COMMITTEE AGENDA



TO Planning & Building, Engineering and Environment

Committee

DATE October 9, 2013

LOCATION Council Chambers, Guelph City Hall, 1 Carden Street

TIME 2:00 p.m.

DISCLOSURE OF PECUNIARY INTEREST AND GENERAL NATURE THEREOF

CONFIRMATION OF MINUTES – September 10, 2013 Open and Closed Meeting Minutes

PRESENTATIONS (Items with no accompanying report)

a) None

CONSENT AGENDA

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with separately. The balance of the Planning & Building, Engineering and Environment Committee Consent Agenda will be approved in one resolution.

| ITEM | CITY | DELEGATIONS | TO BE EXTRACTED |
|---------------------------|--------------|-------------|--------------------|
| | PRESENTATION | | |
| PBEE-2013.32 | | | |
| Outside Water Use By-Law | | | |
| Review – Findings and | | | |
| Recommended Revisions | | | |
| PBEE-2013.33 | | | |
| Brownfield Tax Increment | | | |
| Based Grant Application – | | | |
| 139 Morris Street | | | |
| PBEE-2013.34 | | | |
| Brownfield CIP Program | | | |
| Applications – 35 & 40 | | | |
| Silvercreek Parkway South | | | |

| PBEE-2013.35 | | |
|------------------------------|--|--|
| Brownfield Tax Increment | | |
| Based Grant Application – 84 | | |
| and 86 Wyndham Street | | |
| South, and 68A, 68B and | | |
| 72 York Road | | |

Resolution to adopt the balance of the Planning & Building, Engineering and Environment Committee Consent Agenda.

ITEMS EXTRACTED FROM CONSENT AGENDA

Once extracted items are identified, they will be dealt with in the following order:

- 1) delegations (may include presentations)
- 2) staff presentations only
- 3) all others.

STAFF UPDATES AND ANNOUNCEMENTS

ADJOURNMENT

NEXT MEETING: November 5, 2013



Planning & Building, Engineering and Environment Committee Held in the Council Chambers, Guelph City Hall, Tuesday, September 10, 2013 at 12:30 p.m.

Attendance

Members: Chair Piper, Mayor Farbridge, Councillors Bell and Guthrie

Absent: Councillor Burcher

Councillors: Councillors Furfaro, Van Hellemond and Wettstein

Staff: Dr. J. Laird, Executive Director of Planning, Building, Engineering and

Environment; Mr. M. Amorosi, Executive Director of Corporate & Human Resources; Ms. D. Jaques, General Manager of Legal & Realty Services/City Solicitor; Mr. B. Poole, Chief Building Official; Mr. T. Salter, General Manager, Planning Services; Ms. T. Agnello, Deputy City Clerk; and Ms. D. Black, Council

Committee Coordinator

Call to Order (12:30 p.m.)

Chair Piper called the meeting to order.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

Confirmation of Minutes

 Moved by Councillor Bell Seconded by Councillor Guthrie

That the open and closed meeting minutes of the Planning and Building, Engineering and Environment Committee held on July 15, 2013 be confirmed as recorded.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Bell, Guthrie and Piper (4) VOTING AGAINST: (0)

CARRIED

Consent Agenda

The following items were extracted from the September 10, 2013 Consent Agenda to be voted on separately:

PBEE-2013.31 York Trunk Sewer and Paisley-Clythe Feedermain: Recycled Water Distribution System and Edinburgh Road Trail Underpass

Moved by Mayor Farbridge Seconded by Councillor Bell That the balance of the Consent Agenda of the Planning and Building, Engineering and Environment Committee September 10, 2013 as identified below, be adopted:

PBEE-2013.30 Sign By-law Variance for 728 Victoria Road South (Pidel Homes)

- 1. That Planning, Building, Engineering and Environment Report dated September 10, 2013, regarding a Sign By-law variance for 728 Victoria Road South, be received.
- 2. That, the request for a variance from the Sign By-law for 728 Victoria Road South to permit a freestanding sign with a height of 4.36 metres and an area of 8.8 m² with a setback of a minimum of 1 metre; be approved.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Bell, Guthrie and Piper (4) VOTING AGAINST: (0)

CARRIED

Presentations

Request to Change Cell Tower Policy

Mr. Frank Clegg, representing Canadians for Safe Technology and Ms. Sue Lebrecht, provided information regarding potential hazards of cell towers, and requested Council to consider the following:

- a) update the city policy on communication towers;
- b) consider The Canadian Radiocommunications Information and Notification Service (C4ST) protocols in revising the city policy;
- c) pass a resolution to non concur to the towers at Grange and Starwoodand the extended pole on Auden Road;
- d) pass a resolution calling for a moratorium on cell tower placements until the review of Safety Code 6 is finalized; and
- e) recognize and raise awareness about Electrosensitivity.
- 3. Moved by Mayor Farbridge Seconded by Councillor Guthrie
 - 1. That the request to change the cell tower policy be referred to staff to report back to the Planning & Building, Engineering and Environment Committee on options regarding:
 - a) changes to City policy; and
 - b) advocacy for a review of Safety Code 6.
 - 2. That the matter of the Grange and Starwood cell towers and the extended pole on Auden Road be placed on a future meeting agenda of the Planning & Building, Engineering and Environment Committee.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Bell, Guthrie and Piper (4) VOTING AGAINST: (0)

CARRIED

Extracted Consent Items

PBEE-2013.31 York Trunk Sewer and Paisley-Clythe Feedermain: Recycled Water Distribution System and Edinburgh Road Trail Underpass

- 4. Moved by Councillor Bell Seconded by Mayor Farbridge
 - That a Recycled Water Distribution System and an Edinburgh Road Trail Underpass not be included within the scope of final design and construction of the York Trunk Sewer and Paisley-Clythe Feedermain project.
 - 2. That staff review the proposed business case and timing for implementation of a proposed Recycled Water Distribution System as part of future master plan updates such as the ongoing update to the City's Water Supply Master Plan, Wastewater Treatment Master Plan, Water and Wastewater Servicing Master Plan and Water Conservation and Efficiency Plan.
 - 3. That staff review the proposed timing for implementation of an Edinburgh Road Trail Underpass or alternative trail connection in conjunction with the future reconstruction of the Edinburgh Road bridge.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Bell, Guthrie and Piper (4)

VOTING AGAINST: (0)

CARRIED

Staff Updates and Announcements

Mr. Bruce Poole, Chief Building Official provided an overview of measures and communications undertaken regarding the termite infestation in the King Street/Eramosa Road/Palmer Street area that was discovered early in August.

Authority to Resolve into a Closed Meeting

5. Moved by Councillor Guthrie Seconded by Mayor Farbridge

That the Planning and Building, Engineering and Environment Committee now hold a meeting that is closed to the public with respect to Sec. 239(2)(c) of the *Municipal Act* with respect to proposed or pending acquisition or disposition of land by the municipality or local board.

CARRIED

Closed Meeting (1:16 p.m.)

