



**City of Kingston
Report to Council
Report Number 17-291**

To: Mayor and Members of Council
From: Lanie Hurdle, Commissioner, Community Services
Resource Staff: Peter Huigenbos, Director, Real Estate & Environmental Initiatives
Date of Meeting: November 7, 2017
Subject: Approval of Initial Study Grant Application for the Property Located at 9 North Street

Executive Summary:

This report is being brought forward on behalf of ABNA Investments Ltd, the current owner for the application at 9 North Street, for Council's consideration of approval of a Brownfield Initial Study Grant. 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 and developing remediation plans before remediation and redevelopment, and to support additional applications to the brownfield program that may be made at a later date.

The property is within Brownfield Project Area 1A, as approved by Council in March 2013, and is therefore eligible to apply for the Initial Study Grant.

This report recommends that the application for an Initial Study Grant for the property at 9 North Street be approved to a maximum of \$20,000. Estimates provided by the agent's consultant have indicated that the Phase II ESA work will cost up to \$48,165 for the property. Based on the estimate provided, the owner is eligible for a maximum Initial Study Grant amount of \$20,000. If approved, the \$20,000 grant will be paid to the registered property owner once the study is completed and reports have been provided to the City to the satisfaction of the Environment Director. This report also recommends the passing of a by-law to permit the Initial Study Grant to be paid out upon completion of the required elements.

In 2017, three Brownfield Initial Study Grants have been previously approved by Council for other projects which have depleted the budget available for the remainder of the 2017 calendar

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year. This report recommends approval of an additional \$20,000 to make up the budget shortfall.

Recommendation:

That Council approve the application to deem 9 North Street as eligible to receive up to \$20,000 in an Initial Study Grant under the Community Improvement Plan – Brownfields Project Area 1A; and

That the City Treasurer be authorized to issue the grant payment, to the registered property owner of 9 North Street at the time payment is requested, subject to satisfactory review of required documentation by the Environment Director; and

That Council give all three readings to the by-law, attached to Report Number 17-291 as Exhibit B, to provide an Initial Study Grant for the property at 9 North Street; 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 9 North Street property.

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Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER

Lanie Hurdle, Commissioner, Community Services

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

Gerard Hunt, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Desirée Kennedy, Chief Financial Officer & City Treasurer



Denis Leger, Commissioner, Corporate & Emergency Services

Not required

Mark Van Buren, Acting Commissioner, Transportation & Infrastructure Services

Not required

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

The initial study grant component of the Brownfield financial incentives program provides grants for Phase II Environmental Site Assessments (ESA), Remedial Action Plans 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 maximum total grant amount of \$20,000. The program is designed to fund studies for potentially contaminated brownfield properties within the City of Kingston's Brownfield Community Plan Project Areas. To date, three Initial Study Grant applications have been received and approved in 2017.

This application satisfies the criteria of the City of Kingston's Community Improvement Plan (CIP) Program – Brownfield Project Area 1A for Initial Study Grant funding. Real Estate & Environmental Initiatives staff have reviewed the application 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 the City with a copy of the completed Phase II ESA report, as well as demonstration of actual costs incurred, prior to the release of a grant payment. A Phase II ESA is required in order to determine the scope of, and eligibility for other components of the Brownfield CIP program, that the owner may make application for.

The subject application is for the approval of an Initial Study Grant only. It does not in any way commit the City to any other financial incentives of the Brownfields program, or to any planning approvals that will be required before site development can proceed. The owner may apply for additional assistance under the Brownfields program but only following the completion of the Phase II ESA study being considered in this report, and subject to approval of a separate application and report to City Council.

9 North Street Property

The property is 0.38 acres with Rideaucrest Home to the west, Doug Fluhrer Park to the north and east, a residential condominium building to the south and a commercial/industrial use to the southeast. The rectangular shaped property has one structure, is currently vacant and was most recently a vacant City-owned heritage designated building. The rear of the building on the property has access from North Street via Rideau Street, and the front of the building has access from a driveway via the end of Wellington Street.

