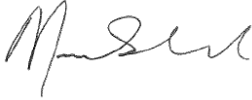




**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Economic Development Division**

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	July 4, 2022
<b>SUBJECT/REPORT NO:</b>	Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant Application, 4 Vickers Road, Hamilton ERG-20-03 (PED22148) (Ward 7)
<b>WARD(S) AFFECTED:</b>	Ward 7
<b>PREPARED BY:</b>	Phil Caldwell (905) 546-2424 Ext. 2359
<b>SUBMITTED BY:</b>	Norm Schleeahn Director, Economic Development, Planning and Economic Development Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant Application ERG-20-03, submitted by DiCenzo (Linden Park) Holdings Inc., owner of the property at 4 Vickers Road, Hamilton for an ERASE Redevelopment Grant not to exceed \$68,527 in actual eligible costs for the abatement and removal of designated substances and hazardous materials to be provided 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 General Manager of the Planning and Economic Development Department be authorized and directed to execute the Environmental Remediation and Site Enhancement (ERASE) Redevelopment Agreement together with any ancillary documentation required, to give effect to the ERASE Redevelopment Grant for DiCenzo (Linden Park) Holdings Inc., owner of the property at 4 Vickers Road, Hamilton in a form satisfactory to the City Solicitor;
- (c) That the General Manager of the Planning and Economic Development Department be authorized and directed to administer the Grant and Grant Agreement including but not limited to: deciding on actions to take in respect of

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events of default and executing 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 and that any applicable Grant Amending Agreements are undertaken in a form satisfactory to the City Solicitor.

## **EXECUTIVE SUMMARY**

An Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant (ERG) Application was submitted for 4 Vickers Road, Hamilton (the site) on May 11, 2020, by DiCenzo (Linden Park) Holdings Inc., the owner of the site.

The Application is respecting costs associated with the surveying and abatement/removal of designated substances and hazardous materials required as part of the demolition of the former Linden Park Elementary School building in the mountain neighbourhood of Hill Park.

The conclusion of a Designated Substances and Hazardous Materials (DSHM) Survey undertaken for the building confirmed the presence, or suspected presence, of multiple designated substances and hazardous materials including Asbestos, Lead, Mercury, Silica, and Polychlorinated biphenyls (PCBs) materials, among others, which required abatement/removal to facilitate the safe demolition of the building.

The planned redevelopment of the site, for which conditional Site Plan approval has been granted, consists of 49 townhouses located on a new common condominium road as well as 34 townhouses fronting on the existing East 16<sup>th</sup> Street, Vickers Road and Jellicoe Court, for a total of 83 townhouses. Construction costs are estimated at approximately \$20,000,000.

Actual eligible costs for the surveying and abatement/removal of the designated substances and hazardous materials confirmed through a staff-led audit of invoices total \$68,527.

It is estimated that the planned redevelopment will increase the property assessment from the estimated pre-development value of \$3,934,000 (CT-Commercial) to approximately \$27,660,000 (RT-Residential). This will increase total annual property taxes generated by this site from an estimated \$119,220 to \$328,770, an increase of approximately \$209,550. The municipal portion of this increase is \$205,783 of which 80%, representing the maximum potential annual Grant permitted under the ERG Program, would be approximately \$164,626 with the maximum Grant not exceeding \$68,527 over an estimated single annual payment.

**SUBJECT: Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant Application, 4 Vickers Road, Hamilton ERG-20-03 (PED22148) (Ward 7) - Page 3 of 8**

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The former condition of the site as well as renderings of the planned development are provided below:



Former Conditions – 4 Vickers Road, Hamilton viewed looking southeast from Vickers Road (Source: maps.google.ca – dated October 2018)



Planned Development – 4 Vickers Road, Hamilton (example block) (Source: DiCenzo (Linden Park) Holdings Inc.)

**Alternatives for Consideration – See Page 7**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: As per the ERG Program, 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 \$68,527. Based on an estimated maximum potential annual Grant amount of \$164,626, the annual Grant payment will conclude in the

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first year after which the City will realize the full municipal tax increment from the development.

The City will retain the remaining 20% of the annual municipal tax increment estimated at \$41,157, to a maximum of 20% of the total actual Grant to be provided, estimated to total \$13,705 over a single year. These funds will be deposited into the Brownfield Pilot Project Account No. 3621755102 to be used by the City for its Municipal Acquisition and Partnership Program. This Program, as approved in the ERASE Community Improvement Plan (CIP), enables the City to acquire strategic brownfield sites, remediate and redevelop property it already owns, or participate in public/private partnerships to redevelop brownfield properties.

**Staffing:** Applications and Grant payments under the ERG Program are administered by staff from the Commercial Districts and Small Business Section, Economic Development Division and Taxation Section of the Finance and Administration Division.

There are no additional staffing requirements arising from this Report's recommendations.

**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 Applicant will be required to enter into an ERASE Redevelopment Agreement which will specify the obligations of the City and the Applicant and will be prepared in a form satisfactory to the City Solicitor.

