




CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO:	Mayors and Members General Issues Committee
COMMITTEE DATE:	September 9, 2020
SUBJECT/REPORT NO:	Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant Application, 115 and 121 Vansitmart Avenue, ERG-18-08 (PED20139) (Ward 4)
WARD(S) AFFECTED:	Ward 4
PREPARED BY:	Phillip Caldwell (905) 546-2424 Ext. 2359
SUBMITTED BY:	Norm Schleeahn Director, Economic Development Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant Application ERG-18-08, submitted by 1349010 Ontario Inc., owner of the properties at 115 and 121 Vansitmart Avenue, for an ERASE Redevelopment Grant not to exceed \$354,828 over a maximum of ten years, be authorized and approved in accordance with the terms and conditions of the ERASE Redevelopment Agreement;
- (b) That the Mayor and City Clerk be authorized and directed to execute the Environmental Remediation and Site Enhancement (ERASE) Redevelopment Agreement together with any ancillary documentation required, to effect Recommendation (a) of Report PED20139, in a form satisfactory to the City Solicitor;
- (c) That the General Manager of the Planning and Economic Development Department be authorized to approve and execute any grant amending agreements, together with any ancillary amending documentation, if required, provided that the terms and conditions of the Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant, as approved by City Council, are maintained.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

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EXECUTIVE SUMMARY

An Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant Application was submitted on August 22, 2018 by 1349010 Ontario Inc., the owner of the properties located at 115 and 121 Vansitmart Avenue, Hamilton (“the site”).

The site is comprised of two adjoining properties which together are approximately 0.85 ha (2.02 ac) in size. The site is located within a predominately low-rise residential neighbourhood of the Homeside neighbourhood in East Hamilton. The closest signalized intersection is approximately 150 m southwest of the site at Barton Street East and Cope Street. The site currently consists of a two-storey commercial building fronting onto Vansitmart Avenue along with multiple ancillary buildings to the rear associated with the site’s current and historical use as an operations and storage yard for various construction-related uses. The site also contains a one and a half storey single detached dwelling located at 115 Vansitmart Avenue.

A Phase One Environmental Site Assessment (ESA) completed in 2015 identified historical activities on the site that had the potential to be of environmental concern. These included the presence of fixed storage tanks for gasoline and associated products, historical coal gasification activities as well as the presence of a rail yard and associated spur lines adjacent to the site.

A Phase Two ESA was completed in 2016 and subsequently updated with supplementary information in 2017 and 2020. The study was informed by the collection of soil samples and groundwater monitoring on the site the results of which confirmed the presence of Contaminates of Concern (COC) including metals, petroleum hydrocarbons (PHCs) and polycyclic aromatic hydrocarbon (PAHs).

The grant application is for \$354,828 in estimated eligible costs associated with environmental site remediation and the filing of a Record of Site Condition which is required to accommodate the planned development in accordance with Ontario Regulation 153/04. The planned development, for which conditional Site Plan approval has been granted, consists of 40 back-to-back condominium townhouses and two new single detached dwellings.

Project construction costs are estimated at approximately \$14M. It is estimated that the planned development will increase the property assessment from the pre-development value of \$871,000 (CT – Commercial and RT - Residential) to approximately \$15,096,000 (RT – Residential). This will increase total annual property taxes generated by this site from \$24,838 to \$184,454, an increase of approximately \$159,616. The municipal portion of this increase is \$143,179, of which 80%, representing the maximum potential annual grant, would be approximately \$114,543.

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Based on the estimated eligible costs provided by the applicant, the maximum grant will not exceed \$354,828 over a period four annual payments.

The sites' existing conditions as well as renderings of the planned development are provided below.



Existing Conditions – 115-121 Vansitmart Ave., Hamilton (Source: maps.google.ca)



Planned Redevelopment – 115-121 Vansitmart Ave., Hamilton (Source: 1349010 Ontario Inc.)

Alternatives for Consideration – See Page 7

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: As per the ERASE Redevelopment Grant (ERG) program, the City will provide the applicant with a grant equivalent to 80% of the increase in

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municipal taxes up to the total eligible cost figure of \$354,828. Based on an annual grant amount of \$114,543 the annual grant payments will conclude in year four with an estimated total grant of \$354,828. The City will realize the full tax increment after year four.

The City will retain the remaining 20% of the annual municipal tax increment during the grant period estimated at \$28,636. These monies, to a maximum of 20% of the total grant to be provided to the applicant, estimated to total \$70,966 over four years, will be deposited into the Brownfield Pilot Project Account No. 3620155102 - to be used by the City for its Municipal Acquisition and Partnership Program. This Program, as approved in the ERASE Community Improvement Plan (CIP), involves the City acquiring key Brownfield sites, cleaning up and redeveloping property it already owns, or participating in public/private partnerships to redevelop Brownfield properties.

Staffing: Applications and grant payments under the ERG Program are processed by existing staff in the Economic Development and Taxation Divisions. There are no additional staffing requirements.

Legal: The ERG Program is authorized by the ERASE CIP which was adopted and approved in 2001 and subsequently comprehensively updated in 2005, 2010 and 2018 under Section 28 of the *Planning Act*. The ERASE Redevelopment Agreement will specify the obligations of the City and the applicant and will be prepared in a form satisfactory to the City Solicitor.

HISTORICAL BACKGROUND

115 and 121 Vansitmart Avenue ("the site") are located within a predominantly low-rise residential area of the Homeside neighbourhood in east Hamilton. The site is comprised of two adjoining rectangular properties which together are approximately 0.85 ha (2.02 ac) in size. The closest signalized intersection is approximately 150 m southwest of the site at Barton Street East and Cope Street. The site is primarily located internal to the residential block bounded by a Canadian National (CN) rail line to the north, Tangerine Avenue North to the east, Vansitmart Avenue to the south and Cope Street to the west. The site has segments of street frontage on all three bounding streets with the sites primary frontage facing Vansitmart Avenue. The site is adjacent to low-rise residential buildings to the east, south and west.

The site currently consists of a two-storey commercial building fronting onto Vansitmart Avenue along with multiple ancillary buildings to the rear associated with the site's current and historical use as an operations and storage yard for various construction-

related uses. The site also contains a one and a half storey single detached dwelling located at 115 Vansitmart Avenue. The existing buildings date to approximately the 1950's or earlier.

A Phase One Environmental Site Assessment (ESA) was undertaken in 2015, the results of which identified two on-site and one off-site Areas of Potential Environmental Concern (APEC). The sources of potential environmental concern identified were:

- The on-site presence of fixed storage tanks for gasoline and associated products;
- The historical on-site occurrence of coal gasification on the site; and,
- The presence of a rail yard and associated spur lines adjacent to the site.

In addition to the above, it was identified that historical fires on the property, which resulted in the destruction of some buildings, may contribute to the presence of contaminants on the soil surface.

A Phase Two ESA was undertaken in 2016 which included the drilling of ten boreholes to investigate the conditions of the site's soil, two of which included the installation of groundwater monitoring equipment. The results confirmed the presence of contamination in the soil and groundwater and identified the Contaminants of Concern (COC) as metals, petroleum hydrocarbons (PHCs) and polycyclic aromatic hydrocarbons (PAHs). The COC's exceeded the Ministry of Environment, Conservation and Parks ("the Ministry") Table 3 Site Condition Standards (SCS) for residential/parkland/institutional land uses in a non-potable groundwater condition in accordance with Ontario Regulation 153/04.

Supplemental soil and groundwater sampling were undertaken in 2017 and 2020 to further delineate the vertical and horizontal extents of the contamination for the purposes of filing a Record of Site Condition (RSC). The planned change of use to residential combined with the presence of contamination above the applicable SCS requires the applicant to file an RSC with the Ministry upon completion of the remediation.

Based on the investigations into the site, a Remedial Action Plan (RAP) was prepared in 2020 to outline a plan for the site's remediation and associated cost estimates. Remediation of the site is planned to consist of the excavation and disposal of impacted soils to a licensed waste receiver and the placement of 'clean fill' suitable for the planned development. The RAP also outlines additional confirmatory soil and groundwater testing for the purposes of completing an RSC filing with the Ministry.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Urban Hamilton Official Plan

The site is designated as “Neighbourhoods” on Schedule “E” – Urban Structure and on Schedule “E-1” – Urban Land Use Designations of the Urban Hamilton Official Plan. This designation is intended to accommodate a full range of residential dwelling types and densities to which the planned development complies.

Former City of Hamilton Zoning By-law No. 6593

The subject property is zoned: “RT-20/S-1762-H” Townhouse – Maisonette District, (Modified, Holding). The Holding provision which applies to the site is with respect to a requirement for the owner to submit a signed RSC to the City and Ministry for which the ERASE Redevelopment Grant would provide financial assistance towards. This holding provision would be removed through a future Zoning By-law Amendment at such time as the planned remediation has been completed and upon successful filing of the RSC with the City and Ministry.

Site Plan Control Application

The site is subject to Site Plan Control. At the time of writing of this Report, the planned development has received conditional Site Plan approval.

RELEVANT CONSULTATION

Staff from the Taxation Division and Legal Services Division, Corporate Services Department, were consulted and the advice received is incorporated into this Report.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Potential estimated costs, as submitted by the applicant, which may be eligible under the ERG Program based on the site’s location within Area 3 – Urban Area of the ERASE Community Improvement Project Area (CIPA) include the following:

- \$313,300 for contractor costs associated with the excavation, transport and disposal of impacted soils;
- \$36,300 for additional environmental consulting costs associated with confirmatory soil and groundwater sampling and the filing of an RSC with the Ministry; and,

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- \$5,228 for costs associated with the undertaking of a Phase Two ESA for which an ERASE Study Grant has not been provided.

In total, estimated eligible costs are \$354,828. Invoicing and associated documentation for said costs will be the subject of an audit by staff to ensure eligibility and compliance with the parameters of the ERG program.

The following is an overview of pre and post development property assessments and associated taxes which have informed the estimated potential grant and the grant payment period contained in this Report:

Grant Level:		80%
Total Eligible Costs (Maximum):	\$	354,828
Pre-project CVA: (CT - Commercial and RT- Residential)	\$	871,000 Year: 2019
Municipal Levy:	\$	16,970
Education Levy:	\$	7,868
Pre-project Property Taxes	\$	24,838
*Estimated Post-project CVA: (RT- Residential)	\$	15,096,000
Total Estimated Ten-Year Grant (Maximum):	\$	354,828
**Estimated Municipal Levy:	\$	160,149
**Estimated Education Levy:	\$	24,305
**Estimated Post-project Property Taxes:	\$	184,454

Note: All dollar figures are rounded to the nearest dollar.

**The actual roll number(s), assessed value(s), tax classification(s) and value partitioning (where applicable) are to be determined by the Municipal Property Assessment Corporation (MPAC).*

***2019 tax rates have been used for calculation of the estimated post-development property taxes.*

ALTERNATIVES FOR CONSIDERATION

The grant application meets the eligibility criteria and requirements of the program. In the event the project is not considered for the program, the application should be referred back to staff for further information on possible financial or legal implications.

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.

Healthy and Safe Communities

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” – Location Map

PC:dt