The following matters were considered:

PBEE-C-2013.2 Proposed or Pending Acquisition or Disposition of Land by the Municipality or Local Board.

| Rise | from Closed Meeting & Adjourn (1:44 p.m.) | |
|-------------|---|--------------|
| 6. | Moved by Councillor Guthrie Seconded by Councillor Burcher | |
| | That the committee rise from its closed meeting. | CARRIED |
| <u>Oper</u> | n Meeting (1:45 p.m.) | |
| 7. | Moved by Councillor Guthrie Seconded by Councillor Burcher | |
| | That the meeting be adjourned. | CARRIED |
| | | |
| | | Deputy Clerk |

PLANNING & BUILDING, ENGINEERING and ENVIRONMENT COMMITTEE CONSENT AGENDA

October 9, 2013

Members of the Planning & Building, Engineering and Environment Committee.

SUMMARY OF REPORTS:

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with immediately. The balance of the Planning & Building, Engineering & Environment Committee Consent Agenda will be approved in one resolution.

Α **Reports from Administrative Staff**

| REPORT | | DIRECTION |
|--|--|-----------|
| PBEE-2013.32 | OUTSIDE WATER USE BY-LAW REVIEW – FINDINGS AND RECOMMENDED REVISIONS | Approve |
| 1. That the report of the Executive Director of Planning, Building, Engineering and Environment dated October 9, 2013, regarding the Outside Water Use By-law Review, be received. | | |

- 2. That the revisions to the Outside Water Use Program and By-law as outlined in the report of the Executive Director of Planning, Building, Engineering and Environment, dated October 9, 2013 be approved.
- 3. That the General Manager of Water Services be authorized to complete housekeeping-based amendments to the Schedules of the Outside Water Use By-law, subject to the satisfaction of the Executive Director of Planning, Building, Engineering and Environment and the City Solicitor.

PBEE-2013.33 139 MORRIS STREET - BROWNFIELD TAX **INCREMENT BASED GRANT APPLICATION**

1. That the application, on behalf of the owners of 139 Morris Street, for a Tax Increment-Based Grant, pursuant to the Brownfield Redevelopment Community Improvement Plan and applying to 139 Morris Street, be approved to an upset limit of \$1,151,879, provided that an agreement to implement the grant is executed within six months of Council approval, and that the property be redeveloped and reassessed at a higher value prior to October 28, 2018.

Approve

- 2. That staff be directed to finalize a Tax Increment-Based Grant agreement between the City and 139 Morris St. Ltd, or any subsequent owner, to the satisfaction of the General Manager of Planning Services, the General Manager of Legal and Realty Services/City Solicitor, and the City Treasurer.
- 3. That the Mayor and Clerk be authorized to execute the agreement.

PBEE-2013.34 BROWNFIELD CIP PROGRAM APPLICATIONS – 35 & 40 SILVERCREEK PARKWAY SOUTH

Approve

- 1. That the applications by Silvercreek Guelph Developments Limited for the Tax Assistance and Environmental Study Grant programs and applying to 35 & 40 Silvercreek Parkway South, be refused.
- 2. That the application by Silvercreek Guelph Developments Limited for a Tax Increment-Based Grant pursuant to the Brownfield Redevelopment Community Improvement Plan and applying to 35 & 40 Silvercreek Parkway South be approved to an upset limit of \$241,154, provided that an agreement to implement the grant is executed within six months of Council approval, and that the property be redeveloped and reassessed at a higher value prior to October 28, 2018.
- 3. That staff be directed to finalize a Tax Increment-Based Grant agreement between the City and Silvercreek Guelph Developments Limited, or any subsequent owner, to the satisfaction of the General Manager of Planning Services, the General Manager of Legal and Realty Services/City Solicitor, and the City Treasurer.
- 4. That the Mayor and Clerk be authorized to execute the agreement.

PBEE-2013.35 BROWNFIELD TAX INCREMENT BASED GRANT APPLICATION— 84 AND 86 WYNDHAM STREET SOUTH, AND 68A, 68B AND 72 YORK ROAD

Approve

- 1. That the application by Terra View Riverside Ltd. for a Tax Increment-Based Grant pursuant to the Brownfield Redevelopment Community Improvement Plan and applying to 84 and 86 Wyndham Street South and 68A, 68B and 72 York Road, be approved in the form of a grant of \$411,000 in addition to the \$138,000 grant approved by Council on July 27, 2009, for a combined upset limit of \$549,000, provided that an agreement to implement the grant is executed within six months of Council approval, and that the property be redeveloped and reassessed at a higher value prior to October 28, 2018.
- 2. That staff be directed to finalize a Tax Increment-Based Grant agreement between the City and Terra View Riverside Ltd., or any

subsequent owner, to the satisfaction of the General Manager of Planning Services, the General Manager of Legal and Realty Services/City Solicitor, and the City Treasurer.

3. That the Mayor and Clerk be authorized to execute the agreement.

attach.



TO Planning & Building, Engineering and Environment Committee

SERVICE AREA Planning, Building, Engineering and Environment

DATE October 9, 2013

SUBJECT Outside Water Use By-law Review – Findings and

Recommended Revisions

REPORT NUMBER

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To share with City Council results of the Outside Water Use By-law Review community engagement process and recommended revisions to the Outside Water Use By-law stemming from stakeholder feedback.

KEY FINDINGS

In response to stakeholder concerns received through implementation of Level 2 Red water use restrictions during the prolonged drought periods of 2012, Water Services initiated a review of the Outside Water By-law in January 2013. This multi-phase public process, designed in accordance with the City's Community Engagement Framework, engaged residents and local stakeholders in an interactive dialogue on potential changes to the program and by-law. In concert with this public by-law review process, staff also initiated a multi-departmental Municipal Drought Response Working Group to evaluate corporate peak season water use and to define protocols for response of municipal operations during low water conditions.

The public portion of this by-law review process reached completion on August 28, 2013. Based on stakeholder feedback received, staff recommend the following revisions to the By-law:

- Outside Water Use Exemption for Food Garden Watering during Program Levels 0, 1 and 2;
- Outside Water Use Exemption for Outdoor Tree Watering during Program Levels 0, 1 and 2;
- Outside Water Use Exemption for Historic Sites during Program Level 2;
- Car, Vehicle and Boat Washing restrictions during Program Level 2, and;
- Increasing fine amounts for repeated non-compliance.



Furthermore, proposed revisions to City operations under the by-law resulting from Municipal Drought Response Working Group consultations include the following:

- Asset Procurement and Efficiency Standards;
- Exemption for Capital Project Property Remediation based watering during Program Levels 0, 1 & 2;
- City Sports Field Irrigation water use reductions during Program Level 2;
- City Street Sweeping reductions during Program Level 2, and;
- Public Education and Demonstration Projects requiring water reductions during Program Level 2.

To ensure necessary time for public education in advance of implementation of the amended Outside Water Use By-law, staff recommend that the revisions to the by-law become effective as of April 1, 2014.

