



Hamilton

**CITY OF HAMILTON**

**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Economic Development Division**

<b>TO:</b> Mayor and Members General Issues Committee	<b>WARD(S) AFFECTED:</b> WARD 15
<b>COMMITTEE DATE:</b> December 4, 2013	
<b>SUBJECT/REPORT NO:</b> Site Enhancement (ERASE) Redevelopment Grant Application (ERG-13-03) – 70 Barton Street, Waterdown (PED13189) (Ward 15)	
<b>SUBMITTED BY:</b> Joe-Anne Priel Acting General Manager Planning and Economic Development Department	<b>PREPARED BY:</b> Judy Lam (905) 546-2424 Ext. 4178  Brian Morris (905) 546-2424 Ext. 5602
<b>SIGNATURE:</b>	

**RECOMMENDATIONS**

- (a) That Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant Application ERG-13-03, submitted by Chelten Developments 2012 Inc. (Angelina LeClerc and Marcel J. LeClerc), owner of the property at 70 Barton Street, Waterdown for an ERASE Redevelopment Grant not to exceed \$402,000 the actual cost of the remediation, payable to Chelten Developments 2012 Inc. (Angelina LeClerc and Marcel J. LeClerc) over a maximum of 10 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 loan agreements together with any ancillary documentation required, to effect recommendations (a) and (b), above, 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 loan 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**

### **Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant**

An Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant (ERASE RGP) was submitted by Chelten Developments 2012 Inc. (Angelina LeClerc and Marcel J. LeClerc), the registered owner of the property. The property is the site of the former St. Thomas the Apostle Catholic Elementary School situated in Waterdown, south of Dundas Street, fronting on the east side of Hamilton Street South, formerly owned by the Hamilton-Wentworth Catholic District School Board. The property is a 2.32 hectare, irregular shaped, parcel of land located on the south side of Barton Street comprising a 2,550 m<sup>2</sup> single storey institutional building.

City Council, at its meeting held June 6, 2012, approved Report PED12105 directing the Real Estate Section of the Economic Development Division of the Planning and Economic Development Department to advise the Hamilton-Wentworth Catholic District School Board (HWCDSD) that the City of Hamilton had no interest in the property located at 70 Barton Street in the former Town of Flamborough.

The Hamilton-Wentworth Catholic School Board entered into an Agreement of Purchase and Sale and sold this property to Chelten Developments 2012 Inc. (Angelina LeClerc and Marcel J. LeClerc) on November 15, 2013.

The applicant proposes to remediate the property and, upon remediation, redevelop the property to create 18 semi-detached residential units, 22 townhome row units, and 57 condominium apartment units. Appendix "A" to Report PED13189 identifies the location of the property.

The total remediation costs at 70 Barton Street are estimated at \$402,000 + HST.

Subject to future planning approvals (e.g. – rezoning, plan of condominium, consent, site plan), the proposal would qualify for an ERASE RGP as a result of environmental site remediation required to support the redevelopment of the former school property for residential use.

*Alternatives for Consideration – See Page 7*

<b>FINANCIAL / STAFFING / LEGAL IMPLICATIONS</b>
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**Financial:**

**Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant**

This property was most recently tax exempt as it had been owned by the Hamilton-Wentworth Catholic District School Board (HWCDSD). The transfer of ownership to the Chelton Developments 2012 Inc. (Angelina LeClerc and Marcel J. LeClerc) on November 15, 2013, should result in the issuance of a supplemental assessment notice by the Municipal Property Assessment Corporation (MPAC), thus changing the property from Tax Exempt to Taxable, effective the date of the purchase.

As per the ERASE RGP, the City will collect full property taxes on the property and in turn provide a grant for up to ten (10) years equivalent to 80% of the increase in municipal taxes (using the taxable tax rate) up to the total eligible cost figure of \$402,000. Based on the projected increase in taxes and the estimated total grant amount to the applicant, the City will start to retain the full municipal portion of the tax increment in Year Three.

The City will retain 20% of the municipal tax increment a year, for up to 10 years, until 20% of the total estimated clean-up costs has been reached. These monies will be deposited into the Brownfield's Pilot Project Account to be used by the City for its Municipal Acquisition and Partnership Program (MAPP). This program, as approved in the ERASE Community Improvement Plan, 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:**

Section 28 of the Planning Act permits a municipality, in accordance with a Community Improvement Plan, to make loans and grants which would otherwise be prohibited under Section 106(2) of the Municipal Act, to registered/assessed owners and tenants

of lands and buildings. A Community Improvement Plan can only be adopted and come into effect within a designated Community Improvement Project Area.

