



Hamilton



**REVIEW**

OF  
THE

**Environmental Remediation and  
Site Enhancement (ERASE)  
Community Improvement Plan  
& Related Financial Assistance Programs**

**BROWNFIELD SUBCOMMITTEE  
NOVEMBER 21, 2022**

# AGENDA

An aerial night photograph of a city, likely San Francisco, showing a multi-lane highway with long-exposure light trails from cars. The city lights and a prominent skyscraper are visible in the background under a dark sky.

- Staff Introductions
- Presentation
- Breakout Group Discussions
- Report Back to Group
- Concluding Remarks



## **BACKGROUND**

# **Brownfields and the ERASE CIP**

## WHAT'S A BROWNFIELD?

*“...means 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”*

(Provincial Policy Statement, 2020)



Image Source:  
<http://maps.google.ca>



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## CIPs and CIPAs

- Ontario municipalities may only offer financial incentives to private landowners of lands subject to a CIP.
- CIPs are policy documents, authorized under the *Planning Act*, through which municipalities establish:
  - The desired 'community improvement' to be achieved
  - how the desired community improvement aligns/ supports municipal and provincial policies
  - The means to achieve the desired improvement (e.g. financial incentive programs, strategic directions)
  - The purpose and scope of any financial incentive/assistance programs
- The geographic area in which the CIP and programs apply (CIPA) is established through a separate By-law

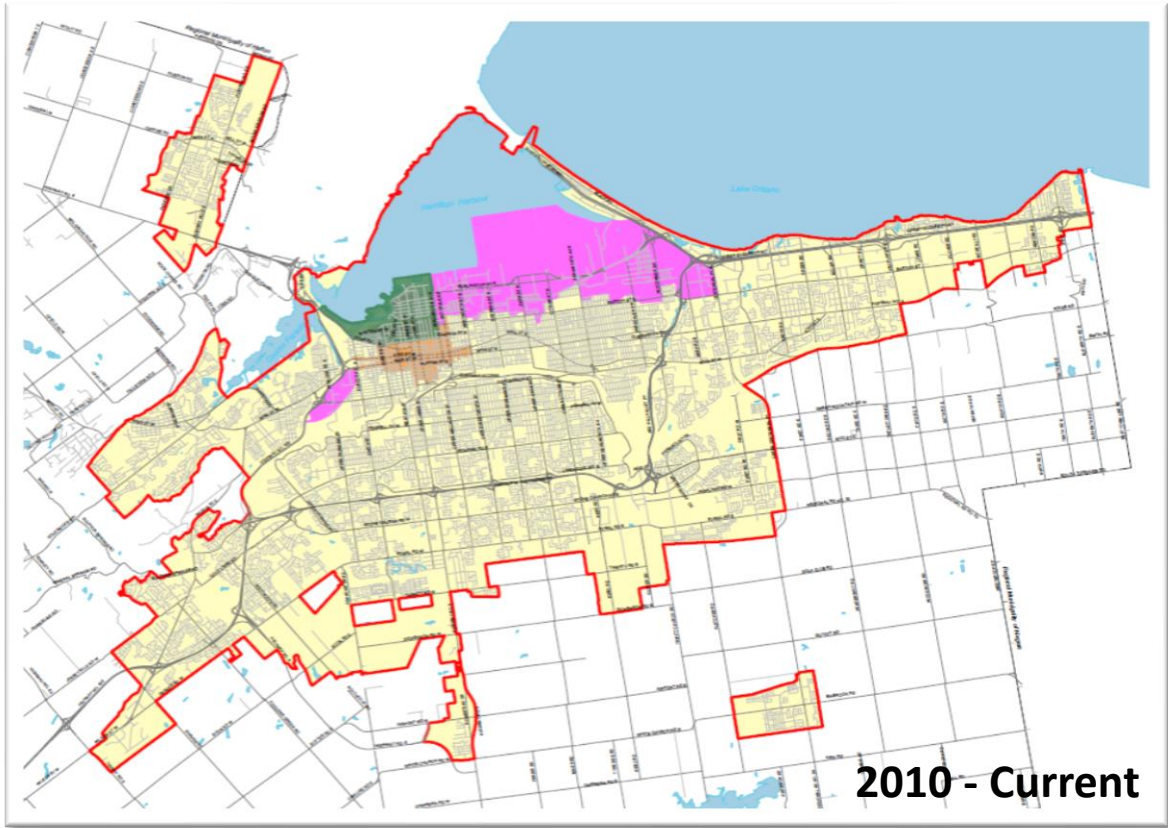
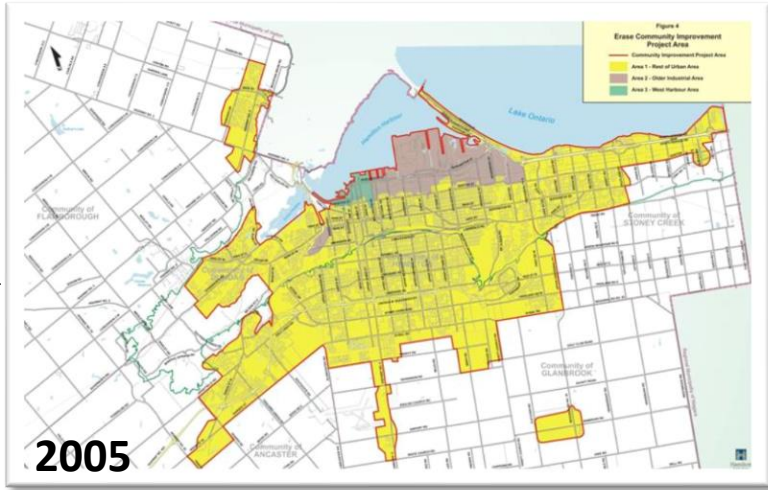