FINANCIAL IMPLICATIONS

Funding for the Outside Water Use By-law review is within the Council approved 2012 and 2013 Water Services Enterprise Budgets. No impacts to City Departments anticipated as a result of proposed revisions to the Outside Water Use By-law.

ACTION REQUIRED

That Planning, Building, Engineering and Environment Committee and City Council approve the recommendations stated below.

RECOMMENDATION

- 1. That the report of the Executive Director of Planning, Building, Engineering and Environment dated October 9, 2013, regarding the Outside Water Use By-law Review, be received.
- 2. That the revisions to the Outside Water Use Program and By-law as outlined in the report of the Executive Director of Planning, Building, Engineering and Environment, dated October 9, 2013 be approved.
- 3. That the General Manager of Water Services be authorized to complete housekeeping-based amendments to the Schedules of the Outside Water Use By-law, subject to the satisfaction of the Executive Director of Planning, Building, Engineering and Environment and the City Solicitor.

BACKGROUND

In 2003 City Council approved the City's Outside Water Use By-law (2003)-17106 to define local response requirements to drought conditions of the Province of Ontario Low Water Response Plan and mitigate impacts to local water resources and threats to water utility regulatory compliance stemming from drastic increases in peak seasonal water takings. Prolonged periods of drought during 2012



precipitated the need to implement enhanced water use restrictions under the bylaw. During this period, many community stakeholders expressed concern over the current by-law and the relevance of some permitted activities in reference to current social norms and practices. Local stakeholders also shared concern with staff regarding the equity and fairness of restrictions amongst separate customer sectors, including the response by City operational divisions.

In recognition of concerns received from the public during 2012, Water Services initiated a review of the Outside Water By-law in January 2013. This review employed a robust community engagement strategy aimed to solicit feedback from the general public and community stakeholders on desired amendments to the Outside Water Use By-law and Program, while maintaining the City's regulatory requirements for the provision of drinking water. In concert with this public by-law review process, staff also initiated a multi-departmental Municipal Drought Response Working Group to evaluate corporate peak season water use operational needs and to define protocols for response of municipal operations during low water conditions. The following report details the findings of these respective processes and associated recommendations for Outside Water Use By-law and Program revisions.

REPORT

Community Engagement Process

To solicit community feedback on revisions to the Outside Water Use By-law and Program, staff initiated a public engagement strategy in January 2013 in consultation with Community and Social Services staff, and with the assistance of Lura Consulting. This strategy designed in accordance with the City's Community Engagement Framework employed a three-phase process aimed at engaging residents and stakeholders in an interactive dialogue on the status and effectiveness of the by-law and program, and potential changes to the program and by-law. Core themes and activities by phase of the engagement strategy were:

Phase 1: Issues and Opportunities (January 2013 - February 2013)

- Guelph Water Conservation and Efficiency Public Advisory Committee Meeting
- Business Roundtable (February 5, 2013)
- Community Forums (January 30 and February 5, 2013)
- Online Participation through web posting of discussion guide, online survey and comments via email;

Phase 2: Future Directions (April 2013 - June 2013)

- Guelph Water Conservation and Efficiency Public Advisory Committee Meeting
- Business Roundtable (April 25, 2013)
- Community Forums (April 24 and 25, 2013)
- Online Participation through web posting of discussion guide, online survey and comments via email; and



Phase 3: Confirming the Results (July - September 2013)

- Residential Call Survey to 400 randomly selected households, stratified by Ward (July 2-9, 2013)
- Online Participation through web posting of proposed by-law changes for public review and comment via mail, telephone, fax and email (August 15-28, 2013).

Media releases, print advertisements (Tribune), social media prompts, and online advertisements (Guelph Chamber of Commerce) were used to solicit local stakeholder participation in the review. In addition, direct mail was sent to area stakeholders defined during the review process, including local landscape maintenance companies, the Guelph and District Home Builders Association, and residents with private irrigation systems, to provide background information and solicit feedback throughout the process.

Summary reports of feedback received during each phase of the Outside Water Use By-law review are posted on the City's website at www.guelph.ca/owureview. Stakeholder feedback received through the final public review comment period on proposed changes to the by-law, and associated staff responses, are attached (Attachment 3).

Proposed Revisions

In alignment with stakeholder feedback received through the Outside Water Use By-law and Program Review engagement process, staff recommend the following revisions to the By-law. Supporting consultation findings and rationale for recommended revisions are provided in Attachment 2.

- 1. Outside Water Use: Exemption to be added for Private Food Garden Watering during Program Levels 0, 1 and 2;
- 2. Outside Water Use: Exemption to be added to allow Outdoor Tree Watering within the tree's dripline during Program Levels 0, 1 and 2;
- 3. Outside Water Use: Exemption to be added for Historic Sites to allow onceper-week landscape watering at historically significant community landmarks (e.g. John McCrae House)during Program Level 2;
- 4. Car, Vehicle and Boat Washing: Additional restrictions during Program Level 2;
- 5. Increasing Fine amounts for repeated non-compliance.

An additional proposed housekeeping change to the by-law includes an update to the number and locations of street signs used to advertise program level, with focus to areas of recent development not in the vicinity of current signage. Siting of new program sign locations is currently ongoing at the time of publication of this report. Staff are requesting Council's approval to delegate authority to the General Manager of Water Services to complete this and future housekeeping amendments to Schedules of the Outside Water Use By-law, subject to the satisfaction of the



Executive Director and the City Solicitor. Planned schedules to the revised by-law include program sign locations, permit fee amounts and fine amounts per non-compliance event.

Municipal Drought Response

In concert with the by-law review process, a multi-departmental Municipal Drought Response Working Group was formed, including representatives from the City's Engineering Services, Emergency Services, Parks and Recreation, Public Works, Water Services, and Wastewater Services departments, with the mandate of evaluating outside water use activities relating to City operations, and identifying opportunities for improved City water usage when seasonal drought is experienced. Below is a summary of proposed revisions to the by-law directing City operations during period of droughts:

1. Asset Procurement and Efficiency Standards:

Requirement through by-law to direct staff to select best available water efficient technology during procurement and renewal of City assets which contribute to outside water use.

2. Exemption for Capital Project Property Remediation based watering during Program Levels 0, 1 & 2

Implementation of 30-day watering exemptions for new sod/seed installed on private property as a result of property damage/remediation from City-lead capital projects and infrastructure maintenance programs.

3. City Sports Field Irrigation water use reductions during Program Level 2:

Requirement for 20% reduction of City sports field watering times during Level 2 Red drought conditions.

4. City Street Sweeping during Program Level 2:

Reductions in street sweeping operational times and frequency during Level 2 Red drought conditions.

5. Public Education and Demonstration Projects which require water during Program Level 2:

Cancellation of public education and demonstration projects which require water during Level 2 Red drought conditions.

It is important to note that standards for many City services are prescribed through Provincial regulations and other guidelines. The City cannot totally eliminate outside water use due its lease obligation to maintain a standard of care. However, where possible, changes in City operations have already occurred to achieve compliance with these directives, decreasing seasonal outside water use.