### **Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant**

The Redevelopment Agreement will specify the obligations of the City and the applicant. The Redevelopment Agreement will be prepared in a form satisfactory to the City Solicitor.

As construction projects move forward, it is sometimes necessary to amend previously approved loan/grant agreements and any ancillary documentation, therefore, staff recommends that the General Manager of Planning and Economic Development be authorized to amend loan/grant agreements and any ancillary documentation, provided that the terms and conditions of the ERASE RGP are maintained.

### **HISTORICAL BACKGROUND**

The subject property is located on the south side of Barton Street, east of the intersection with Hamilton Street South in Waterdown. Historically, the property was first developed as an agricultural land use and the institutional facility, the former St. Thomas the Apostle Catholic Elementary School owned by the Hamilton-Wentworth Catholic District School Board, was established in 1951. The site is approximately 2.32 hectares in size. The applicant proposes to redevelop the site into a total of 97 residential units consisting of 18 semi-detached homes, 22 townhomes, and 57 condominium apartments.

A Phase I Environmental Site Assessment (ESA) was conducted on the site in September 2012, by Soil-Mat Engineers & Consultants Ltd. PCAs (Potentially Contaminating Activities) and APECs (Area of Potential Environmental Concern) were identified. The property was found to be impacted by PHCs (Petroleum Hydrocarbons), Metals and Inorganics.

A Phase II ESA was recommended to assess subsurface impacts as a result of the aforementioned PCAs and APECs. The scope of the Phase II ESA would analyze representative soil and groundwater samples from the Phase I property for the contaminants of potential concern identified including petroleum hydrocarbons including PHCs and Metals and Inorganics.

A Phase II ESA was conducted on the property and was finalized on October 29, 2013, by Pollutech Geoenvironmental Limited. For evaluation of the soil and groundwater quality, the Table 3 standards for a residential/parkland/institutional land use of the Ministry of the Environment (MOE) were selected as the applicable criteria.

The Phase II ESA entailed the drilling of a total of 23 sampled boreholes to depths ranging between 1.52 m and 5.18 m below the existing grade at strategically selected and accessible locations. Ground water monitoring wells were also installed in 10 of the 23 boreholes.

Based on historic and current soil sampling results, PHC, Metal and Inorganic exceedences in soil have been identified in three locations on the Phase Two Property. These soil contaminants are located in the upper fill materials and exist on the eastern and southern portion of the property, as a result of importing fill materials of unknown quality. These soil exceedences are well delineated and have not impacted underlying ground water quality.

As the soil analytical results exceed the Table 3 standards, remedial activities are required to remove all of the PHC, Metal, and Inorganic impacted upper fill materials on the Phase Two Property.

The estimated cost and fees of removing approximately 4,391 m<sup>3</sup> of impacted fill materials is \$402,000 plus HST.

#### **POLICY IMPLICATIONS/LEGISLATED REQUIREMENTS**

Report PED13189 relates to the processing of an application under the ERASE RGP which is contained within the ERASE Community Improvement Plan (2010). As per the eligibility requirements of the ERASE RGP (Section 8.2.3(o)), “the improvements made to buildings and/or land shall be made pursuant to a Building Permit, constructed in accordance with the Ontario Building Code, and in compliance with all applicable official plan and rezoning requirements and approvals.” The subject property is currently in the Neighbourhood Institutional I1 Zone of Zoning By-law 05-200 which permits, among other uses, single-detached dwellings, semi-detached dwellings, duplex, retirement home and residential care facility.

A successful rezoning application will be required to implement the redevelopment plan as the proposed townhouse dwellings and multiple dwellings (apartments) are not permitted uses in the I1 Zone. The applicant has initiated the planning process through Formal Consultation with the Planning Division, to determine what planning approvals and supporting documentation are required. Approval of the recommendations of Report PED13189 should not be interpreted as approval of the planning applications required to implement the proposed redevelopment.

**RELEVANT CONSULTATION**

Staff from the Finance and Administration Division, Corporate Services Department, Legal Services Division, and City Manager’s Office were consulted, and the advice received is incorporated into Report PED13189.

