



**City of Kingston
Report to Council
Report Number 16-193**

To: Mayor and Members of Council
From: Gerard Hunt, Chief Administrative Officer
Resource Staff: Paul MacLatchy, Director, Environment & Sustainable Initiatives
Date of Meeting: June 21, 2016
Subject: Approval of Initial Study Grant Application for the former I. Cohen & Sons Properties

Executive Summary:

This report is being brought forward on behalf of PNHD Developments Inc., the property owner of the former I. Cohen & Sons properties on Montreal Street, for Council's consideration of approval of a Brownfield Initial Study Grant.

PHND Developments Inc. was the successful proponent in the bid for the purchase, remediation and redevelopment of the former Cohen lands and became the property owners in early June 2016.

As indicated in Council Report 16-006, in which City Council approved the recommendations for the City to vest and transfer the properties in exchange for remediation and redevelopment, it was anticipated that the future property owner would apply for financial assistance for remediating the lands from the City's Brownfield Community Improvement Plan.

The initial study grant is a component of the City's Brownfield Community Improvement Plan, intended to assist developers in assessing the environmental condition of their property, preparing site specific risk assessments, developing remediation plans before remediation and redevelopment, and to support additional applications to the brownfield program that may be made at a later date.

This report recommends that the application for an Initial Study Grant for the former Cohen properties and two closed road allowances be approved to a maximum of \$20,000. If approved, the grant will be paid to the registered property owner once the studies are completed and reports have been provided to the City to the satisfaction of the Director, Environment and

June 21, 2016

Page 2 of 6

Sustainable Initiatives. This report also recommends passing of a by-law to permit the initial study grant to be paid out upon completion of the required elements.

In 2016, three Brownfield Initial Study Grants have been previously approved by Council which has depleted the planned budget of \$50,000 for Initial Study Grants for the 2016 calendar year. This report also recommends authorization to utilize up to \$20,000 from the Environmental Reserve Fund to fund payment of the subject Initial Study Grant in 2016.

Recommendation:

That Council approve the application to deem the property comprised of the following parcels;

10.11.040.100.01500 - 546 Montreal Street;

10.11.040.100.02400 - 576 Montreal Street;

10.11.040.100.02900 - 594-598 Montreal Street;

10.11.040.100.03100 - 600 - 602 Montreal Street;

10.11.040.100.03500 - 0 Montreal Street;

10.11.040.100.03800 - 0 Railway Street;

Parts 1-3, R-Plan 13R-21130, a portion of Duff Street closed by By-law 2016-85;

Parts 16-28, R-Plan 13R-21130, a portion of Fraser Street closed by By-law 2016-84; and

as eligible to receive up to \$20,000 in a single Initial Study Grant under the Community Improvement Plan – Brownfields Project Area 1A; and

That the Treasurer be authorized to issue the grant payment, to the registered property owner of I. Cohen & Sons properties at the time of payment, subject to satisfactory review of required documentation by the Director, Environment & Sustainable Initiatives; and

That Council give all three readings to the by-law, attached to Council Report 16-193 as Exhibits A and B, to provide an Initial Study Grant for the properties known as I. Cohen & Sons properties respectively; and

That Council approve the use of up to \$20,000 from the Environmental Reserve Fund to fund the approved Initial Study Grant for the former I. Cohen and Sons properties.

June 21, 2016

Page 3 of 6

Authorizing Signatures:

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

Gerard Hunt, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Lanie Hurdle, Community Services	Not required
Denis Leger, Transportation, Facilities & Emergency Services	Not required
Jim Keech, President and CEO, Utilities Kingston	Not required
Desiree Kennedy, Chief Financial Officer & City Treasurer	

June 21, 2016

Page 4 of 6

Options/Discussion:**The Initial Study Grant Program**

The initial study grant in the Brownfield financial incentives program provides grants for Phase II and Phase III Environmental Site Assessments and Site Specific Risk Assessments, with a maximum of two studies per property and a total grant of no more than 50% of actual costs, up to a total grant amount of \$20,000. The program is designed to fund studies for up to three properties within the City of Kingston's Brownfield Community Plan Project Areas per year.

In 2016, three Initial Study Grants have been approved for funding which has depleted the 2016 budget.