## ERASE CIP PURPOSE + GOALS

- ERASE CIP first introduced in 2001 to provide a comprehensive strategic framework to support the remediation and redevelopment of brownfields
- Goals of the ERASE CIP include:
  - Supporting urban area revitalization through redevelopment of under-utilized/blighted properties with productive land uses;
  - Reducing urban sprawl and related costs
  - Growing assessment and municipal taxes
  - Supporting new housing and employment opportunities



# PLAN AREA



**ELIGIBLE COSTS BY AREA**

- AREA 1 Urban Area**
- Investigation/Remediation of Contamination (+ LEED Environmental Certification)
  - DSHM Surveys and Abatement/Removal (current/closed institutional and/or designated heritage buildings only)

<b>AREA 2 Older Industrial Areas (Bayfront Industrial /Frid St.)</b>	<b>AREA 3 West Harbour</b>	<b>AREA 4 Downtown CIPA</b>
+ Infrastructure removal/upgrade (25% max) + Industrial/office reuse feasibility studies + DSHM Surveys and abatement/removal + Demo cost + Relocation/removal of industrial facilities	+ Remediation loan program + Infrastructure removal/upgrade (25% max) + Demo costs + Relocation/removal of industrial facilities	+ Remediation loan program



# ASSISTANCE PROGRAMS

ERASE Study Grant (ESG) Program

ERASE Redevelopment Grant (ERG) Program

+

Development Charge Reduction (DCR) Program

Downtown/  
West Harbour  
Remediation  
Loan Program  
(RLP)

ERASE Tax  
Assistance  
Program (TAP)

Municipal  
Acquisition and  
Pilot Program  
(MAPP)



ERASE Study  
Grant (ESG)  
Program

Cost-sharing program for environmental studies to investigate site contamination. Grant equal to 50% of study cost to a max. of \$20K. Two studies permitted per site to a combined max. of \$35K.

ERASE  
Redevelopment  
Grant (ERG)  
Program

Tax increment-based grant with annual payments equal to 80% of municipal tax uplift provided annually for a max. of 10 years or until eligible remediation costs have been recovered, whichever comes first.

+

Development  
Charge  
Reduction  
(DCR) Program

Defers payable DCs equal to maximum approved ERG grant amount at 0% interest until ERG grant payments begin.



Downtown/  
West Harbour  
Remediation  
Loan Program  
(RLP)

0% interest loan for remediation costs to a max. of 80% of remediation costs or \$400K.

