Amendments to the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan (CIP)

February 2018
BACKGROUND

City of Hamilton retained a consulting team to prepare the Bayfront Industrial Area Renewal Strategy, including a focused Review of ERASE Programs urban area-wide. The review of the ERASE Programs includes recommendations for program updates.

We reviewed the following:

- Historical Program Uptake;
- Economic Impacts;
- Administrative and Program Issues; and,
- Best Practices in several other municipalities.
- Original ERASE CIP approved in 2001 (Older Ind. Area)
- First Brownfield CIP in Canada.
- Recognized as a municipal best practices leader
- 2005 – Expanded to West Harbour and Rest of Urban Area
- 2010 – Added Downtown Area
- Current ERASE Programs
  - Study Grant Program
  - Tax Assistance Program
  - Redevelopment Grant Program (with DC Reduction)
  - Downtown/West Harbourfront Remediation Loan
  - Municipal Acquisition and Partnership Program
<table>
<thead>
<tr>
<th>Type of Program</th>
<th>Brantford</th>
<th>Cornwall</th>
<th>Guelph</th>
<th>Hamilton</th>
<th>Kingston</th>
<th>Kitchener, Cambridge, Waterloo/Waterloo Region</th>
<th>Niagara Falls/ Niagara Region</th>
<th>Ottawa</th>
<th>Windsor</th>
<th>Edmonton</th>
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<tbody>
<tr>
<td>1) Project Feasibility Study Grant</td>
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<td>2) Environmental Study Grant</td>
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<td>3) Property Tax Assistance (Freeze/Cancellation)</td>
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<td>4) Tax Increment Grant (TIG)</td>
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<td>5) Development Charge Reduction</td>
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<td>6) Remediation Loan</td>
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<td>7) Municipal Tipping Fees Grant</td>
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<td>8) Planning/Building Permit Fees Grant</td>
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<td>9) Payment-in-Lieu of Parkland Dedication Grant</td>
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LOCATION OF ESG APPLICATIONS

- Rest of Urban Area: 49.7%
- Older Industrial Area: 22.8%
- Downtown: 14.1%
- West Harbour Area: 13.4%
LOCATION OF ESG APPLICATIONS

- Rest of Urban Area: 59.1%
- Older Industrial Area: 22.7%
- Downtown: 11.4%
- West Harbour Area: 6.8%
20 ERG Projects Completed to date

- $9,598,969 in ERG grant funding commitment from City.
- $116,145,820 in actual construction value.
- Leverage Ratio = 11.1
- 11 ERG projects paid $5,549,615 in DCs over and above eligible remediation costs applied against DCs payable under ERG program.
- 19 ERG projects have paid $1,389,925 in building permit fees.
Assessment Value of Completed ERG Projects

- AV Increase due to ERG Projects
- AV Increase due to General Increase in Market Value
- Base Year AV

\[ \text{Assessment Value} = \text{AV Increase due to ERG Projects} + \text{AV Increase due to General Increase in Market Value} + \text{Base Year AV} \]

\[ \text{Includes substantially completed projects.} \]
Annual Property Taxes for Completed ERG Projects

- Property Tax Increase due to ERG Projects
- Property Tax Increase due to General Increase in Market Value
- Base Year Property Tax

1 Includes substantially completed projects.
Successes Achieved

- Over 380 Acres of land studied;
- Total assessment increase due to ERG in excess of $129,029,379;
- Every $1 contributed by the City has generated $11.10 in private sector construction; and,
- Remediation and redevelopment approved of approximately 210 Acres of brownfield land 123 Acres (59% of approved land area) remediated to date.
Proposed improvements for continued success

• That the City’s maximum contribution as part of the ERASE Study Grant Program be increased from $25,000 to $35,000 for two studies per property/project;

• That the ERASE Study Grant Program date for maximum of 2 studies per property be reset to July 1, 2011;

• That additional administrative requirements regarding submission and enactment of ERASE Study Grant applications be approved;

• That additional eligible costs be added to the ERASE Study Grant and Redevelopment Grant Program to cover Designated Substances and Hazardous Material Survey and Industrial/Office Reuse Feasibility Study and their removal and abatement in the Older Industrial Area be approved;
• Eligible costs be added to the ERASE Study Grant and Redevelopment Grant Program to cover Designated Substances and Hazardous Material Survey and their removal and abatement applicable to:

  • Current/closed Institutional uses
  • Designated Heritage Buildings

• That the interest rate for the Downtown Hamilton/West Harbourfront Remediation Loan Program (RLP) be decreased from prime minus 1% to 0% and the loan repayment period be reduced from 10 years to 5 years;
Questions