PNHD Developments Inc., owner of the property, has made applications to the City for initial study grant funding under the City of Kingston's Brownfield Community Improvement Plan (CIP) Program to assist in the completion of supplemental Phase II Environmental Site Assessment work and Site Specific Risk Assessment work for the properties.

The application satisfies the criteria of the City of Kingston's Community Improvement Program – Brownfield Project Area 1A for initial study grant funding. Environment and Sustainable Initiatives Department staff has reviewed the applications and recommend the approval of the grant funding as described within this report. Under the terms of the initial study grant program, the Owner is required to provide a copy of the completed Phase II Environmental Assessment and Site Specific Risk Assessment report for the property and demonstration of actual costs incurred prior to release of a grant payment. Phase II Environmental Site Assessments and Site Specific Risk Assessments are required in order to determine the scope of and eligibility for, further Brownfield funding that the Owner may make application for.

The subject applications are for the approval of an initial study grant only. It does not in any way commit the City to any other financial incentives under the Community Improvement Plan – Brownfield Project Area 1A, or any planning approvals that will be required before site development can proceed. The Owner may apply for additional funding under the Brownfields program but only following the completion of the Phase II Environmental Site Assessment and Site Specific Risk Assessment studies being considered in this report. Any additional funding under the Brownfield program would be subject to another application and report to City Council.

The former Cohen Properties

The Property is bounded by Montreal Street to the east, Railway Street to the north, Joseph Street to the south and residential properties to the west. The irregular-shaped property has one abandoned, dilapidated structure and was most recently used as a scrap metal and steel business that has been abandoned and vacant for over 20 years.

A Phase I Environmental Site Assessment for the properties was completed in September 2015 and the report has been provided to the City as part of the application for the Initial Study Grant. The Phase I Environmental Site Assessment concluded that additional investigation is required

June 21, 2016

Page 5 of 6

to adequately review the subsurface conditions on the Property and to obtain a Record of Site Condition. A preliminary Phase II ESA was conducted for the property and there is a requirement for supplemental Phase II ESA and Site Specific Risk Assessment work in order to meet the applicable standards and file either a Record of Site Condition with the Ministry of the Environment and Climate Change, or produce an engineer's report attesting to the suitability of the sites environmental conditions.

Estimates provided by the Owner's consultant have indicated that the supplemental Phase II Environmental Site Assessment and Site Specific Risk Assessment work will cost up to \$45,500 on the properties and the Risk Assessment costs will be \$94,500 for a total of \$140,000. Within the Brownfield program the owner is eligible for the maximum grant amount of up to \$20,000 for the property.

The Owner has stated that future plans for the former Cohen properties consist of the redevelopment of the entire site with a series of light industrial complexes that will incorporate incubator/accelerator style of development to assist start-up companies.

All future development plans are contingent upon acquiring planning approvals from the City of Kingston and are to be in compliance with the terms of the agreement of purchase, sale and redevelopment approved by Council within Report 16-006.

Eligibility of Costs

Eligible costs for Phase II ESA and Site Specific Risk Assessment work can be recovered through the initial study grant program only if incurred by the owner following approval of an application by Council. Eligible costs for assessment and remediation work planning not recoverable through the initial study grants are permitted to be recovered by the owner through a future application to the Brownfield Financial Tax Incentive Program (BFTIP) and Tax Increment Rebate Grant Program (TIRGP) of the Brownfields Community Improvement Plan.

Grants will be paid out only when the applicant has provided proof of costs incurred and copies of the completed environmental studies to the satisfaction of the Director of Environment & Sustainable Initiatives.

This report recommends that Council provide all three readings of a by-law for the purposes of enacting the initial study grant.

Existing Policy/By-Law:

Brownfield Community Improvement Plan, Brownfields Project Areas 1A, 1B and 1C.

Notice Provisions:

There are no notice provisions required for this action.

June 21, 2016

Page 6 of 6

Accessibility Considerations:

There are no accessibility considerations at this time.

Financial Considerations:

This report recommends approval of one initial study grant under the Brownfields CIP program to a maximum value of \$20,000.

As the 2016 budget for Initial Study grants is currently depleted this report also recommends authorization to use up to \$20,000 from the Environmental Reserve Fund to fund the subject grant. Any other future initial study grant applications in 2016 would require the consideration of increasing the 2016 budget envelope by City Council.

Contacts:

Paul MacLatchy, Director, Environment & Sustainable Initiatives 613-546-4291 ext. 1226

Other City of Kingston Staff Consulted:

Jeff Walker, Manager, Taxation and Revenue

Nathan Richard, Project Manager, Brownfields

Exhibits Attached:

Exhibit A – By-law to Approve Initial Study Grant for the former I. Cohen & Sons Properties and Fraser Street and Duff Street closed portions

Exhibit B – Site Plan for former Cohen Properties and Fraser Street and Duff Street closed portions

By-Law Number 2016-_____

**A By-Law to Provide an Initial Study Grant Pursuant to the Requirements of
The City of Kingston's Brownfield Community Improvement Plan Program
for the Property Known as the Former I. Cohen & Sons Property**

Passed: June 21, 2016

Whereas By-Law Number 2005-40, being "A By-Law to Designate Brownfields Project Areas 1A & 1B as Community Improvement Project Areas", pursuant to Section 28(2) of the *Planning Act*, was passed by Council on February 15, 2005;

Whereas By-Law Number 2005-41, being "A By-Law to Adopt the Community Improvement Plan for Brownfields Project Areas 1A & 1B" was passed by Council on February 15, 2005; and

Whereas By-Laws Number 2006-125 and 2006-126, being "Amendment Number 1 to the Community Improvement Plan for Brownfields Project Areas 1A & 1B" was passed by Council on May 23, 2006; and

Whereas By-Laws Number 2013-63 and 2013-64, being "Amendment Number 2 to the Community Improvement Plan for Brownfields Project Areas 1A, 1B & 1C" was passed by Council on March 5, 2013;

Now therefore the Council of The Corporation of the City of Kingston, pursuant to Section 28 of the *Planning Act*, R.S.O. 1990, and section 106(3) of the *Municipal Act*, 2001 S.O. 2001, c. 25, as amended, **enacts as follows:**

1. That the owner of the property known as the former I. Cohen & Sons properties that are comprised of the following eight land parcels:
 - a. 15 Joseph Street and 546 Montreal Street, PIN 36053-0014, Lot 205 Plan C22 Kingston, Part Lot 194-195, 206-208 Plan C22 Kingston, as in CK69456 (Firstly) & CK72937 Except Part 1 13R13057 T/W CK69456, S/T FR261555;
 - b. 576 Montreal Street, PIN 36053-0011, Lot 150, 173, 200-204 Plan C22 Kingston T/W CK69456, S/T FR261555;
 - c. 594 and 598 Montreal Street, PIN 36053-0009, Part Lot 199 PL C22 Kingston Part 3, 13R6072, T/W FR419235;
 - d. 600 and 602 Montreal Street, PIN 36053-0008, Part Lot 199 Plan C22 Kingston Part 2, 13R6072, T/W FR419234;
 - e. 0 Montreal Street, PIN 36053-0006, Lot 126-127 Plan C22 Kingston; Part Lot 121, 196, 199 Plan C22 Kingston as in CK69456 (Thirdly) except Part 1-3, 13R6072 S/T FR261555, FR4192333, FR419234, FR419235;
 - f. 0 Railway Street, PIN 36053-0004, Part Lot 120-121, 196 Plan C22 Kingston as in FR105298 except Part FR189302 S/T FR105298;

g. Duff Street, PIN 36053-0010, Part Duff Street, Plan C22 Kingston, Parts 1-3, 13R21130; and

h. Fraser Street, PIN 36053-0013, Part Fraser Street, Plan C22 Kingston, Parts 16-28, 13R21130; Kingston, The County of Frontenac

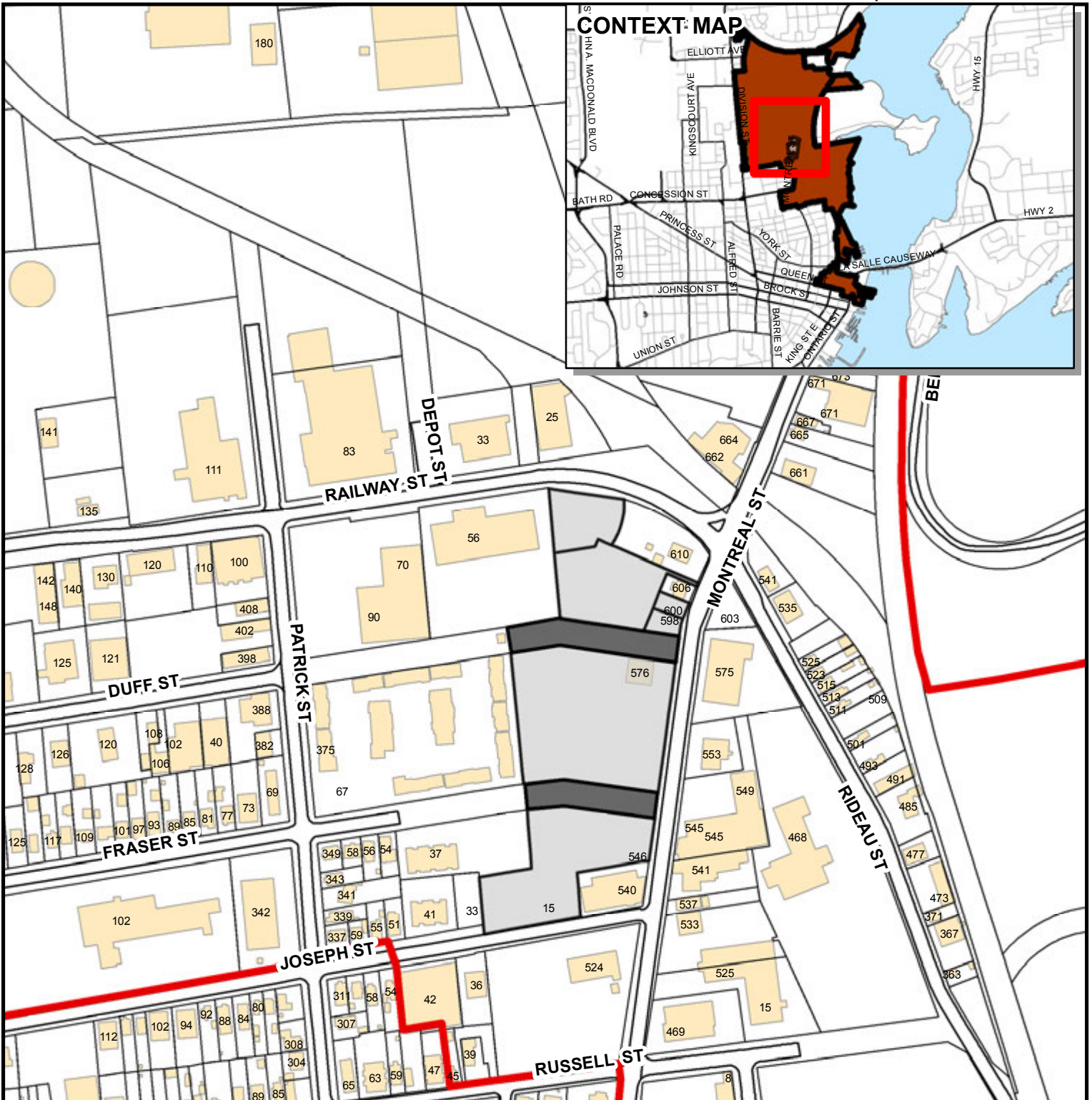
shall be entitled to receive a single Initial Study Grant of 50% of eligible costs as described within the City of Kingston's Brownfield Community Improvement Plan and not to exceed \$20,000, and

2. That this By-Law does not constitute approval of any future application to the Brownfield Community Improvement Plan Program, and
3. That this By-Law and the associated approval or payment of the Initial Study Grant does not constitute a municipal partnership in the redevelopment and the City is not assuming any management, care or control of the project by virtue of providing any grants assistance through the brownfields community improvement plan program, and
4. That this By-Law may be amended from time to time to incorporate other aspects of the Brownfields Community Improvement Plan Program that may become applicable to the subject property, and
5. That This By-Law shall come into force and take effect on the date of its passing.

Given all three readings and passed: June 21, 2016

John Bolognone,
City Clerk

Bryan Paterson
Mayor

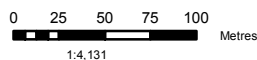


Planning, Building & Licensing Services





a department of Community Services

THE CORPORATION OF THE CITY OF KINGSTON
Brownfield Project Areas

Address: Former Cohen Properties



LEGEND

-  Subject Property
-  Unopened Road Allowances
-  Project Area 1A
-  Brownfield Project Area