ERASE Tax  
Assistance  
Program (TAP)

Freezes municipal taxes during the rehabilitation/ redevelopment period for up to three years. Works in conjunction with the Province's BFTIP (Brownfield Financial Tax Incentive Program) which freezes the education portion of property taxes for the same period.

Municipal  
Acquisition and  
Pilot Program  
(MAPP)

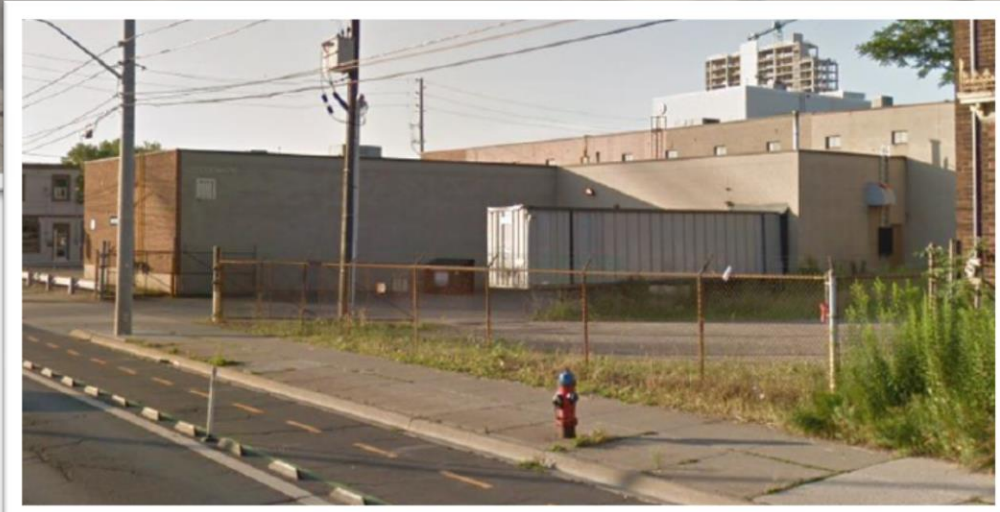
Funds pilot projects and strategic brownfield acquisitions using the Brownfield Pilot Project Fund which receives the remaining 20% of realized municipal tax uplift from approved ERG applications.

**SUCCESSES:  
212 King  
William St.**



- Approved for ERASE Study and Redevelopment Program Grants
- Former uses: parking lot, warehouse, manufacturing, various commercial
- Est. \$4.8M in remediation costs
- 14 storey building
- 266 residential units
- Tax Uplift: Est. \$1.2M/annually

**SUCCESSES:  
107  
MacNab St.  
N.**



- Approved for ERASE Study and Redevelopment Program Grants
- Former area uses: gas station, auto wreckers,
- Est. \$735K in remediation costs
- New manufacturing facility for Coppley mensware
- 6,800 sq. m. new floor area
- Tax Uplift: Est. \$360K/annually

**SUCCESSES:  
1160 Main  
St. E.**



- Approved for ERASE Study and Redevelopment Program Grants
- Former uses: auto repair with underground tanks
- Est. \$1.3M in remediation costs
- 7 storey mixed use building
- 75 rental units
- Tax Uplift: Est. \$135K/annually



**ERASE CIP REVIEW:**  
**Scope and Best Practices**

## ERASE CIP REVIEWS

- The City periodically reviews all CIPs and Programs.
- ERASE CIP has been comprehensively reviewed and updated in 2005, 2010, 2018.
- Key 2018 changes included:
  - Adding Designated Substances and Hazardous Materials (DSHM) survey and abatement/removal costs for:
    - current/closed institutional buildings
    - designated heritage buildings
    - sites in Area 2 – Older Industrial Area
  - Increased maximum City contribution from \$25K to \$35K for two environmental studies per site/project.
  - Decreasing Remediation Loan Program's interest rate from prime minus 1% to 0%







**GOAL OF  
THIS  
REVIEW**

**Identify any program updates which may be needed to...**

- Ensure financial assistance programs reflect market needs and are effective and meaningful towards encourage the investigation, remediation and redevelopment of contaminated properties
- Ensure programs are meeting the intended goals and objectives established in the CIP
- Ensure programs are financially sustainable for the City
- Ensure programs align with new/emerging community and Council priorities



