TO: Chair and Members 
Economic Development and Planning Committee

WARD(S) AFFECTED: CITY WIDE

COMMITTEE DATE: March 2, 2010

SUBJECT/REPORT NO:
Amendments to the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan (CIP) (March 2010) (ECO05009(a)) (City Wide)

SUBMITTED BY:
Tim McCabe
General Manager
Planning and Economic Development Department

PREPARED BY:
Brian Morris
(905) 546-2424 Ext. 5602

SIGNATURE:

RECOMMENDATION:

(a) That the ERASE Community Improvement Project Area as set out in Report ECO05009(a), and that the by-law attached to report ECO05009(a) to amend the ERASE Community Improvement Project Area as Appendix 'A' be enacted;

(b) That the City's maximum contribution as part of the ERASE Study Grant Program be increased from $15,000 per study and $20,000 per property to $20,000 per study and $25,000 per property be approved;

(c) That additional eligible costs be added to the ERASE Redevelopment Grant Program be approved;

(d) That staff be authorized to implement and administer the ERASE Redevelopment Grant Program including the additional costs once the amendment has come into force and effect;
(e) That staff be authorized to implement and administer the Downtown Hamilton / West Harbourfront Remediation Loan Pilot Program through the ERASE Community Improvement Plan once the amendment has come into force and effect;

(f) That the Community Improvement Plan titled “Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan (March 2010)” as amended and as attached as Appendix ‘B’ to report ECO05009(a) be approved;

(g) That any changes to the program description and terms be by way of Council resolution.

EXECUTIVE SUMMARY

Every successful economic development program/process must be dynamic in nature and possess the ability to change in order to accommodate revisions to policy; trends in the market; and to satisfy the needs of the end user of the program; while simultaneously delivering on the expectations of Council. The purpose of this report is to present the proposed amendments to the ERASE Community Improvement Plan (March 2010). These amendments include the following:

- For administrative purposes, the program descriptions under the ERASE CIP will be removed from the CIP and added as appendices so as to be consistent with the City’s other Community Improvement Plans.
- Substituting the brownfield definition to be consistent with the provincial policy statement and current legislation, the proposed definition will allow for greater flexibility to approve projects.
- Increasing the city’s maximum contribution as part of the ERASE Study Grant Program from $15,000 per study and $20,000 per property to $20,000 per study and $25,000 per property. This is in response to the potential increase in environmental site assessment costs as a result of the Ministry of Environment’s filing of amendments to O. Reg. 153/04.
- Inclusion of additional eligible costs to the ERASE Redevelopment Grant Program. Partially in response to the amendments filed to O. Reg. 153/04 and partially to fulfill recommendation e) of report PED08169 to include Leadership in Energy and Environmental Design (LEED) eligible component costs as per the LEED Grant Program as eligible costs under the ERASE Redevelopment Grant Program.
- Inclusion of Downtown Hamilton / West Harbourfront Remediation Loan Pilot Program. On October 14, 2009, Council approved the program description and draft terms for the Downtown Hamilton / West Harbourfront Remediation Loan
Pilot Program and authorized staff to prepare and process the necessary amendments to the respective Community Improvement Plans.
- Designate Downtown Hamilton (As per the Downtown and Community Renewal Community Improvement Project Area (CIPA) Area 4 in the ERASE CIPA for purposes of administering the Downtown Hamilton / West Harbourfront Remediation Loan Pilot Program.

This report is prepared and presented under the requirements of the Planning Act and the comments received during this Public Meeting represent continued public input into this process.

Alternatives for Consideration – See Page 15

**FINANCIAL / STAFFING / LEGAL IMPLICATIONS** (for Recommendation(s) only)

Financial: Currently, there are funds available in Brownfields ERASE Environmental Study Capital Project ID 3620155101 to fund the increase in the City's maximum contribution to the ERASE Study Grant Program. There will be no upfront or capital budget impacts by adding in further eligible costs to the ERASE Redevelopment Grant Program.

Staffing: Administration of the amendments proposed to the ERASE CIP can be accommodated by staff in the Economic Development and Real Estate Division.

