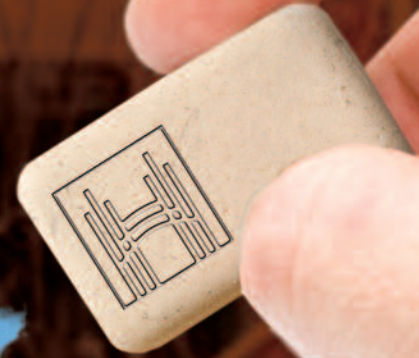




Hamilton  
ERASE



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# PART A

## BACKGROUND



## **1.0 INTRODUCTION**

### **1.1 What Are Brownfields?**

“Brownfields” are defined generally as underdeveloped or previously developed properties that may be contaminated. They are usually, but not exclusively, former industrial or commercial properties that may be underutilized, derelict or vacant (Provincial Policy Statement, 2005, pg. 29). The terms “brownfield redevelopment” and “brownfield development” are used interchangeably in this document to mean the environmental remediation, rehabilitation and development of brownfields.

The City of Hamilton is one of the oldest and most heavily industrialised cities in Canada. The physical legacy of this rich industrial heritage includes a large number of brownfields in Hamilton’s older industrial areas, downtown, and throughout the urbanized area.

### **1.2 The Benefits of Brownfield Development**

Numerous Canadian and U.S. studies have highlighted the benefits of brownfield development at all geographic levels (national, regional and local). Most of the benefits of brownfield development tend to accrue at the local level because all development, be it brownfield or greenfield, is inherently local. The benefits of brownfield development include economic, environmental and social benefits.

#### **1.2.1 Economic Benefits**

The economic benefits of brownfield development include increased employment, income and tax revenues at all levels of government. For example, the Spencer Creek Village mixed use brownfield development project (500 residential units/40,000 sq.ft. commercial space) in Hamilton resulted in a long-term increase in annual property taxes collected by the City of approximately \$1.76 million. This \$95 million project also resulted in \$12 million in personal income and \$3.6 million in income tax revenues from on-site remediation and construction jobs, \$6.6 million in GST revenues and \$7.6 million in PST revenues (NRTEE, 2003, p. A-10-A11).

A 1998 Environment Canada study examined property values on Hamilton’s West Harbourfront near Bayfront Park, a 40 acre former brownfield site on Hamilton’s West Harbour that was developed and opened as an open space park by the City of Hamilton in 1994 (Environment Canada, 2004). The Environment Canada study compared property sale prices for houses within 3,500 feet of the park with sale prices for a control group of similar houses farther than 3,500 feet away from the park, for the period 1983-1996. For houses in the study group, the average house price was \$41,942 in 1983, and this had risen to \$90,068 by 1996, an increase of 115%. In the control group, the average house price in 1983 was \$55,889, increasing to \$74,434 by 1996, an increase of only 33%. The study found that approximately 18.5% of the aggregate 1996 residential property values in the study area were attributable to the development of the park and improvements in water quality. The study also concluded that the increased property values brought about by the park development could have contributed \$560,000 more to the City of Hamilton’s property tax revenues in 1996, if market value assessment had been in place at the time.

A 1999 Council for Urban Economic Development (CUED) study of 107 completed brownfield projects found that 23,330 jobs were created or retained by the 90 job generating

redevelopment projects. About 60% were new jobs with the remaining 40% being retained jobs that were expected to relocate from the area if the property was not redeveloped (CUED, 1999).

### **1.2.2 Environmental Benefits**

Clearly, the environmental restoration and development of brownfield sites serves to remove threats to the health of workers and residents in our communities by improving the environmental quality of our soil and groundwater. But, the positive impact of brownfield development on the environment is not limited to individual sites. Environmental restoration of individual sites can have a cumulative positive impact on the environment, including the protection of groundwater resources, wetlands and wildlife habitat (Regional Analytics, 2002).

A recent study of brownfield versus greenfield development examined 48 brownfield projects in six cities across the United States (Deason et. al., 2001). This study found that every acre of brownfield land developed would have required 4.5 acres of greenfield land. This demonstrates the potential of brownfield development to reduce the amount of greenfield land being consumed, thereby reducing urban sprawl and its associated negative environmental impacts including air and water pollution and the loss of agricultural land. By using existing infrastructure, brownfield development can also reduce the costs of urban sprawl, including the costs of providing hard and soft services to greenfield areas.

Brownfield projects, be they employment or residential lands, can also reduce the distance between the location of employment areas and residential areas, and therefore transportation costs. For example, a recent study found that every hectare of brownfield land redeveloped for residential purposes can save as much as \$66,000 a year in transportation costs relative to equivalent greenfield development (Hara Associates, 2003). Therefore, brownfield development can have the effect of reducing commuting needs, thereby reducing traffic congestion and air pollution.

### **1.2.3 Social Benefits**

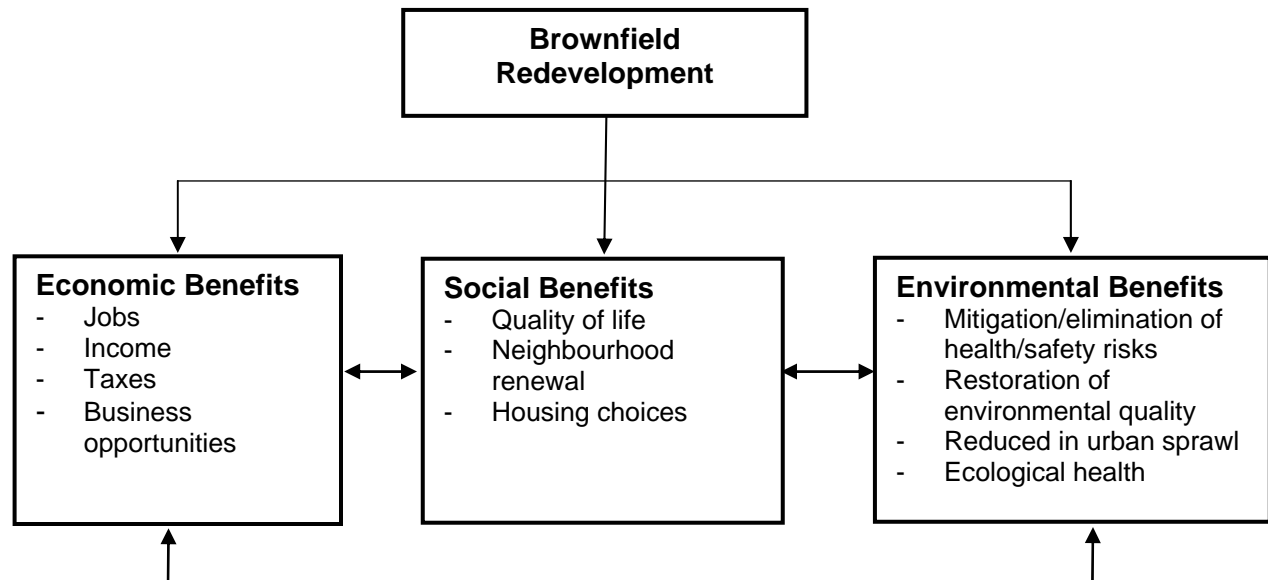
While the economic and environmental benefits of brownfield development are more obvious, brownfield development can also generate significant social benefits at the local level. Based on an analysis of a dozen brownfield projects across Canada, the NRTEE concluded that brownfield development can be an engine for urban renewal (NRTEE, 2003, p. 3). Numerous case studies reviewed by the NRTEE across Canada, including two in Hamilton, showed that this renewal can take the form of:

- neighbourhood, employment area and downtown revitalization;
- improved aesthetic quality of the urban environment;
- provision of affordable housing opportunities;
- creation of recreational and public open spaces;
- improved safety and security; and,
- an increased sense of community participation and civic pride.

Figure 1 below summarizes the benefits of brownfield development and the interrelationship between these benefits. For example, the economic benefits resulting from brownfield development, such as increased incomes and property tax revenues can contribute to social benefits such as neighbourhood stability and quality of life. Therefore, financial incentive

programs that result in an increase in brownfield development will translate into economic, environmental and social benefits.

**Figure 1 Benefits of Brownfield Redevelopment**



Source: *Regional Analytics, 2002, Figure 2, p. 7.*

### 1.3 Purpose of the CIP

It has long been difficult for communities to bring brownfield sites back into productive use because of the high costs of remediation, uncertainty about the level of contamination at many sites, and environmental liability issues. More recently in the United States, and even in Canada, governments at all levels have begun taking action to encourage the clean up and reuse of brownfield sites. This stems from a growing understanding of the importance of brownfields to the future of communities and the public benefits that can be realised through brownfield development. Also, governments at all levels have realised that traditional polices were not doing a very good job of bringing brownfield properties back into use (Bartsch et. al, 1997, pp. 1-2).

There are a myriad of complex and interconnected reasons for promoting brownfield development at all levels of government. This includes the significant economic, environmental and social benefits that accrue at all geographic levels, but particularly at the local level. This solid “public good” rationale supports government involvement at all levels in promoting brownfield development. These public goods include:

- increased tax assessment for the municipality and the Province;
- creation and retention of employment opportunities;
- utilization of existing infrastructure resulting in a reduction of urban sprawl and its related costs (hard and soft services);
- contribution toward the revitalisation of particular areas and neighbourhoods; and,
- environmental restoration which can remove threats to the health of workers and residents.

In June of 1999, City Council directed that a Community Improvement Plan (CIP) to promote the

redevelopment of industrial and commercial properties in the City of Hamilton be prepared. The Plan was called the Environmental Remediation and Site Enhancement (Erase) Community Improvement Plan (CIP) and was adopted by City Council in April of 2001 and approved by the Minister of Municipal Affairs and Housing in August of 2001. The Erase CIP applies to the Erase Community Improvement Project Area (2001) generally associated with Hamilton's older industrial area (see Appendix A). The ERASE CIP was expanded in April of 2005 for the improvement and enhancement of financial assistance programs contained in the ERASE CIP and to expand these programs to the full limits of the urbanized area of the City (see Appendix B). The Erase CIP has been in place for approximately nine years and has been successful in providing the financial tools needed to promote the remediation and redevelopment of brownfield sites. The results of the ERASE CIP to date are presented in Section 5.0 on Previous Community Improvement Plans.

The purpose of the **Environmental Remediation and Site Enhancement - Revised (ERASE) Community Improvement Plan (CIP)**, is to provide a comprehensive framework for the improvement and enhancement of financial assistance programs contained in the ERASE CIP, and the expansion of these programs to the full limits of the urbanized area of the City of Hamilton. As part of the adoption of this ERASE CIP (2005), the Erase CIP (2001) was repealed by by-law and replaced by this ERASE CIP (2005).

The programs contained in this ERASE CIP are designed to improve economic opportunities and environmental conditions not just in the older industrial area of Hamilton, but throughout the urban area.

## 2.0 LEGISLATIVE AUTHORITY AND PLANNING POLICIES

### 2.1 Legislative Authority

Section 106 of the *Municipal Act, 2001* provides that a municipality 'shall not assist directly or indirectly any manufacturing, business or other industrial or commercial enterprise through the granting of bonuses for that purpose'. However, an exception is made in Section 106(3) of the *Municipal Act* for municipalities exercising powers under Section 28 (6) or (7) of the *Planning Act* or under Section 365.1 of the *Municipal Act*. This exception provides the legislative basis for the financial assistance programs contained in Section 7.0 of this Plan.

### 2.2 Section 28 – Planning Act

Section 28 of the *Planning Act* allows municipalities with provisions in their official plans relating to community improvement to designate by by-law a "community improvement project area". Once this is done, a municipality may prepare and adopt a "community improvement plan" for the community improvement project area. Once the community improvement plan is approved by the Province, the municipality may exercise any power or authority under Section 28(6) or (7) of the *Planning Act* in order that the exception provided for in Section 106(3) of the *Municipal Act* will apply.

According to Section 28(1) of the *Planning Act*, a "community improvement project area" is defined as "a municipality or an area within a municipality, the community improvement of which in the opinion of the council is desirable because of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic development reason". Section 3.0 of this Plan presents the justification for designating the entire Urban Area of the City of Hamilton as the ERASE Community Improvement Project Area for the purposes of promoting brownfield redevelopment in the City of Hamilton. The designation of the ERASE Community Improvement Project Area conforms to the definition of "community improvement project area" under Section 28(1) of the *Planning Act*.

For the purposes of carrying out a community improvement plan that has come into effect, a municipality may engage in the following within the community improvement project area:

- a) acquire, hold, clear, grade or otherwise prepare land for community improvement (28(3));
- b) construct, repair, rehabilitate or improve buildings on land acquired or held by it in conformity with the community improvement plan (28(6));
- c) sell, lease, or otherwise dispose of any land and buildings acquired or held by it in conformity with the community improvement plan (28(6)); and,
- d) make grants or loans to the registered owners, assessed owners, and tenants, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan, to pay for the whole or any part of the cost of rehabilitating such lands and buildings in conformity with the community improvement plan (28(7)).

Section 28(7.1) specifies that the total of all grants and loans made under Section 28(7) of the *Planning Act* and tax assistance provided under Section 365.1 of the *Municipal Act* in respect of the land and buildings shall not exceed the cost of rehabilitating the land and buildings. Section 8.0 of this Plan presents the programs which the City of Hamilton, through adoption and Provincial approval of this Plan, will implement within the Community Improvement Project Area. These programs contain eligibility criteria and financial assistance capping safeguards that will ensure that the total of all grants, loans and tax assistance provided in respect of any lands and buildings shall not exceed the costs of rehabilitating said land and buildings.

### **2.3 Section 365.1 – *Municipal Act***

Section 365.1(2) and (3) of the *Municipal Act* allows municipalities to pass a by-law providing tax assistance to an eligible property in the form of a freeze or cancellation of part or all of the taxes levied on that property for municipal and school purposes during the rehabilitation period (maximum 18 months from the date that tax assistance begins) and the development period of the property. The total tax assistance provided on an eligible property cannot exceed the cost of any action taken to reduce the concentration of contaminants on, in or under the property to permit a record of site condition (RSC) to be filed in the Environmental Site Registry under Section 168.4 of the *Environmental Protection Act*.

An “eligible property” is a property for which a phase two environmental site assessment (ESA) has been conducted, and,

- a) that is included under Section 28 of the *Planning Act* in a community improvement project area for which a community improvement plan is in effect containing provisions in respect of tax assistance, and
- b) that as of the date the phase two ESA was completed, did not meet the required standards under subparagraph 4i of Section 168.4(1) of the *Environmental Protection Act* to permit an RSC to be filed in the Environmental Site Registry.

Section 365.1 of the *Municipal Act* operates within the framework of Section 28 of the *Planning Act*. This means that a municipality with an approved community improvement plan in place that contains provisions specifying tax assistance will be permitted to provide said tax assistance for municipal and school purposes. Again, Section 28(7.1) specifies that the total of all grants and loans made under Section 28(7) of the *Planning Act* and tax assistance provided under Section 365.1 of the *Municipal Act* in respect of the land and buildings shall not exceed the cost of rehabilitating the land and buildings.

### **2.4 Provincial Policy Statement (PPS)**

The Provincial Policy Statement (PPS) is issued under Section 3 of the *Planning Act* and is intended to guide municipalities as they make planning decisions. The *Planning Act* requires that municipal decisions in respect of the exercise of any authority that affects a planning matter “shall be consistent with” the PPS.

The PPS supports the remediation and redevelopment of brownfield sites. For example, Section 1.7.1 c) of the PPS states that “long-term economic prosperity should be supported by promoting the redevelopment of brownfield sites”. Brownfields are defined in the PPS as “undeveloped or previously developed properties that may be contaminated. They are usually, but not exclusively, former industrial or commercial properties that may be underutilized, derelict or vacant”.

The PPS also supports Smart Growth through urban growth management. For example, Section 1.1.3.3 of the PPS states “planning authorities shall identify and promote opportunities for intensification and redevelopment where this can be accommodated taking into account existing building stock or areas, including brownfield sites, and the availability of suitable existing or planned infrastructure and public service facilities required to accommodate projected needs”. Therefore, the PPS supports brownfield redevelopment as a way to achieve the goal of promoting intensification and redevelopment. Other policies in the PPS (Sections 1.1.1 a), 1.1.1 g) and 1.6.2) support the management of growth to achieve efficient development and land use patterns which sustain the financial well-being of the Province and municipalities over the long term. The redevelopment of brownfields has a role to play in this regard.

## 2.5 Growth Plan for the Greater Golden Horseshoe

The Growth Plan envisages increasing intensification of the existing built-up area, with a focus on urban growth centres, intensification corridors, major transit station areas, brownfield sites and greyfields. To this end, the ERASE Community Improvement Project Area is entirely within the “Built-up Area” designation.

The vision for the GGH is grounded in the following principles that provide the basis for guiding decisions on how land is developed, resources are managed and public dollars invested:

- Build compact, vibrant and complete communities.
- Plan and manage growth to support a strong and competitive economy.
- Protect, conserve, enhance and wisely use the valuable natural resources of land, air and water for current and future generations.
- Optimize the use of existing and new infrastructure to support growth in a compact, efficient form.
- Provide for different approaches to managing growth that recognize the diversity of communities in the GGH.
- Promote collaboration among all sectors – government, private and non-profit and residents to achieve the vision.

Further, providing opportunities for businesses to locate in the GGH is fundamental to using land wisely and ensuring a prosperous economic future.

## 2.6 Regional Municipality of Hamilton-Wentworth Official Plan

The Official Plan for the former Regional Municipality of Hamilton-Wentworth, “Towards a Sustainable Region”, clearly recognizes the need to make more productive use of existing municipal urban infrastructure through redevelopment and re-use of vacant and/or underutilized lands and buildings. Section 3.1.1 of the Hamilton-Wentworth Official Plan states:

*Mixed forms of development within an Urban Area is preferable to widespread, low density residential development and scattered rural development because growth can be accommodated by building on vacant or redeveloped land, without taking up agricultural lands or natural areas.*

Section C 3.1.5 of the Hamilton-Wentworth Official Plan states:

*Older industrial areas in the Region, specifically the Bayfront Industrial Area in Hamilton, have witnessed decreasing employment levels. Eventually there may be pressure or a need to redevelop this land, either for newer industrial/business uses or for other uses. Therefore, land use plans must begin to reflect this economic restructuring.*

Amendment No. 11 to the Official Plan of the former Regional Municipality of Hamilton Wentworth was passed on February 26, 2003. This amendment added a new Section 6A on Community Improvement Policies to Part D – Implementation, Section 6 – Secondary/Neighbourhood Plans of the Official Plan of the former Regional Municipality of Hamilton Wentworth (see Appendix B). The primary purpose of this amendment was to add a new policy to the Official Plan to establish city-wide community improvement policies. These policies allow a range of community improvement issues such as brownfields and affordable housing to be addressed across the entire urban area rather than just in small defined geographic locations. Section 6A.1 clearly permits that the entire Urban Area or any part of the Urban Area may by by-law be designated as a community improvement project area.

Section 6A.2 sets out the characteristics or criteria to be used when designating community improvement project areas (see Appendix B). Section 6A.2 requires only that one or more of the following characteristics be present:

- a) building stock or property in need of rehabilitation;
- b) buildings and structures of heritage or architectural significance;
- c) encroachment of incompatible land uses or activities;
- d) deteriorated or insufficient physical infrastructure such as, but not limited to, sanitary and storm sewers and water mains, public transit, roads/streets, curbs, sidewalks, street lighting and utilities;
- e) deteriorated or insufficient community services such as, but not limited to public indoor/outdoor recreational facilities, public open space and public social facilities;
- f) inadequate mix of housing types;
- g) known or perceived environmental contamination;
- h) deteriorated or insufficient parking facilities;
- i) poor overall visual amenity of the area, including, but not limited to streetscapes and urban design;
- j) existing Business Improvement Areas or potential for inclusion in a Business Improvement Area designation;
- k) inappropriate road access and traffic circulation;
- l) shortage of land to accommodate building expansion and/or parking and loading facilities;
- m) other barriers to the improvement or redevelopment of under utilized land or buildings; and,
- n) any other environmental or community economic development reasons for designation.

As discussed in Section 3.0, properties in the older industrial area exhibit several of these characteristics, including:

- known or perceived environmental contamination;
- buildings in need of rehabilitation;
- encroachment of incompatible land uses;
- a shortage of land to accommodate building expansion;
- deteriorated infrastructure; and,
- poor overall visual amenity.

Brownfield properties are also spread throughout other parts of the urban area of Hamilton and, as discussed in Section 3.0, these brownfield properties and areas also exhibit some of the same characteristics as brownfield properties in the older industrial area, including:

- known or perceived environmental contamination;
- buildings in need of rehabilitation;
- encroachment of incompatible land uses;
- a shortage of land to accommodate building expansion; and,
- poor overall visual amenity.

Finally, Section 6A.2 n) also allows designation of a community improvement project area for any other environmental or community economic development reason. Section 1.0 outlines numerous environmental, economic and social reasons (benefits) for the designation of the urban area as a community improvement project area for the promotion of brownfield redevelopment.

Therefore, the designation of the entire Urban Area of the City of Hamilton as the ERASE Community Improvement Project Area meets the criteria for designation of a community improvement project area specified in the Official Plan of the former Regional Municipality of Hamilton Wentworth.

Section 6A.3 of the Official Plan outlines the actions which the City can take through community improvement plans. This includes:

- a) provision of grants and loans;
- b) acquisition of land or buildings and subsequent clearance, rehabilitation, redevelopment or resale of these properties or other preparation of land or buildings for community improvement; and,
- c) other municipal actions, programs or investments for the purpose of strengthening and enhancing neighbourhood stability, stimulating production of a variety of housing types, facilitating local economic growth, improving social or environmental conditions, or promoting cultural development.

## 2.7 Vision 2020

Vision 2020 is a vision statement and detailed strategies and actions for sustainable development adopted by Regional Council in 1992 and modified in 1998. Vision 2020 is designed to serve as a basis for decision-making and is very supportive of urban revitalization and development which makes efficient and economical use of existing infrastructure and services, as is the case with this CIP. In addition, Vision 2020 recommends:

- a) use of financial tools where possible to direct future urban development to curb urban sprawl and minimize costs (Strategies for a Sustainable Community, 1998, p. 44); and,
- b) increased recognition of the work of the Industrial Redevelopment Task Force (see Section 5.1) and awareness of the potential for redevelopment and rehabilitation of contaminated brownfield sites (Strategies for a Sustainable Community, 1998, p. 44).

## 2.8 Central Neighbourhood Plan

The Central Neighbourhood Plan was adopted by City Council in 1999. This Plan generally designates the lands around the Downtown Secondary Plan area between Cannon Street and the Bayfront Industrial area from Queen to Victoria Street extending south between Victoria Avenue and Wellington Street to Main Street, and includes a small area south of the downtown in the vicinity of James and John Streets, for mixed use with residential being a primary component.

The Central Neighbourhood Plan provides for:

- i) open space connections to the waterfront through this area;
- ii) compatibility of land uses, especially with adjoining residential areas; and,
- iii) final determination of land uses to be done through a modified neighbourhood plan review.

## 2.9 Downtown Secondary Plan: Putting People First

The Downtown Secondary Plan was approved by Council on July 10, 2001. The Plan takes an innovative approach, focusing on the overall roles and physical form of the Downtown rather than dwelling on regulatory details. The intent of the Plan is to foster a dynamic mix of urban residential, commercial and institutional activities across the Downtown.

## 2.9 West Harbourfront Development Study

The West Harbourfront Development Study (WHDS) was an initiative to generate a vision to guide the future redevelopment of the West Harbourfront Area. This vision sees the West Harbourfront area as a mixed use area with residential, commercial, cultural, park/open space and major attraction uses. Public use and enjoyment of the West Harbourfront Area is a primary objective of the WHDS. While the WHDS was received by Council, it does not have status as a land use plan for the area. A detailed Secondary Plan was developed for the West Harbour Area as part of the Setting Sail planning project.

## 2.10 Setting Sail

Setting Sail is the City's long term planning project for Hamilton's West Harbour (see Figure 2 for West Harbour Study Area). The West Harbour Area has witnessed tremendous change in recent years, led by the City's investments in Pier 4 and Bayfront Parks and the creation of the Waterfront Trail. The City of Hamilton and the Hamilton Port Authority (formerly the Hamilton Harbour Commissioners) also reached an agreement in 2000 on future land use that sees a separation of recreational uses in the West Harbour Area from industrial port uses in the East Harbour Area.

The Setting Sail study is being done under the *Environmental Assessment Act* Municipal Class Environmental Assessment Process for integrated master plans. The main objective of the Setting Sail Study is to create a series of integrated plans that will guide investment and development in the West Harbour Area. The Setting Sail Study is broad and includes consideration of land use, transportation, infrastructure and urban design. When the project is finished, the result will be a new Secondary Plan, Urban Design Guidelines, a Transportation and Infrastructure Master Plan, revisions to the Zoning By-law, and a Class Environmental Assessment (EA) for future municipal infrastructure projects in the area.

One of the specific elements of the Setting Sail Study is a strategy to realize the revitalization and conversion of older industrial areas in the West Harbour to non-industrial uses. In this context, there are a few remaining operational industrial uses in and near the Tiffany Block which is bounded by Bay, Stuart and Barton Streets and the relocation of these few remaining industrial uses to industrial areas outside the West Harbour Area would help facilitate redevelopment of the West Harbour Area for non-industrial uses. There is also the issue of the 110 acre C.N. Rail Marshalling Yard just north of the Tiffany Block and south of Bayfront Park on the Harbour.

**Figure 2** Setting Sail West Harbour Study Area



## 2.11 Planning For Future Land Use

With its existing nucleus of industrial users and 80-90% of its land in industrial use, most of the older industrial area will realistically remain zoned and used primarily for heavy industry and manufacturing. Suitably sized land parcels zoned for such purposes are becoming increasingly difficult to locate in Ontario because most municipalities are no longer zoning land for heavy or even limited heavy industrial uses. Yet, there continues to be a demand for heavy industrial and manufacturing type of land in the Hamilton area. This demand is best met in the older industrial areas due to the current existence of these types of uses in these areas and restrictive zoning in greenfield industrial areas. One of the main goals of this Plan is to promote the redevelopment of vacant, idled and underutilized industrial land in the older industrial area for new industrial and other employment uses that generate employment and economic benefits for the City and its residents.

There are opportunities in areas of transition within the older industrial area to convert industrial lands to other productive uses such as commercial, institutional, residential and parkland uses. This is particularly the case in the West Harbour Area, currently the subject of the Setting Sail Study. This area, west of Wellington Street, contains a mix of several large stable residential areas and several smaller areas containing existing and former industrial uses. The condition of the residential building stock in this area is much better than that in the smaller residential enclaves in the interior of the older industrial area as the residential area around the West Harbour has benefited greatly from its proximity to Bayfront Park and Pier 4 Park.

The West Hamilton Industrial Area is also an area in transition. While currently zoned and designated for industrial use, it is a small area with no possibilities for expansion. It is bordered to the west by Highway 403 and to the east by a large residential area. Due to its small size, excellent location, and a recent major plant closure, this area is also a prime candidate for transition over time to non-industrial uses.

Consequently, in recognition of the Central Neighbourhood Plan, the WHDS, the agreement between the City of Hamilton and the Hamilton Port Authority, and the planning policies that will emanate from the Setting Sail Study, this Plan recommends that redevelopment in the older industrial area west of Wellington Street, i.e. the West Harbour Study Area, be targeted primarily for non-industrial uses, while redevelopment east of Wellington Street in the older industrial area be targeted primarily for industrial and commercial uses. With regard to the West Harbour Study Area, the programs in this Plan generally:

- assist the conversion of existing industrial uses to non-industrial uses and the relocation of existing industrial uses to industrial areas outside the West Harbour Area.

This will help to ensure that proposed land uses in the West Harbour Area that do not conform to the Central Neighbourhood Plan and the WHDS are in no way promoted, and are in fact discouraged, by the incentive programs in this Plan. This represents a realistic and balanced approach to future land use planning in the West Harbour Area.

The expansion of the community improvement project area to include the entire urban area provides considerable opportunity for brownfield redevelopment throughout the City. This will no doubt lead to the consideration of land use changes on brownfield properties through the *Planning Act* approval process. As with new development, all redevelopment projects will be evaluated on an individual basis, having regard for a number of policies and by-laws, including conformity with this Plan, the Official Plan, Zoning By-law, and all other City policies.

## 2.12 Summary of Planning Policies

The redevelopment and rehabilitation of the older industrial areas in the City of Hamilton is a key theme in the Regional Official Plan. The use of financial tools to direct future urban development to curb urban sprawl and increased awareness of the potential for redevelopment and rehabilitation of contaminated brownfield sites are key recommendations in Vision 2020.

The Regional Official Plan sets out the required framework as per Section 28 of the *Planning Act* for the preparation of a community improvement plan to promote the redevelopment of brownfields in Hamilton's older industrial areas and throughout the urban area. The designation of the entire Urban Area as the ERASE Community Improvement Project Area and the preparation and adoption of this ERASE CIP is in conformity with, and supported by, existing planning policies. Through its programs contained herein, this CIP also emphasizes particular land uses in various areas within the Community Improvement Project Area that are in keeping with future planned land uses.

## **3.0 CRITICAL NEEDS ANALYSIS OF BROWNFIELDS IN HAMILTON**

### **3.1 The Geography of Brownfields in Hamilton**

#### **3.1.1 Older Industrial Area**

The historic development of the City of Hamilton as a port city at the western end of Lake Ontario with good rail and road access resulted in the growth of Hamilton as one of Canada's major manufacturing centers. In the early 1900's, Hamilton's major steel producers (Stelco and Dofasco) located in the Bayfront Industrial Area where they had easy access to the port for importing raw materials and rail for exporting finished product. Canadian steel production becoming increasingly centered in Hamilton in the post-war years and the Bayfront Industrial Area expanded to just over 3,000 acres in size, largely through the placement of fill into Hamilton Harbour to create land for new industrial uses. The much smaller North Hamilton Industrial Area (70 acres), West Hamilton Industrial Area (250 acres) and part of the East Hamilton Industrial Area (65 acres) were also developed for industrial uses. Hamilton's older industrial area totals approximately 3,400 acres of land and forms the original ERASE Community Improvement Project Area for the ERASE Community Improvement Plan adopted and approved in 2001 (see Appendix B).

Significant structural changes in the post-war Canadian economy had far-reaching implications for steel and related industries, and of course, the Bayfront Industrial Area. Combined employment at Stelco and Dofasco increased steadily during the 1960's and 70's, peaking at approximately 30,000 in the late 1970's (Woods, Gordon and Co.1977). By 1990, this figure had dropped to 23,000 (Regional Municipality of Hamilton-Wentworth, 1990). Currently, this figure stands at approximately 12,500 (Human Resources Development Canada Web Site, 2003), or about 40% of what it was just 25 years ago. Related industries also suffered large employment losses with many smaller manufacturers downsizing and ceasing production altogether. The result has been a significant decrease in business activity and employment levels in Hamilton's older industrial area over the last 25 years. These economic changes have resulted in some property and building deterioration in the older industrial areas, and in some cases, property abandonment. Due to the placement of vast quantities of contaminated fill and contamination from former industrial uses in the Bayfront Industrial Area, this area now contains many of the city's brownfield sites. Preliminary estimates indicate that there are hundreds of vacant, idled and underutilised buildings and properties in the Bayfront Industrial Area. Some of these properties are not adequately secured, and are routinely subject to trespassing and vandalism causing concern for public safety.

The building stock within the older industrial area is also older than the rest of the city. Many former industrial buildings lie abandoned, derelict and in a state of disrepair. These buildings also suffer from obsolescence in that they are not of sufficient ceiling height and internal configuration to meet modern manufacturing and warehousing requirements. Many of the properties on which these buildings stand can only be reused if these buildings are demolished. Other buildings have been torn down leaving only vacant lots. Because of past industrial use and the fact that much of this area is built on contaminated soils that were placed as fill, many of these properties may have some level of environmental contamination. But, the existence and extent of environmental contamination varies from property to property, and cannot be determined without a thorough environmental site investigation of each property.

Many of the brownfield sites in the older industrial area are serviced by on site sewer and water lines that are over 60 years old. Many of these services have not been replaced and are simply not adequate for modern industrial/commercial uses, including modern fire suppression requirements. Therefore, there is often a need to remove and replace part or all of the on-site sewer and water services in the older industrial area.

### **3.1.2 West Harbour Area**

In addition to the issues affecting the rest of the older industrial area as discussed above, redevelopment of the West Harbour Area for non-industrial uses is contingent upon conversion or relocation of the few remaining industrial uses in this area, and mitigation of the impacts of the C.N. Marshalling Yard. Some of the industrial uses in the West Harbour Area are viable industrial uses that could relocate to larger and more stable industrial areas and continue operation. However, the costs of relocation, such as moving equipment and machinery, particularly for large and well established industrial manufacturers, may be prohibitive.

Also, the redevelopment of the West Harbour Area is complicated by the existence and operation of the 110 acre C.N. Rail Marshalling Yard which could present a land use compatibility issue with non-industrial uses in this area.

### **3.1.4 Rest of Urban Area**

The older industrial area is certainly not the only area where brownfields exist in Hamilton. Downtown Hamilton has been the location of numerous past uses that could have potentially caused soil and groundwater contamination. This includes asphalt plants, petroleum storage, automobile wrecking yards, blacksmiths, textile mills, paint manufacturers, printers, dry cleaners and electroplaters. Some of these uses still exist in Downtown Hamilton. Several recent developments on properties in Downtown Hamilton had to remediate soil and groundwater contamination and several proposed downtown developments have been abandoned or delayed indefinitely as a result of environmental contamination.

As the City of Hamilton grew outward, older industrial uses in and near the downtown core were replaced by commercial and other uses. Gasoline and automobile service stations began to proliferate to serve an expanding and suburbanizing population increasingly dependant on automobiles as their primary mode of transportation. Business and personal services such as dry cleaners began to move farther from the downtown. Industrial and manufacturing uses such as metals manufacturers, glass manufacturers, chemical manufacturers, and concrete plants, were also established in areas farther from Downtown Hamilton.

As each of the former six municipalities which now make up Hamilton grew, similar industrial and commercial uses were established (on a much smaller scale) and the same pattern of outward expansion of their central areas was repeated. For example, a small manufacturing area with a steel foundry was established in downtown Dundas in the late 1800's. Individual uses that could have caused contamination, e.g. blacksmith shops, were established in Ancaster. Several of the former municipalities, including Stoney Creek, contain automobile wrecker's yards. Even several elementary and high school sites that were recently redeveloped for residential purposes were found to have underground and above ground fuel oil storage tanks. Clearly, all of these uses can and, in some cases, did cause soil and groundwater contamination. Therefore, brownfield sites are now found in Downtown Hamilton, in the downtowns of the former municipalities, and they are also spread throughout the urban area,

including properties once used for industrial and commercial uses, such as gasoline and automobile service stations.

Another source of brownfield sites in Hamilton are former waste disposal sites. A recent inventory of waste disposal sites confirms that there are no less than 44 known waste disposal sites in the City of Hamilton (see Figure 3). Most of these sites have been closed for more than 25 years. These are only the known sites. There are most certainly more private waste disposal sites for which records do not exist.

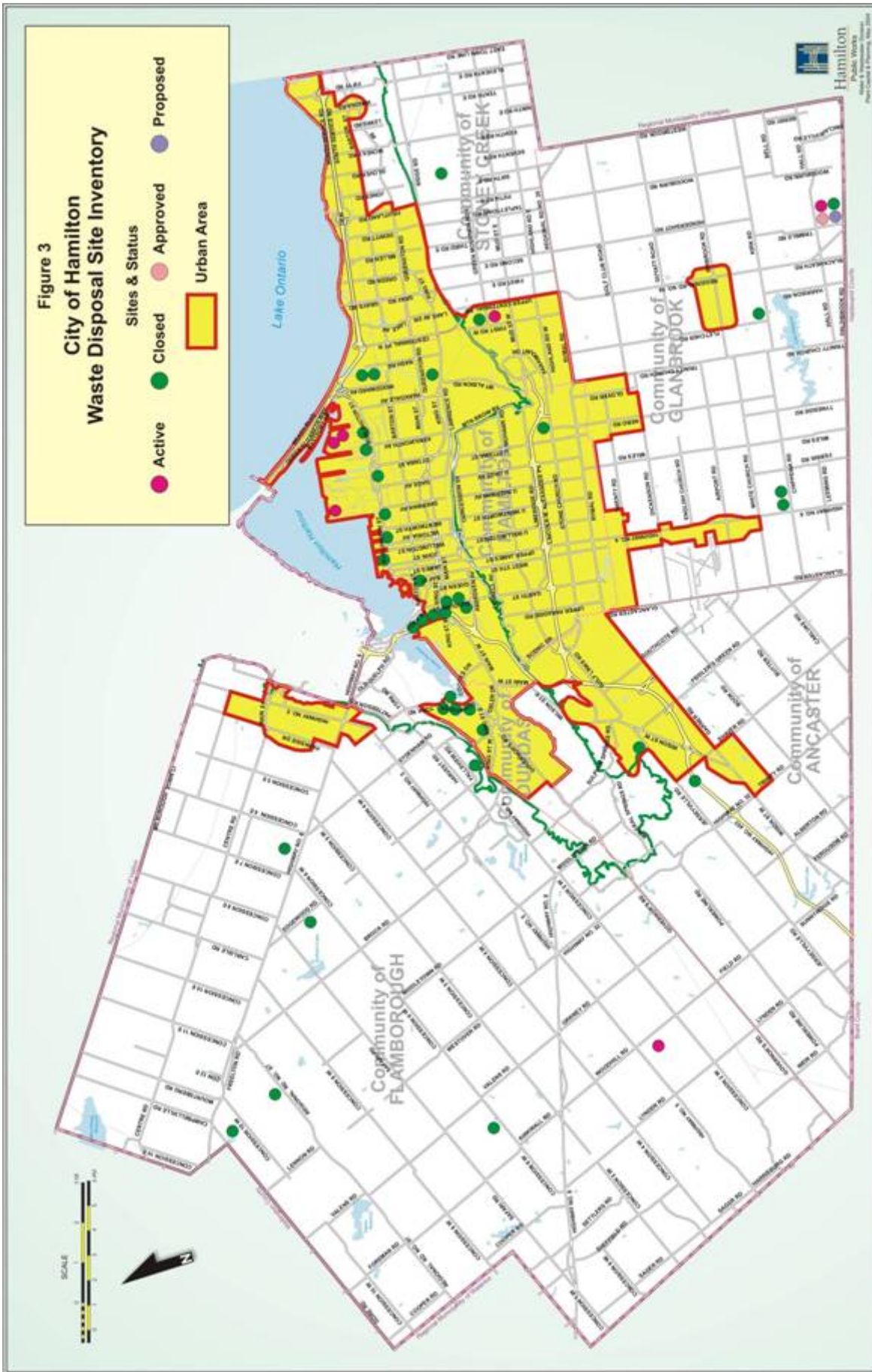
Figure 3 clearly shows that waste disposal sites are spread throughout the urban and rural area, with a concentration of sites in the Bayfront Industrial Area, West Hamilton and the Community of Dundas. Several of these waste disposal sites have been redeveloped as parks and the City also approved a proposal for a large industrial development on one of these former waste disposal sites. This industrial development proposal is supported by an Erase Redevelopment Grant which will be used by the new owner to assist with remediation costs on the site.

### **3.1.4 Historical Land Use Inventory**

In late 2007, the City of Hamilton retained MMM Group Limited to complete a Historical Land Use Inventory (HLUI). The City identified the need for a comprehensive GIS-based inventory of potential historically environmentally-impaired properties that was to become a resource to the efficient and consistent implementation of the City's brownfield redevelopment programs. The key goals of the HLUI was to: provide key information to the City's property management database concerning historical environmental conditions that had not been previously available at a central location; serve as a fundamental tool for use by City staff in planning and conducting the everyday aspects of managing properties within the City in a thoughtful and conscientious manner; and ensure that management staff have the information necessary for knowledgeable decisions concerning brownfield redevelopment planning.

The actual project consisted of reviewing numerous sources of historical environmental information with the intent to identify properties of interest and potential contaminants associated with them. While some data came from primary sources that confirm impairment or remediation of a property (e.g. Phase II Environmental Site Assessment reports or Records of Site Conditions), much of the require data needed to be interpreted from secondary sources (e.g. fire insurance plans, land use designation, etc.) combined with the use of industry-specific environmental databases to infer the potential contaminants that may be associated with historical onsite activities.

Once the required data was documented, it was transposed into a Historical Environmental Database (HED). In total, the study area encompassed approximately 131,000 individual properties. Of those properties studied throughout the entire urban area of the City, 91 properties were identified as vacant "true" brownfield sites, mostly in the Older Industrial Area (Area 2). 1386 properties were identified as having a potential for some contamination based on the historical use of the property spread throughout the Downtown (Area 4) and the Rest of the Urban Area (Area 1).



### 3.2 Types of Assistance Required

Due to the costs of remediating brownfield sites, they are more expensive to develop than greenfield sites. Even a moderately contaminated brownfield site is significantly more expensive to develop than a greenfield site. For example, costs were compared for developing a new 40,000 sq.ft. industrial manufacturing building on a vacant, moderately contaminated 2 acre brownfield site versus a 2 acre greenfield site in the City of Hamilton (see Appendix C). Both sites are serviced and there are no industrial development charges. It was estimated that depending on the purchase price of the brownfield site, development of the brownfield site (including remediation) would be between 14% and 27% more expensive than the greenfield site. If the brownfield site was also occupied by an obsolete 40,000 sq.ft. building that had to be demolished (a common occurrence in Hamilton's older industrial area), the development of the brownfield site would be between 22% and 34% more expensive than the greenfield site. Therefore, if brownfield sites are to be financially competitive with greenfield sites, it is imperative that financial assistance be provided to offset the cost of environmental remediation and other associated brownfield costs.

Regardless of location of a brownfield site within a municipality, a lack of information on the existence, type, and extent of contamination, and the estimated cost of remediation is one of the key stumbling blocks in the development of any brownfield property. Phase II (sampling and analysis) environmental site assessments (ESA's) can be very expensive, particularly for larger and more environmentally complex properties. Both owners and purchasers are often reluctant to pay for these studies, particularly when there is no guarantee that the property can be feasibly developed once the study is complete. This reluctance often inhibits interest in the development of these properties. Therefore, there is a need for financial assistance to help pay for the costs of these studies in order to stimulate the private sector to undertake these environmental studies so that more and better information is available with respect to the type of contamination and potential remediation costs on brownfield sites.

Due to the age of its buildings and infrastructure, brownfield properties in the older industrial area in Hamilton also regularly require financial assistance for the costs associated with building demolition and infrastructure upgrading. These costs, which are not incurred on greenfield sites, can sometimes exceed the costs of environmental remediation. Demolition costs may be, in part, offset by development charge credits for existing space demolished, but these demolition credits may not cover the entire cost of demolition. Also, while sewer and water lines must be installed on greenfield sites, the cost of removing and disposing of the old sewer and water lines does not apply to greenfield sites. These additional costs of building demolition and infrastructure upgrading in the older industrial area are generally not found in other areas of Hamilton, except in Downtown Hamilton where the Downtown Hamilton Community Improvement Plan already provides a financial incentive to assist with these costs in the form of the Enterprise Zone Municipal Tax Incentive Program and a 100% exemption from development charges on all development Downtown Hamilton.

Through administering applications for financial assistance programs under the Erase CIP (2001), the need for other types of financial assistance in the older industrial area have become evident. For example, some properties in the older industrial area do not have direct access to adequate sewer and water mains. In some parts of the older industrial area, these sewer and water main services have not been extended to reach all developable properties or these main services may need upgrading. Property owners wishing to develop or redevelop their sites must sometimes pay for the costs of extending or upgrading these off-site services. These costs can be significant. Therefore, the costs of sewer and water main extensions/upgrading in the older

industrial area that are directly borne by property owners should be included as eligible for financial assistance under this Plan.

Additionally, traditional forms of financing capital projects, including that of remediation activities are often difficult to secure as the financial institutions are often reluctant to take on the additional risk that may result from a property being contaminated. Traditional forms of financial assistance for remedial activities has more often than not been “back-end” assistance in the form of tax rebates, but it might be worth while to look at financial assistance for the “up-front” cost of remediation and redeveloping brownfield properties, particularly in areas where there are fragmented and smaller parcels of land, or in areas where change is most desired.

Finally, parts of the West Harbour Area presents some unique brownfield redevelopment challenges in the form of several remaining industrial manufacturing uses and the existence of the C.N. Rail Marshalling Yards. In both cases, the costs of relocating these uses to more suitable areas outside the West Harbour Area could prove substantial. Yet, rehabilitation and redevelopment of the lands currently occupied by these uses cannot likely take place unless these uses are ultimately relocated. Therefore, certain costs of relocation/removal of these uses can be considered as part of the environmental rehabilitation of such lands to permit the community improvement of these lands in conformity with this Plan, and therefore, these costs, relating or contributing to the environmental remediation, should also be included as eligible for financial assistance under this Plan.

## 4.0 COMMUNITY IMPROVEMENT PROJECT AREA

Based on the enabling policies in the Official Plan of the former Regional Municipality of Hamilton-Wentworth, the critical needs analysis, and the existence of brownfields throughout the urban area of Hamilton, the boundary of the Hamilton ERASE Community Improvement Project Area (the "Project Area") is "the area designated as Urban Area in the Official Plan of the former Regional Municipality of Hamilton-Wentworth, as may be amended from time to time". The boundary of the ERASE Community Improvement Project Area as shown in Figure 4 is provided for illustrative purposes only to show the Project Area. The ERASE Community Improvement Project Area is properly defined by the above-noted text reference to the Urban Area. Therefore, any expansion or change to the Urban Area, and therefore the Project Area, will be captured by the above-noted text reference and will not require amendment to this Plan.

Based on the critical needs analysis of brownfields in Hamilton, the analysis of planning policies, and several years experience administering brownfield assistance programs under the ERASE CIP (2001), the ERASE Community Improvement Project Area (2005) has been divided into four sub-areas as shown on Figure 4. The Older Industrial Area (Area 2) combined with the West Harbour Area (Area 3) form the Erase Community Improvement Project Area (2001) (see Appendix A). The Rest of Urban Area (Area 1) along with The Older Industrial Area (Area 2) and the West Harbour Area (Area 3) form the ERASE Community Improvement Project Area 2005, and Downtown Hamilton (Area 4) now forms the ERASE Community Improvement Project Area, 2010. The boundary of Areas 2 and 3 was based on a detailed boundary analysis of present and past land use, potential for environmental contamination, physical characteristics and barriers, potential for redevelopment, official plan land use designation, zoning, planning for future land uses, and a visual site inspection, where required.

Based on the critical needs and planning goals in each sub-area, the following types of financial assistance will be made available in each sub-area within the Project Area in order to make brownfield sites in these areas financially competitive with greenfield sites:

### Area 1 (Rest of Urban Area)

Financial assistance for the costs of:

- a) Phase II ESA's not covered by the ERASE Study Grant Program (SGP);
- b) environmental remediation;
- c) Leadership in Energy and Environmental Design (LEED) Certification Components as per the LEED Grant Program (LGP)

### Area 2 (Older Industrial Area)

Same costs as Area 1 plus financial assistance for the costs of:

- d) demolition not covered by development charge demolition credits;
- d) removal of on-site infrastructure prior to replacement;
- e) extension of sewer and water mains and roads.

### Area 3 (West Harbour Area)

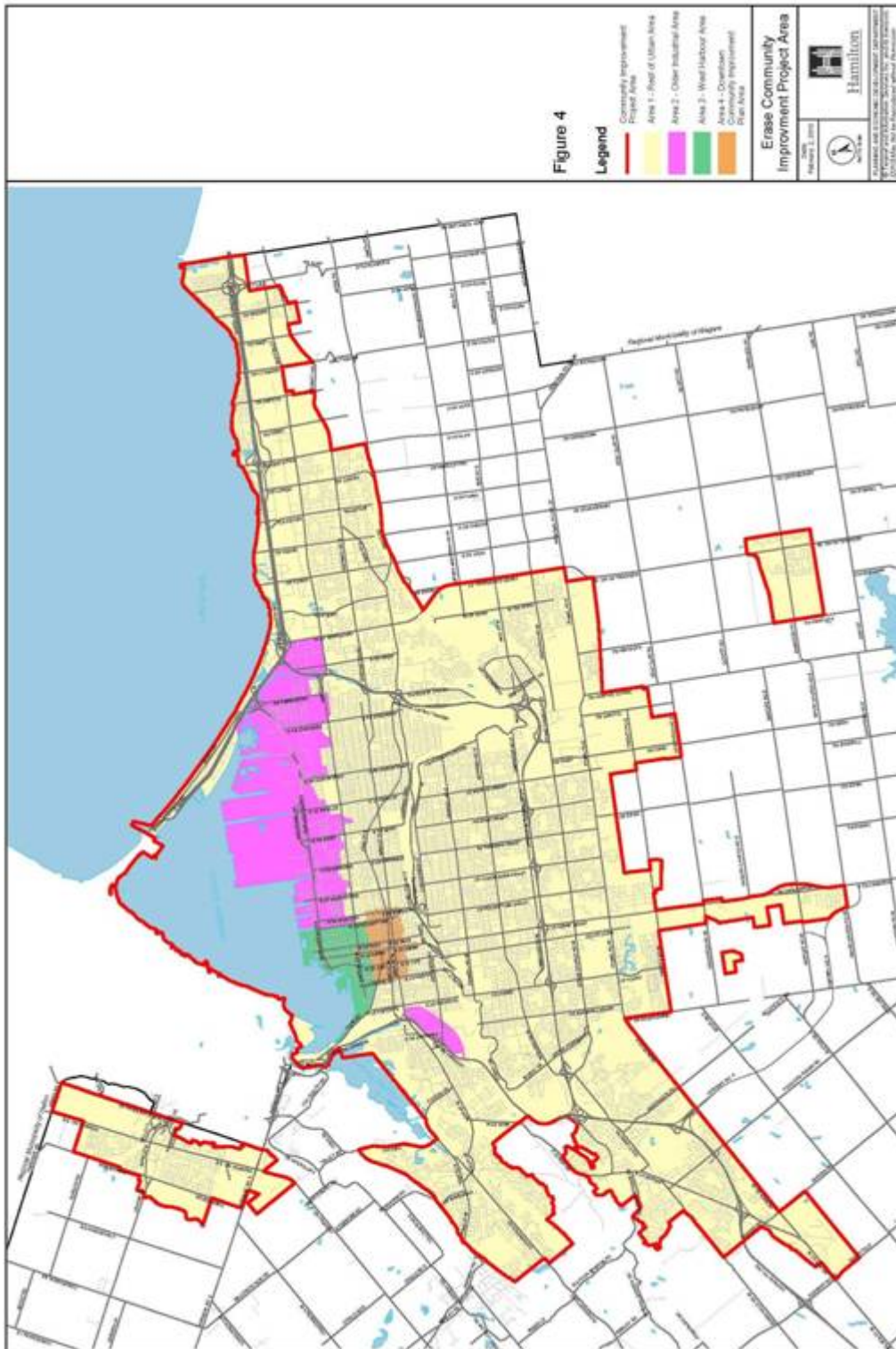
Same costs as Area 2 plus financial assistance for the costs of:

- f) relocation/removal of existing, operating industrial manufacturing and transportation uses, provided such costs contribute to or relate directly to the actual rehabilitation and environmental remediation of the site.

In order to receive any of the financial assistance programs contained in this Plan, applications for financial assistance must also meet the program eligibility requirements as specified in this Plan, and all other requirements of the City.

Area 4 (Downtown Hamilton)

Same costs as Area 1.



## **5.0 COMMUNITY IMPROVEMENT PLANS**

### **5.1 Community Improvement and Redevelopment Plans**

Over the years, several parts of the Bayfront Industrial Area between the CNR line and Barton Street have been designated as part of community improvement project areas for the neighbourhoods lying to the south of Barton Street. Community improvement plans, or redevelopment plans as they were previously known, were prepared for these neighbourhoods. These plans focused primarily on neighbourhood issues such as:

- a) zoning;
- b) the use of site plan/development agreements;
- c) park, open space and recreational facilities;
- d) property standards by-law enforcement;
- e) infrastructure improvements; and,
- f) traffic concerns.

In the 1970's and 1980's, Hamilton City Council approved large budget allocations, often in the \$1-2 million dollar range annually for such programs. At the time, the Province under programs in place to promote neighbourhood improvement and redevelopment matched these budget allocations. This included the Neighbourhood Improvement Program (NIP), which was succeeded by the Program for Renewal, Improvement, Development and Economic Revitalization (PRIDE). Most of the funds were used for the purchase of parks, improvement to recreational facilities, road and sidewalk construction and reconstruction. The Province phased out these programs in the late 1980's.

These previous and existing community improvement plans cover only a very small portion of the ERASE Community Improvement Project Area and none of these plans recommended or even contemplated the types of redevelopment initiatives contained in this Plan. Therefore, there is no overlap between these previous community improvement plans and this Plan.

Community improvement plans have also been established for each of the 11 Business Improvement Areas (BIAs) in the City of Hamilton with the intent of providing financial assistance to commercial property owners and tenants through the Commercial Property Improvement Program. This program offers a grant for the improvement of commercial facades and entrance features. Therefore, there is no overlap between these community improvement plans and the ERASE CIP.

### **5.2 Erase Community Improvement Plan (CIP) – 2001**

The Erase CIP was adopted by City Council in April of 2001 and approved by the Minister of Municipal Affairs and Housing in August of 2001. The Erase CIP (2001) applies to the ERASE Community Improvement Project Area as shown in Appendix A.

### **5.3 Erase Community Improvement Plan (CIP) – 2005**

The Erase CIP (2005) was adopted by Council in April of 2005. The Erase CIP (2005) expanded upon the Erase CIP (2001) in terms of financial assistance programs and the Erase CIP project area. The Erase CIP (2005) applies to the ERASE Community Improvement Project Area as

shown in Appendix B

Since the Erase CIP (2001) was approved, multiple property owners have received Erase Environmental Study Grants to conduct Phase II and III ESA's. Several of these studies have led to brownfield sites being redeveloped. Over 20 projects have been approved for Erase Redevelopment Grants and several projects have been approved for a pilot project grant under the Municipal Acquisition and Partnership Program.

The approximately 20 projects have been awarded a total of approximately \$9.5 million in ERASE Redevelopment Grant funding. Once these projects are complete, this will result in:

- a) total construction expenditures in excess of \$244,000,000;
- b) remediation and redevelopment of 161 acres of formally vacant and underutilized brownfields;
- c) construction and refurbishment of over 2 million sq.ft. of industrial/commercial space;
- d) construction of over 100 new residential units;
- e) approximately 400 new full time jobs; and,
- f) an increase in long-term annual property tax revenues in the tens of millions.

In less than nine years, the ERASE CIP (2001) and ERASE CIP (2005) have proven very successful in providing the financial tools needed to promote the remediation and redevelopment of brownfield sites in the older industrial area of Hamilton as well as the rest of the urbanized area. This ERASE CIP (2010) improves the programs contained in the ERASE CIP (2005) by adding eligible Leadership in Energy and Environmental Design (LEED) program components throughout the urban area of the City. As well as a new pilot loan program for the West Harbourfront (Area 3) and Downtown Hamilton (Area4). As part of the adoption of this ERASE CIP (2010) , the ERASE CIP (2005) and the ERASE Community Improvement Project Area (2005) will be repealed by by-law and replaced by this ERASE CIP (2010).

## **5.4 Downtown Hamilton Community Improvement Plan (CIP)**

The Downtown Hamilton Community Improvement Plan (CIP) was adopted by Council in 2007 by by-law 07-061, as amended. This Plan provides for a series of loan and grant programs to property owners to encourage new residential and commercial development and redevelopment in the downtown core of Hamilton. The Plan applies to the Downtown Community Improvement Project Area as shown in Appendix D.

The Downtown Hamilton CIP includes the:

- a) Hamilton Downtown Residential Loan Program;
- b) Commercial Property Improvement Grant Program; and,
- c) Hamilton Downtown Property Improvement Grant Program.

The area of program overlap between the ERASE CIP (2010) and the Downtown Hamilton CIP is between the Hamilton Downtown Property Improvement Grant Program and the ERASE Redevelopment Grant Program (ERG). Both programs operate on the same principle, i.e. both programs provide an economic catalyst to promote redevelopment in the form of a tax-increment based grant equivalent to, and paid as, a percentage of the increase in the municipal portion of property taxes resulting from improvements to the property. Therefore, both programs draw from the same tax-increment dollar to pay grants. This means that while a

property in the Downtown Hamilton Community Improvement Project Area may qualify under both the ERASE RGP and the Enterprize Zone Program, it can only receive a grant from only one program or the other at one time.

## **5.5 Hamilton LEEDing the Way Community Improvement Plan (CIP)**

The Hamilton LEEDing the Way Community Improvement Plan was approved in 2008 and was repealed and replaced by an amended version in 2010. The intent of the plan is to provide an economic catalyst for sustainable building and sustainable land development practices located within the LEEDING the Way Community Improvement Project Area. The plan provides a grant to property owners to encourage industrial, commercial, mixed-use and multi-unit residential development and redevelopment within the urban area of the City by the City cost sharing in the incremental construction cost, consultation, energy modeling and certification fees with the applicant to achieve LEED certification.

There is also an area of overlap between the ERASE CIP (2010) and the Hamilton LEEDing the Way CIP between the LEED Grant Program (LGP) and the ERASE Redevelopment Grant Program (ERG). Both programs operate on the same principle, i.e. both programs provide an economic catalyst to promote redevelopment in the form of a tax-increment based grant equivalent to, and paid as, a percentage of the increase in the municipal portion of property taxes resulting from improvements to the property. Therefore, both programs draw from the same tax-increment dollar to pay grants. This means that while a property in the Hamilton LEEDing the Way Community Improvement Project Area may qualify under both the ERASE RGP and the LEED Grant Program, it can only receive a grant from only one program or the other at one time.

However, the ERASE CIP (2010) seeks to implement the eligible costs as per the LEED Grant Program (LGP) as added eligible costs under the ERASE Redevelopment Grant Program (ERG). This would effectively increase the amount of grant dollars by way of the tax-increment that a property may be eligible to receive.

## **6.0 PUBLIC PARTICIPATION**

### **6.1 The Brownfield Redevelopment Task Force**

The Industrial Redevelopment Task Force was formed in 1997 at the request of the Economic Development Department. The mandate of the Task Force was to develop a strategy to bring brownfield properties back into productive use. This Task Force was comprised of approximately 20 senior private and public sector stakeholders from the legal, finance, real estate, environmental management, engineering and urban planning professions. This group shared an interest in addressing the redevelopment of industrial brownfield properties in Hamilton. This Task Force met regularly during the years prior to the release of the ERASE CIP (2001) to explore the issues impeding the redevelopment of brownfield properties in Hamilton's older industrial area, and to develop policy options to address these issues. The resulting input from the Task Force was used to help prepare and refine the ERASE CIP (2001).

Individual members of the Industrial Redevelopment Task Force have been consulted since 2001 regarding the implementation of the ERASE CIP (2001). The Industrial Redevelopment Task Force was reconvened to provide input into the preparation of the ERASE CIP (April 2005). Due to the expanded nature of the ERASE CIP (April 2005), the Industrial Redevelopment Task Force was renamed the Brownfield Redevelopment Task Force. This Task Force was utilized to solicit input from property owners and other interested groups and to provide detailed feedback on the programs contained in this Plan. The Brownfield Redevelopment Task Force has endorsed this Plan.

### **6.2 Notification and Public Participation Procedure**

This ERASE CIP (April 2005) has been prepared in accordance with the public meeting requirements of Section 28(4) of the *Planning Act*. The Plan was circulated for comment to the agencies and organizations as required by the Planning Act. The Plan was also circulated to internal City departments for comment. The Plan was then revised accordingly based on the comments received from both internal departments and externally circulated agencies.

## PART B

## ERASE CIP



## **7.0 GOALS OF THE ERASE COMMUNITY IMPROVEMENT PLAN**

The goals of this Plan as they pertain to the Community Improvement Project Area are as follows:

- a) replace underutilized, contaminated, abandoned and blighted properties with productive land uses;
- b) increase tax assessment and revenues for the City of Hamilton and the Province of Ontario;
- c) retain and increase employment opportunities;
- d) reduce urban sprawl and its related costs;
- e) promote energy efficiency and sustainable building practices through the construction of Leadership in Energy and Environmental Design (LEED) standards;
- f) improve the physical and visual quality of the urban area;
- g) improve environmental health and safety;
- h) increase the provision of city core housing opportunities; and
- i) stimulate private investment activity and private property maintenance.

The goals of this Plan are consistent with and build upon the goals in the Official Plan of the former Regional Municipality of Hamilton-Wentworth and Vision 2020. The programs in this Plan are guided by the critical needs analysis and planning policies outlined in this Plan. Implementation of the ERASE CIP programs and the performance of the Plan toward achieving the goals outlined above will be monitored by the Economic Development Department and reported to Council on an annual basis.

## 8.0 THE ERASE COMMUNITY IMPROVEMENT PLAN (CIP)

This Environmental Remediation and Site Enhancement - (ERASE) CIP (April 2005) represents a comprehensive framework containing a tool kit of programs that taken together, are designed to achieve the goals outlined in Section 7.0 for the Community Improvement Project Area.

This Plan contains the following major programs:

- 8.1 ERASE Study Grant Program (SGP);
- 8.2 ERASE Redevelopment Grant Program (RGP);
- 8.3 ERASE Tax Assistance Program (TAP);
- 8.4 ERASE Downtown Hamilton/West Harbourfront Remediation Loan Pilot Program
- 8.5 ERASE Municipal Acquisition and Partnership Program (MAP); and
- 8.6 ERASE Marketing and Opportunities Program (MOP);

Programs 8.1 to 8.4 are directed at the private sector and are designed to encourage private sector investment and reinvestment, redevelopment, and construction activity in the Project Area. Program 8.5 is a municipal program of brownfield property acquisition, improvement and municipal participation in public-private partnerships to remediate and redevelop brownfield properties. Program 8.6 is a comprehensive program designed to:

- a) market the ERASE incentive programs to brownfield market makers such as developers, property owners, and real estate, environmental, planning and other support industries; and,
- b) market redevelopment opportunities to these key stakeholders.

Figure 5 summarises the programs contained in this Community Improvement Plan, including a brief description of each program.

One other program which does not actually form part of this Plan is referenced in Section 9.0 of this report. The Development Charges Reduction (DCR) Program provides a reduction of development charges payable on contaminated sites that are remediated and redeveloped. Amendment to the Development Charges By-law will be required to implement this program. As this amendment to the Development Charges By-law is outside the scope of the *Planning Act*, the DCR Program has only been referenced, and not included in this Plan.

The ERASE CIP will be administered primarily by the Economic Development Department, in consultation and cooperation with several other departments, including the Planning and Development Department, the Finance Department, and any other departments/divisions, as specified in this Plan, and as may be deemed necessary.

**Figure 5 Summary of ERASE CIP Programs****PROGRAM / PROGRAM DESCRIPTION / DURATION****8.1 ERASE Study Grant Program (SGP)**

Grants for 50% of cost of Phase II environmental site assessments (ESAs), risk assessments and remedial work plans, up to \$20,000 per study and \$25,000 total per property/project.

Five (5) years from introduction\*.

**8.2 ERASE Redevelopment Grant Program (RGP)**

Grants to property owners who undertake redevelopment. "Pay-as-you-go" grants equal to 80% of increase in municipal portion of property taxes for up to 10 years.

Ten (10) years from introduction\*.

Grants paid out for up to ten (10) years.

**8.3 ERASE Tax Assistance Program (TAP)**

Tax assistance to a property in the form of a freeze or cancellation of part or all of the taxes levied on that property for municipal and school purposes during the rehabilitation and development period.

Ten (10) years from introduction\*.

**8.4 Downtown Hamilton / West Harbourfront Remediation Loan Pilot Program**

Loan to property owners who undertake remediation to facilitate residential and commercial redevelopment in the Downtown Hamilton and West Harbourfront areas

One (1) year from introduction

**8.5 ERASE Municipal Acquisition and Partnership Program (MAPP)**

Acquisition and redevelopment of key strategic properties by City. Partnership in public/private sector remediation and redevelopment initiatives.

Concurrent with the RGP (8.2)\*.

**8.6 ERASE Marketing and Opportunities Program (MOP)**

Marketing program to market the ERASE incentive programs and key redevelopment opportunities to the development and real estate industry.

Ongoing as needed\*.

*\* Subject to availability of funding as approved by Council.*

## **General Program Requirements**

None of the programs in this CIP will be offered on a retroactive basis. In general, to promote the land use planning policies and principles outlined in Section 2.0 of this Plan, proposals for industrial use in Area 3 (West Harbour Area) will not be eligible for the programs 8.2 to 8.3 and 8.4 in this Plan. Proposals for residential use in Area 2 (Older Industrial Area) will not be eligible for programs 8.2 and 8.3 or 8.4 in this Plan. Proposals for residential use in Area 2 will be eligible for the SGP (Program 8.1) only if they are for a conversion from a former industrial/commercial use to a residential use, and meet all of the requirements of this Plan and all other planning policies and requirements of the City. In order to preserve some flexibility to respond to unique situations, the City reserves the right to make exceptions to these general program requirements. A property may not receive a financial assistance under RGP and TAP at the same time. Tax assistance under the TAP will cease if and when a property is eligible to receive a grant under the RGP.

## **8.1 ERASE Study Grant Program (SGP)**

### **8.1.1 Purpose**

There is very little information on the existence, type, and extent of contamination, as well as the estimated cost of site remediation for brownfield properties in the Project Area. This lack of information is one of the key stumbling blocks in the redevelopment of brownfield properties because it inhibits interest in the redevelopment of these properties, as both property owners and purchasers are often reluctant to undertake and fund environmental studies.

The purpose of this program is to promote the undertaking of environmental studies so that more and better information is available with respect to the type of contamination and potential remediation costs on brownfield properties. As Phase I ESA's have become a standard requirement of most financial institutions and do not provide detailed information with respect to the type of contamination and cost of remediation, Phase I ESA's are not eligible for funding under this program.

## **8.2 ERASE Redevelopment Grant Program (RGP)**

### **8.2.1 Purpose**

The purpose of this program is to remove a serious financial impediment to brownfield redevelopment efforts, namely the large tax increase that can result when a brownfield property is redeveloped. The intent of the RGP is to encourage environmental remediation, rehabilitation, redevelopment and adaptive re-use of brownfield sites. Therefore, only those brownfield redevelopment projects that result in an increase in property assessment and taxes will be eligible for funding under the RGP. The RGP also leverages public sector investment and encourages development that would otherwise not take place without this incentive program.

## **8.3 ERASE Tax Assistance Program (TAP)**

### **8.3.1 Purpose**

The purpose of the TAP is similar to the RGP, i.e., to remove a serious financial impediment to brownfield redevelopment efforts, namely the large tax increase that can result when a brownfield property is redeveloped. Specifically, the TAP applies only to the costs of environmental remediation.

The legislative authority for the TAP is established under Sections 365.1(2) and (3) of the *Municipal Act* which allow municipalities to pass a by-law providing tax assistance to an eligible property in the form of a freeze or cancellation of part or all of the taxes levied on that property for municipal and school purposes during the rehabilitation period (maximum 18 months from the date that tax assistance begins) and the development period of the property. Matching assistance from the education property tax is subject to approval by the Ministry of Finance.

## **8.4 Downtown Hamilton / West Harbourfront Remediation Loan Pilot Program (RLP)**

### **8.4.1 Purpose**

The purpose of this program is to help remove a serious financial impediment to brownfield redevelopment efforts. Because it is often difficult to secure traditional financing for the remediation of contaminated properties, the City, by providing a low interest loan, is offering financing assistance and the economic stimulus for the remediation of properties being developed/redeveloped as residential or residential/commercial use within the defined areas of Downtown Hamilton and the West Harbourfront.

## **8.5 ERASE Municipal Acquisition and Partnership Program (MAPP)**

### **8.5.1 Purpose**

The purpose of the MAPP is for the City to create awareness of brownfield redevelopment opportunities and funding through municipal leadership in property acquisition, investment and municipal financial involvement in pilot projects to clean up and redevelop brownfield sites in the Project Area. The City of Hamilton already owns brownfield properties in the Project Area and it is in the best interests of the City to assess, clean up and prepare these sites for redevelopment.

The legislative authority for the MAPP is established under Sections 28(3) and 28(6) of the *Planning Act*.

Once a Community Improvement Project Area has been designated and a CIP is approved, Section 28 of the Planning Act allows a municipality to:

- a) acquire, hold, clear, grade or otherwise prepare land for community improvement;
- b) construct, repair, rehabilitate or improve buildings on land acquired or held by it in conformity with the community improvement plan; and,
- c) sell, lease, or otherwise dispose of any land and buildings acquired or held by it in conformity with the community improvement plan.

Funding sources for the MAPP program are outside the scope of the *Planning Act*, and do not require the approval of the Minister of Municipal Affairs and Housing.

## **8.6 ERASE Marketing and Opportunities Program (MOP)**

### **8.6.1 Purpose**

The significant financial incentive programs contained in this Plan are designed to make brownfield redevelopment opportunities in the Project Area much more attractive, but they cannot be effectively utilized if property owners, developers and others in the Project Area are not aware of these program. Also, there are brownfield redevelopment opportunities throughout the Project Area, but developers, potential end users, and support professionals are often not aware of these opportunities. Therefore, one purpose of the ERASE MOP is to aggressively and regularly communicate and explain the ERASE Programs to brownfield market makers. This includes property owners, the development industry, real estate professionals, environmental consultants, planning consultants, lawyers, accountants and other support professionals. Another purpose of the MOP is to advertise and market publicly and privately owned brownfield redevelopment opportunities. The MOP program is outside the scope of the *Planning Act*, and does not require the approval of the Minister of Municipal Affairs and Housing.

## **9.0 ERASE DEVELOPMENT CHARGE REDUCTION (DCR) PROGRAM**

### **9.1 Purpose**

The Urban Area (Project Area) is already fully serviced with municipal services. While there may be some minimal draw on municipal services as a result of redevelopment in this area, the use of these services which have already been paid for, could result in a significant public benefit by reducing urban sprawl and its related costs (hard and soft services).

To promote development in the Downtown Community Improvement Project Area, the City exempts commercial and residential development charges in the Downtown Community Improvement Project Area. A similar program to exempt development charges on environmentally impaired properties in the ERASE Community Improvement Project Area is proposed. The purpose of this program is to promote redevelopment on brownfield sites by allowing the reduction of development charges payable by environmental remediation expenses.

As the proposed ERASE DCR Program will require changes to the Development Charges By-law to be implemented, its implementation does not fall within the parameters of Section 28(7) of the *Planning Act*. Therefore, the ERASE DCR Program does not form part of this Plan, but will be forwarded to Council as part of the current review of the City's Development Charges By-law.

## **10.0 PROGRAM MONITORING AND ADJUSTMENT**

The Economic Development Department will monitor participation in ERASE programs, including the variables listed below in Figure 7 on an individual project and aggregate basis. The Department will report annually to Council regarding monitoring and program performance. Based on monitoring results and feedback obtained from applicants and members of the Brownfield Redevelopment Task Force, the City may periodically review and adjust the terms and requirements of the programs including changes to expiration dates, or discontinue any of the programs described in this Plan, without amendment to the Plan.

Any Changes to the detailed implementation measures to allow for the efficient administration of these programs shall be adopted by Council resolution. These administrative procedures are set out in Appendices A - F in the CIP.

**Figure 7 Brownfield Variables To Be Monitored**

<b>PROGRAM / VARIABLE</b>
<b>8.1 ERASE Study Grant Program (SGP)</b>
<ul style="list-style-type: none"><li>▪ Number of applications</li><li>▪ Type of ESA (Phase II), risk assessment or remedial work plan</li><li>▪ Cost of ESAs risk assessment or remedial work plan</li><li>▪ Cost of SGP Grants</li><li>▪ Number of ESA's, risk assessment or remedial work plan receiving grants that lead to RGP applications and/or actual clean up and redevelopment projects</li></ul>
<b>8.2 ERASE Redevelopment Grant Program (RGP)</b>
<ul style="list-style-type: none"><li>▪ Number of applications</li><li>▪ Breakdown of eligible costs by type</li><li>▪ Total cost of RGP grants</li><li>▪ Hectares (acres) of land cleaned up/redeveloped</li><li>▪ Industrial/commercial space (sq.ft.) constructed or refurbished</li><li>▪ Residential units/(sq.ft.) constructed</li><li>▪ Value of private sector investment leveraged</li><li>▪ Estimated increase in assessed value</li><li>▪ Estimated increase in municipal and education taxes</li><li>▪ Jobs created/retained</li></ul>
<b>8.3 ERASE Tax Assistance Program (TAP)</b>
<ul style="list-style-type: none"><li>▪ Cost of municipal and education tax assistance provided</li><li>▪ Same variables as in 8.2 above</li></ul>
<b>8.4 Downtown Hamilton / West harbourfront Remediation Loan Pilot Program</b>
<ul style="list-style-type: none"><li>▪ Number of applications</li><li>▪ Breakdown of eligible costs by type</li><li>▪ Total cost of RGP grants</li><li>▪ Hectares (acres) of land cleaned up/redeveloped</li><li>▪ Industrial/commercial space (sq.ft.) constructed or refurbished</li><li>▪ Residential units/(sq.ft.) constructed</li><li>▪ Value of private sector investment leveraged</li><li>▪ Estimated increase in assessed value</li><li>▪ Estimated increase in municipal and education taxes</li><li>▪ Jobs created/retained</li></ul>
<b>8.5 ERASE Municipal Acquisition and Partnership Program (MAPP)</b>
<ul style="list-style-type: none"><li>▪ Pilot project funding by purpose (studies, remediation, other)</li><li>▪ Same variables as in 8.2 above</li></ul>
<b>8.6 ERASE Marketing and Opportunities Program</b>
<ul style="list-style-type: none"><li>▪ Marketing costs and activities</li><li>▪ Enquiries</li></ul>

## 11.0 CONCLUSION

This ERASE Community Improvement Plan is a comprehensive framework containing a set of programs that are designed to improve economic opportunities and environmental conditions in the Project Area and achieve the community improvement goals of this Plan. The Plan is based on a “public good” rationale because it is designed to achieve the following goals:

- a) replace underutilized contaminated, abandoned and blighted properties with productive land uses;
- b) increase tax assessment and revenues for the City of Hamilton and the Province of Ontario;
- c) retain and increase employment opportunities;
- d) reduce urban sprawl and its related costs;
- e) improve the physical and visual quality of the urban area;
- f) improve environmental health and safety;
- g) increase the provision of city core housing opportunities; and,
- h) stimulate private investment activity and private property maintenance.

The goals of this CIP are consistent with and build upon the community improvement goals in the former Regional Municipality of Hamilton-Wentworth Official Plan and Vision 2020. The preparation and adoption of this ERASE CIP is in conformity with, and supported by, existing planning policies. This Plan, through its programs, also emphasizes particular land uses in various areas within the Project Area that are in keeping with future planned land uses.

The approval of this Plan will provide the legislative basis and context for this comprehensive set of programs, and will foster the redevelopment and revitalization of brownfields in Hamilton.

## 12.0 REFERENCES

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# PART C

## APPENDICES



## **APPENDIX A**

### **8.1 ERASE Study Grant Program (SGP)**

#### **8.1.1 Purpose**

There is very little information on the existence, type, and extent of contamination, as well as the estimated cost of site remediation for brownfield properties in the Project Area. This lack of information is one of the key stumbling blocks in the redevelopment of brownfield properties because it inhibits interest in the redevelopment of these properties, as both property owners and purchasers are often reluctant to undertake and fund environmental studies.

The purpose of this program is to promote the undertaking of environmental studies so that more and better information is available with respect to the type of contamination and potential remediation costs on brownfield properties. As Phase I ESA's have become a standard requirement of most financial institutions and do not provide detailed information with respect to the type of contamination and cost of remediation, Phase I ESA's are not eligible for funding under this program.

#### **8.1.2 Program Description**

The SGP will provide a financial incentive in the form of a matching grant equal to 50% of the cost of a Phase II ESA, risk assessment or remedial work plan (excluding G.S.T), to a maximum of:

- a) \$20,000 per study;
- b) two studies per property/project;
- c) \$25,000 per property/project;

The SGP will commence on or after the date of approval of this CIP, and will continue for a period of approximately five (5) years from the date of approval of this CIP by Council, subject to the availability of funding as approved by Council.

The SGP is an application based program. Review and evaluation of the application and supporting materials against program eligibility requirements will be done by City staff and a decision on the grant application will be made by City staff. Applications will be processed and approved on a first come, first serve basis, subject to a higher priority being placed on SGP applications where planning applications have already been approved or submitted, and applications that are in key strategic locations and/or in areas of greatest need, as may be identified by the City from time to time.

The grant will be paid on the lesser of a cost estimate provided by the qualified person conducting the study or the actual cost of the study. Property owners may assign the grant to non-owners, otherwise known as assignees. For example, some property owners may wish to enable prospective purchasers to be eligible for a study grant. Assignees are eligible to apply for this grant, subject to providing the municipality with written consent from the owner to conduct the study and provided that the property owner has assigned the grant to their assignee.

Grants approved under this program would be provided to property owners or their

assignees following submission of the final completed study with the original invoice, indicating that the study consultants have been paid in full. One hard copy and one electronic copy of the environmental study will be provided to the City for its inspection, review and retention. The applicant will agree to provide the City with permission to notify any other subsequent project proponents of the existence of an environmental study or studies, but said study or studies will not be released by the City.

The City reserves the right to audit the cost of the study. The grant may be reduced or cancelled if the study is not completed, not completed as approved, or if the environmental consultant(s) that conducted the study are not paid. Notwithstanding any representation by or on behalf of the City, or any statement contained in the program, no right to any grant arises until it has been duly authorized by the City. The City is not responsible for any costs incurred by the Owner/Applicant in any way relating to the program, including without limitation, costs incurred in anticipation of a grant. The City may discontinue this program at any time, but applicants with approved grants will still receive a grant subject to meeting the program eligibility requirements.

### 8.1.3 Eligibility Requirements

All owners and their assignees within the ERASE Community Improvement Project Area are eligible to apply for funding under this program, subject to meeting the general program requirements in Section 8.0, the following eligibility requirements and subject to the availability of funding as approved by City Council:

- a) An application for the SGP must be submitted to the City prior to the start of any environmental study to which the grant will apply;
- b) Assignees are eligible to apply for the SGP only if they can provide written consent to conduct the study from the owner of the property;
- c) Environmental studies shall be for the purpose of:
  - i) confirming and describing contamination at the site (partial or complete Phase II ESA); and,
  - ii) developing a plan to remove, treat, or otherwise manage contamination found on the site (Remedial Work Plan or Risk Assessment);
- d) Applicants must submit to the City a Phase I ESA that demonstrates that site contamination is likely;
- e) Applications will include:
  - a) a brief proposal for the environmental study;
  - ii) a detailed study work plan;
  - iii) a cost estimate for the study; and,
  - iv) a description of the planned redevelopment, including any planning applications that have been submitted/approved;
- f) All environmental studies shall be completed by a “qualified person” as defined by the *Environmental Protection Act* and its regulations;
- g) All completed environmental studies must comply with the description of the studies as provided in the grant application form;
- h) One (1) electronic and one (1) hard copy of the study findings shall be submitted to the City;
- i) A maximum of two (2) study grants will be awarded for any property, to a maximum of

- \$20,000 (excluding G.S.T) per study and \$25,000 (excluding G.S.T) per property/project;
- j) The City reserves the right to audit the costs of studies prior to advancing the grant payment;
  - k) The total value of any grant(s) provided under this program will be deducted from eligible program costs for the ERASE RGP, if applicable.

#### **8.1.4 Administration**

The Economic Development Department will be responsible for administering the SGP, in consultation with other departments as necessary. Applications shall be submitted to the Economic Development Department and shall include a detailed work plan and cost estimate for the required study. Applications must be accompanied by a Phase I ESA that demonstrates site contamination is likely.

Program eligibility will be determined by the Economic Development Department, in consultation with other departments as necessary. Applications will be approved by the Economic Development Department only if they meet the criteria specified in this Plan and any other requirements of the City.

If an application is approved, the applicant will be sent a letter that outlines the terms and the amount of the grant. The grant amount will be based on 50% of the estimated cost of the study (excluding G.S.T) or 50% of the actual cost of the study (excluding G.S.T), whichever is less. If an application is not approved, the applicant will be advised by letter.

Upon receipt of one (1) hard copy and (1) electronic copy of the final study report with the original invoice indicating that the study consultants have been paid in full, the Economic Development Department shall review the report for conformity with the submitted work plan and eligibility criteria. If the submitted report does not conform to the submitted work plan or is not to the satisfaction of the City, the applicant will be given an opportunity to modify the report. Once the report conforms to the submitted work plan and is to the satisfaction of the City, the Economic Development Department will authorise the Finance Department to issue a cheque to the applicant equivalent to the grant amount.

## APPENDIX B

### 8.2 ERASE Redevelopment Grant Program (RGP)

#### 8.2.1 Purpose

The purpose of this program is to remove a serious financial impediment to brownfield redevelopment efforts, namely the large tax increase that can result when a brownfield property is redeveloped. The intent of the RGP is to encourage environmental remediation, rehabilitation, redevelopment and adaptive re-use of brownfield sites. Therefore, only those brownfield redevelopment projects that result in an increase in property assessment and taxes will be eligible for funding under the RGP. The RGP also leverages public sector investment and encourages development that would otherwise not take place without this incentive program.

#### 8.2.2 Program Description

The RGP will provide a financial incentive in the form of a grant to help offset the cost of environmental remediation and rehabilitation of brownfield properties where redevelopment results in a re-valuation and tax increase on these properties. The RGP will be offered as a tax-increment grant on a “pay-as-you go” basis. The developer will initially pay for the entire cost of the remediation and redevelopment project. Then, when the municipality receives the incremental property taxes that result from the project, the municipality will reimburse the applicant or assignee in the form of an annual grant equivalent to 80% of the increase in City taxes that result from redevelopment. Each year, the property owner must first pay taxes owing and then the approved applicant or assignee will receive the grant. In no case will the total amount of the grant provided under this program exceed the value of the work done under eligible program costs that resulted in the assessment increase. Also, in no case, will the total amount of the grants provided under this program, the SGP (8.1), and the tax assistance provided under the Tax Assistance Program (TAP) (8.3) exceed the total cost of rehabilitating the land and buildings.

The grant provided under the RGP will equal 80% of the increase in the City portion of property taxes. The remaining 20% of the increase in the City portion of property taxes will be dedicated to the ERASE Municipal Acquisition and Partnership Program (MAPP) (see Section 8.4).

The RGP will commence on or after the date of approval of this CIP, and will continue for a period of approximately ten (10) years from the date of approval of this CIP by the Minister of Municipal Affairs and Housing. All grant payments will cease:

- a) when total grant payments provided under this program equal the total value of work done under “eligible program costs” that resulted in the re-valuation; or
- b) after ten (10) years; whichever comes first.

The RGP is an application based program. As early as possible in the development approvals process, a property owner will register their intent to participate in the program by filing an ERASE RGP Application with the Economic Development Department. Before accepting this application, the Economic Development Department will screen the application to ensure that it is for a property within the designated Community Improvement Project Area and the application meets the eligibility requirements. Applications that are not within the

Project Area or applications that clearly do not meet the eligibility requirements will not be accepted. Acceptance of the application by the Economic Development Department City in no way implies grant approval.

Applications will be processed and approved on a first come, first serve basis. Review and evaluation of the application and supporting materials against program eligibility requirements will be done by City staff. The applicant participating in the RGP must enter into an agreement with the City. This Agreement will specify the terms and conditions of the grant. All RGP applications and agreements will be subject to approval by City Council or Council's designate.

The amount of City taxes ("base rate") will be determined before commencement of the project. The increase in the municipal portion of real property taxes (or "municipal tax increment") will be calculated as the difference between the base rate and the amount of City taxes levied as a result of re-valuation by the Municipal Property Assessment Corporation (MPAC) following project completion. The municipal tax increment will be used to fund the grant. This program does not exempt property owners from an increase/decrease in municipal taxes due to a general tax rate increase/decrease, or a change in assessment for any other reason.

The applicant shall obtain and submit to the City a Phase II ESA and/or risk assessment undertaken by a qualified person that:

- a) identifies the extent and provides a cost estimate for the environmental remediation of the eligible property; and,
- b) contains a detailed work plan and budget for said environmental remediation.

The applicant will be required to submit a detailed work plan and cost estimate for the demolition and on-site improvement of public works that is eligible for the RGP.

The actual component costs for all eligible cost items will be supplied to the City upon completion of the project. Payment of the grant will be based on the City's review and satisfaction with all reports and documentation submitted outlining the full scope and cost of the work completed. Any and all of these costs may be subject to audit, at the expense of the property owner. The grant may be reduced or cancelled if the eligible work is not completed, or not completed as approved.

If during the course of the work, the scope of the work changes, or actual costs are greater or less than estimated costs, the City reserves the right to increase or decrease the total amount of the grant. The annual grant payment will be based on the actual increase in property taxes as calculated based on the actual re-valuation by the MPAC following project completion.

The City may discontinue the RGP at any time. However, participants in the RGP with applications and agreements that were approved prior the closing of the program will continue to receive grant payments as determined through their RGP Agreement with the City. The City is not responsible for any costs incurred by the owner/applicant in any way relating to the program, including without limitation, costs incurred in anticipation of a grant.

### 8.2.3 Eligibility Requirements

All owners of properties within the ERASE Community Improvement Project Area are eligible to apply for funding under this program, subject to meeting the general program requirements in Section 8.0, the following eligibility requirements, and subject to availability of funding as approved by Council:

- a) An application for the RGP must be submitted to the Economic Development Department prior to the commencement of any works and prior to application for building permit;
- b) Such application shall include reports, plans, estimates, contracts and other details as may be required to satisfy the City with respect to the eligible costs of the project and conformity of the project with the CIP;
- c) The applicant shall obtain and submit to the City a Phase II ESA and/or risk assessment undertaken by a qualified person that:
  - i) identifies the extent and provides a cost estimate for the environmental remediation of the eligible property; and,
  - ii) contains a detailed work plan and budget for said environmental remediation;
- d) As a condition of the grant application, the City may require the applicant to submit a Business Plan, with said Plan to the City's satisfaction;
- e) The property shall be redeveloped such that the amount of work undertaken is sufficient to at a minimum result in an increase in the assessed value of the property;
- f) The total value of the grant provided under this program shall not exceed the total value of work done under eligible program costs;
- g) Eligible program costs include the costs of:
  - i) environmental remediation, i.e., the cost of any action taken to reduce the concentration of contaminants on, in or under the eligible property to permit a record of site condition (RSC) to be filed for the proposed use by a qualified person, including costs of preparing the RSC;
  - ii) Phase II and ESA's, risk assessments or remedial work plans not covered by the SGP;
  - iii) installing environmental and/or engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment and/or Certificate of Property Use
  - iv) monitoring, maintaining and operating environmental and/or engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment and/or Certificate of Property Use
  - v) the following Leadership in Energy and Environmental Design (LEED) Program components up to a maximum of 50% as per the City of Hamilton's LEED Grant Program (LGP) to achieve LEED certification under the LEED rating system by the Canadian Green Building Council - CaGBC
    - a) incremental construction costs,
    - b) consultation costs,
    - c) energy modeling, and

- d) certification fees
- vi) demolition not covered by demolition charge credits (Areas 2 and 3 only);
- vii) removal of existing on-site infrastructure prior to replacement up to a maximum of 25% of construction/improvement costs for of on-site public works (water services, sanitary sewers and storm sewers) (Areas 2 and 3 only);
- viii) Certain relocation/removal costs for existing and operating industrial manufacturing and transportation uses, where such costs relate to or contribute directly to the actual remediation and rehabilitation of the site (Area 3 only).
- h) The total of the grant provided under this program and the SGP (8.1), and the tax assistance provided under the Tax Assistance Program (TAP) (8.3) and grants or loans provided under any other applicable Community Improvement Plan shall not exceed the total cost of rehabilitating the land and buildings.
- i) Actual costs for any or all of the items in eligible program costs above may be subject to audit by the City, at the expense of the property owner;
- j) All property owners participating in this program will be required to enter into an agreement with the City which will specify the terms and conditions of the grant.
- k) All RGP applications and agreements must be approved by City Council or City Council's designate;
- l) The owner shall submit to the Environmental Site Registry under section 168.4 of the *Environmental Protection Act*, a record of site condition prepared by a qualified person. The owner shall notify the City when the record of site condition has been submitted.
- m) The City reserves the right to require the submission to the City's satisfaction, of environmental reports and documentation showing the subject property has been remediated to the appropriate levels for the proposed use.
- n) If a building(s) erected on a property participating in this program is demolished before the grant period expires, the remainder of the monies to be paid out under the grant shall be forfeited;
- 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 zoning requirements and approvals;
- p) Outstanding work orders and/or orders or requests to comply from the City must be satisfactorily addressed prior to grant approval.

#### **8.2.4 Administration**

The Economic Development Department will be responsible for administering the RGP, in consultation with other departments as necessary. Applications shall be submitted to the Economic Development Department and shall be accompanied by a Phase II ESA and/or risk assessment undertaken by a qualified person that:

- i) identifies the extent and provides a cost estimate for the environmental remediation, installation, monitoring, maintaining and operating environmental and/or engineering controls/works of the eligible property; and,

- ii) contains a detailed work plan and budget for said environmental remediation, installation, monitoring, maintaining and operating environmental and/or engineering controls/works;

In addition, a cost estimate for all eligible LEED program component costs by a LEED's certified specialist must be provided.

Applicants will be required to have a pre-application consultation meeting with City staff in order to determine program eligibility, proposed scope of work, project timing, etc...

Applications shall be submitted to the Economic Development Department and shall include a detailed work plan and cost estimate for the proposed eligible works. Said work plan and cost estimate will be supported by a Phase II ESA and/or risk assessment undertaken by a qualified person that identifies the estimated cost of environmental remediation and a written contractor's estimate for other eligible works. The City may also require a Business Plan.

Before accepting an application, City staff will screen the application. If the application is not within the community improvement project area or the application clearly does not meet the program eligibility requirements, the application will not be accepted. Acceptance of the application by the City in no way implies grant approval.

Program eligibility will be determined by the Economic Development Department, in consultation with other departments as necessary. Applications will be recommended for approval only if they meet the criteria specified in this Plan and any other requirements of the City.

A recommendation on the RGP Application (including estimated eligible costs) and a RGP Agreement will be forwarded to City Council (or Council's designate) for consideration. Once City Council (or Council's designate) approves the RGP Application, the RGP Agreement will be forwarded to the applicant for signature. Once the applicant has signed the agreement, the agreement will then be executed by City officials and a copy will be provided to the applicant. The City may require the applicant to register the agreement on title immediately upon execution of the agreement.

The Owner shall submit to the MOE a signed record of site condition (RSC) prepared by a qualified person, and the Owner shall submit to the City an acknowledgement of receipt of the RSC by the MOE. The City reserves the right to require the submission to the City's satisfaction, of environmental reports and documentation showing the subject property has been remediated to the appropriate levels for the proposed use.

Once the redevelopment project is complete and the property has been re-valued by the MPAC, the property owner will be sent a new tax bill. After the property owner has paid in full the new taxes for one (1) year, the City will check to see that the property is not in tax arrears and that the property is still in conformity with the terms of the RGP Agreement. The City will calculate the actual tax increment and grant payment. The City will then issue payment of the grant in the form of a cheque in the amount specified as per the calculation of the actual grant payment.

## APPENDIX C

### 8.3 ERASE Tax Assistance Program (TAP)

#### 8.3.1 Purpose

The purpose of the TAP is similar to the RGP, i.e., to remove a serious financial impediment to brownfield redevelopment efforts, namely the large tax increase that can result when a brownfield property is redeveloped. Specifically, the TAP applies only to the costs of environmental remediation.

The legislative authority for the TAP is established under Sections 365.1(2) and (3) of the *Municipal Act* which allow municipalities to pass a by-law providing tax assistance to an eligible property in the form of a freeze or cancellation of part or all of the taxes levied on that property for municipal and school purposes during the rehabilitation period (maximum 18 months from the date that tax assistance begins) and the development period of the property. Matching assistance from the education property tax is subject to approval by the Ministry of Finance.

#### 8.3.2 Program Description

The Tax Assistance Program consists of two stages. In the first stage, taxes may be frozen. In the second stage, the developer will initially pay for the entire cost of the remediation and redevelopment project. When the municipality receives the incremental property taxes that result from the project, the municipality may cancel a portion of the increase in City taxes that result from redevelopment. The tax assistance will continue for a period of up to three years, at which point, if the City so chooses, continued assistance may be offered either through TAP or through the ERASE Redevelopment Grant Program (RGP).

Under the TAP, 80% of the increase in the City and education portion of taxes that results from remediation and rehabilitation of the property will be cancelled. Cancellation of the education portion of taxes will only be undertaken if the City of Hamilton receives the approval of the Minister of Finance. Approval for the education portion of the property tax under the TAP may be provided by the Minister of Finance on a case-by-case basis by means of individual applications. The remaining 20% of the increase in the City portion of property taxes will be dedicated to the ERASE Municipal Acquisition and Partnership Program (MAPP) (see Section 8.4). The remaining 20% of the increase in the education portion of property taxes will be remitted to the Province of Ontario.

The TAP will commence on or after approval of this CIP, and the TAP will continue for a period of approximately ten (10) years from the date of approval of this CIP by the Minister of Municipal Affairs and Housing. All tax assistance provided under the TAP to a property will cease:

- a) when the total tax assistance provided equals the total cost of environmental remediation, i.e., the costs of any action taken to reduce the concentration of contaminants on, in or under the property to permit a record of site condition (RSC) to be filed in the Environmental Site Registry under Section 168.4 of the *Environmental Protection Act*; or,
- b) after ten (10) years for the municipal portion of taxes, and after such time period as is approved by the Minister of Finance for the education portion of the taxes; whichever comes first.

If tax assistance is approved by the Minister of Finance, the timing and conditions associated with matching tax assistance relating to the education portion of taxes may be different from those of the municipality. Education Tax Assistance will be to a maximum of a 3 year period unless otherwise approved by the Minister of Finance.

The TAP is an application based program. As early as possible in the development approvals process, a property owner will register their intent to participate in the grant program by filing an ERASE TAP Application with the Economic Development Department. Before accepting this application, the Economic Development Department will screen the application to ensure that it is for a property within the designated Community Improvement Project Area and the application meets all of the eligibility requirements. Applications that are not within the Project Area or applications that clearly do not meet the eligibility requirements will not be accepted. Acceptance of the application by the Economic Development Department City in no way implies grant approval.

Applications will be processed and approved on a first come, first serve basis. Review and evaluation of applications and supporting materials against program eligibility requirements will be done by City staff. The applicant participating in the TAP must enter into an agreement with the City. This Agreement will specify the terms and conditions of the tax assistance. All TAP applications and agreements will be subject to approval by City Council or Council's designate.

The amount of City taxes ("city base rate") and the amount of education taxes ("education base rate") will be determined before commencement of the project and before the record of site condition is filed in the Environmental Site Registry. For stage 1 of the TAP, taxes may be frozen at this city base rate and, if approval granted by the Minister of Finance, education base rate. For stage 1 of the TAP, taxes may be frozen. For stage 2 of the TAP, the increase in the City portion of real property taxes (or "municipal tax increment") will be calculated as the difference between the city base rate and the amount of City taxes levied as a result of re-valuation by MPAC following project completion. The increase in the education portion of real property taxes (or "education tax increment") will be calculated as the difference between the education base rate and the amount of education taxes levied as a result of re-valuation by MPAC following project completion. This program does not exempt property owners from an increase/decrease in municipal or education taxes due to a general tax rate increase/decrease, or a change in assessment for any other reason.

The applicant shall obtain and submit to the City a Phase II ESA , risk assessment and/or remedial work plan undertaken by a qualified person that:

- a) identifies the extent and provides a cost estimate environmental remediation of the eligible property; and,
- b) contains a detailed work plan and budget for said environmental remediation.

To qualify for education tax assistance, the subject property, as of the date of the phase two environmental site assessment was completed, did not meet the standards that must be met under subparagraph 4 i of subsection 168.4 (1) of the *Environmental Protection Act* to permit a record of site condition to be filed under that subsection in the Environmental Site Registry. The actual component costs of the environmental remediation work done will be supplied to the City upon completion of the project. Provision of the tax assistance will be based on the City's review and satisfaction with all reports and documentation submitted outlining the full scope and cost of the work completed. Any and all of these costs may be subject to an

independent audit, at the expense of the property owner.

If during the course of the work, the scope of the work changes, or actual costs are greater or less than estimated costs, the municipality reserves the right to increase or decrease the total amount of the tax assistance, subject to any conditions or restrictions with respect to taxes for school purposes as required by the Minister of Finance. The actual amount of the tax assistance will be based on the actual increase in property taxes as calculated based on the actual re-valuation by the MPAC, following project completion.

The City may discontinue the TAP at any time. However, participants in the TAP with applications and agreements that were approved prior the closing of the program will continue to receive tax assistance as determined through their TAP Agreement with the City. No right to any tax assistance until it has been duly authorized by the City. The City is not responsible for any costs incurred by the owner/applicant in any way relating to the program, including without limitation, costs incurred in anticipation of tax assistance in stage two of the TAP (e.g., after project completion).

### 8.3.3 Eligibility Requirements

All owners of property within the ERASE Community Improvement Project Area are eligible to apply for funding under this tax assistance program, subject to meeting the general program requirements in Section 8.0, the following eligibility requirements, and subject to availability of funding as approved by Council:

- a) An application for the TAP must be submitted to the Economic Development Department prior to the filing of a record of site condition in the Environmental Site Registry under section 168.4 of the *Environmental Protection Act*, and prior to the commencement of any works and prior to application for building permit;
- b) Such application shall include reports, plans, estimates, contracts and other details as may be required to satisfy the City with respect to the eligible costs of the project and conformity of the project with the CIP;
- c) As soon as possible the applicant shall obtain and submit to the City a Phase II ESA and/or risk assessment undertaken by a qualified person that:
  - i) identifies the extent and provides a cost estimate for the environmental remediation of the eligible property; and,
  - ii) contains a detailed work plan and budget for said environmental remediation;
- d) As a condition of the tax assistance application, the City may require the applicant to submit a Business Plan, with said Plan to the City's satisfaction;
- e) The property shall be redeveloped such that the amount of work undertaken is sufficient to at a minimum result in an increase in the assessed value of the property;
- f) The total value of the tax assistance provided under this program shall not exceed the total value of work done under eligible program costs;
- g) Eligible program costs include the costs of:
  - i) environmental remediation, i.e., the cost of any action taken to reduce the concentration of contaminants on, in or under the eligible property to permit a record of site condition (RSC) to be filed for the proposed use by a qualified person, including costs of preparing the RSC;

- ii) Phase II ESAs, risk assessments and remedial work plans not covered by the SGP;
  - iii) installing environmental and/or engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment and/or Certificate of Property Use
  - iv) monitoring, maintaining and operating environmental and/or engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment and/or Certificate of Property Use
- h) The total of the tax assistance provided under this program, and any grants provided under the SGP (8.1) and the RGP (8.2), and grants and loans provided under any other applicable Community Improvement Plan shall not exceed the total cost of rehabilitating the lands and buildings.
- i) Actual costs for any or all items in eligible program costs above may be subject to audit by the City, at the expense of the property owner;
- j) All property owners participating in this program will be required to enter into an agreement with the City which will specify the terms and conditions of the tax assistance;
- k) All TAP applications and agreements must be approved by City Council or City Council's designate;
- l) The owner shall submit to the Environmental Site Registry under section 186.4 of the *Environmental Protection Act*, a record of site condition prepared by a qualified person. The owner shall notify the City when the record of site condition has been submitted.
- m) The City reserves the right to require the submission to the City's satisfaction, of environmental reports and documentation showing the subject property has been remediated to the appropriate levels for the proposed use.
- n) If a building(s) erected on a property participating in this program is demolished before the tax assistance period expires, the remainder of the tax assistance shall be forfeited;
- 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 zoning requirements and approvals;
- p) Outstanding work orders and/or orders or requests to comply from the City must be satisfactorily addressed prior to tax assistance approval;
- q) For all applications for the TAP that meet the eligibility requirements for matching tax assistance under the provisions of section 365.1 of the *Municipal Act, 2001*, the City will forward a separate application to the Minister of Finance in order that the Minister may consider providing matching education property tax assistance.

### 8.3.4 Administration

The Economic Development Department will be responsible for administering the TAP, in consultation with other departments as necessary.

Applicants will be required to have a pre-application consultation meeting with City staff in order to determine program eligibility, proposed scope of work, project timing, etc.

Applications shall be submitted to the Economic Development Department and shall include a detailed work plan and cost estimate for the proposed eligible works. Said work plan and cost estimate will be supported by a Phase II ESA and/or Phase III ESA/SSRA undertaken by a qualified person that identifies the estimated cost of environmental remediation. The City may also require a Business Plan.

Before accepting an application, City staff will screen the application. If the application is not within the community improvement project area or the application clearly does not meet the program eligibility requirements, the application will not be accepted. Acceptance of the application by the City in no way implies grant approval.

Program eligibility will be determined by the Economic Development Department, in consultation with other departments as necessary. Applications will be recommended for approval only if they meet the criteria specified in this Plan and any other requirements of the City.

A recommendation on the TAP Application and a TAP Agreement will be prepared by City staff. Staff will also prepare a Draft by-law under Section 365.1 of the Municipal Act to effect tax assistance equal to 80% of the increase in taxes levied for City, and taxes levied for school purposes. This Draft by-law will be forwarded to the Minister of Finance for approval of the tax assistance equal to the increase in taxes levied for school purposes. Once written approval of the by-law is received from the Minister of Finance, any conditions or restrictions specified by the Minister will be included in the by-law.

The recommendation on the TAP Application and the TAP Agreement will be forwarded to City Council (or Council's designate) for consideration. Once City Council (or City Council's designate) approves the TAP Application and the TAP Agreement, the TAP Agreement will be forwarded to the applicant for signature. Once the applicant has signed the agreement, the agreement will then be executed by City officials and a copy will be provided to the applicant. The implementing by-law will then be forwarded to Council for adoption. The by-law requesting matching education tax assistance will be forwarded to the Minister of Finance for approval within 30 days of Council's adoption.

The Owner shall submit to the MOE a signed RSC prepared by a qualified person, and the Owner shall submit to the City an acknowledgement of receipt of the RSC by the MOE. The City reserves the right to require the submission to the City's satisfaction, of environmental reports and documentation showing the subject property has been remediated to the appropriate levels for the proposed use.

Once the redevelopment project is complete and the property has been re-valued by the MPAC, the property owner will be sent a new tax bill from which 80% of the City tax increment and the portion of the education tax increment that will be cancelled. The remaining 20% of the increase in the City portion of property taxes will be dedicated to the

ERASE Municipal Acquisition and Partnership Program (MAPP) (see Section 8.4). The remaining portion (if any) of the increase in the education portion of property taxes will be remitted to the Province of Ontario.

## APPENDIX D

### 8.4 Downtown Hamilton / West Harbourfront Remediation Loan Pilot Program (RLP)

#### 8.4.1 Purpose

The purpose of this program is to help remove a serious financial impediment to brownfield redevelopment efforts. Because it is often difficult to secure traditional financing for the remediation of contaminated properties, the City, by providing a low interest loan, is offering financing assistance and the economic stimulus for the remediation of properties being developed/redeveloped as residential or residential/commercial use within the defined areas of Downtown Hamilton and the West Harbourfront.

#### 8.4.2 Program Description

The Hamilton Downtown/West Harbourfront Remediation Loan Pilot Program (RLP) has been developed to stimulate residential or residential / commercial development/ redevelopment on properties requiring remediation (i.e. brownfield properties) that are located within Downtown Hamilton or the West Harbourfront. Downtown Hamilton is defined as the Downtown Hamilton Community Improvement Project Area (as such boundaries are presently defined). The West Harbourfront is defined by the boundaries of the Setting Sail Secondary Plan. The Program is an “add on” to the existing ERASE Community Improvement Plan implemented by the Economic Development Division.

The Program offers a loan for the remediation of properties being developed/ redeveloped for residential or residential/commercial use. The Program will provide financial assistance through a low interest loan equal to 75% of the cost of remediating a property within the defined areas to a maximum of \$100,000 per property/project. The loan is to be a ‘bridge’ until such time as the property owner receives their ERASE Redevelopment Grant money or the Hamilton Downtown Property Improvement Grant Program.

The development/redevelopment arising from this Pilot Program must be consistent with the policies, principles and design themes contained within the Downtown Hamilton Secondary Plan, the West Harbourfront Secondary Plan, relevant Urban Design Guidelines, and Zoning By-laws as well as any other City Council approved policy/regulation.

The Program is offering financial assistance for qualifying projects through a low interest loan equal to 75% of the remediation costs of the property, up to a maximum loan per property/project of \$100,000.

The Program is not intended to provide a loan for the total development/ redevelopment of the property but solely for the remediation costs that qualify under the criteria of the ERASE Redevelopment Grant Program, excluding LEED eligible component costs.

Actual costs for which the City loan is being provided may be subject to audit.

Prior to a loan being approved, realty taxes are required to have been paid in full as billed each year and remain in good standing throughout the development/ redevelopment of the property.

The loan under this Program, once approved, will be provided to the owner, in progress payments based on 75% of the actual qualifying remediation costs incurred as evidenced by copies of paid invoices. Such progress payments will be advanced within 30 days of submission of the property owner's request for a loan draw. There will be a limit of six draws, spaced no less than 30 days apart.

The loan provided under this Program will be subject to a Loan Agreement, and will be specifically secured by an assignment of the grant payments under the ERASE Redevelopment Grant Program. Payments under the ERASE Redevelopment Grant will be applied directly to the remediation loan until such time as the loan is repaid, and any balance in the grant will then and only then flow directly to the owner.

The owner has the option of securing the loan by an assignment of the grant payments under the City of Hamilton's Hamilton Downtown Property Improvement Grant Program if eligible. *Note:* The ERASE Redevelopment Grant is transferable to new property owners. City Council at its sole discretion may cease grants under the Hamilton Downtown Property Improvement Grant Program if property ownership changes. The Hamilton Downtown Property Improvement Grant Program shall not be transferred if the development/redevelopment of the property is incomplete.

Remediation of the property will commence no longer than 1 year following City Council's approval of the loan commitment and be completed no longer than 2 years following City Council's approval of the loan commitment. The 1 and 2 year periods may be extended by City Council at its absolute discretion.

Redevelopment/development of the property will commence no longer than 3 years following City Council's approval of the loan commitment and be completed no longer than 4 years following City Council's approval. The 3 and 4 year periods may be extended by City Council at its absolute discretion.

The loan, if being repaid through the assignment of grant payments under the ERASE Redevelopment Grant Program, will be fully amortized over a maximum 10 year period calculated from the 1<sup>st</sup> full year in which the property is reassessed by MPAC. 100% of the grant amount will be applied to the repayment of the loan until the loan is fully repaid. In the event that the full 10 year grant amount is not sufficient to repay the loan in its entirety, supplemental payments will be a requirement of the applicant in order that each year through the 10 year repayment term, one-tenth of the loan amount is repaid.

The loan, if being repaid through the assignment of grant payments under the Hamilton Downtown Property Improvement Grant Program, will be fully amortized over a maximum 5 year period calculated from the 1<sup>st</sup> full year in which the property is reassessed by MPAC. 100% of the grant amount will be applied to the repayment of the loan until the loan is fully repaid. In the event that the full 5 year grant amount is not sufficient to repay the loan in its entirety, supplemental payments will be a requirement of the applicant in order that each year through the 5 year repayment term, one-fifth of the loan amount is repaid.

In the event that the development/redevelopment of the property has not proceeded within 1 year of the remediation being completed or, the owner invalidates their qualification under the ERASE Redevelopment Grant, the loan will be capped immediately (unless alternate security acceptable to the City is provided) at the drawn amount and shall be repaid in

annual installments over no longer than a 5 year period calculated from the date City Council approved the loan commitment.

Interest on the principal amount only will be repaid annually by the applicant commencing one year following the date of the first advance of the loan until such time as the repayment terms of the principal plus interest are confirmed.

The annual interest rate on the loan will be 1% below the prime rate as established by the Royal Bank of Canada. Such rate shall be established at the time the first installment of the loan is advanced by the City and reset annually on the anniversary date of the first advance.

The loan, together with interest can be prepaid in full by the owner without notice, penalty or bonus at anytime.

Approval of loan applications is at the absolute discretion of City Council and subject to availability of funds.

In order to support the redevelopment/development within the defined areas, the remediation loan may be received by an owner in conjunction with any other available municipal incentive program.

In the event of the sale, conveyance, transfer or entering into of any agreement of sale or transfer of the title of the property by the Owner, the City shall have absolute discretion to request the full repayment of any outstanding loan under this Program together with interest accrued to date.

In the case where the owner is a corporation, the owner covenants and agrees that in the event that there is a change in the effective control of the majority of the voting shares of the owner, the City shall have absolute discretion to request the full repayment of any outstanding loan under this Program together with interest accrued to date.

Regardless of whether or not an Applicant otherwise satisfies the requirements of the Program, the City may reject any application received from an applicant where, in the opinion of Council, the commercial relationship between the City and the Applicant has been impaired by, but not limited to, the applicant being involved in litigation with the City. Applicants are individuals; corporate entities and individuals behind the corporation (Officers/Directors/Shareholders).

### **8.4.3 Eligibility Requirements**

Qualifying owners are owners of properties who qualify for financing under the ERASE Redevelopment Grant Program and/or the Enterprise Zone Grant Program.

Qualifying properties are properties that fall within the Downtown Hamilton or West Harbourfront as defined by the Downtown Hamilton Community Improvement Project Area or the boundaries of the Setting Sail Secondary Plan.

Eligible program costs are the same as those established for the ERASE Redevelopment Grant Program excluding LEED eligible component costs. Eligible costs include:

- The cost of any action taken to reduce the concentration of contaminants on, in or under the eligible property to permit a record of site condition (RSC) to be filed for the proposed use by a qualified person, including costs of preparing the RSC;
- Phase II and Environment Site Assessments (ESA's), risk assessments or remedial work plans not covered by the ERASE Study Grant Program
- Installing environmental and/or engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment and/or Certificate of Property Use
- Monitoring, maintaining and operating environmental and/or engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment and/or Certificate of Property Use
- Demolition not covered by demolition charge credits (Area 3 only)
- Removal of existing on-site infrastructure prior to replacement up to a minimum of 25% of construction/improvement costs for on-site public works (water services, sanitary sewers and storm sewers) (Area 3 only)
- Certain relocation/removal costs for existing and operating industrial manufacturing and transportation uses, where such costs relate to or contribute directly to the actual remediation and rehabilitation of the site (Area 3 only).

The following terms specifically apply:

- a) The improvements made to buildings and/or land shall be in accordance with the Ontario Building Code and in compliance with all applicable City by-laws, official plans, zoning requirements and site plan approvals.
- b) All owners receiving approval for a City loan under this Program shall be required to enter into a Loan Agreement with the City.

#### **8.4.4 Administration**

The Economic Development Department will be responsible for administering the Loan, in consultation with other departments as necessary, specifically the Downtown and Community Renewal Division. Applications shall be submitted to the Economic Development Department and shall be accompanied by a Phase II ESA and/or risk assessment undertaken by a qualified person that:

- iii) identifies the extent and provides a cost estimate for the environmental remediation, installation, monitoring, maintaining and operating environmental and/or engineering controls/works of the eligible property; and,
- iv) contains a detailed work plan and budget for said environmental remediation, installation, monitoring, maintaining and operating environmental and/or engineering controls/works;

Applicants will be required to have a pre-application consultation meeting with City staff in order to determine program eligibility, proposed scope of work, project timing, etc...

Applications shall be submitted to the Economic Development Department and shall include a detailed work plan and cost estimate for the proposed eligible works. Said work plan and cost estimate will be supported by a Phase II ESA and/or risk assessment undertaken by a qualified person that identifies the estimated cost of environmental remediation and a written contractor's estimate for other eligible works. The City may also require a Business Plan.

Before accepting an application, City staff will screen the application. If the application is not within the community improvement project area or the application clearly does not meet the program eligibility requirements, the application will not be accepted. Acceptance of the application by the City in no way implies loan approval.

Program eligibility will be determined by the Economic Development Department, in consultation with other departments as necessary. Applications will be recommended for approval only if they meet the criteria specified in this Plan and any other requirements of the City.

An application fee of \$250.00.00 must accompany the application. All fees will be authorized through a user-fee by-law passed by City Council. The rate of the fees may be changed from time to time as approved by City Council.

A recommendation on the application (including estimated eligible costs) and RLP Agreement will be forwarded to City Council (or Council's designate) for consideration. Once City Council (or Council's designate) approves the RLP Application, the RLP Agreement will be forwarded to the applicant for signature. Once the applicant has signed the agreement, the agreement will then be executed by City officials and a copy will be provided to the applicant. The City may require the applicant to register the agreement on title immediately upon execution of the agreement.

The Owner shall submit to the MOE a signed record of site condition (RSC) prepared by a qualified person, and the Owner shall submit to the City an acknowledgement of receipt of the RSC by the MOE. The City reserves the right to require the submission to the City's satisfaction, of environmental reports and documentation showing the subject property has been remediated to the appropriate levels for the proposed use.

The Program is being introduced as a pilot program. Staff will review the success of the pilot program and report back to the Economic Development and Planning Committee recommending its continuance or expansion in Q1/11.

## APPENDIX E

### 8.5 ERASE Municipal Acquisition and Partnership Program (MAPP)

#### 8.5.1 Purpose

The purpose of the MAPP is for the City to create awareness of brownfield redevelopment opportunities and funding through municipal leadership in property acquisition, investment and municipal financial involvement in pilot projects to clean up and redevelop brownfield sites in the Project Area. The City of Hamilton already owns brownfield properties in the Project Area and it is in the best interests of the City to assess, clean up and prepare these sites for redevelopment.

The legislative authority for the MAPP is established under Sections 28(3) and 28(6) of the *Planning Act*.

Once a Community Improvement Project Area has been designated and a CIP is approved, Section 28 of the Planning Act allows a municipality to:

- c) acquire, hold, clear, grade or otherwise prepare land for community improvement;
- d) construct, repair, rehabilitate or improve buildings on land acquired or held by it in conformity with the community improvement plan; and,
- c) sell, lease, or otherwise dispose of any land and buildings acquired or held by it in conformity with the community improvement plan.

Funding sources for the MAPP program are outside the scope of the *Planning Act*, and do not require the approval of the Minister of Municipal Affairs and Housing.

#### 8.5.2 Program Description

The MAPP is a general program of City property acquisition, investment and involvement in pilot projects with the private sector to clean up and redevelop brownfield sites in the Project Area. Pilot projects can showcase the use of innovative tools such as new environmental remediation technologies and/or the use of environmental insurance. The City may also issue Requests for Proposals (RFP's) on municipally owned brownfield sites and/or participate in public/private partnerships to clean up and redevelop publicly and privately owned brownfield sites. This may include properties for which there has been a failed tax sale.

The MAPP will be funded from the 20% of the tax increment or tax assistance that is retained by the City as a result of properties participating in the ERASE RGP or TAP, and other monies as allocated by Council. This 20% of the tax increment or tax assistance retained by the City will be placed in a Brownfields Pilot Project (BPP) Account. As funds accrue in this account, the City may use these funds to:

- a) conduct environmental site assessments on municipally owned properties that are potentially contaminated;
- b) clean up and redevelop municipally owned brownfield properties;

- c) conduct environmental site assessments on properties controlled through the tax arrears sales process;
- d) acquire, remediate, rehabilitate and redevelop key privately owned brownfield sites;
- e) fund brownfield pilot projects (public-private partnerships) to acquire, remediate, rehabilitate and redevelop privately and publicly owned brownfield properties; and,
- f) educate and inform the public about the importance of brownfield redevelopment.

The BPP Account will function as a revolving fund with any profits from redevelopment deposited back into the fund. The funds in the BPP Account are not intended for transfer to general revenues.

The allocation of the 20% tax increment or tax assistance to the MAPP will end when the ERASE RGP and the ERASE TAP end, i.e., approximately ten (10) years. At that time, if the City wishes to continue to utilize the BPP Account to fund the MAPP, it may do so without amendment to this Plan. Alternatively, the City may return any funds remaining in the BPP Account to general revenues.

The MAPP will also allow the City to more successfully access brownfield feasibility study and remediation funding available from the federal government. The Federation of Canadian Municipalities (FCM) administers the Green Municipal Funds for the Government of Canada. The Green Municipal Enabling Fund (GMEF) is a fund that provides grants to support feasibility studies, i.e., studies that assess the technical, environmental and/or economic feasibility of innovative municipal or municipally sponsored projects. Brownfield feasibility studies are eligible under the Sustainable Community Planning category. Eligible studies include:

- a) brownfield redevelopment plans, e.g., CIP's, at a community wide level;
- b) brownfield inventories, data bases and mapping;
- c) brownfield policy and program development, e.g., financial incentive programs, planning and development approvals procedures on contaminated sites;
- d) integration of brownfield redevelopment plans into municipal land use plans;
- e) public communication and consultation costs that support an eligible brownfield redevelopment project; and,
- f) site specific development feasibility studies.

The GMEF provides grants for up to half of the cost of feasibility studies, to a maximum of \$350,000 of funding. Any municipal government in Canada, or its private or public sector partners can apply for study funding from the GMEF. The City of Hamilton was recently successful in obtaining a \$175,000 grant on behalf of a private sector partner for environmental assessment and feasibility studies.

### **8.5.3 Administration**

The Economic Development Department will be responsible for administering the MAPP, in consultation with other departments as necessary. Authority under this program would be exercised in order that redevelopment of land or buildings may occur in conformity with this Plan, subject to Council approval.

## APPENDIX F

### 8.6 ERASE Marketing and Opportunities Program (MOP)

#### 8.4.3 Purpose

The significant financial incentive programs contained in this Plan are designed to make brownfield redevelopment opportunities in the Project Area much more attractive, but they cannot be effectively utilized if property owners, developers and others in the Project Area are not aware of these program. Also, there are brownfield redevelopment opportunities throughout the Project Area, but developers, potential end users, and support professionals are often not aware of these opportunities. Therefore, one purpose of the ERASE MOP is to aggressively and regularly communicate and explain the ERASE Programs to brownfield market makers. This includes property owners, the development industry, real estate professionals, environmental consultants, planning consultants, lawyers, accountants and other support professionals. Another purpose of the MOP is to advertise and market publicly and privately owned brownfield redevelopment opportunities. The MOP program is outside the scope of the *Planning Act*, and does not require the approval of the Minister of Municipal Affairs and Housing.

#### 8.6.2 Program Description

The marketing of ERASE Programs is a multi-faceted program containing information, education and marketing components. This marketing will take the form of one or more of the following:

- a) revisions to the marketing brochure and City web site;
- b) application forms and guides on CD ROM/DVD and/or flash drives;
- c) presentations to property owners, the development industry, real estate professionals, environmental consultants, planning consultants, lawyers, accountants and other support professionals;
- d) targeted mailings to property owners within the Project Area to inform them of the ERASE Programs and other activities.

The use of RFP's on brownfield properties that the City already owns or controls through the tax arrears sales process is also part of the MOP. The City has found through experience that the use of RFP's can generate maximum exposure and developer interest in brownfield properties. The City may also collect available information on publicly and privately owned redevelopment opportunities, package and market this information to potential investors, developers and support professionals.

#### 8.6.3 Program Administration

The Economic Development Department will be responsible for administering the MOP, in consultation with other departments as necessary. The advertisement, marketing and administration of RFP's for tax arrears sales properties will be administered by the Finance Department, in consultation with the Economic Development Department.

## APPENDIX G

### 9.0 ERASE Development Charge Reduction Program (DCR)

#### 9.1 Purpose

The Urban Area (Project Area) is already fully serviced with municipal services. While there may be some minimal draw on municipal services as a result of redevelopment in this area, the use of these services which have already been paid for, could result in a significant public benefit by reducing urban sprawl and its related costs (hard and soft services).

To promote development in the Downtown Community Improvement Project Area, the City exempts commercial and residential development charges in the Downtown Community Improvement Project Area. A similar program to exempt development charges on environmentally impaired properties in the ERASE Community Improvement Project Area is proposed. The purpose of this program is to promote redevelopment on brownfield sites by allowing the reduction of development charges payable by environmental remediation expenses.

As the proposed ERASE DCR Program will require changes to the Development Charges By-law to be implemented, its implementation does not fall within the parameters of Section 28(7) of the *Planning Act*. Therefore, the ERASE DCR Program does not form part of this Plan, but will be forwarded to Council as part of the current review of the City's Development Charges By-law.

#### 9.2 Program Description

The DCR Program will provide a reduction of development charges equal to the cost of environmental remediation and LEED's certification program component costs (Items g) i), ii), iii), iv) and v) in Section 8.2.3) approved under the ERASE RGP. The applicant with an approved application and agreement for a property under the ERASE RGP will have the option of applying the costs of environmental remediation and LEED's certification program component costs on that property against development charges payable for that property (after any demolition charge credits are applied). If the applicant chooses to exercise this option, the costs of environmental remediation and LEED's certification program component costs applied against development charges payable will be deducted from eligible costs under the ERASE RGP.

In Area 2, the DCR Program will not provide development charge reduction for residential development, unless that development is a conversion from a former industrial/commercial use.

In Area 3, the DCR Program will not provide development charge reduction for industrial development.

The DCR program will commence on or after the date of approval of this CIP, and will continue for a period of approximately five (5) years from the date of introduction, subject to availability of funding as approved by Council.

Separate application for the DCR Program is not required but all property owners participating in the DCR Program must have an approved RGP application and agreement.

The City may discontinue the DCR Program at any time. However, property owners with an approved RGP application and agreement who have exercised the development charge reduction option will receive the development charge reduction. No right to any tax assistance until it has been duly authorized by the City. The City is not responsible for any costs incurred by the owner/applicant in any way relating to the program, including without limitation, costs incurred in anticipation of tax assistance.

### 9.3 Eligibility Requirements

The eligibility requirements for the DCR Program are the same as the RGP (see Section 8.2.3), except for the following:

- a) Eligible program costs include only the costs of:
  - i) environmental remediation, i.e., the cost of any action taken to reduce the concentration of contaminants on, in or under the eligible property to permit a record of site condition (RSC) to be filed for the proposed use by a qualified person, including costs of preparing the RSC;
  - ii) Phase II and Phase III ESA's/SSRA's not covered by the SGP;
  - v) installing environmental and/or engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment and/or Certificate of Property Use
  - vi) monitoring, maintaining and operating environmental and/or engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment and/or Certificate of Property Use
  - vii) the following Leadership in Energy and Environmental Design (LEED) Program components as per the City of Hamilton's LEED Grant Program (LGP) up to a maximum of 50% to achieve LEED certification under the LEED rating system by the Canadian Green Building Council - CaGBC (Area 4 only):
    - a) incremental construction costs,
    - b) consultation costs,
    - c),energy modeling, and
    - d) certification fees
- b) Residential development in Area 2 is not eligible for the DCR Program, unless that residential development is a conversion from a former industrial/commercial use;
- c) Industrial development in Area 3 is not eligible for the DCR Program;
- d) All recipients of a DCR must have an approved RGP Application and an executed RGP Agreement in place.

### 9.4 Program Administration

The Economic Development Department in consultation with the Finance and Corporate Services Department will be responsible for the administration of this program.

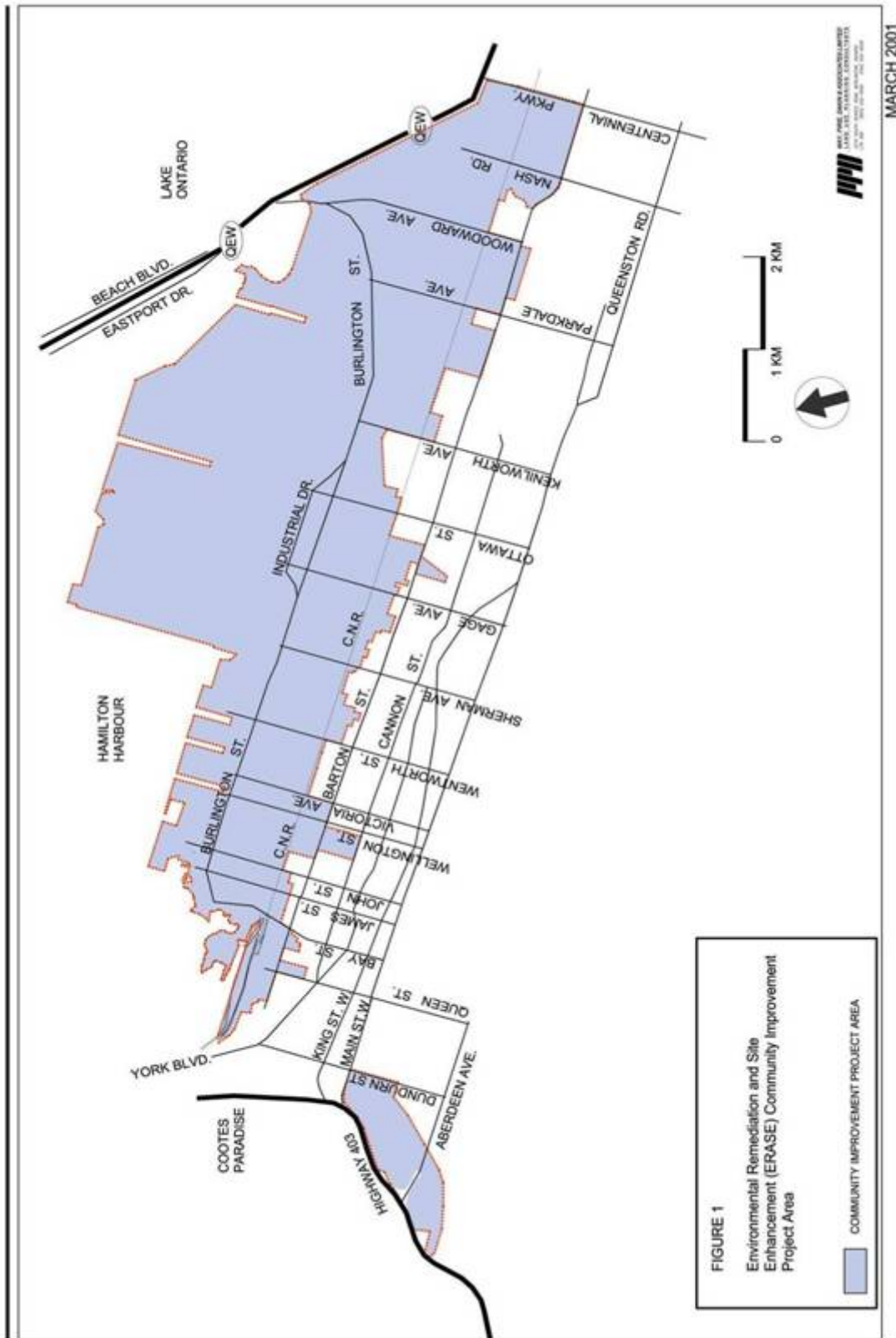
All of the administrative steps for the RGP (Section 8.2.4) apply to the DCR Program. The following additional administrative steps will also apply to the DCR Program.

The applicant will indicate in the RGP application form if they wish to apply the costs of environmental remediation on the property against development charges payable.

Once the RGP Application and Agreement have been approved, the reduction of development charges for environmental remediation costs will be calculated based on the actual costs of remediation supplied by the applicant. At the time of building permit application, the development charge payable would be calculated by the Finance and Corporate Services Department. This development charge would first be reduced by the applicable demolition credit. The remaining development charge payable would then be reduced by the cost of environmental remediation. If the cost of environmental remediation is greater than the development charge payable, the development charge payable will be reduced to zero (\$0), and the amount of eligible costs for the RGP would be reduced by the amount of environmental remediation costs applied against the development charge payable. If the cost of environmental remediation is less than the development charge payable, the development charge payable will be reduced by the cost of environmental remediation, and the remaining development charge is payable. Again, the RGP would be reduced by the amount of environmental remediation costs applied against the development charge payable.

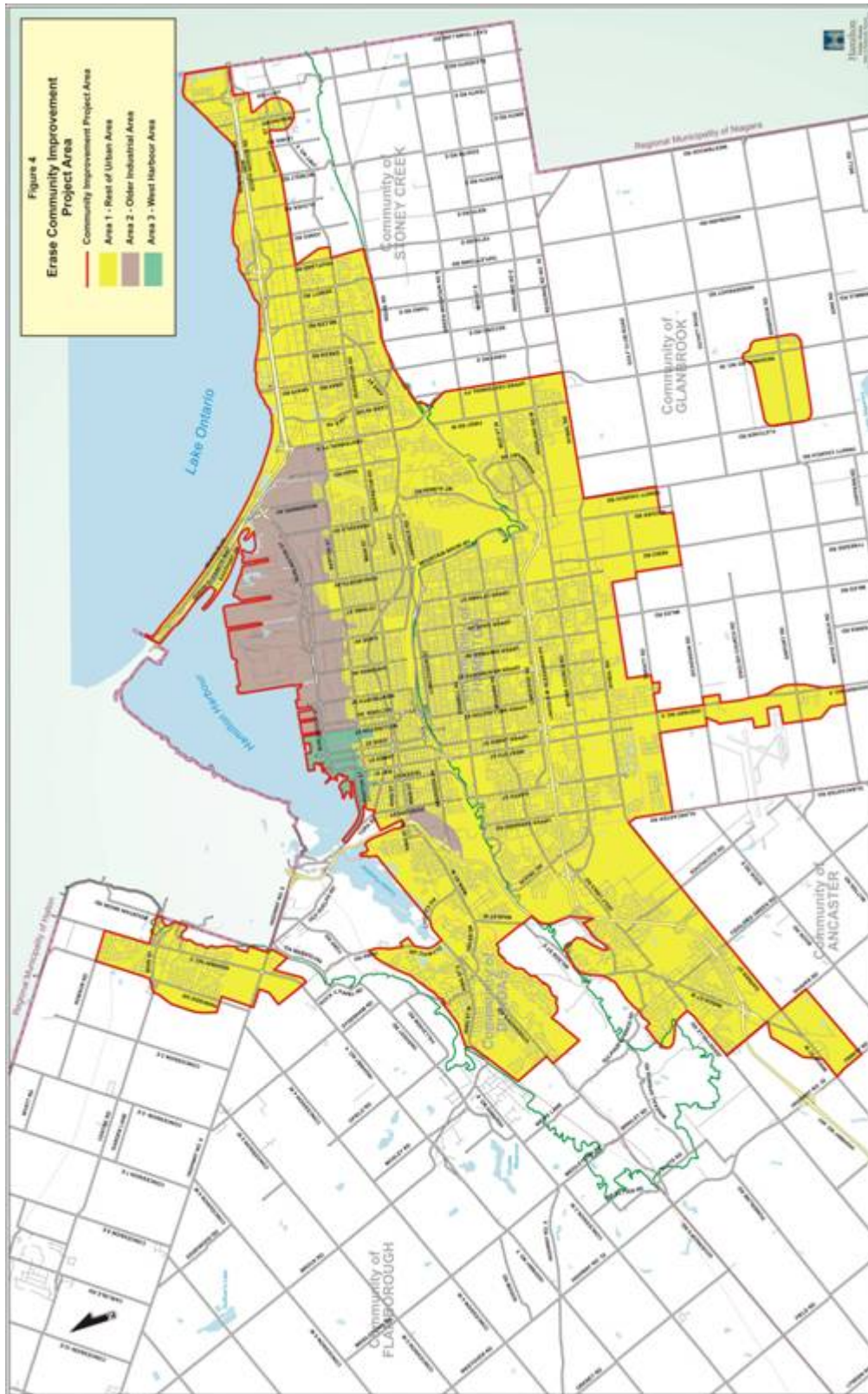
# Appendix H

## ERASE Community Improvement Project Area (2001)



# Appendix I

## Erase Community Improvement Project Area (2005)



## Appendix J

### Section 6A, Part D – Implementation Official Plan of the former Regional Municipality of Hamilton- Wentworth Towards a Sustainable Region

#### 6 SECONDARY/ NEIGHBOURHOOD PLANS

Urban Areas are designated on the basis of the need for urban land to the year 2020. Municipal services are expected to be extended in a planned manner to meet anticipated demands during this period. Therefore, the Region will:

- 6.1 Request that Area Municipalities continue the preparation and updating of detailed secondary and/or neighbourhood plans for the Urban Areas and Rural Settlement Areas. Secondary Plans for Urban Areas shall include targets for density, population/employment ratio, and intensification, in keeping with the compact urban form objectives of this Plan. Regional approval for subdivisions, conveyance of land or other forms of development will be given only if the proposal is in conformity with the relevant Area Municipal Official Plan, secondary plans and the policies of this Plan.

#### 6A COMMUNITY IMPROVEMENT

*It is the intent of Council through community improvement to promote and maintain a high quality living and working environment throughout the City. Community Improvement will be accomplished through (1) the upgrading and ongoing maintenance of communities or areas characterized by obsolete buildings, and/or conflicting land uses and or/inadequate physical infrastructure and community services, and, (2) the establishment of policies and programs to address identified economic, land development and housing supply issues or needs throughout the Urban Area. Pursuant to the Planning Act, the following Community Improvement policies may be applied throughout the Urban Area defined in this Plan.*

- 6A.1 Community improvement will be carried out through the designation, by Council, of Community Improvement Project Areas and through the preparation and implementation of Community Improvement Plans pursuant to the Planning Act.

It is the intent of Council that the entire Urban Area or any part of the Urban Area as defined in this Plan, and as subsequently amended, may by by-law be designated as a Community Improvement Project Area.

- 6A.2 When designating Community Improvement Project Areas, one or more of the following characteristics may be present:
  - a) building stock or property in need of rehabilitation;
  - b) buildings and structures of heritage or architectural significance;
  - c) encroachment of incompatible land uses or activities;

- d) deteriorated or insufficient physical infrastructure such as, but not limited to, sanitary and storm sewers and water mains, public transit, roads/streets, curbs, sidewalks, street lighting and utilities;
  - e) deteriorated or insufficient community services such as, but not limited to public indoor/outdoor recreational facilities, public open space and public social facilities;
  - f) inadequate mix of housing types;
  - g) known or perceived environmental contamination;
  - h) deteriorated or insufficient parking facilities;
  - i) poor overall visual amenity of the area, including, but not limited to streetscapes and urban design;
  - j) existing Business Improvement Areas or potential for inclusion in a Business Improvement Area designation;
  - k) inappropriate road access and traffic circulation;
  - l) shortage of land to accommodate building expansion and/or parking and loading facilities;
  - m) other barriers to the improvement or redevelopment of under utilized land or buildings; and,
  - n) any other environmental or community economic development reasons for designation.
- 6A.3 Community Improvement Plans will provide direction regarding the application of one or more of the following:
- a) allocation of public funds such as grants, loans or other financial instruments for the physical rehabilitation, redevelopment or improvement of land and/buildings;
  - b) municipal acquisition of land or buildings and subsequent clearance, rehabilitation, redevelopment or resale of these properties or other preparation of land or buildings for community improvement;
  - c) encouragement of infill and rehabilitation where feasible;
  - d) promotion of historic preservation through the appropriate local, Provincial and Federal legislation;
  - e) promotion of the viability of Commercial areas through the establishment and support of Business Improvement Areas; and,
  - f) other municipal actions, programs or investments for the purpose of strengthening and enhancing neighbourhood stability, stimulating production of a variety of housing types, facilitating local economic growth, improving social or environmental conditions, or promoting cultural development.
- 6A.4 In the preparation of a Community Improvement Plan and any subsequent amendments, Council will solicit the input of public bodies and agencies, affected residents, property owners, and other interested parties in keeping with the policies for notification and public participation of this Plan.
- 6A.5 All developments participating in programs and initiatives contained within Community Improvement Plans shall conform with the policies contained in this Plan and the local Plans in effect for all former area municipalities, and shall comply with all municipal codes and regulations of the City.

- 6A.6 Council will determine the priorities and sequences in which designated Community Improvement Project Areas will have individual Community Improvement Plans prepared.
- 6A.7 Any Community Improvement Plan will endeavour to co-ordinate individual initiatives to improve properties with municipal actions to upgrade physical infrastructure and community services, and promote new types of housing.
- 6A.8 Council will be satisfied that community improvements will be within the financial capability of the City.

**Appendix K**

Comparison of Development Costs – Brownfields vs. Greenfields

**Cost Comparison of Brownfield vs. Greenfield Development****New 40,000 sq.ft. Industrial Manufacturing Facility on a 2 Acre Site in Hamilton, ON.  
Scenario 1 – Land Purchased for \$1****Assumptions:****Moderate level of contamination - \$450,000 in clean-up costs**

Property already serviced/zoned for Industrial use

No Industrial Development Charges

No Parkland Dedication for Brownfield Site

**Scenario 1****Land Purchased for \$1**

Item	Brownfield (BF) (Burlington Street)	Greenfield (GF) (Stoney Creek Business Park)
Land Purchase	\$1.00	\$160,000.00
Building Construction @\$45/sq.ft.	\$1,800,000.00	\$1,800,000.00
Building Permit Fee	\$23,600.00	\$23,600.00
Site Plan Control Application	\$1,000.00	\$1,000.00
Parkland Dedication (2% of Land Value)	\$0.00	\$3,200.00
Clean-up of property with medium level contamination	\$450,000.00	\$0.00
<b>TOTAL</b>	<b>\$2,274,601.00</b>	<b>\$1,987,800.00</b>
<b>Increase in Development Costs of BF over GF</b>	<b>\$286,801.00</b> <b>14.4%</b>	

**Scenario 2****Land Purchased for \$120,000  
(50% of clean market value)**

Item	Brownfield (BF) (Burlington Street)	Greenfield (GF) (Stoney Creek Business Park)
Land Purchase	\$120,000.00	\$160,000.00
Building Construction @\$45/sq.ft.	\$1,800,000.00	\$1,800,000.00
Building Permit Fee	\$23,600.00	\$23,600.00
Site Plan Control Application	\$1,000.00	\$1,000.00
Parkland Dedication (2% of Land Value)_	\$0.00	\$ 3,200.00
Clean-up of property with medium level contamination	\$450,000.00	\$0.00
<b>TOTAL</b>	<b>\$2,394,600.00</b>	<b>\$1,987,800.00</b>
<b>Increase in Development Costs BF over GF</b>	<b>\$406,800.00</b> <b>20.5%</b>	

**Scenario 3****Land Purchased for \$240,000  
(100% of clean market value)**

<b>Item</b>	<b>Brownfield (BF) (Burlington Street)</b>	<b>Greenfield (GF) (Stoney Creek Business Park)</b>
Land Purchase	\$240,000.00	\$160,000.00
Building Construction @\$45/sq.ft.	\$1,800,000.00	\$1,800,000.00
Building Permit Fee	\$23,600.00	\$23,600.00
Site Plan Control Application	\$1,000.00	\$1,000.00
Parkland Dedication (2% of Land Value)_	\$0.00	\$3,200.00
Clean-up of property with medium level contamination	\$450,000.00	\$0.00
<b>TOTAL</b>	<b>\$2,514,600.00</b>	<b>\$1,987,800.00</b>
<b>Increase in Development Costs of BF over GF</b>	<b>\$526,800.00</b> <b>26.5%</b>	

## Cost Comparison of Brownfield vs. Greenfield Development New 40,000 sq.ft. Industrial Manufacturing Facility on a 2 Acre Site in Hamilton, ON.

### Assumptions:

Moderate level of contamination - \$450,000 in clean-up costs

Demolition of 40,000 sq.ft. @\$3.50 per sq.ft.

Property already serviced/zoned for Industrial use

No Industrial Development Charges

No Parkland Dedication for Brownfield Site

### Scenario 1

#### Land Purchased for \$1

Item	Brownfield (Burlington Street)	Greenfield (Stoney Creek Business Park)
Land Purchase	\$1.00	\$160,000.00
Demolition	\$140,000.00	\$0.00
Building Construction @\$45/sq.ft.	\$1,800,000.00	\$1,800,000.00
Building Permit Fee	\$23,600.00	\$23,600.00
Site Plan Control Application	\$1,000.00	\$1,000.00
Parkland Dedication (2% of Land Value)_	\$0.00	\$3,200.00
Clean-up of property with medium level contamination	\$450,000.00	\$0.00
<b>TOTAL</b>	<b>\$2,414,601.00</b>	<b>\$1,987,800.00</b>
<b>Increase in Development Costs of BF over GF</b>	<b>\$426,801.00</b> 21.5%	

### Scenario 2

#### Land Purchased for \$120,000 (50% of clean market value)

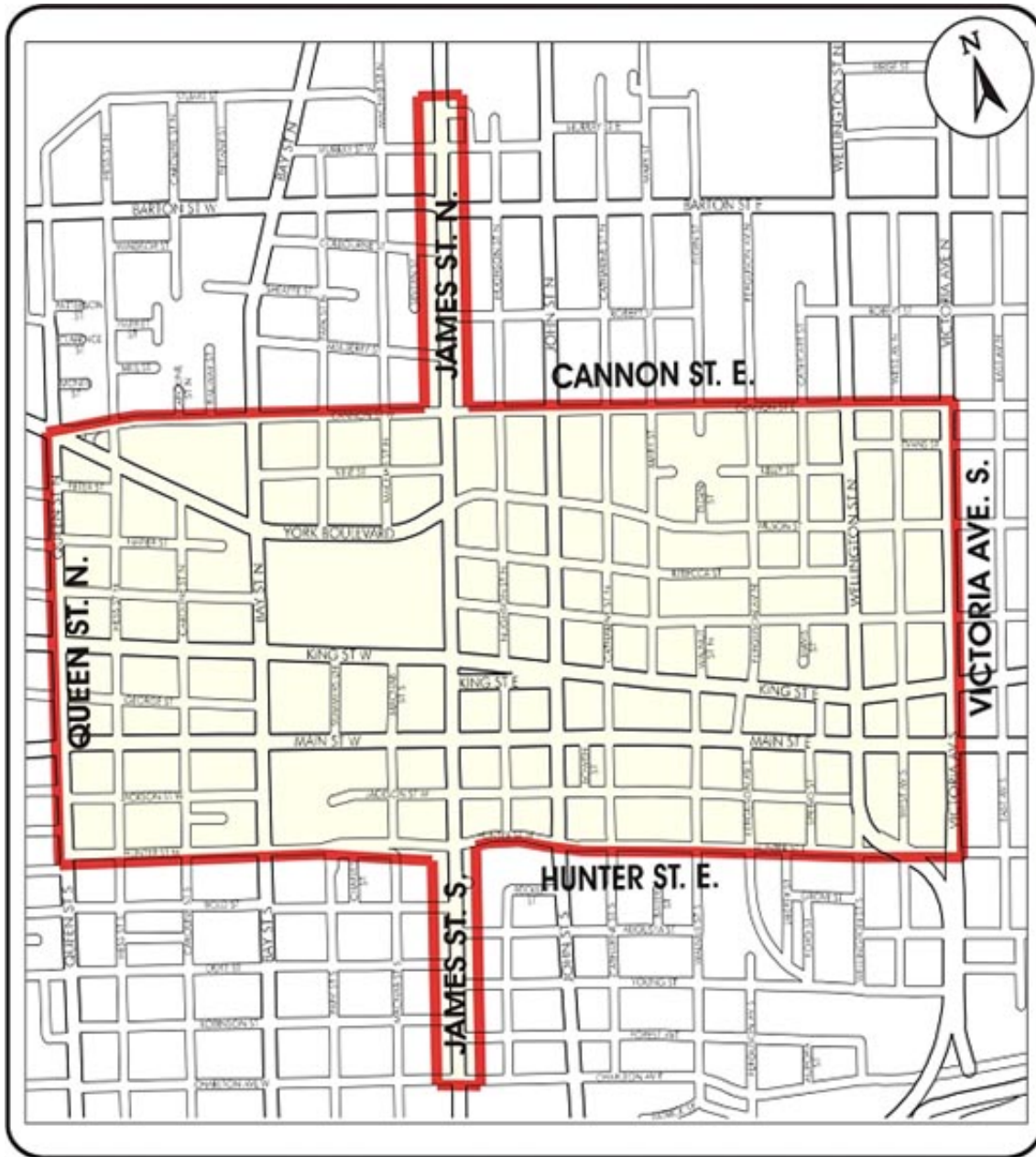
Item	Brownfield (Burlington Street)	Greenfield (Stoney Creek Business Park)
Land Purchase	\$120,000.00	\$160,000.00
Demolition	\$140,000.00	\$0.00
Building Construction @\$45/sq.ft.	\$1,800,000.00	\$1,800,000.00
Building Permit Fee	\$23,600.00	\$23,600.00
Site Plan Control Application	\$1,000.00	\$1,000.00
Parkland Dedication (2% of Land Value)_	\$0.00	\$3,200.00
Clean-up of property with medium level contamination	\$450,000.00	\$0.00
<b>TOTAL</b>	<b>\$2,534,600.00</b>	<b>\$1,987,800.00</b>
<b>Increase in Development Costs of BF over GF</b>	<b>\$546,800.00</b> 27.5%	


**Scenario 3****Land Purchased for \$240,000 (100%  
of clean market value)**

<b>Item</b>	<b>Brownfield (Burlington Street)</b>	<b>Greenfield (Stoney Creek Business Park)</b>
Land Purchase	\$240,000.00	\$160,000.00
Demolition	\$140,000.00	\$0.00
Building Construction @\$45/sq.ft.	\$1,800,000.00	\$1,800,000.00
Building Permit Fee	\$23,600.00	\$23,600.00
Site Plan Control Application	\$1,000.00	\$1,000.00
Parkland Dedication (2% of Land Value)_	\$0.00	\$3,200.00
Clean-up of property with medium level contamination	\$450,000.00	\$0.00
<b>TOTAL</b>	<b>\$2,654,600.00</b>	<b>\$1,987,800.00</b>
<b>Increase in Development Costs of BF over GF</b>	<b>\$666,800.00</b> <b>33.5%</b>	

# Appendix L

## Downtown Hamilton Community Improvement Project Area Boundary



 <p>Site of the Application</p> <p>City of Hamilton</p>	<p>CITY OF HAMILTON PLANNING AND DEVELOPMENT DEPARTMENT</p> <p><b><i>Downtown Hamilton Community Improvement Project Area</i></b></p>					
	<table border="1"><tr><td>Filename/number</td></tr><tr><td>CIPA-JAN-03</td></tr><tr><td>JANUARY, 2003</td></tr><tr><td>Map Not to Scale</td></tr><tr><td>Technician:</td></tr><tr><td>LC</td></tr></table>	Filename/number	CIPA-JAN-03	JANUARY, 2003	Map Not to Scale	Technician:
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