

City of Stratford Consolidated Brownfield Community Improvement Plan Program Guidelines

1.0 Purpose:

This Community Improvement Plan encourages property owners and developers of brownfield sites to pursue a range of incentives to help identify the level and extent of contamination on a site and also to determine the feasibility of a proposed redevelopment project. The Community Improvement Plan will also offer financial incentives for brownfield redevelopment in the form of tax assistance during remediation, tax increment-based grant financing, tipping fee program and application fee grants.

The plan allows for the City of Stratford to offer technical and financial assistance to encourage completion of such projects in accordance with municipal and provincial standards. Use of these incentives is intended to stimulate the remediation, redevelopment and/or adaptive reuse of brownfield sites within the City of Stratford.

The intent of offering these incentives as part of the Community Improvement Plan is to:

- Increase tax assessment and revenues for the City of Stratford and the Province of Ontario;
- Retain and increase employment opportunities;
- Reduce uncontrolled urban development, and its related costs, beyond the existing urban boundaries;
- Improve the physical and visual quality of the area;
- Improve environmental health and safety;
- Increase the provision of infill housing opportunities;
- Stimulate private investment in the areas of retail, industry, commercial and residential activity, including private property maintenance;
- Use existing infrastructure and services within the existing built area and existing urban boundary.

The Brownfield Community Improvement Plan will be in affect for 5 year from the date of Council's approval of the CIP. Once the CIP has expired staff will review and amend the CIP as necessary and bring the document forward for Council's approval for another term.

2.0 Area of Application

The provisions of this Community Improvement Plan shall apply to all lands within the City of Stratford.

3.0 General Provisions

3.1 Eligibility Criteria

The programs are available to any registered owner of a brownfield property, and/or the assignees of owners within the limits of the City of Stratford. Potential purchasers of brownfield properties are eligible to apply for any program only if they can provide written consent from the property owner. Participation is contingent upon the proposed project satisfying all of the following eligibility criteria:

1. The proposed project is on lands within the boundaries of the City of Stratford, and the proponent is the registered property owner or the assignee(s) of the registered property owner.
2. All properties within the Plan area are eligible for application to the program and each application will be assessed on its own merit. However, the City may use its listing of priority sites as a criterion for assessing the merit of each application. Should the number of eligible projects exceed the annual funding available, those eligible projects will be held in queue until funding becomes available in the following year.
3. The proposed project involves the remediation of a historically contaminated property, that is, contamination which is the result of a previous owner's non-residential use. This program is not available for projects where the current owner has been found to be responsible for the subject contamination. Further, this program is not applicable to projects or on subject lands where contamination did not exist prior to the passing of the amended Community Improvement Plan.
4. The proposed project has completed a CSA Standard Z768-01 Phase 1 Environmental Site Assessment (Phase 1) or a Phase 1 is a component of a proposed CSA Standard Z769 Phase 2 Environmental Site Assessment (Phase 2).
5. The subject property shall not be in a position of tax arrears. All taxes owing shall be paid prior to approval of any program applications. Similarly, the subject property shall not have any outstanding municipal liabilities.
6. Prior to approving an application under this Community Improvement Plan, the City reserves the right to request an independent audit of the applicants accounts and/or the proposed rehabilitation costs, at the expense of the applicant, and to ensure that all other work orders or requests to comply from other departments or agencies have been satisfactorily addressed.

3.2 Retroactivity

No program in this plan will be offered on a retroactive basis. Only projects that commence and make application after the date of approval of this plan will be eligible for tax assistance during remediation and tax increment-based grant program. Only environmental site assessments, which commence and make application for grants after the date of approval of this plan, will be eligible. Only eligible planning and development fees paid after the date of approval of this plan will be eligible for fee grants. Only Tipping Fees paid after the date of approval of this plan will be eligible under this plan.

3.3 Pay-as-you-go

All grants provided, as part of this Community Improvement Plan, except the tax assistance during remediation, would only be paid out after the applicable improvements have been completed and inspected by the City and after all applicable taxes for the property have been paid in full.