Legal: Subsection 28 (7) of The Planning Act permits municipality in accordance with a Community Improvement Plan, to make loans and grants which would otherwise be prohibited under Sub-section 106(2) of The Municipal Act, to the registered owners, assessed owners, tenants, or their respective assignees, of lands and buildings within the designated Community Improvement Project Areas.

**HISTORICAL BACKGROUND** (Chronology of events)

At the Economic Development and Planning Committee meeting dated September 2, 2008, (Council adopted September 10, 2008) the "Hamilton LEEDing the Way" Community Improvement Plan (PED08169) was approved. Recommendation e) of report PED08169 directed staff of the Economic Development and Real Estate Division to be authorized and directed to amend the ERASE CIP in accordance with the provisions of the Planning Act, to include LEED certification as per the LEED Grant
Program to be added as an eligible cost under the ERASE Redevelopment Grant Program.

Prior to making the amendments to the ERASE CIP, staff reviewed the existing Hamilton LEEDing the Way CIP and investigated expanding the Hamilton LEEDing the Way Community Improvement Project Area Boundary from the Business Parks and Industrial Areas to mirror that of the ERASE Community Improvement Project Area Boundary (entire urban area). This was done partially in response to comments and inquiries received by the Economic Development and Real Estate and Industrial Parks and Airport Development Divisions and partially due to ease of administration. Report PED08169(a) presented to the Planning and Economic Development Committee March 2, 2010 seeks to expand the Hamilton LEEDing the Way Community Improvement Project Area to the full limits of the urban area as well as include mixed-use and multi-unit residential developments and redevelopments as additional eligible projects under the LEED Grant Program.

It is becoming increasingly good practice to incorporate sustainable building practices and LEED eligible components into Brownfield programs across the Province. Recent examples of municipalities incorporating “soft” LEED component costs (i.e. consultation and certification fees) into their Brownfield CIP's include Welland, Kingston, and Ottawa. While “soft” LEED eligible costs are also proposed in amending the, the City of Hamilton would be the first municipality to include “hard” LEED costs (i.e. incremental construction costs). This is another step forward in continuing Hamilton’s legacy as leaders in the Brownfield redevelopment community.

In conjunction with amending the ERASE CIP to include LEED certification as per the LEED Grant Program as an eligible cost under the ERASE Redevelopment Grant Program, there are other policy related initiatives (that will be touched on throughout this report) that led staff to believe that it was a good time to review the entire ERASE CIP for other program adjustments/amendments.

The formal approval of the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan in April of 2001 represented an important step in the delivery of a program promoting environmental remediation, community rehabilitation and redevelopment. The expansion of the ERASE Community Improvement Project Area to the full limits of the urban area within the City and the enhancements of the programs contained within in April 2005 also represented an equally important step forward in delivering financial incentive programs directed at Brownfield redevelopment across the urban area of the City. Both of these milestones have contributed to Hamilton’s reputation as being a municipal leader in terms of Brownfield redevelopment in Canada.
Program Highlights to Date:

The ERASE CIP was originally adopted by the Minister of Municipal Affairs and Housing in August 2001 and the expanded ERASE CIP was also approved by the Minister of Municipal Affairs and Housing in November of 2005. The current ERASE CIP (2005) applies to a Community Improvement Project Area that represents the full limits of the urban area.

Since the ERASE CIP was approved, approximately 51 property owners and potential property owners have received Environmental Study Grants to conduct Phase II and III ESA’s. A number of these studies have led to brownfield sites being redeveloped. A total of 15 projects have been approved by City Council for ERASE Redevelopment Grants and four pilot projects have been approved for grants under the ERASE Municipal Acquisition and Partnership Program. These projects once complete will result in:

- Over 150 Acres of land studied
- Total construction expenditures in excess of $258,000,000
- Remediation and redevelopment of approximately 161 Acres of brownfield land
- Projects anticipated to be awarded approximately $9,500,000 in ERASE grant funding
- Approximately 450 new full time jobs
- Construction and refurbishment of over 1 million square feet of industrial/commercial space
- After initial 10 year grant period, a significant increase in annual property tax revenues

In its nine years, the ERASE CIP has proven to be very successful in providing the financial tools needed to promote the remediation and redevelopment of Brownfield sites, however, much can still be done. There is consistent support for the expansion of programming and updating of policy in order to meet the significant challenges associated with Brownfield redevelopment.