By-law Revision and Public Education

To ensure necessary time for public education in advance of implementation of the amended Outside Water Use By-law staff recommend that the revisions to the by-law become effective as of April 1, 2014. To assist local stakeholders to understand impending changes to the By-law, Water Services and Corporate Communications will develop a public education and awareness campaign for implementation in early 2014. Furthermore, based on public feedback received during the review process, staff will be working to develop subsequent public educational materials focused on private pool water use efficiency, private tree watering guidelines and best practices for irrigation system design and irrigation system contractor certification designations to further reinforce outdoor water use efficiency.

New Automated Irrigation System Standards

Through the By-law review process a significant amount of public feedback was received on automated irrigations systems and desired efficiency standards for such systems. With the heightened prevalence of installation of these systems as part of current new home and commercial development, and increased seasonal water use associated with regular system use, Water Services and Building Services will be initiating a review of design and installation standards for new automated irrigation systems in 2014 in alignment with the City's Water Conservation objectives.

Currently section 35 of the City's Water By-law (By-law 1991-13791) defines the need for the City Engineer's written approval for lawn irrigation system installation. It is anticipated that development of system design standards, in consultation with industry stakeholders, will help to streamline this approval requirement while reinforcing efficient water use for those seeking to install such systems.

CORPORATE STRATEGIC PLAN

- 1.2 Develop collaborative work teams and apply whole systems thinking to deliver creative solutions;
- 2.2 Deliver public service better;
- 2.3 Ensure accountability, transparency and engagement;
- 3.3 Strengthen citizen and stakeholder engagement and communications.



DEPARTMENTAL CONSULTATION

Community and Social Services - Community Engagement and Social Services, Parks and Recreation, Corporate Building Maintenance; Corporate & Human Resources - Corporate Communications, Legal Services; Operations, Transit & Emergency Services - By-law Compliance and Security, Public Works; Emergency Services, Planning, Building, Engineering and Environment - Building Services; Engineering Services; Wastewater Services; Water Services

COMMUNICATIONS

A communications and community engagement plan for this Outside Water Use Bylaw review has developed through coordination with Community Engagement and Social Services and Corporate Communications.

ATTACHMENTS

ATT-1 Outside Water Use By-law Review Engagement Process Overview

ATT-2 Outside Water Use By-law and Program Review Revision Summary Report

available at:

http://quelph.ca/wp-content/uploads/ProposedOWU-By-lawChanges.pdf

ATT-3 Proposed Revisions Public Review Period Stakeholder Comments and Staff

Response available at:

http://quelph.ca/wp-

content/uploads/Phase3 OWUPublicCommentPeriod Summary.pdf

Report Author

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Approved By

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Recommended By

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and Environment

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ATTACHMENT 1 Outside Water Use By-law Review Engagement Process Overview

Phase 1 Issues & Opportunities

- Learning about the OWUP and By-law
- Exploring what is working well and opportunities for improvement

Phase 2 Future Directions

- Discussing possible changes to the OWUP and By-law based on community feedback in Phase 1
- Identifying the preferred improvements

Phase 3 Confirming the Results

- Posting of proposed changes to By-law for public comment
- Recommendations for By-law changes presented to Council

January – February 2013

- PAC Meeting
- Business Roundtable
- Community Forums
- Online Participation
- Social Media

April - May 2013

- PAC Meeting
- Business Roundtable
- Community Forums
- Online Participation
- Social Media

June - October 2013

- Residential Call Survey
- Online Participation
- Social Media
- Council Presentation
- Final Report and Engagement Summary Online



TO Planning & Building, Engineering and Environment Committee

SERVICE AREA Planning, Building, Engineering and Environment

DATE October 9, 2013

SUBJECT Brownfield Tax Increment Based Grant Application- 139

Morris Street

REPORT NUMBER 13-51

EXECUTIVE SUMMARY

PURPOSE OF REPORT

The Brownfield Redevelopment Community Improvement Plan (CIP) includes financial incentive programs intended to stimulate investment in Brownfield properties and achieve environmental, economic and social benefits. The applicant has applied for the Tax Increment-Based Grant (TIBG) program to offset the cost of investigating and remediating the environmentally impacted lands at 139 Morris St. This report responds to that application.

KEY FINDINGS

The TIBG application meets the requirements of the Brownfield Redevelopment CIP TIBG program and staff recommend that a grant be approved to an upset limit of \$1,151,879.

FINANCIAL IMPLICATIONS

Grant payments are funded from the Brownfield Redevelopment Reserve. Council approved a 5-year Brownfield CIP program cap of \$16.9 million to be funded through the tax levy as outlined in CAFES report #12-01, entitled "Funding for Existing & Proposed City of Guelph Tax Increment Based Grant (TIBG) Programs", dated April 10, 2012.

The table below summarizes all Brownfield TIBG applications approved by the City to date and the amount remaining for future applications. Other TIBG applications also being considered at the October 9, 2013 PBEE Committee meeting are included for context.



| Total Brownfield TIBG envelope | \$16,900,000 |
|---|----------------|
| Less 6 Approved Grants | - \$ 6,137,430 |
| Funding available as of September 2013 | = \$10,762,570 |
| York-Wyndham (other application received) | - \$411,000 |
| 139 Morris St. (current application) | - \$1,151,879 |
| 35 & 40 Silvercreek Pky. S (other application received) | - \$241,154 |
| Amount remaining for future applications | = \$8,958,573 |

ACTION REQUIRED

Council is being asked to:

- approve a TIBG to an upset limit of \$1,151,879 for the subject property;
- direct staff to prepare an implementing agreement; and
- authorize the Mayor and Clerk to execute the agreement.

RECOMMENDATION

- 1. That the application, on behalf of the owners of 139 Morris St., for a Tax Increment-Based Grant, pursuant to the Brownfield Redevelopment Community Improvement Plan and applying to 139 Morris Street, be approved to an upset limit of \$1,151,879, provided that an agreement to implement the grant is executed within six months of Council approval, and that the property be redeveloped and reassessed at a higher value prior to October 28, 2018;
- 2. That staff be directed to finalize a Tax Increment-Based Grant agreement between the City and 139 Morris St. Ltd, or any subsequent owner, to the satisfaction of the General Manager of Planning Services, the General Manager of Legal and Realty Services/City Solicitor, and the City Treasurer;
- 3. That the Mayor and Clerk be authorized to execute the agreement.

BACKGROUND

An application for a Tax increment-based Grant (TIBG) under the Brownfield Redevelopment Community Improvement Plan (CIP) has been received for the property municipally known as 139 Morris St (Site).