**ANALYSIS / RATIONALE FOR RECOMMENDATION**

(include Performance Measurement/Benchmarking Data, if applicable)

**Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant**

The ERASE RGP is a component of the Council approved ERASE Community Improvement Plan. This application meets the criteria for approval, subject to future planning approvals (e.g. – rezoning, plan of condominium, consent, site plan) required to permit the redevelopment proposal.

The assessment value for the 2013 taxation year is \$3,540,000. However, the property taxes were \$0.00 as the property was tax exempt given that it had been owned by the Hamilton-Wentworth Catholic District School Board (HWCDSD). The property was recently sold to Chelton Developments 2012 Inc. (Angelina LeClerc and Marcel J. LeClerc) on November 15, 2013.

The transfer of ownership to the Chelton Developments 2012 Inc. (Angelina LeClerc and Marcel J. LeClerc) should result in the issuance of a supplemental assessment notice by the Municipal Property Assessment Corporation (MPAC) thus changing the property from Tax Exempt to Taxable, effective the date of the purchase.

When the property is issued a supplemental assessment notice by MPAC, the 2013 assessment value is estimated to be \$2,700,000 and the property may be classed as Residential (RT). The pre-development estimated taxes for 2013 on this property are \$34,501.38.

Municipal Levy:	\$28,777.38
Education Levy:	<u>\$ 5,724.00</u>
Total:	\$34,501.38

Based on information provided by the applicant in support of the ERASE application, staff has estimated that once the proposed project is complete, and assuming the required planning approvals are secured, the property would have an estimated Current Assessment Value (CVA) of \$32,630,000 classed as Residential (RT). This new CVA is estimated to increase total annual property taxes to \$416,955.60. The new municipal

portion of the taxes levied on this property will be \$347,780 with the remaining dollars going to the Province for education taxes.

This grant application would effectively support City Council's strategic direction to increase the number of Brownfield properties redeveloped per year.

### **ALTERNATIVES FOR CONSIDERATION**

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

#### **Decline the Grant and Approve a Reduced Amount**

Declining a grant and/or approving a reduced amount would undermine the principles of the ERASE RGP and has the potential to terminate the development and abandon the remediation of a contaminated property. These alternatives are not recommended.

**Financial:** A grant in the amount of \$402,000 would not be advanced.

**Staffing:** Not applicable

**Legal:** Not applicable

### **ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN:**

#### **Strategic Priority #1**

A Prosperous & Healthy Community

*WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.*

#### **Strategic Objective**

- 1.1 Continue to grow the non-residential tax base.
- 1.3 Promote economic opportunities with a focus on Hamilton's downtown core, all downtown areas and waterfronts.
- 1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.
- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

**Strategic Priority #2**

Valued & Sustainable Services

*WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.*

**Strategic Objective**

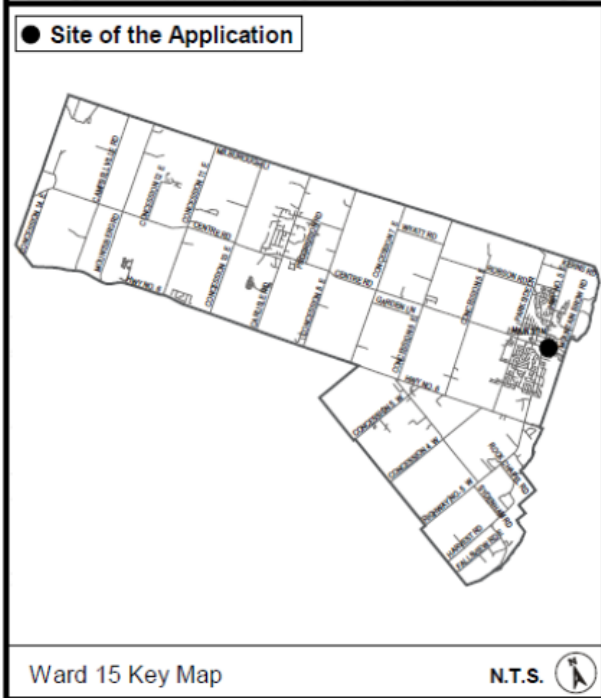
2.3 Enhance customer service satisfaction.

**APPENDICES / SCHEDULES**

Appendix “A” to Report PED13189 – Location Map

JL/BM:dkm





## Location Map

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

**File Name/Number:**  
70 Barton Street

**Appendix "A"**

**Date:**  
Sept. 19, 2013

**Planner/Technician:**  
JL/DB

**Subject Property**

70 Barton Street

N.T.S.