The City has been approached several times with projects that do not necessarily fit the current Brownfield definition – “abandoned, idled or underused industrial or commercial properties in built-up urban areas where expansion or redevelopment is complicated by real or perceived environmental contamination, building deterioration/obsolescence, and/or inadequate infrastructure” - but still have merit. This has prompted staff to seek out an alternative definition to include in the ERASE CIP (March 2010) that is consistent with current legislation.

Furthermore, as noted in report PED09033(a) the regulatory regime for Brownfields and the filing for Records of Site Conditions has significantly changed since the inception of
a group of legislative reforms was introduced by the Ministry of the Environment (MOE) to facilitate Brownfield redevelopment (Dec. 30, 2009). These amendments to existing regulation (O. Reg. 153/04), aimed at strengthened soil and ground water site condition standards to reflect current science as well as other administrative and transition provisions, force various agencies to review their own programming for Brownfield redevelopment, including municipalities. It is anticipated that these amendments will likely result in increased costs for studies (such as Phase I and Phase II ESA’s) and an increase in the remediation method of risk assessment. In preparation for these changes, amending the ERASE Community Improvement Plan to face these challenges will again position the City of Hamilton as a leader in Brownfield redevelopment.

Lastly, when staff made it known of the idea to amend the ERASE CIP, the Downtown and Community Renewal Division approached staff in Economic Development and Real Estate with a brand new remediation loan program idea to be implemented as an “add on” to the existing ERASE program.

The Downtown and Community Renewal Division first introduced the concept of creating a financial incentive program for the remediation of properties within Downtown Hamilton and the West Harbourfront as part of the 2009 Capital Budget deliberations. At that time $500,000.00 was identified and subsequently approved as a priority project for funding with the 2009 Downtown Block. The Division’s 2008 Annual Report acknowledged the initiative reporting that the terms and conditions of the proposed remediation program would be developed as part of the Division’s 2009 Work Plan. On October 14th, 2009, Council approved the program description and draft terms for the Downtown Hamilton / West Harbourfront Remediation Loan Pilot Program (report PED09263) as well as establishment of a remediation loans reserve with $500,000 transferred from the Hamilton Downtown/West Harbourfront Remediation Capital Project # 8200903900 and any additional amounts approved via future budgets.

Council also authorized staff to prepare and process the necessary amendments to the respective Community Improvement Plans and hold Public Meetings as required under the Planning Act to implement the Hamilton Downtown/West Harbourfront Remediation Loan Pilot Program in the following areas: Downtown Hamilton Community Improvement Project Area and the Setting Sail Secondary Plan boundaries.

**POLICY IMPLICATIONS**

**Provincial Policy Statement**

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.

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. The Hamilton LEEDing the Way Community Improvement Plan could contribute to the increased intensification in the built-up area.

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 and residences to locate in the Greater Golden Horseshoe is fundamental to using land wisely and ensuring a prosperous economic future.

Regional Municipality of Hamilton-Wentworth Official Plan

The Official Plan for the former Regional Municipality of Hamilton-Wentworth, “Towards a Sustainable Region”, clearly recognises the need to make more productive use of existing municipal urban infrastructure through redevelopment and re-use of vacant and/or underutilised 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. 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.

Properties in the urban 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.

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.

**RELEVANT CONSULTATION**

The following Divisions within the Corporation were consulted on the amendments to the ERASE CIP: Strategic Services and Special Projects – Planning and Economic Development Department; Legal Services – Corporate Services Department; Downtown and Community Renewal – Planning and Economic Development Department and, Finance (Taxation) – Corporate Services Department.

A Public Open House outlining the proposed amendments to the ERASE CIP was held on November 17, 2009 at the Parks Canada Discovery Centre.

Also, the Hamilton Chamber of Commerce was circulated a notice with respect to the ERASE CIP amendments and a presentation was given to the Hamilton Chamber's Business Development Committee on January 13, 2010. The comments received also contributed to the proposed amendments.