The City's approved Brownfield Redevelopment CIP includes financial incentive programs to stimulate investment in remediation, reuse and redevelopment of Brownfields. The premise of the CIP is that the City's investment in the



remediation and redevelopment of Brownfield Sites will result in proportionally greater improvements to environmental and neighbourhood conditions while creating additional tax revenues in the long-term. Additional rationale for providing financial incentives to Brownfield redevelopment is included in Attachment 1. More information on the City's role in encouraging Brownfield redevelopment, including the text of the CIP, is available at quelph.ca/brownfields.

Under the TIBG program, the City can provide annual grants that are based on the increase in the municipal tax levy (tax increment) resulting from the redevelopment of the site. Once development is complete and the property value is reassessed, taxes are paid in full by the future property owner(s), 80% of the tax increment is paid to the initial owner for a maximum of 10 years or until eligible costs are reimbursed, whichever comes first.

REPORT

On July 4, 2013 a complete application was submitted on behalf of 139 Morris Street Ltd for a Tax Increment Based Grant (TIBG) to offset site investigation, remediation and risk assessment costs for the Site.

Site Background

The Site is approximately 1.3 ha in size and is located at 139 Morris St. as shown on Attachment 2. The Site was formerly used in the manufacture of valves, hats and several other small industrial and warehousing uses. The former industrial brick building on the site was demolished in 2012 and the Site is currently vacant.

In March 2011, Council approved an Environmental Study Grant (ESG) for the purposes of conducting a Phase 2 Environmental Site Assessment (ESA). In January 2012 the City paid the \$10,000 grant to offset part of the cost of the Phase 2 ESA conducted by V.A. Wood, a consulting engineering firm. The Phase 2 ESA found that the Site did not meet environmental standards for the proposed residential use, and recommended that additional site investigation be conducted after the on-site buildings were demolished. After the demolition of on-site buildings, a different consulting firm, Conestoga-Rovers & Associates, undertook the supplemental environmental site investigations. A revised Phase 2 ESA is currently underway.

A rezoning application was submitted in 2011 to permit the development of 64 cluster townhouses and a commercial use on the Site. A public meeting was held on July 4, 2011regarding that application. Since that meeting, staff, neighbours and the applicant have worked to develop a revised proposal. It is anticipated that the applicant will submit a revised proposal by the end of the year and another public meeting of Council will be held to introduce the proposal and receive public feedback.



Recommendation

Staff reviewed the TIBG application and determined that it meets the requirements of the TIBG program and recommend that the application be approved to an upset limit of \$1,151,879.

80% of the 10-year tax increment expected to be generated by the revised project and available to fund the grant, as described in the background section of this report, is approximately \$1,555,000.

Staff reviewed the remedial work plan and other engineering cost estimates in consultation with the applicant, and have identified an estimated amount of \$1,151,879 in eligible costs as outlined in Attachment 3. Since the estimated eligible costs are less than the estimated available tax increment, staff recommend that the estimated eligible costs serve as the TIBG's upset limit.

CORPORATE STRATEGIC PLAN

3.1 Ensure a well designed, safe, inclusive, appealing and sustainable City.

DEPARTMENTAL CONSULTATION

Finance Legal Services

COMMUNICATIONS

None

ATTACHMENTS

Attachment 1 - The Value of Brownfield Redevelopment

Attachment 2 - Location Map

Attachment 3 – Estimated Eligible Cost

Report Author:

Tim Donegani Policy Planner

Approved By:

Melissa Aldunate Manager, Policy Planning and Urban Design

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Report Author:

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Attachment 1 - The Value of Brownfield Redevelopment

The City's records indicate that there are approximately 420 potential Brownfield properties within the City. Historically, there has been little interest in redeveloping Brownfield sites due to the uncertainty surrounding the extent of contamination and the potential cost of cleanup. Furthermore, Brownfield sites pose a potential threat to the quality of the City's groundwater-based drinking water supply and surface waters.

The Brownfield Redevelopment CIP provides financial incentives to undertake the studies and remedial work necessary to redevelop Brownfield sites and eliminate the potential negative impacts to the City's water supply and the water quality of the City's rivers, which are important for sustaining fisheries, as well as aesthetic and recreational resources.

There are a number of additional benefits to the redevelopment of Brownfield sites. For example, they are often located within existing built up areas of the City where hard and soft infrastructure services are already available, and additional infrastructure expenditure may not be required to service them. The redevelopment of Brownfield sites can help reduce the stigma attached to both the subject and nearby properties thereby increasing their property values. Furthermore, redevelopment can bring the long-term benefits of increased tax revenue contributing the fiscal sustainability of the City.

As the City moves forward with the implementation of its Official Plan, Downtown Secondary Plan, Community Energy Initiative and Source Water Protection planning, the redevelopment of Brownfield sites will play an increasingly important role in the achievement of the City's strategic goals and in particular the intensification targets for the built-up areas of the City.



Attachment 2 - Location Map





Attachment 3 – Estimated Eligible Costs

| Type of Work | Estimated Eligible Costs |
|--|--------------------------|
| Site Investigation including revised Phase 2 ESA | \$159,511 |
| Excavate and dispose of impacted soil, replace with clean fill | \$743,700 |
| Risk Assessment and Record of Site Condition | \$125,000 |
| Subtotal | \$1,028,211 |
| HST | \$133,667 |
| Total | \$1,161,879 |
| Less Environmental Study Grant already paid | -\$10,000 |
| Grand Total | \$1,151,879 |



TO Planning & Building, Engineering and Environment Committee

SERVICE AREA Planning, Building, Engineering and Environment

DATE October 9, 2013

SUBJECT Brownfield CIP Program Applications - 35 & 40

Silvercreek Parkway South

REPORT NUMBER 13-47

EXECUTIVE SUMMARY

PURPOSE OF REPORT

The Brownfield Redevelopment Community Improvement Plan (CIP) includes financial incentive programs intended to stimulate investment in Brownfield properties and achieve environmental, economic and social benefits. Silvercreek Guelph Developments Limited has applied for the CIP programs to offset the cost of investigating and remediating the environmentally impacted lands at 35 and 40 Silvercreek Parkway South (subject lands). This report responds to that application.

KEY FINDINGS

The TIBG application meets the requirements of the Brownfield Redevelopment CIP TIBG program and staff recommend that a grant be approved to an upset limit of \$241,154. The report recommends that applications for Tax Assistance (TA) and Environmental Study Grant (ESG) programs be refused.

FINANCIAL IMPLICATIONS

Grant payments are funded from the Brownfield Redevelopment Reserve. Council approved a 5-year Brownfield CIP program cap of \$16.9 million to be funded through the tax levy as outlined in CAFES Report #12-01, entitled "Funding for Existing & Proposed City of Guelph Tax Increment Based Grant (TIBG) Programs", dated April 10, 2012.