## SCOPE OF REVIEW

In Scope... 	Not In Scope... 
<p>Creation of new programs</p> <p>Modifying the focus or intent of a program (provided it continues to be for remediation purposes)</p> <p>Adding and/or removing specific improvements (eligible costs) which can be the subject of a grant</p> <p>Increasing or decreasing the maximum potential grant available under a program</p> <p>Modifying Community Improvement Project Area</p> <p>No changes to a program</p>	<p>Incentives offered under other City Community Improvement Plans including the <u>Revitalizing Hamilton's Commercial Districts CIP</u> or <u>Hamilton LEEDING the Way CIP</u>.</p> <p>Reductions/exemptions of Development Charges (DC) such as those provided in the Downtown. (governed by the City's DC By-law).</p> <p>Changes that would require additional funding allocation by Council.</p>



## BEST PRACTICES

- Compared ERASE to other Southern Ontario cities (Brantford, Burlington, Guelph, London, Oakville, Oshawa, St. Catharine's, Toronto, Region of Waterloo)
- All had brownfield study and tax grant programs
- 4 of 10 municipalities (Guelph, London, Region of Waterloo (ending July 2024) and Windsor) offer DC reduction/deferrals
- 4 of 10 cities provide increased/longer term tax grants based on meeting priorities
  - environmental sustainability (Burlington, Oakville, Windsor)
  - employment density (Burlington, Oakville)
  - geographic priority development area (Oakville)
  - affordable housing (Oakville, St. Catharine's)
- Most tax grant programs are 10 years/80% (Burlington (6-12 years), Oakville (8-12 years) and Toronto (3 years))