Extensive consultation with the Environmental Consulting community has also occurred with respect to the amendments to O. Reg. 153/04 as well as the amendments to the ERASE CIP.

Consultation with the Ministry of Municipal Affairs and Housing, Brownfields Office, also contributed insight into these amendments.
The amendments being made to the ERASE CIP (March 2010) are aimed at further enhancing the financial incentives offered across the City and in specific areas. These include:

**Removing the Program Descriptions under the ERASE CIP and adding them as Appendices to the ERASE CIP:**
For administrative purposes, the program descriptions under the ERASE CIP will be removed from the ERASE CIP and added as appendices so as to be consistent with the City’s other Community Improvement Plans. In the future, this will allow staff to be able to make changes to the program descriptions and terms by way of Council resolution without having to do a full amendment to the ERASE CIP. Currently, the Hamilton LEEDing the Way and the Downtown and Community Renewal CIP’s employ this method.

**Substituting the Brownfield Definition:**
The current Brownfield definition contained in the ERASE Community Improvement Plan is as follows: “abandoned, idled or underused industrial or commercial properties in built-up urban areas where expansion or redevelopment is complicated by real or perceived environmental contamination, building deterioration/obsolescence, and/or inadequate infrastructure”. This definition is rather verbose and seems to be fairly rigid in terms of what is a Brownfield. An alternative definition that is consistent with current provincial legislation and that would allow more flexibility is found in the Provincial Policy Statement (PPS) 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).

**Increasing the City’s Maximum contribution as part of the ERASE Study Grant Program:**
The ERASE Study Grant Program is a successful program that provides grants for 50% of cost of Phase II environmental site assessments (ESAs), risk assessments and remedial work plans, up to $15,000 per study and $20,000 total per property/project. 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.

Given the recent filing of amendments to O.Reg.153/04 by the MOE, it is anticipated that cost of environmental site assessments may go up and as a result, the City, by
increasing the maximum grant contribution under the ERASE Study Grant Program will position itself in response to these cost increases to the property owners/developers. An increase to the maximum grant contribution from $15,000 to $20,000 per study, and from $20,000 to $25,000 per property is proposed. This increase can be accommodated within the existing Capital Project ID – 3620155101. If, in the event that funding of this program is jeopardized, staff may come back to committee at a separate date to ask for replenishment or may do so as part of normal budget deliberations.

Inclusion of additional eligible costs to the ERASE Redevelopment Grant Program:
The purpose of the ERASE Redevelopment Grant Program (RGP) 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 ERASE Redevelopment Grant is a tax increment financing program that provides a tax grant of 80% of the municipal increase in taxes on a redeveloped property rebated annually up to a ten year period based on the eligible remediation expenses.

Currently, eligible program costs include:

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) demolition not covered by demolition charge credits (Areas 2 and 3 only);

iv) removal of existing on-site infrastructure prior to replacement up to a maximum of 25% of construction/improvement costs for on-site public works (water services, sanitary sewers and storm sewers) (Areas 2 and 3 only);

v) 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).

In addition to these eligible costs, it is proposed that the following eligible costs be included:
a) installing environmental and/or engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment and/or Certificate of Property Use

b) 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

c) 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

   - incremental construction costs,
   - consultation costs,
   - energy modeling, and
   - certification fees

These additional eligible costs are in response, again, to the MOE’s filing of amendments to O.Reg. 153/04. It is anticipated that there may be an increase in the Risk Assessment approach to property rehabilitation which represent the addition of items a) and b).

The addition of item c) will fulfill recommendation e) of report PED08169 which states that staff of the Economic Development and Real Estate Division to be authorized and directed to amend the ERASE CIP in accordance with the provisions of the Planning Act, to include LEED certification as per the LEED Grant Program to be added as an eligible cost under the ERASE Redevelopment Grant Program. The rationalization for incorporating the LEED program components into the ERASE Redevelopment Grant is one of converting contaminated properties into sustainable properties; essentially “turning brown into green”. By adding LEED’s eligible costs, it further encourages property owners to consider sustainable building practices when redeveloping contaminated land. It is also seen as increasingly good practice to add such LEED component costs to Brownfield programs. Recent examples of municipalities in Ontario that have done so include Welland, Kingston and Ottawa. By adding these eligible costs, there is no direct financial impact by way of cost to the City. As the ERASE Redevelopment Grant Program is a tax increment financing program that would reduce the effect of an increase in municipal realty taxes attributable to the differential between the pre-development assessment and post development assessment, there is no direct financial implication other than an increase in the amount which the applicant may receive annually as a tax rebate.