The table below summarizes all Brownfield TIBG applications approved by the City to date and the amount remaining for future applications. Other TIBG applications also being considered at the October 9, 2013 PBEE Committee meeting are included for context.



| Total Brownfield TIBG envelope | \$16,900,000 |
|--|----------------|
| Less 6 Approved Grants | - \$ 6,137,430 |
| Funding available as of September 2013 | = \$10,762,570 |
| York-Wyndham (other application | - \$411,000 |
| received) | - \$1,151,879 |
| 139 Morris St. (other application | |
| received) | - \$241,154 |
| 35 & 40 Silvercreek Pkwy. S (current | |
| application) | |
| Amount remaining for future | = \$8,958,573 |
| applications | - Ψυ, ΣΣΟ, ΣΤΟ |
| <u> </u> | |

ACTION REQUIRED

Council is being asked to:

- refuse the Tax Assistance and Environmental Study Grant applications;
- approve an Tax Increment-Based Grant to an overall upset limit of \$241,154;
- direct staff to prepare an implementing agreement; and
- authorize the Mayor and Clerk to execute the agreement.

RECOMMENDATION

- 1. That the applications by Silvercreek Guelph Developments Limited for the Tax Assistance and Environmental Study Grant programs and applying to 35 & 40 Silvercreek Parkway South, be refused;
- 2. That the application by Silvercreek Guelph Developments Limited for a Tax Increment-Based Grant pursuant to the Brownfield Redevelopment Community Improvement Plan and applying to 35 & 40 Silvercreek Parkway South be approved to an upset limit of \$241,154, provided that an agreement to implement the grant is executed within six months of Council approval, and that the property be redeveloped and reassessed at a higher value prior to October 28, 2018;
- 3. That staff be directed to finalize a Tax Increment-Based Grant agreement between the City and Silvercreek Guelph Developments Limited, or any subsequent owner, to the satisfaction of the General Manager of Planning Services, the General Manager of Legal and Realty Services/City Solicitor, and the City Treasurer;
- 4. That the Mayor and Clerk be authorized to execute the agreement.



BACKGROUND

Applications have been received for the Tax Increment based Grant (TIBG), Tax Assistance (TA) and Environmental Study Grant (ESG) programs under the Brownfield Redevelopment Community Improvement Plan (CIP) for the properties municipally known as 35 and 40 Silvercreek Pkwy. S.

The City's approved Brownfield Redevelopment CIP includes financial incentive programs to stimulate investment in remediation, reuse and redevelopment of Brownfields. The premise of the CIP is that the City's investment in the remediation and redevelopment of Brownfield Sites will result in proportionally greater improvements to environmental and neighbourhood conditions while creating additional tax revenues in the long-term. Additional rationale for providing financial incentives to Brownfield redevelopment is included in Attachment 1. More information on the City's role in encouraging Brownfield redevelopment, including the text of the CIP, is available at guelph.ca/brownfields.

Under the TIBG program, the City can provide annual grants that are based on the increase in the municipal tax levy (tax increment) resulting from the redevelopment of the site. Once development is complete and the property value is reassessed, taxes are paid in full by the future property owner(s), 80% of the tax increment is paid to the initial owner for a maximum of 10 years or until eligible costs are reimbursed, whichever comes first.

REPORT

On May 1, 2013 Silvercreek Guelph Developments Limited applied for financial incentives under the Environmental Study Grant (ESG), Tax Assistance (TA) and TIBG programs to offset \$273,635 in eligible costs.

Site Background

The lands include the properties at 35 and 40 Silvercreek Parkway South as shown on Attachment 2. The lands, approximately 22 ha in size, are located east of the Hanlon Expressway, south of Paisley Road and are bisected by Silvercreek Parkway.

The lands, currently vacant, were historically used as a sand and gravel pit and as a concrete block plant. Environmental site investigations were carried out, off and on, from 1991 to 2007. Records of Site Condition (RSC), certifying that the lands have been remediated and deemed suitable for the proposed commercial and residential uses, were filed with the Ministry of the Environment in 2008.

In 2010, the Ontario Municipal Board approved Minutes of Settlement that included Official Plan and Zoning By-law amendments that would permit the development of $26,660 \text{ m}^2$ of commercial space, additional office space and a minimum of 350 residential units on the lands.



At the time of the Board's approval in 2010, the lands had already been remediated to permit the development. The CIP in effect at the time did not allow for reimbursing cost that had been incurred prior to Council approval of the grant, (hereafter retroactive costs). However, as part of the Minutes of Settlement, the City agreed to bring forward an amendment to the CIP to permit the retroactive cost under the TIBG program.

In 2010 the City initiated a review of the CIP that included an examination of the question of permitting retroactive costs to be eligible. The retroactivity issue is discussed in detail in PBEE Report #12-53, regarding Brownfield Redevelopment CIP Update – Public Meeting, dated July 3, 2012. The updated CIP, approved by Council in 2012, continues to prohibit retroactive applications. However, due to unique circumstances, it provides two site specific exemptions to this general prohibition and these exemptions apply to the lands that are the subject of this report and a site at the intersection of York Rd. and Wyndham St (Refer to PBEE Report #13-54).

In 2012, Zoning By-law and Official Plan Amendment applications were submitted to make minor changes to the Board approved development plan as described in PBEE Report #13-03, dated February 4, 2013. Staff are satisfied that the recent development application does not affect the CIP program applications.

Recommendation

On May 1, 2013 Silvercreek Guelph Developments Limited submitted complete applications for financial incentives under the ESG, TA and TIBG programs to offset \$273,635 in eligible costs.

The project is ineligible for the ESG and TA program because the applications are retroactive and the updated CIP does not permit retroactive applications for these programs. Staff recommend that these applications be refused on that basis.

The application meets the requirements of the TIBG program including the retroactivity provisions outlined in the CIP and staff recommend that a TIBG be approved to an upset limit of \$241,154.

80% of the 10-year tax increment expected to be generated and available to fund the grant, as described in the background section of this report, is approximately \$17 million assuming the entire project were to be developed in one phase. Although development in a single phase is not likely, the estimated tax increment is sufficient to fund the eligible costs.

Staff reviewed the costs submitted, and in consultation with the owner, determined that \$241,154, as outlined in Attachment 3, are eligible pursuant to the CIP. Since the eligible costs are less than the tax increment, staff recommend that the eligible costs serve as the TIBG's upset limit.



CORPORATE STRATEGIC PLAN

3.1 Ensure a well designed, safe, inclusive, appealing and sustainable City.

DEPARTMENTAL CONSULTATION

Finance Legal Services

COMMUNICATIONS

None

ATTACHMENTS

Attachment 1 – The Value of Brownfield Redevelopment

Attachment 2 – Location Map Attachment 3 – Eligible costs

Report Author:

Tim Donegani Policy Planner

Approved By:

Melissa Aldunate Manager, Policy Planning and Urban Design

Original Signed by:

Approved By:

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Report Author:

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Attachment 1 - The Value of Brownfield Redevelopment

The City's records indicate that there are approximately 420 potential Brownfield properties within the City. Historically, there has been little interest in redeveloping Brownfield sites due to the uncertainty surrounding the extent of contamination and the potential cost of cleanup. Furthermore, Brownfield sites pose a potential threat to the quality of the City's groundwater-based drinking water supply and surface waters.

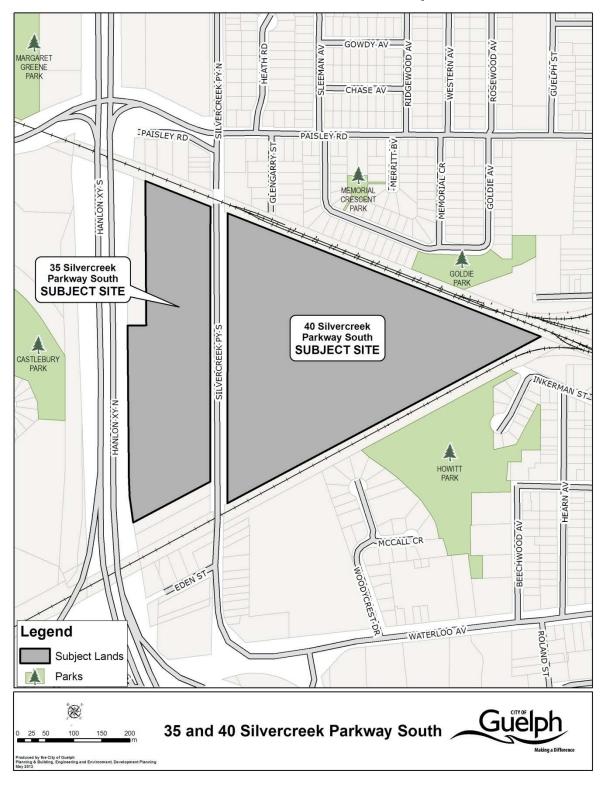
The Brownfield Redevelopment CIP provides financial incentives to undertake the studies and remedial work necessary to redevelop Brownfield sites and eliminate the potential negative impacts to the City's water supply and the water quality of the City's rivers, which are important for sustaining fisheries, as well as aesthetic and recreational resources.

There are a number of additional benefits to the redevelopment of Brownfield sites. For example, they are often located within existing built up areas of the City where hard and soft infrastructure services are already available, and additional infrastructure expenditure may not be required to service them. The redevelopment of Brownfield sites can help reduce the stigma attached to both the subject and nearby properties thereby increasing their property values. Furthermore, redevelopment can bring the long-term benefits of increased tax revenue contributing the fiscal sustainability of the City.

As the City moves forward with the implementation of its Official Plan, Downtown Secondary Plan, Community Energy Initiative and Source Water Protection planning, the redevelopment of Brownfield sites will play an increasingly important role in the achievement of the City's strategic goals and in particular the intensification targets for the built-up areas of the City.



Attachment 2 - Location Map





Attachment 3 - Eligible Costs

| Type of Work | Eligible Costs |
|--|----------------|
| Phase II Environmental Site Assessment | \$31,500 |
| Remedial Work Planning | \$124,325 |
| Site Remediation | \$85,329 |
| Total | \$241,154 |



TO Planning & Building, Engineering and Environment Committee

SERVICE AREA Planning, Building, Engineering and Environment

DATE October 9, 2013

SUBJECT Brownfield Tax Increment Based Grant Application - 84

and 86 Wyndham Street South, and 68A, 68B and 72 York

Road

REPORT NUMBER 13-54

EXECUTIVE SUMMARY

PURPOSE OF REPORT

The Brownfield Redevelopment Community Improvement Plan (CIP) includes financial incentive programs intended to stimulate investment in Brownfield properties and achieve environmental, economic and social benefits. Terra View Riverside Ltd. has applied for the Tax Increment-Based Grant (TIBG) program to offset the cost of investigating and remediating the environmentally impacted lands at 84 and 86 Wyndham Street South, and 68A, 68B and 72 York Road (Site). This report responds to that application.

KEY FINDINGS

The TIBG application meets the requirements of the Brownfield Redevelopment CIP TIBG program and staff recommend that a grant be approved to an upset limit of \$411,000.

When combined with the \$138,000 TIBG approved for the Site in 2009, the total TIBG upset limit would be \$549,000.

FINANCIAL IMPLICATIONS

Grant payments are funded from the Brownfield Redevelopment Reserve. Council approved a 5-year Brownfield CIP program cap of \$16.9 million to be funded through the tax levy as outlined in <u>CAFES Report #12-01</u>, entitled "Funding for Existing & Proposed City of Guelph Tax Increment Based Grant (TIBG) Programs", dated April 10, 2012.

The table below summarizes all Brownfield TIBG applications approved by the City to date and the amount remaining for future applications. Other TIBG applications also being considered at the October 9, 2013 PBEE Committee meeting are included for context.



| Total Brownfield TIBG envelope | \$16,900,000 |
|--|----------------|
| Less 6 Approved Grants | - \$ 6,137,430 |
| Funding available as of September 2013 | = \$10,762,570 |
| York-Wyndham (current application) | - \$411,000 |
| 139 Morris St. (other application | - \$1,151,879 |
| received) | |
| 35 & 40 Silvercreek Pkwy. S (other | - \$241,154 |
| application received) | |
| | |
| Amount remaining for future | = \$8,958,573 |
| applications | |

ACTION REQUIRED

Council is being asked to:

- approve an additional Tax Increment-Based Grant of \$411,000 which when combined with a \$138,000 grant approved by Council in 2009 leads to an overall upset limit of \$549,000;
- direct staff to prepare an implementing agreement; and
- authorize the Mayor and Clerk to execute the agreement.

RECOMMENDATION

- 1. That the application by Terra View Riverside Ltd. for a Tax Increment-Based Grant pursuant to the Brownfield Redevelopment Community Improvement Plan and applying to 84 and 86 Wyndham Street South and 68A, 68B and 72 York Road, be approved in the form of a grant of \$411,000 in addition to the \$138,000 grant approved by Council on July 27, 2009, for a combined upset limit of \$549,000, provided that an agreement to implement the grant is executed within six months of Council approval, and that the property be redeveloped and reassessed at a higher value prior to October 28, 2018;
- 2. That staff be directed to finalize a Tax Increment-Based Grant agreement between the City and Terra View Riverside Ltd., or any subsequent owner, to the satisfaction of the General Manager of Planning Services, the General Manager of Legal and Realty Services/City Solicitor, and the City Treasurer;
- 3. That the Mayor and Clerk be authorized to execute the agreement.

BACKGROUND

An application for a Tax increment-based Grant (TIBG) under the Brownfield Redevelopment Community Improvement Plan (CIP) has been received for the property municipally known as 84 and 86 Wyndham Street South and 68A, 68B and 72 York Road (York-Wyndham Site).



The City's approved Brownfield Redevelopment CIP includes financial incentive programs to stimulate investment in remediation, reuse and redevelopment of Brownfields. The premise of the CIP is that the City's investment in the remediation and redevelopment of Brownfield Sites will result in proportionally greater improvements to environmental and neighbourhood conditions while creating additional tax revenues in the long-term. Additional rationale for providing financial incentives to Brownfield redevelopment is included in Attachment 1. More information on the City's role in encouraging Brownfield redevelopment, including the text of the CIP, is available at guelph.ca/brownfields.

Under the TIBG program, the City can provide annual grants that are based on the increase in the municipal tax levy (tax increment) resulting from the redevelopment of the Site. Once development is complete and the property value is reassessed, taxes are paid in full by the future property owner(s), 80% of the tax increment is paid to the initial owner for a maximum of 10 years or until eligible costs are reimbursed, whichever comes first.

REPORT

On July 11, 2013 Terra View Riverside Ltd. (Terra View) submitted a complete application for a TIBG pursuant to the Brownfield Redevelopment CIP to offset site investigation and remediation costs, incurred in 2007.

Site Background

The Site includes the properties at 84 and 86 Wyndham Street South and 68A, 68B and 72 York Road (see Attachment 2). The Site area is 0.67 hectares and is located at the northeast intersection of York Road and Wyndham Street South. The Site is currently vacant and recent former land uses were residential.

Preliminary site work undertaken in 2007 revealed environmentally impacted materials, including foundry sands, had been imported onto the Site. Soil exceeding the environmental standards for residential use was removed from the Site in 2007 and 2011. A Record of Site Condition (RSC), confirming that the Site is suitable for the residential use, was filed with the Ministry of the Environment in 2011.

The Site was rezoned in 2006 to permit the development of 22 townhouses and two semi detached dwellings.

Previous Applications for CIP Financial Incentive Programs

In May 2009, Terra View submitted applications under the City's Brownfield Redevelopment CIP for the Tax Assistance and TIBG programs to offset costs associated with assessment and remediation of the Site as outlined in CDES Report#09-62, regarding Brownfield Redevelopment Grant Request for 84 and 86 Wyndham Street South and 68A, 68B and 72 York Road, dated July 20, 2009.



Council approved the Tax Assistance to offset eligible Brownfield redevelopment and remediation costs. Taxes have been cancelled since April 2011 and are expected to be cancelled for three years with a total value of approximately \$40,000.

Council also approved a TIBG to an upset limit of \$138,000 to offset estimated upcoming costs of environmental investigation and remediation, but did not approve a grant to offset anticipated costs that had already been incurred. These so called retroactive costs were not eligible under the Brownfield Redevelopment CIP (2004) that was in effect at the time. CDES Report #09-62 noted that the question of permitting retroactive cost would be addressed in an upcoming Brownfield Redevelopment CIP update.

In 2010 the City initiated a review of the CIP that included an examination of the question of permitting retroactive costs to be eligible. The retroactivity issue is discussed in detail in <u>PBEE Report #12-53</u>, regarding Brownfield Redevelopment CIP Update – Public Meeting, dated July 3, 2012. The updated CIP, approved by Council in 2012, continues to prohibit retroactive applications. However, due to unique circumstances, it provides two site specific exemptions to this general prohibition and these exemptions apply to the lands that are the subject of this report and a site at 35 and 40 Silvercreek Pkwy. S (Refer to PBEE Report 13-47).

Recommendation

On July 11, 2013, Terra View submitted a complete application for a TIBG pursuant to the Brownfield Redevelopment CIP to offset site investigation and remediation costs that have already been included.

Staff reviewed the application and determined that it meets the requirements of the TIBG program in accordance with the site specific exception and recommend that the application be approved to an upset limit of \$411,000 (\$549,000 when combined with the TIBG approved in 2009).

80% of the 10-year tax increment expected to be generated by the project and available to fund the grant, as described in the background section of this report, is approximately \$549,000.

Terra View applied for \$420,529 in retroactive costs to be offset under the program. Staff reviewed the costs incurred by Terra View and determined that \$414,667 are eligible. Staff have also reviewed the work undertaken pursuant to the 2009 Council approved financial incentives and determined that \$160,135 of costs are eligible as outlined in Attachment 3. Pursuant to the 2009 Council approval, only \$138,000 of the 2009 work is recoverable under the TIBG program.

Since the estimated tax increment of \$549,000 is less than total combined eligible cost of \$574,802, staff recommend that the 10-year tax increment serve as the TIBG's upset limit.



Although the recommended combined TIBG upset limits would be less than the total eligible costs, approximately \$40,000 in costs will be offset through the Tax Assistance program and all eligible costs are expected to be offset by the two programs. The implementing grant agreements under the separate programs ensure that total grant payments do not exceed total eligible costs.

CORPORATE STRATEGIC PLAN

3.1 Ensure a well designed, safe, inclusive, appealing and sustainable City.

DEPARTMENTAL CONSULTATION

Finance Legal Services

COMMUNICATIONS

None

ATTACHMENTS

Attachment 1 – The Value of Brownfield Redevelopment

Attachment 2 – Location Map Attachment 3 – Eligible Costs

Report Author:

Tim Donegani Policy Planner

Approved By:

Melissa Aldunate Manager, Policy Planning and Urban Design

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Attachment 1 - The Value of Brownfield Redevelopment

The City's records indicate that there are approximately 420 potential Brownfield properties within the City. Historically, there has been little interest in redeveloping Brownfield sites due to the uncertainty surrounding the extent of contamination and the potential cost of cleanup. Furthermore, Brownfield sites pose a potential threat to the quality of the City's groundwater-based drinking water supply and surface waters.

The Brownfield Redevelopment CIP provides financial incentives to undertake the studies and remedial work necessary to redevelop Brownfield sites and eliminate the potential negative impacts to the City's water supply and the water quality of the City's rivers, which are important for sustaining fisheries, as well as aesthetic and recreational resources.

There are a number of additional benefits to the redevelopment of Brownfield sites. For example, they are often located within existing built up areas of the City where hard and soft infrastructure services are already available, and additional infrastructure expenditure may not be required to service them. The redevelopment of Brownfield sites can help reduce the stigma attached to both the subject and nearby properties thereby increasing their property values. Furthermore, redevelopment can bring the long-term benefits of increased tax revenue contributing the fiscal sustainability of the City.

As the City moves forward with the implementation of its Official Plan, Downtown Secondary Plan, Community Energy Initiative and Source Water Protection planning, the redevelopment of Brownfield sites will play an increasingly important role in the achievement of the City's strategic goals and in particular the intensification targets for the built-up areas of the City.



Attachment 2 - Location Map





Attachment 3 - Eligible Costs

| 2007 Work (retroactive) | Eligible Costs |
|---|----------------|
| Excavate and dispose contaminated soils, replace with clean fill | \$393,614.20 |
| Laboratory and soil analytics | \$3,187.69 |
| Site investigation and remediation oversight | \$17,865.56 |
| Subtotal | \$\$414,667.45 |
| 2011 Work Estimate (Pre-approved) | |
| Excavate and dispose contaminated soils, replace with clean fill | 100,057.01 |
| Site Investigation, engineering oversight, analytics and RSC filing | \$60,007.91 |
| Subtotal | \$160,134.92 |
| Grand Total | \$574,802.36 |