants	It is anticipated that there will be future opportunities to apply for Federal and Provincial grants towards the construction of the park's community amenities.
Federation of Canadian Municipalities Low-interest Loans and Grants	The Federation of Canadian Municipalities (FCM) has programs for low-interest loans and grant programs for brownfield remediation and community development. A component of the brownfield remediation grants with the FCM is that the environmental testing reports must be made public as part of the accountability mandate of the program. Preliminary discussions with staff of the FCM indicate that this project would be eligible for both grant funding and low-interest loan funding as part of their funding programs.
Brownfield Remediation Grant Programs	It is possible that there are other grant programs that fund brownfield remediation. Examples include Canadian National (CN) "From the Ground Up" program that funds tree planting adjacent to rail lines. Staff will continue to research and pursue programs for funding.

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Possible Funding Source	Description
Low-impact Development Grant Programs	As part of the design of the park development, low-impact development technologies could be included, for instance, to control storm water on site. Staff will continue to research and pursue programs for related funding.
Ward Capital Reserves	Ward Specific Capital Reserves re: development of the Park. Councillors in the affected wards may desire to change the budgeted time frame/dollar amount of this project with funding from their Ward Capital Reserves.
Area Rating to the former City of Hamilton	With regards to the land acquisition options, this funding option would require all of the residents in wards 1 – 8 to pay for the land acquisition costs through their Property Taxes.
Hamilton-Wentworth District School Board Funding Share for Brian Timmis Field	Report CM14014, approved at Council on September 10, 2014 in Report 14016, Item 20, included the Hamilton Wentworth District School Board funding 50% of the cost of construction of the Brian Timmis replacement field. The details of this arrangement are yet to be finalized.

The listed funding sources are considered appropriate for this park development project. For projects of the magnitude of this project, the burden of funding from traditional park development sources such as Development Charges and the Open Space Capital Block are out of proportion with the capacity of those funds. Yearly allocations to the Open Space Block are limited to \$3.241 million for all City park projects.

Staff recommends investigating alternatives, such as Federal and Provincial grants, environmental grants, and low-interest loans to reduce the burden on the traditional funding sources. This strategy allows for park development to continue across the City, in support of the ten year capital forecast for open space development.

In conclusion, due to contaminated site conditions, a Risk Assessment must be completed prior to detail design and development costing. It is forecast that obtaining a Risk Assessment approval and undertaking public consultation and design will each take 18 months, or combined approximately three years. Therefore, it is anticipated that staff would report back with a funding strategy as part of the 2019 Capital Budget process.

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