Inclusion of the Downtown Hamilton / West Harbourfront Remediation Loan Pilot Program:
On October 14, 2009, Council approved the program description and draft terms for the Downtown Hamilton / West Harbourfront Remediation Loan Pilot Program (report PED09263) as well as establishment of a remediation loans reserve with $500,000 transferred from the Hamilton Downtown/West Harbourfront Remediation Capital Project # 8200903900 and any additional amounts approved via future budgets.

The Hamilton Downtown/West Harbourfront Remediation Loan Pilot Program 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 West Harbour Secondary Plan (Setting Sail). A full program description can be found in Appendix “B”.

Staff recommends that this pilot program be authorized through an amendment to the ERASE CIP as opposed to the Downtown and Community Renewal Community Improvement Plan as it relates directly to brownfields and remediation of contaminated property. The program was designed to be an “add on” to the existing ERASE Community Improvement Plan. Furthermore the program area can be easily designated by By-law within the existing ERASE Community Improvement Project Area, whereas an amendment to the Downtown and Community Renewal Community Improvement Project Area would be required to include the West Harbourfront Area.

In order for the administration of this program to begin, an area must be designated in the ERASE Community Improvement Project Area for Downtown Hamilton (as per the Downtown Hamilton Community Improvement Project Area) – Area 4 in Appendix ‘A’. As an existing designation for the West Harbourfront already exists in the ERASE Community Improvement Project Area, this program can be accommodated in Area 3.

As is evident by the existing critical needs analysis of Brownfields in Hamilton (pg. 20 of Appendix “B”), 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 and the same can be said for some older heavy industrial uses in the West Harbourfront area. 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. Couple this with the City’s strategic goals of attracting more people to reside in the Downtown core, as well as the policies set out for residential development in the Setting Sail Secondary Plan, than there is a case to be
made for introducing this remediation loan program to help simulate residential / commercial developments / redevelopments in these areas.

The Downtown Hamilton / West Harbourfront Remediation Loan Pilot 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. Depending on the take up of the program, staff may request that this program be expanded.

**ALTERNATIVES FOR CONSIDERATION:**

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

Non-acceptance of the recommendations contained in Report ECO05009(a) would result in two Council resolutions not being implemented.

**Financial:** The increase in the City’s maximum grant contribution towards the ERASE Study Grant Program from Project ID# 3620155101 would not be required.

**Staffing:** Not applicable

**Legal:** Not applicable

**CORPORATE STRATEGIC PLAN**  (Linkage to Desired End Results)


**Skilled, Innovative & Respectful Organization**
- More innovation, greater teamwork, better client focus

**Financial Sustainability**
- Financially Sustainable City by 2020
- Effective and sustainable Growth Management
- Generate assessment growth/non-tax revenues

**Growing Our Economy**
- Newly created or revitalized employment sites
Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.

Values: Honest, Accountability, Innovation, Leadership, Respect, Excellence, Teamwork

- Competitive business environment
- An improved customer service

**Environmental Stewardship**
- Reduced impact of City activities on the environment
- Reduce the impact of Hamilton's industrial, commercial Private and Public operations on the environment
- Aspiring to the highest environmental standards

**Healthy Community**
- Plan and manage the built environment

**APPENDICES / SCHEDULES**

Appendix “A” to Report ECO05009(a) is a By-law to amend the ERASE Community Improvement Project Area

Appendix “B” to Report ECO05009(a) is the amended ERASE Community Improvement Plan (March 2010)

BM:dt
Attachs. (2)
CITY OF HAMILTON

BY-LAW NO. XX-XXX

To amend the Environmental Site Remediation and Site Enhancement (ERASE) Project Area

WHEREAS Sub-section 28(2) of the Planning Act entitled "Community Improvement" provides in part:

