



**City of Kingston
Report to Council
Report Number 24-109**

To: Mayor and Members of Council
From: Paige Agnew, Commissioner, Growth & Development Services
Resource Staff: Brandon Forrest, Director, Business Real Estate & Environment
Date of Meeting: March 19, 2024
Subject: Brownfield Initial Study Grant for Property Comprised of 55 Rideau, 5 Ordnance, and 292-294 Wellington Streets

Council Strategic Plan Alignment:

Theme: 1. Support Housing Affordability

Goal: 1.1 Promote increased supply and affordability of housing.

Executive Summary:

This report is being brought forward pursuant to an application made by the agents of the owner of the property comprised of 55 Rideau, 5 Ordnance and 292-294 Wellington Streets and recommends that Council approve a Brownfield Initial Study Grant in an amount not to exceed \$20,000. 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, if needed, 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 ([Report Number PC-13-028](#)), and is therefore eligible to apply for the Initial Study Grant.

Estimates provided indicate that the proposed Phase II Environmental Site Assessment (ESA) work will cost up to \$40,000 for the property. The property is eligible for a maximum Initial Study Grant amount of \$20,000 which represents 50% of anticipated costs and is the maximum amount available through the Initial Study Grant program. If approved, the \$20,000 grant will be

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paid to the applicant 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.

Sufficient budget exists within the 2024 operating budget should the grant payment be due in 2024.

This report is time sensitive in that the applicant may not incur costs toward the planned brownfield work until Council's decision has been provided and, as such, all three readings of the by-law are requested.

Recommendation:

That Council approve the application for an initial study grant for the development property comprised of 55 Rideau, 5 Ordnance and 292-294 Wellington Streets up to \$20,000 made pursuant to the Brownfield Community Improvement Plan - Brownfields Project Area 1A; and

That the City Treasurer be authorized to issue the grant payment, to the applicant at the time payment is requested, subject to satisfactory review of required documentation by the Environment Director; and

That the by-law, attached as Exhibit A to Report Number 24-109, to provide an Initial Study Grant for the property comprised of 55 Rideau, 5 Ordnance and 292-294 Wellington Streets be given all three readings.

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Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER

**Paige Agnew, Commissioner,
Growth & Development Services**

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

**Lanie Hurdle, Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Jennifer Campbell, Commissioner, Community Services Not required

Neil Carbone, Commissioner, Corporate Services Not required

David Fell, President & CEO, Utilities Kingston Not required

Peter Huigenbos, Commissioner, Major Projects & Strategic Initiatives Not required

Brad Joyce, Commissioner, Infrastructure, Transportation
& Emergency Services Not required

Desirée Kennedy, Chief Financial Officer & City Treasurer

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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 Improvement Plan Project Areas. To date, there have been no other applications for Initial Study Grants in 2024.

Application for an Initial Study Grant

An application for up to \$20,000 in Initial Study Grant funding has been received from King's Town Development Corporation for their property comprised of 55 Rideau, 5 Ordnance and 292-294 Wellington Streets. The recommended funding will assist the applicant 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) that is required to redevelop the property. 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 applicant 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, and eligibility for other components of the Brownfield Community Improvement Plan Program that the owner may make application for later if needed.

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 or heritage approvals that may 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.

Applicant's Property and Planned Redevelopment

The applicant's property is a 0.75-acre parcel located in the North Kingstown district with frontages on Rideau, Ordnance and Wellington Streets. The property currently houses two commercial buildings and vacant lands with former uses consisting of auto servicing, boat repairs, retail, and a potential dry-cleaning operation.

Initial assessments of the property indicate a potential for legacy contamination given its age, location and past uses. An RSC supported by a Phase I and Phase II Environmental Site

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Assessments is required by Ontario law to allow conversion of the property from its current commercial uses to a new residential use (high rise residential with community amenity space).

Estimates provided by the applicant's environmental consultant have indicated that the Phase II ESA work will cost up to \$40,000. Based on the estimate provided, the owner is eligible for an Initial Study Grant of 50% of actual costs up to \$20,000 - the maximum allowed by the Initial Study Grant program.

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 applicant 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

Financial Considerations

Approval of the application will oblige the City to pay the applicant up to \$20,000 upon their successful completion of a Phase II ESA report and submission of documentation of costs incurred. Completion of the report and payment of the grant is expected in 2024.

The approved 2024 operating budget for the Business, Real Estate & Environment Department contains \$40,000 dedicated to Brownfield Initial Study Grants. No applications for initial study grants have been approved in 2024 and so sufficient funds remain to cover the cost of the recommended grant approval in 2024.

If shown to be required by the Phase II ESA, an application for brownfield financial benefits to assist in the environmental remediation of the property may be made later and if received, will be presented to City Council for consideration of further benefits.

Contacts:

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

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Other City of Kingston Staff Consulted:

Alan McLeod, Deputy Director, Legal Services

Exhibits Attached:

Exhibit A A By-Law to Approve a Brownfield Initial Study Grant for the Property Comprised of 55 Rideau, 5 Ordnance and 292-294 Wellington Streets

By-Law Number 2024-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 Comprised of Parcels Known As 55 Rideau Street, 5 Ordnance Street and 292-294 Wellington Street

Passed: March 19, 2024

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 King's Town Development Corporation (the Applicant and the Owner) is the owner of the property known as 55 Rideau Street, 5 Ordnance Street and 292-294 Wellington Street, more specifically described as:

PIN Numbers: 36045-0419, 36045-00167(LT), and 36045-0419(LT)

Part of Lot C, Original Survey and Part of Lots 6 and 11, Registered Plan No. 30, City of Kingston, County of Frontenac

and has 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 an 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 Applicant for the property known as 55 Rideau Street, 5 Ordnance Street and 292-294 Wellington 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: March 19, 2024

Janet Jaynes,
City Clerk

Bryan Paterson,
Mayor