



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	January 17, 2018
SUBJECT/REPORT NO:	Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant Application, 12 Blanshard Street / 85 Poulette Street, Hamilton - ERG16-02 (PED18016) (Ward 1)
WARD(S) AFFECTED:	Ward 1
PREPARED BY:	Meredith Plant (905) 546-2424 Ext. 1219
SUBMITTED BY:	Glen Norton Director, Economic Development Planning and Economic Development Department
SIGNATURE:	

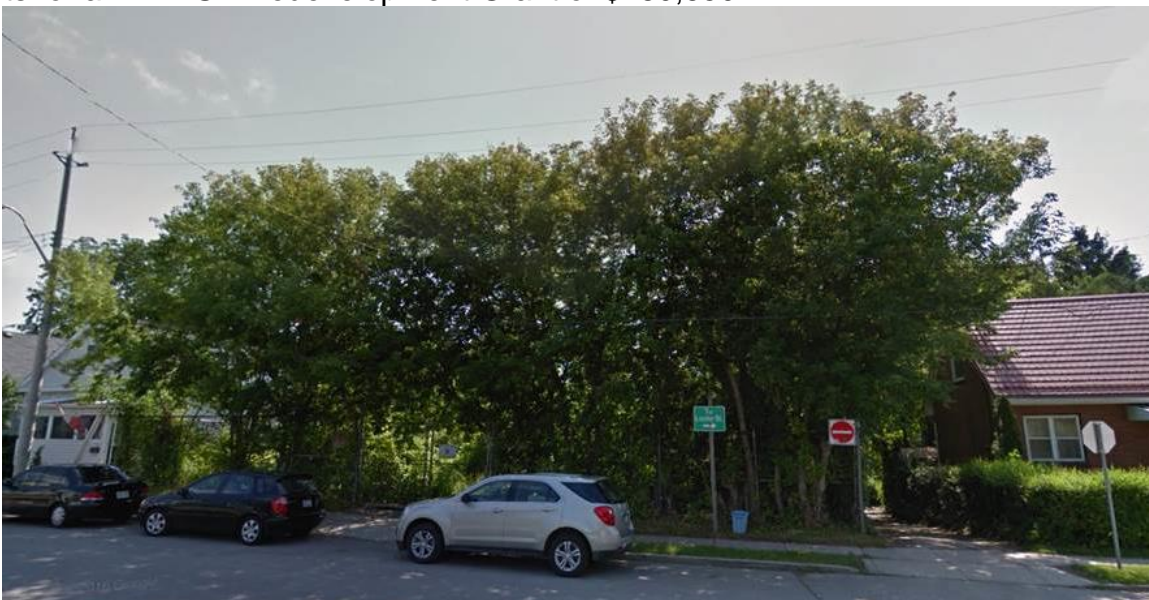
RECOMMENDATION

- (a) That Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant Application - ERG-16-02, submitted by Don Husak (Dawn Victoria Homes), owner of the property at 12 Blanshard Street / 85 Poulette Street, Hamilton, for an ERASE Redevelopment Grant not to exceed \$480,650, or the actual cost of the remediation over a maximum of ten years (whichever is less), 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 PED18016, 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.

EXECUTIVE SUMMARY

An Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant Application was submitted by Don Husak (Dawn Victoria Homes), owner of the property at 12 Blanshard Street / 85 Poulette Street, Hamilton on December 22, 2016. A Phase One Environmental Site Assessment (ESA), was undertaken on April 22, 2016 to determine if there were Potentially Contaminating Activities (PCAs) on the Site or in the Study Area that could result in an Area of Potential Environmental Concern (APEC). The Study Area was defined as including properties located within 250 metres of Site boundary. The Phase One ESA revealed historical on-site operations that are considered a potential contaminating activity that may have resulted in an area of potential environmental concern.

The grant application is for \$480,650 in eligible environmental site remediation. The proposed redevelopment of this site will included a residential use development comprised of two street townhouse dwellings and 24 stacked townhouse dwellings. Redevelopment is intended as a future standard condominium, 30 parking spaces will be provided. Project construction costs are estimated at \$6 million. It is estimated that the proposed development will increase the Current Value Assessment (CVA) on the site from the pre-development value of \$405,500 (RT - Residential) to approximately \$13,000,000 (RT - Residential). This will increase total annual property taxes generated by this property from \$5,320.85 to \$170,581.83, an increase of approximately \$165,260.98. The municipal portion of this increase is \$142,716.83 of which 80% or approximately \$114,173.46 would be paid to the owner in the form of an annual grant over a maximum of ten years or up to an amount not to exceed total estimated eligible costs for an ERASE Redevelopment Grant of \$480,650.