## **HISTORICAL BACKGROUND**

The Site is approximately 1.97 ha (4.86 ac) in size and located on the southside of Vickers Road and bounded by East 16<sup>th</sup> Street to the west and Jellicoe Court to the east in the mountain neighbourhood of Hill Park. The immediate area is primarily characterized by low-rise residential buildings to the west, north and east and the existing Hill Park Secondary School and Recreation Centre to the south. The site is located approximately 125 m from of intersection of Upper Wentworth Street and Vickers Road.

Most recently the site contained a vacant building that formerly housed the Hamilton Wentworth District School Boards' Linden Park Elementary School. The school building

was constructed in 1957 with additions occurring in the 1960's and has since been demolished.

As part of the investigation of the existing building, a DSHM Survey was prepared by Landtek Limited in February 2020. The purpose of the study was to identify the presence of any designated substances and hazardous materials through visual assessments and the collection and analysis of suspect materials present within the building which could present a concern as part of the planned demolition of the building.

The conclusion of the survey confirmed the presence, or suspected presence, of multiple designated substances and hazardous materials including Asbestos, Lead, Mercury, Silica, and Polychlorinated biphenyls (PCBs), among others.

The identification of designated substances is undertaken in accordance with Ontario Regulation 490/09 with the abatement/removal of any Asbestos Containing Materials (ACM) found required to be undertaken in accordance with Ontario Regulation 278/05.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

### **Urban Hamilton Official Plan**

The site is identified as Neighbourhood on Schedule "E" – Urban Structure and designated as Institutional on Schedule "E-1" – Urban Land Use Designations of the Urban Hamilton Official Plan. This designation is intended to accommodate a wide range of institutional uses including educational, religious, cultural, health care and long-term care facilities as well as low density residential uses where the institutional function of the lands has ceased.

The planned development conforms to these designations.

### **City of Hamilton Zoning By-law 05-200**

The site is zoned I2 Community Institutional under City of Hamilton Zoning By-law 05-200. The I2 zone permits a range of institutional and low-density residential uses.

The planned development is permitted.

### **Site Plan Control**

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

## **RELEVANT CONSULTATION**

Staff from the Taxation Section of the Finance and Administration Division and the Legal Services Division of the Corporate Services Department were consulted, and the advice received incorporated in this Report.

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

In accordance with the Council-approved terms of the ERG Program, costs associated with the surveying and abatement/removal of designated substances and hazardous materials may be eligible for sites containing current/closed institutional buildings and which are located within the ERASE Community Improvement Project Area (CIPA) boundary.

The Applicant has submitted invoices totalling \$219,100 which have been the subject of a staff-led audit to ensure eligibility and compliance with the terms of the ERG Program.

The outcome of staff's audit identified eligible costs for the study and abatement/removal of designated substances and hazardous materials totalling \$68,527 including:

- \$67,127 in costs for supervision and labour, consumables (including personal protective equipment and construction materials) and disposal costs associated with the removal of designated substances and hazardous materials; and
- \$1,400 representing the remaining 50% of the cost for the DSHM Survey not reimbursed through ERASE Study Grant application ESG-20-04.

The remaining costs submitted by the Applicant, totalling \$151,973, were found to be ineligible due to the costs either having been incurred prior to the ERG application being submitted or being associated with general building demolition which are not eligible in accordance with the terms of the ERG Program.

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

**SUBJECT: Environmental Remediation and Site Enhancement (ERASE)  
Redevelopment Grant Application, 4 Vickers Road, Hamilton ERG-20-  
03 (PED22148) (Ward 7) - Page 7 of 8**

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Grant Level:		80%
Total Actual Eligible Costs (Maximum):	\$	68,527
Total Estimated Grant (Maximum):	\$	68,527
Estimated Pre-project CVA (CT-Commercial):	\$	3,934,000 Year: 2020
Municipal Levy:	\$	80,667
Education Levy:	\$	<u>38,553</u>
Pre-project Property Taxes	\$	119,220
Estimated Post-project CVA (RT-Residential):	\$	27,660,000 Year: TBD
Estimated Municipal Levy:	\$	286,450
Estimated Education Levy:	\$	<u>42,320</u>
Estimated Post-project Property Taxes:	\$	328,770

**Provisions for Calculations:**

- 1) 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) upon completion of the development;
- 2) The increase in realty taxes is based on the year in which the Applicant was the owner of the site and in which the building subject to the eligible designated substances and hazardous materials abatement/removal costs existed prior to being demolished;
- 3) 2020 tax rates have been used for calculation of the estimated post-development property taxes;
- 4) Annual Taxes exclude any Local Charges;
- 5) Pre development tax estimated and annualized. Currently tax exempt. Actuals to be used once assessed by MPAC; and,
- 6) All dollar figures rounded to the nearest dollar.

**ALTERNATIVES FOR CONSIDERATION**

The ERG 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” to Report PED22148 – Site Location Map