



**City of Kingston
Report to Council
Report Number 21-108**

To: Mayor and Members of Council

From: Peter Huigenbos, Commissioner, Business, Environment & Projects

Resource Staff: Brandon Forrest, Director, Business, Real Estate & Environment
Paul MacLatchy, Environment Director

Date of Meeting: March 23, 2021

Subject: Approval of Brownfield Initial Study Grant for 1121 Montreal Street

Council Strategic Plan Alignment:

Theme: 5. Foster healthy citizens and vibrant spaces

Goal: 5.3 Promote the redevelopment of brownfields properties on the Montreal Street Corridor.

Executive Summary:

This report is being brought forward on behalf of the owner of the property at 1121 Montreal 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. The property was also a chronically abandoned brownfield that was the subject of a City-led failed tax sale process that led to the current owner taking title.

March 23, 2021

Page 2 of 6

This report recommends that the application for an Initial Study Grant for the property at 1121 Montreal Street, be approved to a maximum of \$8,500. Estimates provided by the agent's consultant have indicated that the Phase II ESA work will cost up to \$17,000 for the property. Based on the estimate provided, the owner is eligible for a maximum Initial Study Grant amount of \$8,500 which represents 50% of the estimated project cost. If approved, the \$8,500 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. The property owner may not incur recoverable costs until Council has fully approved the application and so, to avoid an administrative delay, all three readings of the by-law are requested.

Sufficient budget exists within the 2021 operating budget should the grant payment be due in 2021.

Recommendation:

That Council approve the application to deem the owner of 1121 Montreal Street as eligible to receive up to \$8,500 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 1121 Montreal 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 21-108 as Exhibit A, to provide an Initial Study Grant for the property at 1121 Montreal Street.

March 23, 2021

Page 3 of 6

Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER

**Peter Huigenbos, Commissioner,
Business, Environment &
Projects**

ORIGINAL SIGNED BY CHIEF
ADMINISTRATIVE OFFICER

**Lanie Hurdle, Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Community Services	Not required
Brad Joyce, Commissioner, Corporate Services	Not required
Jim Keech, President & CEO, Utilities Kingston	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	
Sheila Kidd, Commissioner, Transportation & Public Works	Not required

March 23, 2021

Page 4 of 6

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, no Initial Study Grant applications have been received and approved in 2021.

An application for up to \$8,500 in Initial Study Grant funding has been received from 11175661 Canada Inc. for their property at 1121 Montreal Street. The funding will assist the property owner in completing a Phase II Environmental Site Assessment (ESA) report which is required as part of the process of remediating environmental contamination and obtaining a Record of Site Condition (RSC). The property is not in tax arrears and the application satisfies the criteria of the City of Kingston's Community Improvement Plan Program – Brownfield Project Area 1A for Initial Study Grant funding. Staff from the Business, Real Estate & Environment Department 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 Community Improvement Plan 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.

1121 Montreal Street Property

The applicant's property is a 0.36-hectare (0.9 acre) parcel located on the east side of Montreal Street immediately north of the intersection with Weller Avenue. The property is currently vacant but was last used as a retail fuel outlet (gas bar) which was abandoned by a previous owner and left in tax arrears for over two decades before being sold to the current owner through a city-led failed tax sale process.

The applicant's redevelopment plan for the property involves remediation of likely soil and groundwater contamination followed by construction of a multi-unit residential building.

A Phase I ESA was completed for the property in 2020 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

March 23, 2021

Page 5 of 6

Record of Site Condition (RSC). The RSC, to be filed with the Ministry of Environment, Conservation and Parks, is a mandatory document when changing a property to a more sensitive land use (i.e. industrial/commercial use to residential use).

Estimates provided by the applicant's environmental consultant have indicated that the Phase II ESA work will cost up to \$17,000. Based on the estimate provided, the owner is eligible for 50% of estimated costs which is \$8,500.

Eligibility of Costs

Eligible costs for 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 (Exhibit A) for the purpose of enacting the Initial Study Grant.

The property owner may not incur recoverable costs until Council has fully approved the application and so, to avoid an administrative delay, all three readings of the by-law are requested.

Existing Policy/By-Law:

City of Kingston Brownfield Community Improvement Plan

Notice Provisions:

None

Accessibility Considerations:

None

Financial Considerations:

Approval of the application will oblige the City to pay the applicant up to \$8,500 upon their successful completion of a Phase II ESA report. Completion of the report and payment of the grant is expected in 2021.

The approved 2021 operating budget for the Business, Real Estate & Environment Department contains \$40,000 dedicated to Brownfield Initial Study Grants and is sufficient to cover the cost of the recommended grant approval.

March 23, 2021

Page 6 of 6

Contacts:

Paul MacLatchy, Environment Director 613-546-4291 extension 1226

Other City of Kingston Staff Consulted:

Jeffrey Walker, Manager, Taxation & Revenue, Financial Services

Exhibits Attached:

Exhibit A By-Law to Approve an Initial Study Grant for 1121 Montreal Street

By-Law Number 2021-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 1121 Montreal Street

Passed: March 23, 2021

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 11175661 Canada Inc., the owner of the property known as 1121 Montreal Street, more specifically described as:

PIN Number: 36000-0358

Part Lots 2-3, PL 334, PT 1, on R-Plan 13R-8628; S/T FR108512, FR114171;
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 1121 Montreal 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 \$8,500; 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: March 23, 2021

John Bolognone
City Clerk

Bryan Paterson
Mayor