The building on the property was designed by William Newlands in 1897, constructed in 1908, and used by Imperial Oil as a storage room. It is approximately 100 feet long by 40 feet wide and approximately 4,000 square feet on the ground floor. While the building is relatively modest in size and design, it does have heritage significance because it is one of the few known industrial commissions executed by William Newlands and is representative of the industrial era of the inner harbour associated with the coming of the railway.

The property was acquired by the municipality in 1987 as part of the Rideaucrest property, and in 1997 was deemed not to have a municipal use and was declared surplus. The property was sold to ABNA Investments Ltd. following a Request for Information and Request for Proposals

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issued by the City in 2013 for its purchase, rehabilitation, restoration and development. The property transaction closed in early 2015 following Council's approval in 2014.

The redevelopment plan for the property includes the development of eight residential two bedroom units comprising of a total of 8,000 square feet, and associated parking.

A Phase I ESA was completed for the property in October 2016 and the report was provided to the City as part of the application for the Initial Study Grant. The Phase I ESA concluded that additional investigation is required to assess the subsurface conditions on the property and to obtain a Record of Site Condition (RSC). The RSC, to be filed with the Ministry of Environment and Climate Change, is a mandatory document when changing a property's land use to a more sensitive land use (i.e. industrial use to residential use).

Estimates provided by the agent's consultant have indicated that the Phase II ESA work will cost up to \$48,165 on the 9 North Street property. Based on the estimate provided, the owner is eligible for the maximum Initial Study Grant amount of \$20,000.

Eligibility of Costs

Eligible costs for supplemental Phase II ESA work can be recovered through the Initial Study Grant program only if incurred by the owner following approval of the application by City Council. Eligible costs for assessment and remediation work planning which are not recovered through the Initial Study Grant program may be recovered by the owner through the Brownfield Financial Tax Incentive Program (BFTIP) and the Tax Increment Rebate Grant Program (TIRGP), if those applications are approved by City Council.

This report recommends approval of the requested Initial Study Grant and a by-law for the purpose of enacting the Initial Study Grant.

Existing Policy/By-Law:

Brownfield Community Improvement Plan, Brownfields Project Areas 1A, 1B, 1C, 1D and 2

Notice Provisions:

Not applicable

Accessibility Considerations:

Not applicable

Financial Considerations:

To date in 2017, City Council has approved three Initial Study Grants resulting in a total of \$46,206, and which included approval by City Council to fund an additional \$6,206. Therefore, the approval of the Initial Study Grant application for 9 North Street will require additional funding. This report recommends that up to \$20,000 be approved and funded from the Environmental Reserve Fund.

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Contacts:

Peter Huigenbos, Director, Real Estate & Environmental Initiatives 613-546-4291 extension 3148

Other City of Kingston Staff Consulted:

