



April 5, 2023

**Prepared for:**

Brian Treble  
 Director of Planning & Building  
 Township of West Lincoln  
 318 Conborough Street  
 Smithville, ON L0R 2A0

**RE: BROWNFIELD CIP APPLICATIONS  
 CROSSINGS ON THE TWENTY NORTH  
 LOT 20, PART OF LOTS 56 & 57, REGISTERED PLAN M-88  
 DEHAAN HOMES INC.  
 NPG FILE NO. 22868**

NPG Planning Solutions Inc. has been retained by the Township of West Lincoln to assist in the review of applications submitted by DeHaan Homes Inc. under the Township's Brownfield Community Improvement Plan (CIP). Applications were filed for Brownfield Property Tax Assistance, a Rehabilitation Grant and a Building Permit Fee Grant. The applications relate to a proposed redevelopment of lands formerly used as a railway, located on the south side of St. Catharines Street in Smithville, between 190 and 200 St. Catharines Street. The lands are described legally as Lot 20, Part of Lots 56 & 57, Registered Plan M-88. The applicant proposes a 10-unit townhouse development on a private road, known as Crossing on the Twenty North.

This letter provides a review of the submitted applications.

**General Program Requirements Review**

Table 1, below, summarizes the review of the applications against the general program requirements as detailed in Section 7.1 of the West Lincoln Brownfield CIP.

*Table 1 Brownfield CIP General Program Requirements*

Requirement	Description	Review of Applications
Location of Subject Lands	Subject Lands should be located within the designated Community	<b>Criterion Achieved</b>

Requirement	Description	Review of Applications
	Improvement Project Area	
Phase II Environmental Site Assessment	Phase II Environmental Site Assessment did not meet the required Ministry of Environment standards under subparagraph 4i of Section 168.4(1) of the Environmental Protection Act to permit a Record of Site Condition (RSC) to be filed in the Environmental Site Registry for the proposed use of the property. In other words, the property is contaminated with respect to the Ministry of Environment standards as to the proposed use of the property	<b>Criterion Achieved</b> <i>A Phase II Environmental Site Assessment confirmed that the property does not meet standards that would permit a Record of Site Condition to be filed with the Ministry of Environment</i>
Applicant	If the applicant is not the owner of the property, the applicant must provide written consent from the owner of the property to make the application	<b>Criterion Achieved</b> <i>Written consent from the owner has been submitted</i>
Total Amount	The total of all grants, loans and tax assistance provided by the Township, the Region and the Province shall not exceed the eligible costs of the improvements to that	<b>Criterion Achieved</b>

Requirement	Description	Review of Applications
	property under all applicable CIPs	
Sustainable Downtown Smithville CIP	In order to avoid double dipping between the tax increment based Infill, Intensification and Redevelopment Grant Program contained in the Sustainable Downtown Smithville CIP and the tax increment based Brownfield Rehabilitation Grant Program contained in this Brownfield CIP, application can be made for only one of these grant programs, per property, site or project	<b>Criterion Achieved</b> <i>Property is not located within Downtown Smithville CIP Area</i>
Conformity to planning documents	All proposed works approved under the incentive programs shall conform to all provincial laws, municipal by-laws, policies, procedures, standards and guidelines, including applicable Official Plan and zoning requirements and approvals	<b>Criterion Achieved</b> <i>Site Plan Agreement Application in process which will ensure conformity with applicable policies, standards, and regulations</i>
Outstanding work orders, and/or orders or requests to comply, and/or other charges from the Township (including tax arrears)	All these must be addressed to the Township's satisfaction prior to grant and/or tax assistance payment	<b>Criterion Achieved</b> <i>None outstanding</i>

## Brownfield Property Tax Assistance Program (TAP) Review

The purpose of the Brownfield Property Tax Assistance Program (TAP) is to encourage the remediation and rehabilitation of brownfield sites by providing a cancellation of part of or all the property taxes on a site that is undergoing or has undergone remediation and development, to assist with the cost of environmental remediation. The cancellation is up to a three-year period. This program applies only to properties requiring environmental remediation and/or risk assessment/management.

