



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

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	January 17, 2018
<b>SUBJECT/REPORT NO:</b>	Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant Application, 53 Gibson Avenue, Hamilton - ERG17-02 (PED18015) (Ward 3)
<b>WARD(S) AFFECTED:</b>	Ward 3
<b>PREPARED BY:</b>	Meredith Plant (905) 546-2424 Ext. 1219
<b>SUBMITTED BY:</b>	Glen Norton Director, Economic Development Planning and Economic Development Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant Application - ERG-17-02, submitted by Dinesh Mahabir (Hawk Ridge Homes), owner of the property at 53 Gibson Ave, Hamilton, for an ERASE Redevelopment Grant not to exceed \$224,000, 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 PED18015, 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 Dinesh Mahabir (Hawk Ridge Homes), the owner of the property located at 53 Gibson Ave, Hamilton on February 23, 2017. A Phase One Environmental Site Assessment (ESA) was undertaken on December 8, 2015 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 Site was historically occupied by a cement block manufacturing company, former curtain and linen mill and a coal chute. Off-site sources of impact include a former dry cleaning facility and a former gasoline service station.

Subsequently, a Phase 2 Environmental Site Assessment was completed on November 4, 2016 in order to support the redevelopment of the site and the filing of a Record of Site Condition (RSC). Supplemental Phase 2 Environmental Site Assessment work was completed in 2017 in order to further delineate the lateral and vertical extent of VOC and PHC impact within the on-site soils, as well it was recommended that additional groundwater monitoring wells be installed in the area of Borehole No. 1 to provide a greater characterization of the PHC impact to the on-Site groundwater.

The grant application is for \$224,000 in eligible environmental site remediation. The proposed redevelopment of this site will include a change from commercial to residential use, with ten two-storey freehold townhomes proposed in two blocks. Parking will include a garage and driveway (two parking spaces). Project construction costs are estimated at \$2,500,000. It is estimated that the proposed development will increase the Current Value Assessment (CVA) on the site from the pre-development value of \$99,250 (RT - Residential) to approximately \$3,500,000 (RT - Residential). This will increase total annual property taxes generated by this property from \$1,302.32 to \$45,925.88, an increase of approximately \$44,623.56. The municipal portion of this increase is \$38,536.22 of which 80% or approximately \$30,828.98 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 \$224,000.

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*53 Gibson Ave, 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 \$224,000. Based on an annual grant in the amount of \$30,828.98, the ten year grant will be \$308,289.80 which is above the maximum eligible grant of \$224,000. The City will realize the full tax increase after year eight.

The City will retain 20% of the municipal tax increment estimated at \$7,707.24 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.

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**SUBJECT: Environmental Remediation and Site Enhancement (ERASE)  
Redevelopment Grant Application, 53 Gibson Avenue, Hamilton -  
ERG17-02 (PED18015) (Ward 3) - Page 4 of 7**

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**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 a roughly rectangular shaped parcel of land on the west side of Gibson Avenue between Wilson Street and Cannon Street East in the City of Hamilton, Ontario. At the time of this Report the site is a vacant plot of land with a small asphaltic concrete covered parking lot in the north east corner. The site is bound to the north, west, and south by residential dwellings, and to the east by Gibson Avenue. The Site has been utilized as industrial lands sometime between 1910 and 1915 until sometime between 1925 and 1930, and as commercial lands from sometime between 1925 and 1930 until present. The lands in the general vicinity of the Site are comprised primarily of residential and commercial lands.

A Phase One ESA indicated five PCAs on the Phase One Property:

PCA #12 – Concrete, Cement and Lime Manufacturing

PCA #54 – Textile Manufacturing and Processing

PCA #9 – Coal Gasification

PCA #37 – Operation of Dry Cleaning Equipment

PCA #28 – Gasoline and Associated Products Storage in Fixed Tanks

The primary area of potential environmental concern (APEC) associated with the PCAs was noted to be the majority of the site where a former cement block manufacturing company and former curtain and linen mill were situated. 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 August 30, 2016 and included the advancement of ten boreholes and three hand-dug test pits within the Site boundaries to assess potential environmental impact, if any, to the site as a result of the above noted PCAs. Supplemental Phase Two ESA activities were undertaken on December 12, 2016 and included the advancement of eight sampled boreholes. The results of the Phase Two ESA and Supplemental Phase Two ESA activities identified an area of PHC impact within the upper layers of the soil medium in the northern portion of the property. In addition, the groundwater was found to exceed the applicable Table 3 (NPGW) Standards. Based on the sampled locations and the north to north-east

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groundwater flow, the PHC impact in the soil and groundwater medium is expected to be mainly in the northern half of the site. 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 1,900-2,400 m<sup>3</sup>. Applying a conservative approximate density of 2.2 tonnes/m<sup>3</sup>, the total mass of excavated soil would equate to approximately 4,180-5,280 tonnes.

With respect to the documented groundwater PHC impact, it is most likely that this is a result of the PHC soil impact over the north portion of the Site. In most cases such as this remediation of the impacted soil would achieve effective remediation of the noted groundwater impact. This should be further evaluated as part of the remediation program. It will also be necessary to undertake post-remediation groundwater monitoring to demonstrate there is no remaining groundwater impact for a minimum of 6 months after the completion of remediation works.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

### **Urban Hamilton Official Plan**

The subject lands are municipally known as 53 Gibson Avenue, Hamilton and are identified as "Neighbourhoods" in Schedule "E" – Urban Structure and as "Neighbourhoods" on Schedule "E-1" – Urban Land Use Designation. This designation permits a full range of residential uses to which the proposed use complies.

### **Hamilton Zoning By-law No. 6593**

The subject property is zoned RT-30/S-1754 Urban Protected Residential – One and Two Family Dwellings, ETC. The use of the property for the purposes townhouse development.

### **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 PED18015.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

The 2017 assessed value is \$99,250 and the property is classed as Residential (RT).

The ERASE RGP will be calculated as follows:

Grant Level:	80%
Total Eligible Costs (Maximum):	224,000.00
Pre-project CVA: (RT - Residential)	\$ 99,250 Year: 2017
Municipal Levy:	\$ 1,124.66
Education Levy:	\$ 177.66
Pre-project Property Taxes	\$ 1,302.32
<b>*Estimated</b> Post-project CVA: (RT - Residential)	\$ 3,500,000.00 Year: TBD
<b>**Estimated</b> Municipal Levy:	\$ 39,660.88
<b>**Estimated</b> Education Levy:	\$ 6,265.00
<b>**Estimated</b> Post-project Property Taxes:	\$ 45,925.88

\*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.*

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**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