85 Poulette Street, Existing Conditions

Alternatives for Consideration – See Page 6

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 \$480,650. Based on an annual grant in the amount of \$114,173.46, the ten-year grant will be \$1,141,734.60 which is above the maximum eligible grant of \$480,650. The City will realize the full tax increase after year five.

The City will retain 20% of the municipal tax increment estimated at \$28,543.37 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 (MAPP). 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 and 2010 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

The site is comprised of an irregular shaped vacant parcel of land on the northeast corner of Poulette Street and Blanshard Street. At the time of the Phase One ESA investigation the Site was comprised of a grass-covered, undeveloped parcel of land with a concrete retaining wall running north-south at the north end of the Site, as well as a small stockpile of soil and a separate pile of asphalt. There are no readily available records that indicate any past industrial or commercial operations having occurred on the Site. However, based on the information gathered during completion of this Phase One ESA Report, the Site was first developed circa 1910 as residential lands. The Phase One ESA Report also revealed that one nearby property that is considered a PCA that may cause an APEC on the Site, a former landfill to the West of the Site. The lands in the general vicinity of the Site are comprised primarily of residential and retail

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commercial lands that are not anticipated to have an adverse environmental impact on the Site.

A Phase One ESA indicated one PCA on the Phase One Property:

PCA #30 – Importation of fill material of unknown quality.

The primary area of potential environmental concern (APEC) associated with the PCA's was noted to be the majority of the site where there are implications of a potential for soil and groundwater impacts as a result of the placement of fill material of an unknown quality. Historical records from 1911, 1947 and 1964 illustrated a valley or depression on the Site related to a historic tributary of Cootes Paradise which has passed through the site. It was recommended that a Phase Two ESA was required before a Record of Site Condition (RSC) could be filed.

The recommended Phase Two ESA was conducted on June 13-15 2016 and included the advancement of 17 boreholes and the installation of four monitoring wells. The environmental consultants selected soil samples from 13 test holes and groundwater samples from three wells for analysis to assess potential environmental impact, if any, to the site as a result of the above noted PCAs. The results of the Phase Two ESA activities identified that one sample exceeded MOECC Table 3 guidelines for PHCs F3 and ten samples, plus two duplicate samples exceeded the applicable criteria for metals and inorganics. Exceedances in soil were found across the Site and are likely related to the placement of impacted fill used to adjust the Site grading. It will be necessary to undertake a remediation programme of the on-site soils in order to restore the site to the applicable generic site use standard and satisfy the requirements for the filing of an RSC.

Assuming a typical 'dig and dump' remediation, the total volume of impacted soil for removal is estimated at approximately 17,160 m³. Applying a conservative approximate density of 2.2 tonnes / m³, the total mass of excavated soil would equate to approximately 7,800 tonnes. An engineering risk assessment was also recommended for the site in order to meet RSC requirements.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Urban Hamilton Official Plan

The subject lands are municipally known as 12 Blanshard Street / 85 Poulette Street, Hamilton and are designated as "Neighbourhoods" in Schedule "E" – Urban Structure and as "Mixed use Medium Density" on Schedule "E-1" – Urban Land Use Designation. A full range of retail, service commercial and residential uses are permitted.

Hamilton Zoning By-law No. 6593

The subject property is zoned “E-2/H S-1660” Multiple Dwellings. The residential uses are permitted subject to the lifting of the Holding provision attached to the zoning.

Site Plan Control Application

The subject lands are subject to Site Plan Control.

RELEVANT CONSULTATION

Staff from the Taxation Division, Corporate Services Department, Legal Services Division and City Manager’s Office was consulted and the advice received is incorporated into Report PED18016.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The 2017 assessed value is \$405,500 and the property is classed as Residential (RT).

The ERASE RGP will be calculated as follows:

Grant Level:		80%
Total Eligible Costs (Maximum):	\$	80,650.00
Pre-project CVA: (RT - Residential)	\$	405,500.00 Year: 2017
Municipal Levy:	\$	4,595.00
Education Levy:	\$	<u>725.85</u>
Pre-project Property Taxes	\$	5,320.85
*Estimated Post-project CVA: (RT - Residential)	\$	13,000,000.00 Year: TBD
**Estimated Municipal Levy:	\$	147,311.83
**Estimated Education Levy:	\$	<u>23,270.00</u>
**Estimated Post-project Property Taxes:	\$	170,581.83

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

**2017 tax rates used for calculation of estimated post-development property taxes.

Municipal Tax Increment = Post-project Municipal Taxes (actual) minus Pre-project Municipal Taxes.

“Grant Payment in Year One” (first full calendar year after re-valuation of the completed and occupied project by the Municipal Property Assessment Corporation) or the “Initial Grant Payment” = Municipal Tax Increment x 80%.

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

MP:dt