3.4 Grants not to exceed rehabilitation costs

In all situations, the total level of all grants, loans and tax assistance cannot exceed the cost of rehabilitating the lands and buildings.

3.5 Council Approval

All City of Stratford Brownfield Remediation Program Applications, except the Fee Grant Program, and their corresponding agreements must be approved by City Council.

3.6 Program Changes

The procedures associated with this Community Improvement Plan may change however the principles of the plan will remain the same. Where minor boundary adjustments are made to the community improvement project area, the City is not required to make a formal amendment to this Plan. However significant increases in any financial assistance program or a new financial assistance program are to be added, a formal amendment and public consultation is required in accordance with the requirements of the *Planning Act*.

4.0 Eligible Programs

4.1 Phase 2 Environmental Site Assessment Grant Program

4.1.1 Program Overview

There is very little information on the existence, type, and extent of contamination, as well as the estimated cost of site remediation for properties in the City of Stratford. This lack of information is one of the key barriers to the remediation and redevelopment of brownfield properties in the City. Additionally, the City's Groundwater Study identified the need to

develop and maintain a soil condition database. The Phase 2 Environment Site Assessment Grant Program is designed to stimulate the undertaking of private sector environmental studies of properties in the project area, so that more and better information is available with respect to the type of contamination and potential remediation costs on brownfields sites.

4.1.2 Program Parameters

Phase 2 Environmental Site Assessment Grants will be given to the owners or bona fide purchasers of brownfield sites to conduct an environmental site assessment. These grants will be up to \$10,000 or 50% of the cost of the environmental study (excluding HST), whichever is less. A \$50,000 upset limit on annual grant expenditures will be established as a guideline, subject to annual budget approval. Grants approved under this program would be provided to property owners following submission of the final completed study with the original invoice, indicating that the study consultants have been paid in full. Two copies of the environmental study will be provided to the City for its retention. The applicant will agree to provide the City with permission to notify any other subsequent project proponents of the existence of an environmental study or studies, but said study or studies will not be released by the City unless required by law.

The City may discontinue this grant program at any time. However, participants in the program prior to its closing will receive any City of Stratford Phase 2 Environmental Site Assessment Grant that had already been approved upon completion of the assessment.

4.1.3 Program Administration

- a) Environmental studies shall be for the purpose of confirming and describing contamination at the site (Phase 2 ESA). A Phase 2 Environmental Site Assessment shall be undertaken by a qualified, independent consultant (as defined by applicable regulations) that will include, in addition to all of the requirements set out in the document entitled "Phase 2 Environmental Site Assessment" and designated as CAN/CSA Z769-00 published by the Canadian Standards Association as amended from time to time, a detailed work plan and budget to complete remediation of the property to provincially required standards or where no provincial standards are mandated, to the standards found in the "Soil, Ground Water and Sediment Standards for Use under Part XV.1 of the *Environmental Protection Act*", as amended.
- b) All owners of properties within the boundary of the Community Improvement Project Area are eligible to apply for this grant program subject to the general program requirements in Section 3.1. Purchasers are eligible to apply for a City of Stratford Phase 2 Environmental Site Assessment Grant only if they can provide written consent to conduct the study from the owner of the property;
- c) Any property owner or purchaser wishing to be considered for a grant under this program must complete a City of Stratford Brownfield Remediation Program Application, select the Environmental Site Assessment Study Grant option and submit it to the Economic Development Department **prior** to the start of any environmental

study to which the grant will apply. The application shall include two quotes from qualified professional consultants to verify the expected cost of the study. The chosen consultant will then provide a detailed work plan and budget.

- d) On approval of the application, the owner/purchaser shall be required to enter into an agreement with the City setting out the City's and the owner's/purchaser's obligations under the program.
- e) Two copies of the study findings shall be given to the City with permission to circulate said studies to internal City departments, and to advise other project proponents that a study or studies exists, but said studies will not be released by the City unless required by law;
- f) Applications will be approved only if they meet the criteria specified in this CIP/Guideline and any other requirements of the City.
- g) Upon receipt of a copy of the final study with the original invoice, indicating that the study consultants have been paid in full, the Economic Development Department shall authorize the Corporate Services Department to issue a cheque to the applicant equivalent to the agreed upon contribution to the Phase 2 Environmental Site Assessment Study, or 50% of the actual cost of the study (excluding HST), whichever is less, to a maximum of \$10,000.

4.2 Tipping Fee Grant Program

4.2.1 Program Overview

A Phase 2 Environmental Site Assessment is an intrusive investigation of a contaminated property to determine the existence, type and extent of contamination. Even though a Phase 2 involves soil samples, it is very difficult to determine the absolute extent of contamination. The full extent of contamination can not be fully known until decommissioning has commenced, hence, the practice of Environmental Engineers indicating a potential range on the amount of soil contamination in their investigative report. The Tipping Fee Grant Program's intention is to assist the developer in deferring the up-front costs of tipping fees until redevelopment has occurred.

4.2.2 Program Parameters

The property owner will be eligible for the Tipping Fee Grant Program if the owner is redeveloping an eligible brownfield property and the excavation, removal and disposal of contaminated soil is necessary to facilitate redevelopment. The property owner must be eligible for tax increment-based grant financing under the City's brownfield program and the preferred method of decommissioning the property is the removal and disposal of contaminated soil.

The property owner will pay the tipping fees for the minimum projected quantities of contaminated soil that a Phase II Environmental Report recommends for removal. The Report must be prepared by a recognized environmental engineering firm and must be accepted by the City's Director of Engineering and Public Works. As well, the developer will be required to enter into an agreement with the City to pay the tipping fees, over time, for any quantities of contaminated soil that are actually delivered in excess of the projected minimum amount. The City shall deposit the amount of all tax increments, for which the developer would otherwise be entitled to relief by way of grant, to the tipping fee reserve until the balance of the amount owing is paid. Any portion of the tipping fees still owing to the City at the end of the tax increment-based grant financing period would then be immediately due and payable.

The City may discontinue this grant program at any time. However, participants in the program prior to its closing will receive any City of Stratford Phase 2 Environmental Site Assessment Grant that had already been approved upon completion of the assessment.

4.2.3 Program Administration

- a) All owners of Brownfield properties within the boundary of the Community Improvement Project Area are eligible to apply for this grant program subject to the general program requirements in Section 3.1.
- b) As early as possible in the development approval process, a property owner would register their intent to participate in the grant program by completing a City of Stratford Brownfield Remediation Program Application, selecting the Tipping Fee Grant option and submitting it to the Economic Development Department prior to the commencement of any works (Works is defined as those activities that are required to remediate the property in an application that qualifies under the criteria for this program).
- c) As a condition of the grant application, the property owner must be eligible for the Brownfield Redevelopment Grant Program outlined in Section 4.4.
- d) The property shall be remediated and redeveloped such that the amount of work undertaken is sufficient to, at a minimum, result in a re-valuation of the property by MPAC.
- e) As a condition of the grant application, the City shall require the applicant to submit a Phase 2 Environment Assessment that confirms that the preferred method of decommissioning the property is the removal and disposal of contaminated soil. The Phase 2 report must be prepared by a recognized environmental engineering firm and must be accepted by the City's Director of Engineering and Public Works.
- f) The grant program shall only apply to contaminated soils that can be accepted at the City of Stratford's Landfill site in accordance with the City's Certificate of Approval from the Ministry of the Environment.

- g) The property owner will pay the tipping fees as set out in the Fees and Charges By-law for the minimum projected quantities of contaminated soil that the Phase 2 Environmental Report
- h) The property owner will pay the tipping fees as set out in the Fees and Charges By-law for any and all quantities of contaminated soil removed from the property and delivered to the Landfill Site that are in excess of the estimated projected minimum amount referred to in 4.3.3 g) and in the following manner:
 - i) the owner assigns to the City of Stratford the amount of all tax increments, applicable to the property, in each year for which the owner would otherwise be entitled to relief by way of Brownfield Redevelopment Grant program for purposes of paying the tipping fees in excess of the minimum amount;
 - ii) the City shall deposit all such tax increment amounts applicable to the property to the City's tipping fee reserve until the additional tipping fees are fully paid; and;
 - iii) in the event that any portion of the additional tipping fees remains outstanding and unpaid at the end of the tax increment based grant financing period as set out in section 4.4, the owner shall forthwith pay such outstanding amount to the City by cash or certified cheque;
 - iv) if the owner fails to pay any portion of the additional tipping fees for any reason whatsoever, then such amount shall be added to the tax roll for the property and shall be collected in the same manner and priority as municipal property taxes.
- i) All property owners participating in this program will be required to enter into a Tipping Fee Agreement with the City, which will specify the terms of the grant. All City of Stratford Tipping Fee Grant Applications and Tipping Fee Agreements must be approved by City Council.
- j) If a participating property is sold, in whole or in part, before the grant period elapses, the applicant and/or the subsequent landowner will not be entitled to any outstanding grant payments (on either the portion sold or retained by the applicant). The owner shall forthwith pay such portion of the additional tipping fees that remains outstanding and unpaid to the City by cash or certified cheque.

4.3 Brownfield Fee Grant Program

4.3.1 Program Overview

The intent of this program is to stimulate new investment in the Project Area through provision of a grant to offset the cost of specific planning and development fees to those who wish to invest in the area, or those who are already located in the area and wish to expand/renovate.

4.3.2 Program Parameters

The grant will be calculated against fees paid by an applicant towards planning and development applications. Building permit fees are not applicable to the grant. The applicant will be required to submit all fee payments at the time of planning approval(s) and demolition permit applications. The grant will then be issued to the property owner irrespective of who applied, after the City verifies that all eligible invoices have been paid in full and final inspections have been completed and occupancy has been approved. The grant will be provided in an amount equal to all eligible fees collected from the applicant/property owner. This program does not apply to any required studies, performance or maintenance guarantees (i.e. letters of credit) posted by the applicant/property owner or expenses, including deposits incurred by the applicant due to any City participation at Ontario Municipal Board or Court proceedings.

4.3.3 Program Administration

- a) Only fees paid for the following types of applications are eligible:
 - Zoning By-law Amendment;
 - Minor Variance;
 - Site Plan Application;
 - Demolition Permit;
 - Change of Use Permit.

- b) Even though Fee Grants are automatic, the property owner or purchaser shall complete a Brownfield Remediation Program Application for administration purposes, selecting the City of Stratford Brownfield Fee Grant Program option and submitting it to the Economic Development Department **prior** to the start of any eligible application;

- c) All owners of brownfield properties within the boundary of the Community Improvement Project Area are eligible for grants equivalent to the amount of paid planning and development fees under this program subject to the general program requirements in Section 3.1.

- d) Proposed developments will conform to all City policies and procedures for the identification/remediation of potential Contaminated Sites under the *Planning Act* Application Review Process, the *Environmental Protection Act* and any other applicable legislation and regulation. The City will require (where applicable) the completion of a signed Record of Site Condition (RSC) satisfactory to the City and the filing of said RSC with the Ministry of the Environment, Conservation and Parks (MECP). The City will require a copy of the signed RSC, acknowledgement of receipt of the RSC by the MECP and the posting of the RSC on the Environmental Site Registry.

- e) The improvements made to buildings and/or land shall be made pursuant to a Building Permit, and constructed in accordance with the Ontario Building Code and all applicable zoning requirements and approvals; and,
- f) Outstanding work orders and/or orders or requests to comply from the Development Services Division, or any other departments, must be satisfactorily addressed prior to the disbursement of any fee-related grant.

4.4 Brownfield Redevelopment Grant Program

4.4.1 Program Overview

The City of Stratford Brownfield Redevelopment Grant Program will provide financial relief in the form of property tax grants to property owners who remediate and redevelop their properties in the Community Improvement Project Area. In order to qualify, the remediation and/or redevelopment must result in an increase in property assessment and taxes. This program removes a serious financial impediment to remediation and redevelopment efforts, namely the large tax increase that results when a property is redeveloped. This program also leverages public sector investment and encourages development that would otherwise not take place without this incentive program. The developer will initially pay for the entire cost of the remediation and redevelopment project, and the City will then reimburse the developer in the form of an annual grant, as the City receives the incremental property taxes. Each year, the property owner/developer must first pay taxes owing, and would then receive a grant based upon the incremental increase in municipal portion of property taxes that resulted from the work being done.

4.4.2 Program Parameters

The City will always receive the municipal portion of taxes equal to, or greater than, the taxes that were paid prior to the remediate and redevelopment that triggered the re-assessment. The amount of the grant provided to the property owner will be based upon the increase in municipal taxes and will commence after the renovations are completed. The grants have the effect of deferring the full amount of taxes that would otherwise be due as a result of the re-assessment. The amount of the grant will be based upon the increase in the municipal portion of property taxes that is directly related to the remediation and redevelopment of the property (tax increase that result from the increase in assessment). Tax increases that result from a general reassessment, a change in tax legislation or an increase in the tax rate will not be considered for the purposes of calculating the grant. The amount of municipal taxes ("base rate") will be determined before commencement of the project at the time a City of Stratford Brownfield Redevelopment Grant Application is submitted. The increase in the municipal portion of real property taxes (or "municipal tax increment") will be calculated as the difference between the base rate and the amount of municipal taxes levied as a result of re-valuation by the Municipal Property Assessment Corporation (MPAC). For the purpose of calculating the annual tax increment, the post improved assessed value of the property will be established based on completion of the re-assessment of the property by MPAC. The annual tax increment will be held constant over the ten-year grant period.

Year	Grant Amount	Year	Grant Amount
1	100%	6	50%
2	90%	7	40%
3	80%	8	30%
4	70%	9	20%
5	60%	10	10%

Year 1 is the first full calendar year that taxes are paid after the project is completed and reassessed. The amount of the grants provided for a property over the life of this program will not exceed the cost of rehabilitation done that resulted in the increased level of municipal tax assessment. For this reason, the amount of grants may be monitored in relation to the total value of work done and the grants will cease if they equal the value of the work done.

Accounting practices will be established by the Corporate Services Department to monitor, report and reconcile these on-going incentives and include the appropriate figures in the annual budget.

Under this program, all grant payments will cease:

- a) When total grant payments provided under this program equal the total value of work done under "eligible program costs" (as defined in s. 4.5.3 g)) that resulted in the re-valuation; or
- b) After ten (10) years, whichever comes first.

4.5.3 Program Administration

- a) All owners of brownfield properties within the boundary of the Community Improvement Project Area are eligible to apply for this grant program subject to the general program requirements in Section 3.1.
- b) As early as possible in the development approval process, a property owner would register their intent to participate in the grant program by completing a City of Stratford Brownfield Remediation Program Application, selecting the Brownfield Redevelopment Grant option and submitting it to the Economic Development Department **prior** to the commencement of any works (Works is defined as those activities that are required to remediate the property in an application that qualifies under the criteria for this program (eligible costs, section 4.5.3 g) below) and **prior** to application for building permit.
- c) As a condition of the grant application, the City shall require the applicant to submit a Remedial Work Plan, to be approved by the City and containing the following information:
 - duration of remediation

- site plan or subdivision drawings of the redevelopment plan
- details of remediation works to be completed
- estimated costs of remediation

The City will review this proposal, suggest any modifications, consult with the MPAC as necessary regarding an estimated post-project re-valuation, and determine an estimated grant amount. The actual component costs of the work done, as identified under eligible program costs in 4.5.3 g) below, will be supplied to the City upon completion of the project. Payment of the grant will be based on the City's review and satisfaction with all reports and documentation submitted outlining the full scope and cost of the work completed. Any and all of these costs may be subject to an independent audit, at the expense of the property owner.

If during the course of the work, the scope of the work changes, or actual costs are greater or less than estimated costs, the City reserves the right to increase or decrease the total amount of the grant. The actual grant amount will be based on the actual increase in the municipal portion of real property taxes as calculated based on the actual re-valuation by the Municipal Property Assessment Corporation (MPAC) following project completion.

- d) Before an application will be considered under this program, the property owner shall obtain a Phase 2 Environmental Site Assessment undertaken by qualified persons (as defined by applicable regulations) that will include, in addition to all of the requirements set out in the document entitled "Phase 2 Environmental Site Assessment" and designated as CAN/CSA Z769- 00 published by the Canadian Standards Association as amended from time to time, a detailed work plan and budget to complete remediation of the property to provincially required standards or where no provincial standards are mandated, to the standards found in the "Soil, Ground Water and Sediment Standards for Use under Part XV.1 of the Environmental Protection Act", as amended.
- e) The property shall be remediated and redeveloped such that the amount of work undertaken is sufficient to, at a minimum, result in a re-valuation of the property by the MPAC. If the property is under an assessment appeal, the application will be held in abeyance until the appeal is resolved.
- f) The total value of the grant provided under this program shall not exceed the total value of work done under eligible program costs, as indicated in 4.5.3 g) below.
- g) Eligible program costs include the costs of:
 - environmental studies (unless already paid for under Section 4.2);
 - environmental remediation;
 - site preparation including construction/improvement of on-site servicing, e.g., water services, private sanitary and storm drains and/or private sewers;
 - demolition (subject to Council approval)

- h) Actual costs for any or all of the items in 4.5.3 g) above may be subject to independent verification and audit, at the expense of the property owner.
- i) All property owners participating in this program will be required to enter into a Redevelopment Agreement with the City, which will specify the terms of the grant. The agreement shall specify such items as (but not limited to) the level of the grant applicable, the duration of the grant, and the owner's obligation to repay the City for any grants received if the property is demolished before the grant period elapses. The agreement is intended to encapsulate all of the terms and conditions included in these grant guidelines. All City of Stratford Redevelopment Grant Applications and Redevelopment Agreements must be approved by City Council.
- j) If a building(s) erected on a property participating in this program is demolished before the grant period expires, the remainder of the monies to be paid out under the grant shall be forfeited.
- k) Proposed developments will conform to all City policies and procedures for the identification/remediation of potential Contaminated Sites under the *Planning Act* Application Review Process, the *Environmental Protection Act* and any other applicable legislation and regulation. The City will require (where applicable) the completion of a signed Record of Site Condition (RSC) satisfactory to the City and the filing of said RSC with the Ministry of the Environment, Conservation and Parks (MECP). The City will require a copy of the signed RSC, acknowledgement of receipt of the RSC by the MECP and the posting of the RSC on the Environmental Site Registry.
- l) The improvements made to buildings and/or land shall be made pursuant to a Building Permit, and constructed in accordance with the Ontario Building Code and all applicable zoning requirements and approvals.
- m) Outstanding work orders and/or orders or requests to comply from the Building and Planning Department or any other departments, must be satisfactorily addressed prior to grant approval.
- n) If a participating property is sold, in whole or in part, before the grant period elapses, the applicant and/or the subsequent landowner may not be entitled to outstanding grant payments (on either the portion sold or retained by the applicant). The City may, entirely at its own discretion, enter into a new agreement with any subsequent owners of the property to receive outstanding grant payments under this program.