"Where there is an official plan in effect in a local municipality that contains provisions related to community improvement in the municipality, the council may, by by-law, designate the whole or any part of an area covered by such an official plan as a community improvement project area";

AND WHEREAS the Planning Act defines a "community improvement project area" as "an area within a municipality, the community improvement of which in the opinion of council is desirable because of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic development reason.";

AND WHEREAS Section 6A of the Hamilton-Wentworth Official Plan contains provisions relating to community improvement;

AND WHEREAS By-law 05-086 identifies the urban area of the City of Hamilton, including Area 1 - Rest of Urban Area, Area 2 - Older Industrial Area and Area 3 - West Harbour Area, and designates collectively such areas as the "Environmental Site Remediation and Site Enhancement (ERASE) Project Area";

AND WHEREAS the Council of the City of Hamilton deems it appropriate to identify Sub-area 4 - Downtown Hamilton as a sub-area within the existing Community Improvement Project Area.

AND WHEREAS attached hereto and forming part of this by-law as Schedule "A" is a map of the urban area of the City of Hamilton including the four sub-areas Area 1 - Rest of Urban Area, Area 2 - Older Industrial Area, Area 3 - West Harbour Area, and Area 4 - Downtown Hamilton, dated -----;
NOW THEREFORE the Council of the City of Hamilton enacts as follows:

1. The geographic portion of the City of Hamilton as shown on Appendix A and forming part of this by-law, is hereby designated as the "Environmental Site Remediation and Site Enhancement (ERASE) Project Area".

2. By-law 05-086 is hereby amended by deleting and replacing Schedule A thereof with Schedule A attached to this By-law.

PASSED and ENACTED this XX day of MONTH, XXXX

________________________________________  __________________________________________
Fred Eisenberger    Kevin C. Christenson
Mayor              City Clerk
Schedule A
CITY OF HAMILTON

BY-LAW NO. XX-XXX

To Adopt:

Amendment No. 1 to the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan

WHEREAS By-law 05-086, passed on the 13th day of April, 2005, designated the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Project Area;

AND WHEREAS Section 28 of the Planning Act entitled Community Improvement states that where a by-law has been passed to designated a community improvement project area, the Council may provide for the preparation of a plan suitable for adoption as a community improvement plan for the community improvement project area;

AND WHEREAS By-law 05-087, passed on the 13th day of April, 2005, adopted and approved the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan, as amended;

AND WHEREAS Council by its Economic Development and Planning Committee held a public meeting on March 2, 2010 to discuss and receive public input regarding an amendment to the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan, and has taken other steps required to amend the Plan, prior to the enactment of this By-law, as required by the Planning Act;

AND WHEREAS the City has prepared an amendment to the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan, attached hereto as Schedule 1 and forming part of this By-law;

NOW THEREFORE the Council of the City of Hamilton enacts as follows:

1. Amendment No. 1 to the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan, consisting of Schedule 1, hereto annexed and forming part of this by-law, is hereby
adopted and approved.

2. Schedule 'A' to By-law 05-087 is hereby amended as set out in Schedule 1 to this By-law.

PASSED and ENACTED this XX day of MONTH, XXXX

______________________________  ________________________________
Fred Eisenberger               Kevin C. Christenson
Mayor                          City Clerk
Amendment No. 1

To the

Environmental Remediation and Site Enhancement (ERASE)
Community Improvement Plan

The following text and Schedules constitutes Amendment No. 1 to the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan.

Purpose

The purpose of this amendment is to:

- Update the definition of "brownfields" to make it consistent with the Provincial Policy Statement;
- To update the CIP to include information on Places to Grow: Growth Plan for the Greater Golden Horseshoe;
- To update information regarding the Historic Land Use Inventory,
- Increase the City's contribution to the ERASE Study Grant Program;
- Amend the ERASE Redevelopment Grant Program to include the LEED certified eligible costs as per the LEED Grant Program;
- Include the Downtown Hamilton/ West Harbour Front Remediation Loan Pilot Program and identify the Downtown Hamilton area subject to this Loan Program;
- To removed the various program description and terms to be removed from the CIP and added as appendices and require the program description and terms to be amended by Council resolution; and,
- To make clerical and administrative changes to the CIP and the associated financial incentive program descriptions and terms.