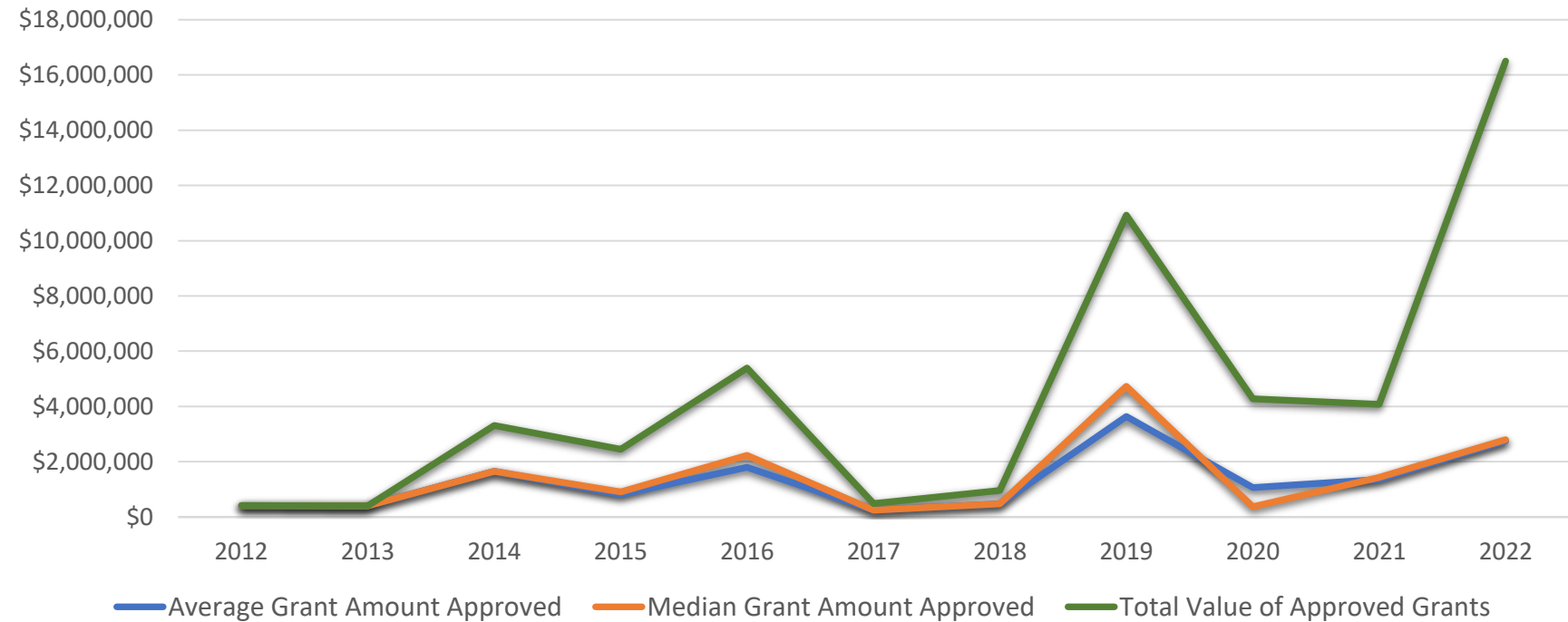


**ERASE CIP REVIEW:**  
**Emerging Issues and Considerations**

# FINANCIAL SUSTAINABILITY

## REMEDATION COSTS APPEAR TO BE RISING...

### ERG Program Grant Approvals (2012-2022)



# HOUSING AFFORDABILITY

## BETTER SUPPORT FOR NON-PROFIT, AFFORDABLE HOUSING DEVELOPMENT ON BROWNFIELDS...

ERASE assistance programs available to non-tax paying, non-profit housing providers:



ERASE Study Grant (ESG) Program



ERASE Redevelopment Grant (ERG) Program



Downtown/ West Harbour Remediation Loan Program (RLP)



ERASE Tax Assistance Program (TAP)



# REMEDICATION LOAN PROGRAM

## ADDRESS UNDERPERFORMING PROGRAMS...

Financial Incentive Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
ERASE Study Grant	14	14	15	17	12	21	23	18	26	23	12
ERASE Redevelopment Grant	3	4	3	4	7	2	4	8	7	8	5
Hamilton Downtown/West Harbourfront Remediation Loan Program	0	2	0	1	0	0	0	0	0	0	0



# UNDER-UTILIZED COMMERCIAL PROPERTIES

Business

## Will electric vehicles kill off gas stations? Fuel companies prepare for an uncertain future



Better snacks, automated checkouts, EV chargers could boost chances: analysts

[Laura McQuillan](#) · CBC News · Posted: May 03, 2022 4:00 AM ET | Last Updated: May 3



Image Source: <http://maps.google.ca>

Article Source: <https://www.cbc.ca/news/business/gas-station-future-electric-vehicles-1.6434982>



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**ERASE CIP REVIEW:**  
**Discussion**

## DISCUSSION QUESTIONS

1. Should promoting and supporting the remediation and redevelopment of brownfields financially continue to be a priority for the City?
2. Do you believe that developments receiving financial assistance through ERASE should be required to address additional community priorities?
3. Staff are considering establishing a per project dollar cap on tax grants. Are there areas of the city or types of developments/uses where a cap should not be applied?
4. Are there remediation-related costs that should be added/removed from eligibility under the programs?
5. How could the City better support remediation and redevelopment of potentially contaminated commercial properties like current/former gas stations, dry cleaners etc.?
6. The Remediation Loan Program has not been well utilized. Why? What changes could be made to make it more useful?





**ERASE CIP REVIEW:**  
**Project Timeline**

# REVIEW TIMELINE

WE ARE HERE →

WILL INCLUDE A  
PUBLIC MEETING →



## Review Start

Start of Review - October 2022



## Engagement

Public and Stakeholder Engagement -  
October to December 2022



## Development

Staff Development of Proposed Changes -  
November 2022 to February 2023



## Recommendations

Recommendation to City Council of Changes  
to the ERASE CIP and Associated Financial  
Assistance Programs - Q1 2023



## Implementation

Updated ERASE CIP and Associated  
Financial Assistance Programs Come Into  
Effect - Q2 2023

\*dates are subject to change



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**CONTINUING  
ENGAGEMENT**



[www.engage.hamilton.ca/ERASECIP](http://www.engage.hamilton.ca/ERASECIP)

**BACKGROUND  
INFORMATION**

**SUBMIT  
QUESTIONS  
AND IDEAS**

**FILL OUT A  
SURVEY**



# THANK YOU

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