



**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Economic Development Division**

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| <b>TO:</b>                | Mayor and Members<br>General Issues Committee   |
| <b>COMMITTEE DATE:</b>    | February 19, 2020   |
| <b>SUBJECT/REPORT NO:</b> | Administrative and Technical Amendments to Environmental Remediation and Site Enhancement (ERASE) Financial Incentive Programs (PED20038) (City Wide) |
| <b>WARD(S) AFFECTED:</b>  | City Wide   |
| <b>PREPARED BY:</b>       | Phillip Caldwell (905) 546-2424 Ext. 2359   |
| <b>SUBMITTED BY:</b>      | Glen Norton<br>Director, Economic Development<br>Planning and Economic Development Department   |
| <b>SIGNATURE:</b>         |   |

**RECOMMENDATION**

- (a) That the amended program terms and administrative procedures for the ERASE Redevelopment Grant (ERG) Program, which forms Appendix B to the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan, and attached as Appendix "A" to Report PED20038, be approved;
- (b) That the amended program terms and administrative procedures for the ERASE Tax Assistance Program (TAP) Program, which forms Appendix C to the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan, and attached as Appendix "B" to Report PED20038, be approved;
- (c) That the amended program terms and administrative procedures for the Downtown Hamilton/West Harbourfront Remediation Loan Program (RLP), which forms Appendix D to the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan, and attached as Appendix "C" to Report PED20038, be approved.

## **EXECUTIVE SUMMARY**

In 2018, staff completed a comprehensive review and update to the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan (CIP) and associated incentive programs which were approved by Council via Report PED18030(a).

Since 2018, staff from various City divisions/departments involved in the administration of the updated ERASE programs have been monitoring the programs and identified various administrative and technical “housekeeping” amendments.

These amendments generally fall into one or more of the following categories:

- Modified wording for specific administrative procedures/eligibility requirements that, while maintaining the original intent, provide improved clarity and certainty for staff and the public as to their function/purpose and administration;
- Streamlining program options to allow for efficient use of staff resources and/or provide added flexibility for program applicants in certain circumstances; and/or,
- Ensuring program language and requirements more closely align with technical language in legal agreements used with approved program applicants.

Overall the recommended amendments are considered by staff to be minor in nature and do not alter the overall intent of the programs or availability of programs to the public.

## **Alternatives for Consideration – N/A**

## **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: There are no financial implications arising from this Report.

Staffing: There are no staffing implications arising from this Report.

Legal: Legal staff will be required to ensure that ERASE legal agreements used to implement the ERASE programs are updated to reflect the amendments contained in this Report, where necessary.

## **HISTORICAL BACKGROUND**

In 2018, staff completed a comprehensive review of the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan (CIP) and associated incentive programs. The intent of this review was to ensure that the ERASE incentive programs remain effective in promoting and incentivizing brownfield redevelopment in Hamilton. This review resulted in a series of substantive amendments to the programs that were approved by Council in February 2018 via Report PED18030(a).

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

This Report contains recommendations for various administrative and technical amendments to the ERASE Redevelopment Grant Program, ERASE Tax Assistance Program (TAP) and Downtown Hamilton/West Harbourfront Remediation Loan Program (RLP). These programs are implemented as Appendix B, C and D respectively to the authorizing ERASE CIP. As these appendices do not form part of the approval of the ERASE CIP or its implementing By-Law (No. 18-076), and as staff's recommended amendments do not alter the intent of the authorizing CIP, an amendment under Section 28 of the *Planning Act* to implement the recommendations of this Report is not required.

## **RELEVANT CONSULTATION**

Recommended amendments contained in this Report have been collected and prepared based on monitoring and feedback from staff in various City divisions/departments involved in the administration of the ERASE programs.

