




CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	April 6, 2022
SUBJECT/REPORT NO:	Environment Remediation and Site Enhancement (ERASE) Redevelopment Grant Application, 50 Green Mountain Road West, ERG-21-03 (PED22078) (Ward 9)
WARD(S) AFFECTED:	Ward 9
PREPARED BY:	Karol Murillo (905) 546-2424 Ext. 7859
SUBMITTED BY:	Norm Schleeahn Director, Economic Development
SIGNATURE:	Planning and Economic Development Department 

RECOMMENDATION

- (a) That Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant Application - ERG-21-03 submitted by NHDG (Green Mountain) Inc., owner of the property at 50 Green Mountain Road West, for an ERASE Redevelopment Grant not to exceed \$5,256 M, the actual cost of the remediation 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 PED22078, 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.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

EXECUTIVE SUMMARY

An Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant Application was submitted by NHDG (Green Mountain) Inc., the owner of the property located at 50 Green Mountain Road West, Hamilton. A Phase One Environmental Site Assessment (ESA), was undertaken in 2014 to determine if there were Potentially Contaminating Activities on the site that could result in an Area of Potential Environmental Concern (APEC).

The site was defined as approximately 4.0 ha (9.88 ac) and is located approximately 230 meters west of the intersection of Upper Centennial Parkway and Green Mountain Road West with four (4) buildings on the site. The four (4) buildings on site include a telecommunications building on the central north portion, a west garage, an east garage with an addition to the south and an administrative/financial building. The remaining southeast portion of the site has various telecommunications equipment.

The Phase One ESA revealed that the historical on-site operations were considered a potential contaminating activity that may have resulted in an APEC and associated contaminants of potential concern (CPC) at the site. The site was historically occupied by an orchard and for agricultural purposes. The presence of a former landfill and uses ranging from auto body shops, garages, a paint shop, gasoline storage tanks resulted in contaminated surface soils.

Subsequently, a Phase Two ESA was completed in 2018. The Phase Two ESA included the collection of groundwater samples from existing monitoring wells and soil samples. The result confirmed evidence confirming several APECs related to select metals, petroleum hydrocarbons (PHCs), volatile organic compounds (VOCs), polycyclic aromatic hydrocarbon (PAHs) and OC Pesticides.

The grant application is for \$5,256 M in eligible environmental site remediation, and the abatement and removal of designated substances and hazardous materials. The proposed redevelopment of the site, for which Site Plan approval has been granted, is for 189 residential townhouses.

Project construction costs are estimated at \$26,670,735. It is estimated that the proposed development will increase the property assessment from the pre-development value of \$3,465 M (RT – Residential) to approximately \$62 M (RT – Residential). This will increase total annual property taxes generated by this property from \$38,327 to \$687,823 an increase of approximately \$649,497. The municipal portion of this increase is \$559,655 of which 80% or approximately \$447,724. Based on the estimated eligible costs provided by the applicant, the maximum grant would not exceed \$447,724 over a period of 10 annual payments.



Existing Conditions – 50 Green Mountain Road West

Source: maps.google.ca

Alternatives for Consideration – See Page 7

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: As per the ERASE Redevelopment Grant Program (RGP), the City will provide the applicant with a grant equivalent to 80% of the increase in municipal taxes up to the total eligible cost figure of \$5,256 M. Based on an annual grant amount of \$447,724 the ten-year grant will be reached by year ten when it reaches the maximum grant amount of \$4,477,240. The City will realize the full tax increase after year ten.

The City will retain 20% of the municipal tax increment estimated at \$111,931 a year for ten years. These monies will be deposited into the Brownfield Pilot Project Account – Project 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 loan/grant payments under the ERASE RGP are processed by the Economic Development Division and Taxation Division. There are no additional staffing requirements.

Legal: The provision of the ERASE RGP is authorized in the ERASE CIP which was adopted and approved in 2001 and the expansion of the original plan 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

50 Green Mountain Road West ("the site") is approximately 4.0 ha (9.88 ac) located in a primarily residential and commercial area in Stoney Creek. The site is located approximately 230 meters west of the intersection of Upper Centennial Parkway and Green Mountain Road West with single detached dwellings to the north and east and regional facility to the south. The site contains four (4) buildings including a telecommunications building on the central north portion, a west garage, an east garage with an addition to the south and an administrative/financial building. A cell tower, several satellite dishes, telecommunication trailers and storage shipping containers are located on the remaining part of the southeast portion of the site.

A Phase One ESA was undertaken in 2014 to determine if there were Potential Contaminating Activities on the site that could result in an APEC. The Phase One ESA revealed that the historical on-site operations (e.g. leachate from landfills, spillage from decommissioned storage tanks) were considered a potential contaminating activity that may have resulted in an APEC.

The result of a subsequent Phase One ESA conducted in 2018, identified Potentially Contaminating Activities (PCA) and corresponding APECs and associated contaminants of potential concern (CPC) related to the following:

- Large stockpile of fill materials and surficial soils reported across the site;
- Former landfill and active landfill to the south;
- Handling of gasoline and associated products stored in fixed tanks;
- Former usage of site as an orchard and agricultural purposes; and,
- Various autobody shops, garage, paint shop and decommissioned storage tanks.

As a result, a Phase Two ESA was required to further assess APECs and investigate the site's soil and groundwater conditions before a Record of Site Condition could be filed. The Phase Two ESA, completed in 2018, was prepared and informed six boreholes on the site, three of which were installed as groundwater monitoring wells. The result confirmed that the site's soil and groundwater did not meet the Ministry of Environment, Conservation and Parks ("the ministry") Table 7 Site Condition Standards (SCS) for residential/parkland/institutional land uses in accordance with Ontario

Regulation 153/04 for several APECs related to select metals, PHCs, VOCs, PAHs and OC Pesticides. As a result, remediation of the site's soil/groundwater was needed. To accomplish the removal of the groundwater and soil contamination, a Remedial Action Plan (RAP) was developed based on the results of the Phase Two ESA of the site. The preferred remedial action plan will involve a risk assessment approach which will include risk management measures, remedial excavations to remove the contaminated soil to be conveyed offsite to licensed facilities for disposal and treatment. The contaminated soil is estimated at 29,550 m³ or 59,100 tonnes. The results of the soil remediation activities will be observed and documented in an excess soil management plan.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Urban Hamilton Official Plan

The subject lands are municipally known as 50 Green Mountain Road West and located within "Neighbourhoods" on Schedule "E" – 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 proposed development complies.

Hamilton Zoning By-law No. 05-200

Under the City of Hamilton Zoning By-Law No. 05-200, the subject property is zoned Multiple Residential (Holding) "RM3-65 (H)" Zone and permits a variety of uses including maisonettes, townhouses, and apartment dwellings.

The proposed use of the property is permitted subject to any associated regulations of the Hamilton Zoning By-Law No. 05-200.

Site Plan Control Application

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

RELEVANT CONSULTATION

Staff from the Taxation Division, Corporate Services Department 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 1 – Rest of Urban Area of the ERASE Community Improvement Project Area (CIPA) include the following:

- \$3,546 M for on-site removal of fill from site and landfill disposal of designated substances/hazardous materials;
- \$1,305 M for costs associated for trucking and transport from clean fill site, place and compact imported material costs; and,
- \$405 K reflecting environmental inspection costs, monitoring, risk assessment, groundwater treatment and removal, and RSC submission costs.

In total, estimated eligible costs are \$5,256 M. 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):	\$	5,256 M
Pre-project CVA: (RT – Residential)	\$	3,465 M Year: 2021
**Estimated Municipal Levy:	\$	33,025
**Estimated Education Levy:	\$	5,301
**Estimated Pre-project Property Taxes	\$	38,326
*Estimated Post-project CVA: (RT – Residential)	\$	62,185 M
Total Estimated Ten-Year Grant (Maximum):	\$	4,477,240
**Estimated Municipal Levy:	\$	592,680
**Estimated Education Levy:	\$	95,143
**Estimated Post-Project Property Taxes:	\$	687,823

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

**2021 tax rates used for calculation of estimated pre and 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 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” to Report PED22078 - Location Map