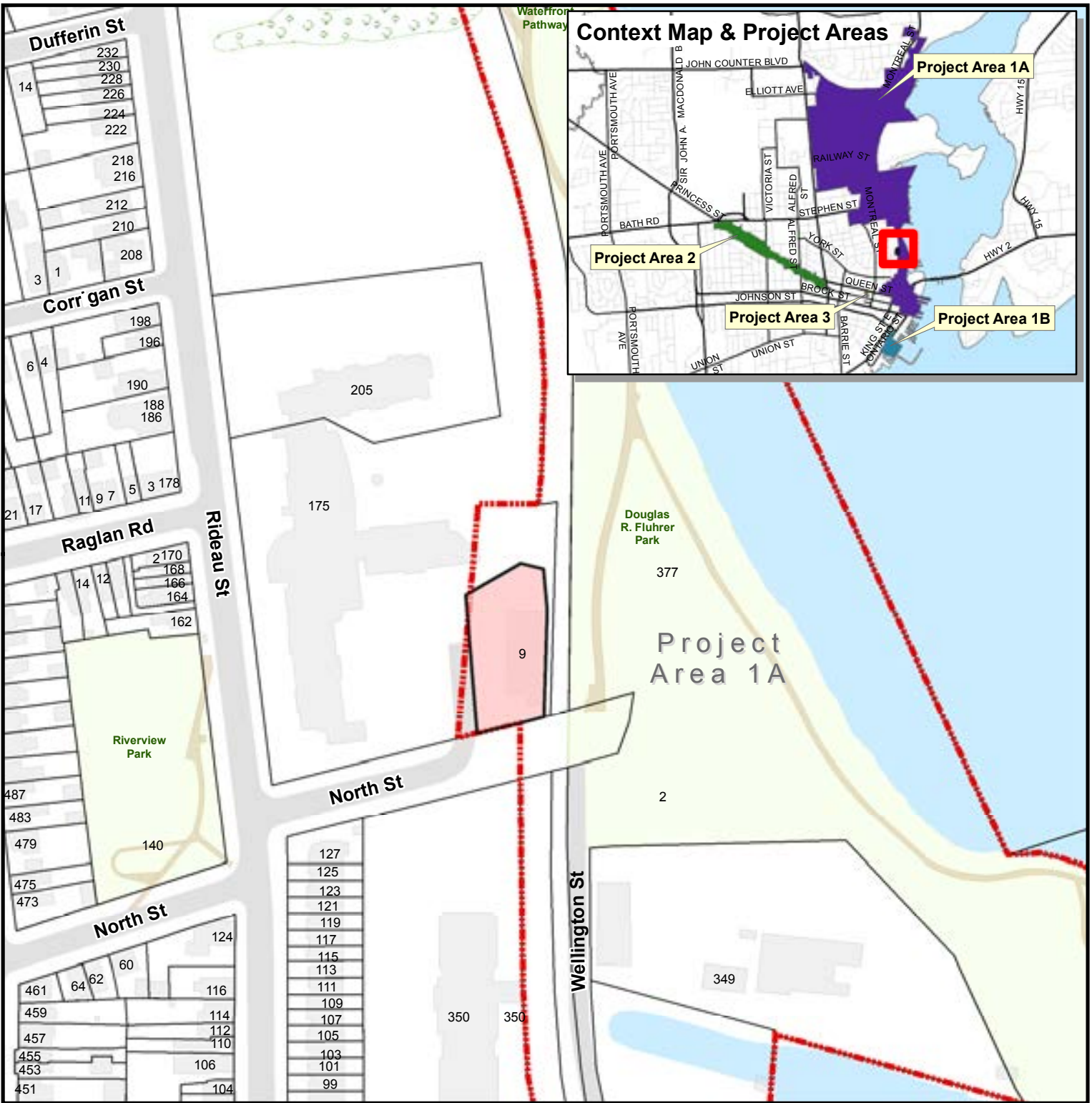
Nathan Richard, Project Manager, Brownfields, Real Estate & Environmental Initiatives

Jeff Walker, Manager, Taxation & Revenue, Financial Services

Exhibits Attached:

Exhibit A Map of 9 North Street

Exhibit B By-Law to Approve Initial Study Grant for 9 North Street






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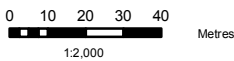
a department of Community Services

THE CORPORATION OF THE CITY OF KINGSTON
Brownfield Project Areas

Address: 9 North Street

LEGEND

-  Subject Property
-  Brownfield Project Area 1A
-  Property Boundaries



PREPARED BY: A. Dowker
 DATE: 9/22/2017

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By-Law Number 2017-XX**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 9 North Street****Passed:** November 7, 2017

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

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

Whereas ABNA Investments Ltd., the owner of the property known as 9 North Street, more specifically described as:

PIN Number: 36001-0186

Part Farm Lot "A", Concession West of the Great Cataraqui River, Being Parts 1, 2 and 3 on R-Plan 13R-20953, City of Kingston, The County of Frontenac

applied to the City of Kingston for an Initial Study Grant for this property, in accordance with the Community Improvement Plan and section 365.1 of the *Municipal Act*; and

Whereas the property is located within the Community Improvement Project Area 1A and is eligible for Initial Study Grant pursuant to section 365.1 of the *Municipal Act*;

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 9 North Street, Kingston shall be entitled to receive an 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: November 7, 2017

John Bolognone
City Clerk

Bryan Paterson
Mayor