Staff from the Economic Development and Legal Services Divisions have been involved in the development and review of the specific amendments contained in this report.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)**

Since the updated ERASE CIP and associated incentive programs were implemented in 2018, staff have been monitoring the updated program administration procedures. This monitoring has resulted in the collection of various "housekeeping" amendments to address various administrative and technical matters which are intended to improve the administration of the programs.

Overall the recommended amendments are considered by staff to be minor in nature and do not alter the overall intent of the programs or availability of programs to the public.

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A summary of the key amendments recommended for specific ERASE programs are provided below:

**The ERASE Redevelopment Grant (ERG) Program:**

- Amended text to clarify that property taxes must be in good standing not only during the project's development stages but also for any portion of the property retained by the property owner after the remediation and redevelopment has been completed; and,
- Removal of text which permitted a program applicant to assign a grant payment to the initial purchaser of a condominium unit; an option which has not been utilized by applicants to-date and which if utilized, would pose numerous logistical/legal challenges for finance and legal staff and require substantial staff resources to administer.

**The ERASE Redevelopment Grant (ERG) Program and ERASE Tax Assistance Program (TAP):**

- Addition of text to further clarify that eligible remediation costs do not include construction costs that would have been required for the redevelopment regardless of the presence of contamination;
- Addition of text to Introduce the ability for existing applications to be transferred to a new purchaser of a property provided that the application has not yet been approved by City Council and where the new owner will be undertaking the remediation and redevelopment of the site;
- Addition of text to further clarify that remediation costs incurred prior to an application being submitted and accepted by the City are not eligible;
- Amended text to clarify that eligible costs must be incurred by the property owner (applicant);
- Addition of text to reflect existing practise and legal agreement requirements that developments must commence above grade construction no later than five years from Council approval and be completed no longer than ten years from Council approval with the ability to extend the completion period for large-scale developments consisting of multiple phases;
- Addition of text to reflect existing practice and legal agreement requirements that application approvals are considered to be cancelled if the redevelopment of a

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property has not commenced within five years of Council approval of the grant/tax assistance application and no request has been made to the City for an extension with associated justification; and,

- Addition of text to reflect existing practice and legal agreement requirements with respect to the calculation of property tax increments and associated grant/tax assistance where a portion of a development site is severed prior to grant payments/tax assistance commencing.

**The Downtown Hamilton/West Harbourfront Remediation Loan Program (RLP):**

- Amended text to clarify that the program can only be applied for in conjunction with an application for an ERG or Hamilton Tax Increment Grant;
- Additional text to require that assignment of grants under the ERG or Hamilton Tax Increment Grant Programs are required to repay any outstanding loan first and that in the case of the ERG program, the value of the grant payments to be assigned be the remainder of the grant to be payed after utilization of the program's Development Charge Reduction Option, if applicable; and,
- Amended text to clarify that the maximum loan repayment period is five years regardless of the whether the grant payments being assigned are from a program with a longer grant period.

**The ERG, TAP and RLP Programs:**

- Addition of text to reflect requirements of legal agreements that applicants are required to make a request to the City for grant payments/tax assistance to commence and where no request is made within three years of when the payments/assistance could have commenced, that the legal agreement is cancelled; and,
- Various non-substantive formatting, grammatical and spelling corrections.

Overall the recommended amendments are considered by staff to be minor in nature and do not alter the overall intent of the programs or availability of programs to the public.

**ALTERNATIVES FOR CONSIDERATION**

Not applicable.

## **ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

### **Economic Prosperity and Growth**

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

### **Clean and Green**

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

## **APPENDICES AND SCHEDULES ATTACHED**

- Appendix “A” – Amended Program Terms and Administrative Procedures for the ERASE Redevelopment Grant (ERG) Program forming Appendix B to the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan.
- Appendix “B” – Amended Program Terms and Administrative Procedures for the ERASE Tax Assistance Program (TAP) forming Appendix C to the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan.
- Appendix “C” – Amended Program Terms and Administrative Procedures for the Downtown Hamilton/West Harbourfront Remediation Loan Program (RLP) forming Appendix D to the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan.