SUBJECT: Brownfield Land Bank (PED07043(a)) (City Wide)

RECOMMENDATION:

(a) That staff be authorized and directed to retain a consultant to complete background research on best practises and to complete a detailed business case analysis for a municipal Brownfields land banking initiative for Hamilton.

(b) That the cost of the consultant not exceed $100,000 funded from Account No. 3620155101 (Brownfields-ERASE-Inv Study).

Lee Ann Coveyduck
General Manager
Planning and Economic Development Department

EXECUTIVE SUMMARY:

The purpose of this report is to provide a general overview of “land banking” as a land management tool in an existing urban setting. This analysis will assist the City of Hamilton in the redevelopment of its Brownfield properties and will outline the necessary steps for undertaking the preparation of a formal land banking policy. Staff are recommending that a comprehensive business case be prepared by an external consultant.
BACKGROUND:

Pursuant to Council direction at the Committee of the Whole meeting on March 5, 2007, staff were directed to report back to Council on the potential for land banking for Brownfields by the City of Hamilton. Land banking refers to the process of the public acquisition of underdeveloped or underutilized land for future development purposes. Land banks, land banking companies, and land banking authorities are typically set up as separate and distinct entities. These entities are enabled through legislative documents, municipal policies and by-laws to manage lands either by the way of surplus acquisition, transfer, or tax foreclosure for future use and marketing options.

Land banking as a land management tool has three major goals:

- Managing urban growth patterns
- Ensuring land availability for specific uses
- Capturing capital gains due to increases in land values created by government investments

There are several good examples of existing land banking programs in the U.S. and Canada. Initial research and investigation has identified the following five examples:

- In the City of Toronto, land banking policies were adopted in 1973 and the St. Lawrence site in the downtown area was chosen for the City’s first land banking scheme. These lands were developed for housing through the cooperation of the federal, provincial and municipal governments, together with the private sector
- The City of Cleveland founded a land bank program during its Mid-Town Corridor Project with a primary role to manage marketing and development, complete land acquisitions, cover holding costs of vacant parcels, and raise revenues
- A land bank in Genesee County, Michigan, created a legally independent, public, non-profit corporation and is controlled by its government sponsors
- The 2003 Texas Urban Land Bank Demonstration Act provides an opportunity for the City of Dallas to address the dual needs of insufficient affordable housing and older neighbourhoods at risk through establishing a municipal urban land bank demonstration program
- In Anchorage, Alaska, a general land bank was established for municipal purposes and benefits, to promote orderly development and to achieve goals of its comprehensive land use and development plan

One of the major issues regarding the implementation of land banking is the organization structure responsible for delivery. Structural development of a land bank has two basic phases: land inventory and operational procedures for the decision-making process on land acquisition, holding and disposition. Determination of the appropriate type of entity for administering a land bank depends on the purposes to be achieved, scale and the ability of the entity to carry out activities with respect to legal, financial and planning considerations.
Staff is recommending that a consultant, experienced in this field, be retained to investigate and develop a detailed business case to determine if the City should be in the “Land Bank” business for Brownfield redevelopment. This would include a review if the City should proactively consolidate and assemble lands and possibly clean-up the lands to make them “shovel ready” for businesses to locate.

A consultant would be retained to develop a detailed business case including the following components:

- investigate best practices across Canada, the U.S. and Europe with specific focus on those that have proven most successful
- identify the pros and cons of each of these models identified in the best practices review
- recommend a model as a preferred alternative for implementation in Hamilton
- specify the advantages and disadvantages along with the approximate cost and timelines to set up a similar proactive program in Hamilton
- establish the criteria that would be used for the identification of strategic Brownfield properties for acquisition and assembly
- propose financial modelling and incentive programs (that could be implemented in Ontario under existing legislation, etc.)
- recommend benchmarks and performance measures to determine the success of the program
- investigate strategic partnerships and joint venture opportunities that could be employed to implement the program

**ANALYSIS/RATIONALE:**

N/A

**ALTERNATIVES FOR CONSIDERATION:**

The City of Hamilton does not pursue the option of Land Banking Brownfield properties for redevelopment.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

**Financial:** Estimated cost of a consultant for this project would be approximately $100,000 and would be funded from Account No. No. 3620155101 (Brownfields-ERASE-Inv Study).

**Staffing:** Existing staff are able to manage the consultant/project but there will be additional staff resources required if the land banking initiative is pursued.

**Legal:** The following legislative framework enables municipalities to support the major functions of a land bank with respect to land acquisition, holding, transfers and disposal:
The Planning Act, 1990,
The Housing Development Act, 1990
The Municipal Statute Law Amendment Act, 2001,
The Social Housing Reform Act, 2000
The Expropriations Act
Environmental Protection Act
Brownfields Statute Law Protection Act

Additionally, there will be potentially significant liability issues pertaining to the City assuming ownership of contaminated and abandoned former industrial sites.

POLICIES AFFECTING PROPOSAL:

The City of Hamilton Official Plan will need to be amended to complement and allow a potential Land Banking initiative in accordance with applicable sections of the Provincial Policy Statement (PPS) and other related legislation.

RELEVANT CONSULTATION:

Development & Real Estate Division, Planning and Economic Development Department

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No
The public are involved in the definition and development of local solutions.

Environmental Well-Being is enhanced. ☑ Yes ☐ No
Potential to eliminate a significant number of brownfield sites city-wide.

Economic Well-Being is enhanced. ☑ Yes ☐ No
Infrastructure and compact, mixed use development minimize land consumption and servicing costs.

Does the option you are recommending create value across all three bottom lines? ☑ Yes ☐ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☐ Yes ☑ No

NE:db