The proposal is eligible for TAP funding as a Phase II Environmental Site Assessment (ESA) has been submitted confirming the property does not meet residential standards that would permit a Record of Site Condition (RSC). The applicant has submitted a Remedial Action Plan, which outlines the cost of actions required to reduce the concentration of contaminants to permit the filing of a RSC. This includes a work plan and budget for the proposed remediation. The Remedial Action Plan includes total estimated remediation costs of \$1,281,000.

### Eligible Costs

‘Eligible Costs’ for the Brownfield TAP are the costs of any action taken to reduce the concentration of contaminants on, in or under the property to permit a RSC. This includes the cost of:

- a) a Phase II ESA, Designated Substances and Hazardous Materials Survey, Remedial Work Plan, and Risk Assessment not disbursed by the ESA Grant Program;
- b) environmental remediation, including the cost of preparing a RSC;
- c) placing clean fill and grading;
- d) installing environmental and/or engineering controls/works as specified in the Remedial Work Plan and/or Risk Assessment;
- e) monitoring, maintaining and operating environmental and engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment; and,
- f) environmental insurance premiums.

The following table shows the costs the applicant has applied for under ‘Eligible Costs’ and compares it to the ‘Eligible Costs’ as defined in the CIP.

Criteria	Eligible Cost (Yes/ No)	Rehabilitation Cost
Geo/Environmental technician to: - monitor excavation, soil sampling for chemical analyses - vapour monitoring, logging and documentation - Site management	<b>Yes</b> <i>(Designated Substances and Hazardous Materials Survey)</i>	\$30,000.00
Post Remediation: Chemical Verification for parameters - 20 soil samples PHC/VOC and/or metal & inorganics - Waste Classification for Disposal	<b>Yes</b> <i>(monitoring, maintaining and operating environmental and engineering controls/works)</i>	\$10,000.00
Preparation of a Soil Management Plan  Review of soil tracking system provided by the contractor	<b>Yes</b> <i>(Remedial Work Plan)</i>	\$5,250.00
Removal of Soil from Site and MOE Landfill Disposal (tipping & trucking fees): Landfill costs approximately \$75/tonne	<b>Yes</b> <i>(environmental remediation, including the cost of preparing a RSC)</i>	\$1,230,750.00
<b>Total eligible cost for environmental remediation:</b>		<b>\$1,281,000.00</b>

Note that The Township's CIP stipulates that if a property that has been approved for tax assistance is severed, subdivided, sold or conveyed prior to the end of the three-year period, any remaining municipal (Town/Region) property tax assistance can be converted into a grant and paid out under the Brownfield Rehabilitation Grant Program. In anticipation that the subject property will be divided by Plan of Condominium and conveyed to a Condominium Corporation and individual unit owners. This extends the Brownfield Rehabilitation Grant Program from 10 years to 13 years (discussed below).



## **Brownfield Rehabilitation Grant Program Review**

The purpose of the Brownfield Rehabilitation Grant Program is to encourage the remediation, rehabilitation, and adaptive re-use of brownfield sites by providing grants to help pay for remediation costs not fully disbursed by the Brownfield Property Tax Assistance Program and non-environmental rehabilitation costs normally associated with brownfield site redevelopment. This program applies only to properties requiring environmental remediation and/or risk assessment/management.

The Brownfield Rehabilitation Grant Program will provide a financial incentive in the form of an annual grant for up to ten years to help offset the cost of remediating and rehabilitating eligible brownfield properties only where that rehabilitation results in an increase in assessment value and property taxes on these properties. The grant available under this program is paid to the original property owner who remediated/rehabilitated the brownfield property, even if the property is subsequently sold once it has been remediated/rehabilitated.

The annual grant available under the Brownfield Rehabilitation Grant Program is offered as a tax-increment based grant on a “pay-as-you go” basis. The applicant will initially pay for the entire costs of remediation and rehabilitation. The Township would reimburse the applicant in the form of an annual grant equivalent to 100% of the increase in municipal taxes that results from the project for a period of up to ten years, or up to the time when total grant payments equal total eligible costs, whichever comes first. Note that the Brownfield Rehabilitation Grant Program would be extended for up to 13 years if the property is subdivided/conveyed.

### **Eligible Costs**

‘Eligible Costs’ for the Brownfield Rehabilitation Grant Program include the costs of:

- a) a feasibility study not disbursed by the Feasibility Study Grant;
- b) a Phase II ESA, Designated Substances and Hazardous Materials Survey, Remedial Work Plan, and Risk Assessment not disbursed by the ESA Grant Program or the Brownfield Property TAP;
- c) environmental remediation, including the costs of preparing a RSC, not disbursed by the Brownfield Property TAP;
- d) placing clean fill and grading not disbursed by the Brownfield Property TAP;

- e) installing environmental and/or engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment, not disbursed by the Brownfield Property TAP;
- f) monitoring, maintaining and operating environmental and engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment, not disbursed by the Brownfield Property TAP;
- g) environmental insurance premiums not covered by the Brownfield Property TAP;
- h) the following Leadership in Energy and Environmental Design (LEED) Program Components:
  - i) base plan review by a certified LEED consultant;
  - ii) preparing new working drawings to the LEED standard;
  - iii) submitting and administering the constructed element testing and certification used to determine the LEED designation;
  - iv) increase in material/construction cost of LEED components over standard building code requirements to a maximum of 15% of total construction costs;
- i) demolishing buildings;
- j) building rehabilitation and retrofit works (excluding permit fees); and,
- k) upgrading on-site infrastructure including water services, sanitary services and stormwater management facilities up to a maximum of 50% of the cost of on-site infrastructure upgrading.

The only eligible costs from the list above is “k) upgrading on-site infrastructure...” as other costs are covered under the Brownfield TAP application. The table below lists these costs.

Criteria	Eligible Cost (Yes/ No)	Rehabilitation Cost
Storm Service	Yes (50%) <i>l) upgrading on-site infrastructure including water services, sanitary services and stormwater management facilities up to a maximum of 50% of the cost of on-site infrastructure upgrading.</i>	\$150,382.50
Sanitary Service		\$103,369.00
Watermain		\$158,970.00
Total eligible cost for on-site infrastructure (50%):		\$206,360.75



## Estimated Tax Increases

The assessment value of the subject lands, as published by MPAC on April 3, 2023, is \$353,000. NPG Planning Solutions has worked with the Township's Finance Department, the Township's solicitor, and the Applicant to estimate post-project property taxes. The post-project taxes are estimated based on MPAC's re-assessment of the Applicant's residential condominium development on the south side of the Forty Mile Creek, which bisects the property. A per-unit estimate was calculated using MPAC's re-assessment and applied to the Subject Lands. The per-unit estimate is \$325,541.67; therefore the estimated post-project assessment is \$3,255,417 for the 10-unit development.

The table below illustrates the estimated property tax increase for the subject lands, based on the pre-project assessment value and the estimated post-project assessment value.

	Pre-Project Estimated Taxes	Post-Project Estimated Taxes	Estimated Increase (Year 1)
<b>Township</b>	\$2,716.39	\$12,661.00	\$9,944.61
<b>Region</b>	\$4,414.12	\$20,663.76	\$16,249.64
<b>Total</b>	<b>\$7,130.50</b>	<b>\$33,324.76</b>	<b>\$26,194.25</b>

The estimated annual Brownfield Tax Assistance and Rehabilitation Grant payments, over the maximum term of the grant, is outlined in the table below. This is based on the estimated pre-project and post-project property taxes listed above; an assumption that Town and Regional tax rates will remain the same; and an assumed 3% annual increase of assessed value/property tax for the Township portion. Regional portions are fixed at Year 1.

YEAR	TOWNSHIP TAX ASSISTANCE	RMON TAX ASSISTANCE	TOWNSHIP GRANT	RMON GRANT	TOTAL
1	\$2,716.39	\$4,414.12			\$7,130.50
2			\$10,242.95	\$16,249.64	\$26,492.59
3			\$10,550.24	\$16,249.64	\$26,799.88
4			\$10,866.75	\$16,249.64	\$27,116.39
5			\$11,192.75	\$16,249.64	\$27,442.39
6			\$11,528.53	\$16,249.64	\$27,778.17
7			\$11,874.39	\$16,249.64	\$28,124.03
8			\$12,230.62	\$16,249.64	\$28,480.26
9			\$12,597.54	\$16,249.64	\$28,847.18
10			\$12,975.46	\$16,249.64	\$29,225.10
11			\$13,364.73	\$16,249.64	\$29,614.37
12			\$13,765.67	\$16,249.64	\$30,015.31
13			\$14,178.64	\$16,249.64	\$30,428.28
<b>TOTAL</b>	<b>\$2,716.39</b>	<b>\$4,414.12</b>	<b>\$145,368.24</b>	<b>\$194,995.69</b>	<b>\$347,494.43</b>

**Note:** The actual incentive amounts will be based on the actual post-project assessment value and property taxes tax increases. The total amount of \$347,494.43 listed above (\$148,084.63 Township portion and \$199,409.81 Region portion) is an estimate.

### Building Permit Fee Grant Program

The applicant has also made a request under the Brownfield Building Permit Fee Grant Program. This program is a grant equivalent to 100% of the building permit fee for projects that have been approved for the Brownfield Property TAP and/or the Brownfield Rehabilitation Grant. Based on current Township building permit fees, this would equate to an estimated amount of \$18,881.39, paid after building construction has been completed in accordance with an approved building permit, and the applicant has met all other terms of their approved Brownfield TAP and/or Rehabilitation Grant Program agreement.

### Conclusion & Next Steps

The applications submitted to the Township by DeHaan Homes are consistent with the Township's Brownfield CIP requirements. The estimated total eligible environmental costs associated with the property rehabilitation



is \$1,281,000.00 with eligible on-site infrastructure costs (50% of actual cost) totalling \$206,360.75.

The Brownfield Tax Assistance Program (TAP) is a cancellation of Municipal taxes for a maximum of three years. The Brownfield Rehabilitation Grant Program is a reimbursement to the applicant in the form of an annual grant equivalent to 100% of the increase in municipal taxes that results from the project for a period of up to ten years. The CIP program stipulates that the three years of municipal tax cancellation under the TAP may be transferred to the Grant Program should the property be subdivided or sold. In anticipation of this occurring, the Township should plan for a cancellation of property taxes in Year 1 of the funding followed by 12 years of reimbursement through the tax increment grant program, for a total estimated amount of **\$148,084.63**. It is assumed that units will be sold in Year 2. Regional portions of the funding are estimated at **\$199,409.81**. These are estimates only; actual amounts will be based on actual re-assessments of the property, post-development.

Additionally, if the applications are approved, the Township must plan for **\$18,881.39** to be reimbursed to the applicant for building permit fees, after construction is completed. The Township may wish to increase this amount slightly if it anticipates building permit fees being increased.

If supported by Council, the applicant and the Township will enter into a Brownfield Tax Assistance Program/Rehabilitation Grant Agreement outlining the terms and conditions of the approvals. The Township must then seek Regional participation in CIP funding by forwarding the approved Agreement and Funding Approval Request Forms to the Region. The applicant will be required to enter into a separate agreement with the Region to receive Tax Assistance on the Region's share of property tax.

Submitted By:

A handwritten signature in black ink that reads 'A Butler'.

Aaron Butler, MCIP, RPP  
Development Principal