Actual Changes

1. That Section 1.1, What are Brownfields?, first paragraph, first sentence be deleted and replaced as follows: ""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)."

2. That Section 1.2.1, Economic Benefits, be amended by deleting the first paragraph and replacing it as follows:

"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)."

3. That Section 1.3, Purpose of the CIP, paragraph three be deleted and replaced as follows:

"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 H). 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 I). 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."

4. That Section 1.3, Purpose of the CIP, paragraph four, last sentence be amended by deleting the words "will be" and replacing them with the word "was".

5. That following Section 2.3, Municipal Act that two new sections be added as follows and the subsequent sections renumbered accordingly:

"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."
6. That following Section 2.7, Vision 2020, two new sections be added as follows and the subsequent sections renumbered accordingly:

"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."

7. That Section 2.9, West Harbourfront Development Study, last sentence be amended by deleted the words "in the process of being" with the word "was".

8. That following Subsection 3.1.3, Rest of Urban Area a new Subsection added as follows:

"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).

9. That Section 3.2, Types of Assistance Required, paragraph 4 first sentence, be amended by deleting the date "(2001)" and replacing it with "(2005)".

10. That Section 3.2, Types of Assistance Required, that following paragraph four, a new paragraph be added as follows:

"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."

11. That Section 4.0, Community Improvement Project Area, be amended by deleting the second paragraph and replacing it as follows:

"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.

12. That Section 4.0, Community Improvement Project Area, Area 1, be amended by inserting a new item c) following item b) to the list as follows and relettering the remaining items accordingly:

"c) Leadership in Energy and Environmental Design (LEED) Certification Components as per the LEED Grant Program LGP)".

13. That Section 4.0, Community Improvement Project Area, following Area 3, item f) be amended by adding the following new Area 4:

"Area 4 (Downtown) 
Same costs as Area 1."

14. That Figure 4 be deleted and replace with a new Figure 4 attached to this amendment as Schedule A

15. That Section 5.0, Previous Community Improvement Plans be amended by deleting the word "Previous" in the title.

16. That Section 5.2, Erase Community Improvement Plan (CIP) – 2001, be amended by deleting paragraphs two, three and four in there entirety.

17. That following Section 5.2, Erase Community Improvement Plan (CIP) – 2001, a new Section 5.3 be added as follows and the subsequent sections be renumbered accordingly:

"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:
Appendix B to Report ECO05009(a)  
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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)."

18. That Section 5.4, Downtown Hamilton Community Improvement Plan (CIP) be amended by:
   a) in the first paragraph, sentence one deleting the words "approved in 1997 and amended in 2004" and replacing them with "adopted by Council in 2007 by by-law 07-061, as amended".
   b) In the second paragraph deleting item c) and replacing it as follows:
      "c) Hamilton Downtown Property Improvement Grant Program.".
   c) In the third paragraph deleting the words "Enterprise Zone Program" and replace them with "Hamilton Downtown Property Improvement Grant".

19. That following Section 5.4 Downtown Hamilton Community Improvement Plan (CIP) a new section be added as follows:
"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."

20. That Section 7.0, Goals of the ERASE Community Improvement Plan, paragraph one be amended by inserting a new item following item d) as follows and that the subsequent items be relettered accordingly:

"e) promote energy efficiency and sustainable building practices through the construction of Leadership in Energy and Environmental Design (LEED) standards;"

21. That Section 8.0, The ERASE Community Improvement Plan (CIP), paragraph two be amended by adding the words "8.4 ERASE Downtown Hamilton/ West Harbourfront Remediation Loan Pilot Program" following the words "8.3 ERASE Tax Assistance Program (TAP)" and that the following items be renumbered accordingly.

22. That Section 8.0, The ERASE Community Improvement Plan (CIP), paragraph three be amended by deleting the number "8.3" and replacing it with "8.4" and by deleting the number "8.4" and replacing it with "8.5" and deleting the number "8.5" and replacing it with "8.6".

23. That Figure 5, Summary of ERASE CIP Program be amended as follows:

a) That in row 1, 8.1, ERASE Study Grant Program (SGP), in column 3, delete the words ", up to a $15,000 per study and $20,000 total per property/project" and replace them with "to a maximum as specific by the
terms of the program”.

b) That a following row 3, 8.3, ERASE Tax Assistance Program (TAP) insert a new row as follows:

| "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** |

|  |

|  |

| c) That the subsequent rows be renumbered accordingly.

24. That Section 8.1, ERASE Study Grant Program (SGP) be amended by deleting Subsections 8.1.2 Program Description, 8.1.3, Eligibility Requirements, 8.1.4 Administration, in their entirety.

25. That Section 8.2, ERASE Redevelopment Grant Program (RGP) be amended by deleting Subsections 8.2.2 Program Description, 8.2.3, Eligibility Requirements, 8.2.4 Administration, in their entirety.

26. That Section 8.3, ERASE Tax Assistance Program (TAP) be amended by deleting Subsections 8.3.2 Program Description, 8.3.3, Eligibility Requirements, 8.3.4 Administration, in their entirety.

27. That following Section 8.3, a new section be added as follows and the subsequent sections renumbered accordingly:

"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."

28. That Section 8.5, ERASE Municipal Acquisition and Partnership Program (MAPP) be amended by deleting Subsections 8.5.2 Program Description, 8.5.3, Eligibility Requirements, 8.5.4 Administration, in their entirety.
29. That Section 8.6, ERASE Marketing and Opportunities Program (MOP) be amended by deleting Subsections 8.6.2 Program Description, 8.6.3, Eligibility Requirements, 8.6.4 Program Administration, in their entirety.

30. That Section 9.0, ERASE Development Charge Reduction (DCR) Program be amended by deleting Subsections 9.2 Program Description, 9.3, Eligibility Requirements, 9.4 Program Administration, in their entirety.

31. That Section 10.0, Program Monitoring and Adjustment, paragraph one be amended by deleting the last sentence and replacing it as follows: "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 "############" in the CIP."

32. That Figure 7, Brownfield Variables to be Monitored, be amended by adding a new row following row 3, 8.3, ERASE Tax Assistance Program, as follows and that the subsequent rows be renumbered accordingly:

<table>
<thead>
<tr>
<th>&quot;8.4&quot;</th>
<th>Downtown Hamilton / West Harbourfront Remediation Loan Pilot Program</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Number of applications</td>
</tr>
<tr>
<td></td>
<td>- Breakdown of eligible costs by type</td>
</tr>
<tr>
<td></td>
<td>- Total cost of RGP grants</td>
</tr>
<tr>
<td></td>
<td>- Hectares (acres) of land cleaned up/redeveloped</td>
</tr>
<tr>
<td></td>
<td>- Industrial/commercial space (sq.ft.) constructed or refurbished</td>
</tr>
<tr>
<td></td>
<td>- Residential units/(sq.ft.) constructed</td>
</tr>
<tr>
<td></td>
<td>- Value of private sector investment leveraged</td>
</tr>
<tr>
<td></td>
<td>- Estimated increase in assessed value</td>
</tr>
<tr>
<td></td>
<td>- Estimated increase in municipal and education taxes</td>
</tr>
<tr>
<td></td>
<td>- Jobs created/retained</td>
</tr>
</tbody>
</table>

33. That Part C, Appendices be amended by adding new Appendices "A", "B", "C", "D", "E", "F", and "G" as follows, and that the subsequent Appendices be re-lettered accordingly:

"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 brief proposal for the environmental study;
   i) a detailed study work plan;
   ii) a cost estimate for the study; and,
iii) 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 revaluation 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)
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 to 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 1st 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 1st 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 instalments 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:
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;

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:

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.

8.5.2 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)

8.6.1 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
The 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 (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.

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;
   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 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
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."

34. That the table of contents be revised accordingly.

35. That the appropriate sections of the plan be renumbered accordingly.

**Implementation**

The provisions of Section 6A of the former Hamilton-Wentworth Official Plan and Section 28 of the Planning Act give effect to this amendment.

This amendment constitutes Schedule 1 to By-law No. 10-_____ passed on the _____day of ________, 2010.
Schedule 1 to Amendment 1
to the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan