



SUBJECT: Burlington Brownfield Focus Community Improvement Plan

TO: Community Planning, Regulation & Mobility Cttee.

FROM: Burlington Economic Development

Report Number: ECDEV-01-21

Wards Affected: All

File Numbers: 125

Date to Committee: March 2, 2021

Date to Council: March 23, 2021

Recommendation:

Approve the Burlington Brownfield Focus Community Improvement Plan Report contained in Appendix A to Burlington Economic Development report ECDEV-01-21, in principle as a policy document; and

Direct the Executive Director of Community Planning, Regulation and Mobility to work with Burlington Economic Development to prepare the adopting by-laws to enable the Burlington Brownfield Focus Community Improvement Plan in principle as a policy document; and

Direct the Executive Director of Community Planning, Regulation and Mobility and the Director of Finance to work with Burlington Economic Development to develop a framework and sequencing plan to assess other community improvement needs towards a comprehensive Community Improvement Plan Strategy; and

Direct the Executive Director of Community Planning, Regulation and Mobility and the Director of Finance to work with Burlington Economic Development to report back to Council in Q4 2021 for consideration of implementation of the Burlington Brownfield Focus Community Improvement Plan Incentive Programs in 2022 and the financial impacts on the 2022 Budget in the context of the proposed comprehensive Community Improvement Plan Strategy.

PURPOSE:

Vision to Focus Alignment:

- Increase economic prosperity and community responsive city growth
- Deliver customer centric services with a focus on efficiency and technology transformation

Statutory Public Meeting:

This report is intended to provide background information for the Statutory Public Meeting for the draft Brownfield Focus Community Improvement Plan report (“The Report”) located in Appendix A. The purpose of the Statutory Public Meeting is to consider the report and provide a public forum to provide feedback on the merits of the proposed Community Improvement Plan (CIP).

Background and Discussion:

A CIP is enabled under Section 28 of the Planning Act and provides a means by which municipalities can provide financial incentives in order to achieve planning objectives that are for the broader public good for all or parts of their jurisdiction through development, redevelopment, maintenance and rehabilitation. This includes the ability to acquire, hold, clear, lease and sell land in designated areas, as well as to direct and stimulate development through grant and/or loan programs that support a municipality’s community-building goals. Some common goals of CIPs include assessing soil contamination, retrofitting existing buildings or constructing buildings for energy efficiency and accessibility, improving streetscapes, building affordable housing, and adaptive reuse of industrial, commercial, and historic buildings.

The existing and new Official Plan (2020) both include policies that enable the establishment of a CIP. The Burlington Official Plan, adopted in 1994, and approved by Halton Region in 1997, contains Community Improvement policies that permit the preparation and adoption of CIPs to stimulate private sector investment and ensure the effectiveness of public expenditures. The boundary of a Community Improvement Project Area (CIPA) may be all or part of the urban area of the City of Burlington, and/or all or part of one or more of the rural settlement areas. There are numerous conditions identified for the designation of CIPAs in the 1997 Official Plan including known or perceived environmental contamination and any other environmental, energy efficiency or community development reasons.

The City of Burlington’s new Official Plan, adopted on April 26, 2018 and approved by Halton Region on November 30, 2020, contains Community Improvement policies that

are very similar to those in the 1997 Official Plan. However, the Community Improvement policies in the new OP include:

- A policy that allows all or part of the City of Burlington to be designated as a Community Improvement Project Area;
- Improving the sustainability of buildings and properties as a condition for community improvement;
- Employment Growth Areas and Innovation Districts as priority areas for designation of a CIPA; and,
- Clearer direction that the City can offer incentives to encourage private sector investment that support objectives of the CIP.

Based on direction from Burlington Economic Development's Board of Directors, Vision to Focus, and the Red Tape Red Carpet Task Force Recommendations (MO-10-19), the City of Burlington has initiated a Brownfield Focus Community Improvement Plan (CIP) project to establish a municipal framework of incentive programs and accompanying marketing and program monitoring strategies designed to promote the assessment, remediation, development, redevelopment, and adaptive reuse of brownfields for employment by the private sector in Burlington. Brownfields are abandoned, idled or underutilized properties where past actions caused known or suspected environmental contamination, but where there is an active potential for redevelopment. Progress updates on the proposed CIP were provided in Red Tape Red Carpet (RTRC) Implementation Update Q1 2020 (BEDC-02-20) and Q2 2020 (BEDC-04-20). In response to the direction, the draft Brownfield Focus CIP Report ("The Report") was prepared and is located in Appendix A.

The Brownfield Focus CIP would enable the City to offer financial incentive programs to promote brownfield development and redevelopment for employment uses. Some potential brownfield sites are located within the Urban Centres, Major Transit Station Areas (MTSAs), Mixed-Use Nodes and Intensification Corridors of the City of Burlington New Official Plan (2020). The prioritization of certain geographic areas within the Community Improvement Project Area (CIPA) is shown in the map contained in Appendix A of The Report. It is recommended that the CIPA for this CIP be properly defined and designated as all land within the Urban Boundary of the City of Burlington. Potential future CIPs may be applied to different CIPA, depending on the objectives of the CIP and do not need to have the same CIPA as this CIP.

Over 50 communities across Ontario have implemented Brownfield programs. Investments in Brownfield CIPs tend to have a very positive return on investment. A recent study from Hamilton, Ontario showed that every dollar the City of Hamilton contributed towards completed ERASE Redevelopment Grant (ERG) Program projects to date (since 2001) has generated approximately \$11.10 in private sector construction. This leverage ratio speaks to the ability of brownfield redevelopment incentive programs

to significantly leverage municipal funding to generate high value construction projects on remediated brownfield sites.

Red Tape Red Carpet Alignment:

On September 23, 2019, City Council approved the 22 recommendations arising from the Mayor's Red Tape Red Carpet (RTRC) Task Force initiative to better serve our customers as part of the City's commitment to continuous improvement. A draft implementation plan was presented at the October 8, 2019 Planning and Development Committee and approved by City Council on October 21, 2019. RTRC recommendation 22 calls to "develop a Brownfield Community Improvement Plan for the City of Burlington with said plan to include redevelopment goals, specific targets, actions, and implementation and monitoring strategy."

2018-2022 Burlington's Plan: From Vision to Focus Alignment:

The City of Burlington created a Corporate Work Plan for the term of Council to align with the long-term vision of Burlington's Strategic Plan 2015-2040. The 2018-2022 Burlington's Plan: From Vision to Focus Alignment (V2F) document calls for increasing economic prosperity and community responsive growth management with a commitment to "Creating a competitive business investment environment in Burlington (e.g. taxes, incentives)" and initiatives to:

- Implement the recommendations of the Red Tape Red Carpet Taskforce to make it easier for businesses to locate and thrive in Burlington, attracting more investment.
- Assess the use of one or more Community Improvement Plans, including options for incentive programs for business development.
- Remove constraints on availability of employment lands.
- Develop a plan to activate key parcels of vacant employment lands and facilitate vacant employment lands being shovel ready.

The Report supports the above commitment and objectives.

Brownfield Focus CIP

The Brownfield Focus CIP is designed to address the key brownfield redevelopment community improvement needs by achieving a number of environmental, social and economic goals and objectives. With a focus on brownfields redevelopment for employment use, the purpose of this CIP is to establish a municipal framework of incentive programs and accompanying marketing and program monitoring strategies designed to promote the assessment, remediation, development, redevelopment, and adaptive reuse of brownfields for employment by the private sector in Burlington.

If the CIP is approved in principle as a policy document, the incentive programs contained in the CIP can be activated by Council, one or more at a time, based on budget and Council approval of the implementation of each program. The incentive programs are the financial tools to accomplish the goals of the CIP. This CIP is an enabling document; however, Council is under no obligation to activate and implement any of the incentive programs contained in this CIP. Once activated, the programs in this CIP can be used individually or together by an applicant, but the total of all grants, loans and tax assistance provided in respect of the particular property for which an applicant is making application under the programs contained in this CIP and any other applicable CIPs shall not exceed the eligible cost of the improvements made to that particular property under all applicable CIPs.

The following incentive programs for the Brownfield Focus CIP were recommended by the project team based on policy review and input from key stakeholders and the public. The recommended incentive programs are further detailed in The Report and are summarized as follows:

- The proposed Environmental Study Grant (ESG) Program would see the City provide a grant equal to 50% of the cost of eligible environmental studies to a maximum of \$3,000 for a Phase 1 ESA, grant of \$20,000 for any other eligible environmental study, and a maximum of two studies and \$30,000 grant per property/project.
- The proposed Fees Grant Program (FGP) would incentivize building renovation, adaptive re-use, expansion, development, and redevelopment. The FGP grant would provide a grant equal to 100% of fees paid for all planning applications, and 100% of demolition permit and building permit fees for qualifying properties, to a maximum grant of \$20,000.
- The proposed Remediation Loan Program (RLP) would see the City help remove a financial impediment to brownfield redevelopment by providing a 0% interest loan equal to 75% of the cost of remediating a property to a maximum loan of \$400,000 per project/property.
- The proposed Tax Increment Grant (TIG) program is flow through in nature as part or all of the increased property taxes generated by the project would be returned to the applicant in the form of an annual grant for a set period of time, or until the eligible remediation costs have been repaid, whichever comes first.
- The proposed Tax Assistance Program (TAP) would see a reduction of property taxes for participating properties in the TAP. The City would cancel property taxes it is currently collecting on a TAP participating property for up to three years.

Other Community Improvement Needs:

The policy review and input from the key stakeholders, CIP Project Team, and public identified a number of other community improvement need areas where one or more CIPs could be developed by the City as part of a comprehensive CIP strategy to further advance the City's key policy objectives. As outlined in Section 4.3 of the Report, the other key community improvement need areas are outlined as follows:

- Housing – Affordable, Assisted and Special Needs
- Continued Downtown Improvement and Business Attraction
- Commercial Office Attraction/Improvement/Revitalization/Development
- Employment
- Sustainability in the Major Transit Station Areas (MTSAs)
- Rural Economic Development

As per Burlington Economic Development Board and V2F direction, Burlington Economic Development will work with Community Planning and Finance to develop a framework and sequencing plan to assess other community improvement needs towards a comprehensive Community Improvement Plan Strategy.

Next Steps:

The next steps for the Brownfield Focus CIP are as follows:

- March 2, 2021 – Presentation of the CIP during the Statutory Public Meeting held during the Community Planning, Regulation and Mobility Committee (CPRM). The Committee votes on the staff report recommendations.
 - March 23, 2021 – Council ratifies Committee recommendation.
 - April 6, 2021 – Adoption By-laws brought forward to CPRM for approval.
 - April 20, 2021 – Council ratifies adoption by-laws and the CIP is subject to a 20 day appeal period.
 - May 2021 – CIP is adopted following the 20 day appeal period, subject to no appeals being received.
 - Q4 2021 - Report back to Council in Q4 2021 for consideration of implementation of the Burlington Brownfield Focus Community Improvement Plan Incentive Programs in 2022 and the financial impacts on the 2022 Budget in the context of the proposed comprehensive Community Improvement Plan Strategy.
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Financial Matters:

The Brownfield Focus CIP was prepared using Burlington Economic Development’s 2020 and 2021 budgets and includes a \$42,300 Green Municipal Fund Grant from the Federation of Canadian Municipalities.

Burlington Economic Development will work with City Building and Finance to report back to Council in Q4 2021 for consideration of implementation of the Burlington Brownfield Focus Community Improvement Plan Incentive Programs in 2022 and the financial impacts on the 2022 Budget in the context of the proposed comprehensive Community Improvement Plan Strategy.

The estimated total impacts of the Brownfield Focus CIP on the 2022 Budget would be as follows:

Incentive Program	Total Potential 2022 Budget Implications
Environmental Study Grant (ESG) Program	\$40,000
Tax Assistance Program (TAP)	Incorporate reduction of property taxes for participating properties into 2022 budget
Tax Increment Grant (TIG) Program	No direct impact on 2022 Budget - Increased property taxes generated by the project would be returned to the applicant
Remediation Loan Program (RLP)	\$50,000
Fees Grant Program (FGP)	\$50,000

Halton Region may also provide financial contributions through the Regional Program for CIPs Guidelines in support of local municipal CIP programs. This regional program is intended to match local funds, subject to conditions. We are unable to leverage these funds for Burlington until the City activates one or more CIP programs.

Climate Implications

Through the approval and implementation of a Brownfield Focus CIP, brownfield sites would be redeveloped and would contribute to positive environmental outcomes via the remediation of contaminated sites as well as the promotion of sustainable building practices.

The positive impact of brownfield development on the environment is not limited to individual sites because the environmental restoration of individual sites can have a cumulative positive impact on the environment, including the protection of groundwater resources, wetlands and wildlife habitat. Underused brownfield sites in the serviced urban area also represent a lost opportunity to limit greenfield development at the urban area boundary and reduce the amount of greenfield land consumed, thereby reducing sprawl and its associated negative environmental impacts, including air and water pollution.

Engagement Matters:

The Red Tape Red Carpet process involved an initial public town hall session, subsequent focus groups, an online survey, and a series of 1:1 meetings to gather input from hundreds of local business owners, city partners and staff. A smaller Task Force of internal and external leaders reviewed the findings and compiled a list of 22 actionable items, including RC22 that called to develop a Brownfield CIP.

Additional engagement for the Brownfield Focus CIP includes:

- Input received from two stakeholder workshops held on March 18, 2020 and July 16, 2020 that included landowners, developers, brownfield experts, City and Burlington Economic Development Staff,
 - Input received from the CIP Project Team (that includes Burlington Economic Development Staff and Board, City Staff and Halton Region Staff), throughout preparation of the CIP,
 - Input from the prescribed agencies, including the Ministry of Municipal Affairs and Housing, and
 - Input received during the Statutory Public Meeting (March 2, 2021 CPRM) held to gather public input.
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Conclusion:

The Brownfield Focus CIP recommended as part of the Mayor's Red Tape Red Carpet Task Force would help to advance the goals in Vision to Focus. There will be another report in Q4 to help establish future CIP priorities. The Brownfield Focus CIP would enable the City to offer financial incentive programs to promote and stimulate brownfield development and redevelopment for purposes of generating employment intensification and employment growth in Burlington.

Respectfully submitted,

A handwritten signature in black ink that reads "Mark Steffler". The signature is written in a cursive style with a large initial 'M' and 'S'.

Mark Steffler

Manager, Innovation and Partnerships

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Appendices:

- A. Burlington Brownfield Focus CIP Report – Draft January 2021

Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.