

TOWN OF OAKVILLE BROWNFIELD REDEVELOPMENT STRATEGY

EXECUTIVE SUMMARY

Introduction

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. There are at least two dozen known brownfield sites in Oakville. In addition to the potential negative environmental impacts, the existence of brownfields in Oakville is impacting the Town's ability to meet intensification and growth targets, attract employment, and increase assessment.

Late last year, the Federation of Canadian Municipalities (FCM) approved a 50% matching grant for the Town of Oakville to prepare a Brownfield Redevelopment Strategy and Community Improvement Plan (CIP). This Strategy and CIP is one of three key elements of the Town's Comprehensive Brownfield Management Project.

The first step in the project was to develop the Brownfield Redevelopment Strategy which informs the development of the CIP. Once adopted and approved, the CIP will enable the Town to offer incentive programs specifically designed to help promote brownfield site remediation and redevelopment. However, the approval of the Brownfield CIP will not obligate Town Council to offer all or any of the incentive programs contained in the CIP. Town Council will be in full control of the implementation of the incentive programs.

Experience with Brownfield CIPs in municipalities like Hamilton have demonstrated that municipal incentive programs leverage significant private sector investment in brownfield remediation and redevelopment, resulting in residential, mixed use and industrial land redevelopment and intensification, and significant increases in assessment, property taxes and employment.

Methodology

The first step in the preparation of the Brownfield Redevelopment Strategy and CIP was to conduct a multi-faceted review of Town, Regional and Provincial policies around brownfield redevelopment. This was followed by a review of best practices in other Ontario and Canadian municipalities that have successfully utilized CIPs to promote brownfield redevelopment. An analysis of critical brownfield community improvement needs in Oakville was then conducted, including a review of information, data, and a tour of brownfield sites and areas by staff and the consultant.

The first Stakeholder Workshop was held on February 24, 2017 where input was received from participants including brownfield property owners, developers, and consultants on their critical needs for brownfield redevelopment in Oakville and the types of incentive programs and other municipal actions that would work best to address these needs. The consultant then developed preliminary incentive concepts and these were presented to senior Town staff on April 4, 2017 and refined based on their input.

The brownfield community improvement needs and draft incentive programs were then presented at a second Stakeholder Workshop held on July 24, 2017 where the draft incentive programs were well received by those in attendance and a few minor revisions were suggested. A Public Meeting was also held on July 24, 2017.

This Executive Summary presents the results of work to date and lays out the next steps in the process of preparing the Brownfield Redevelopment CIP.

Policy Support

The review of Town, Regional and Provincial policies determined that there is strong support for a Brownfield Redevelopment CIP at all three levels of government. Provincial policies such as the Growth Plan and the Provincial Policy Statement, and the Regional Official Plan, promote intensification including the redevelopment of brownfield sites. The Town's Vision 2057 framework and plans such as the Sustainability Plan, Livable Oakville Official Plan, and the Environmental Strategic Plan reinforce the need for a Brownfield Redevelopment CIP and provide direction for the CIP. For example, these Town policies also stress that intensification and brownfield redevelopment should be environmentally sustainable, well designed, affordable, and provide economic and employment opportunities.

Community Improvement Needs and Goals

The main goal of the CIP will be to stimulate more remediation and renovation, expansion, adaptive re-use, and redevelopment of brownfield sites in Oakville. Other key goals of the CIP include:

Economic

- a) Retain and increase employment opportunities;
- b) Increase tax assessment and property tax revenues;
- c) Increase construction activity and building permits;
- d) Make more efficient use of existing public infrastructure and services; and,
- e) Improve the potential profitability of brownfield sites.

Environmental

- a) Improve the quality of environmental studies done on potential brownfield sites;
- b) Remediation of contaminated lands to improve land, water, air quality and wildlife habitat;
- c) Ensure that remediated brownfield sites are environmentally suitable for the proposed use(s);
- d) Reduce greenhouse gas emissions;
- e) Reduce the environmental impact of brownfield redevelopment; and,
- f) Promote the construction of energy, water and wastewater efficient sustainable buildings.

Livability

- a) Improve the physical and visual quality of brownfield sites;
- b) Improve building and site design and construction quality;
- c) Support intensification of growth areas for mixed use, compact, land efficient forms of development;
- d) Preserve heritage buildings; and,
- e) Increase the supply of affordable and accessible housing.

The community improvement needs analysis determined that there is a need for financial assistance on brownfield sites in Oakville for the cost of:

- Environmental studies;
- Environmental remediation;
- Building demolition, renovation and upgrading; and,
- On-site infrastructure upgrading.

As secondary goals, it was determined that the CIP incentive programs should also promote:

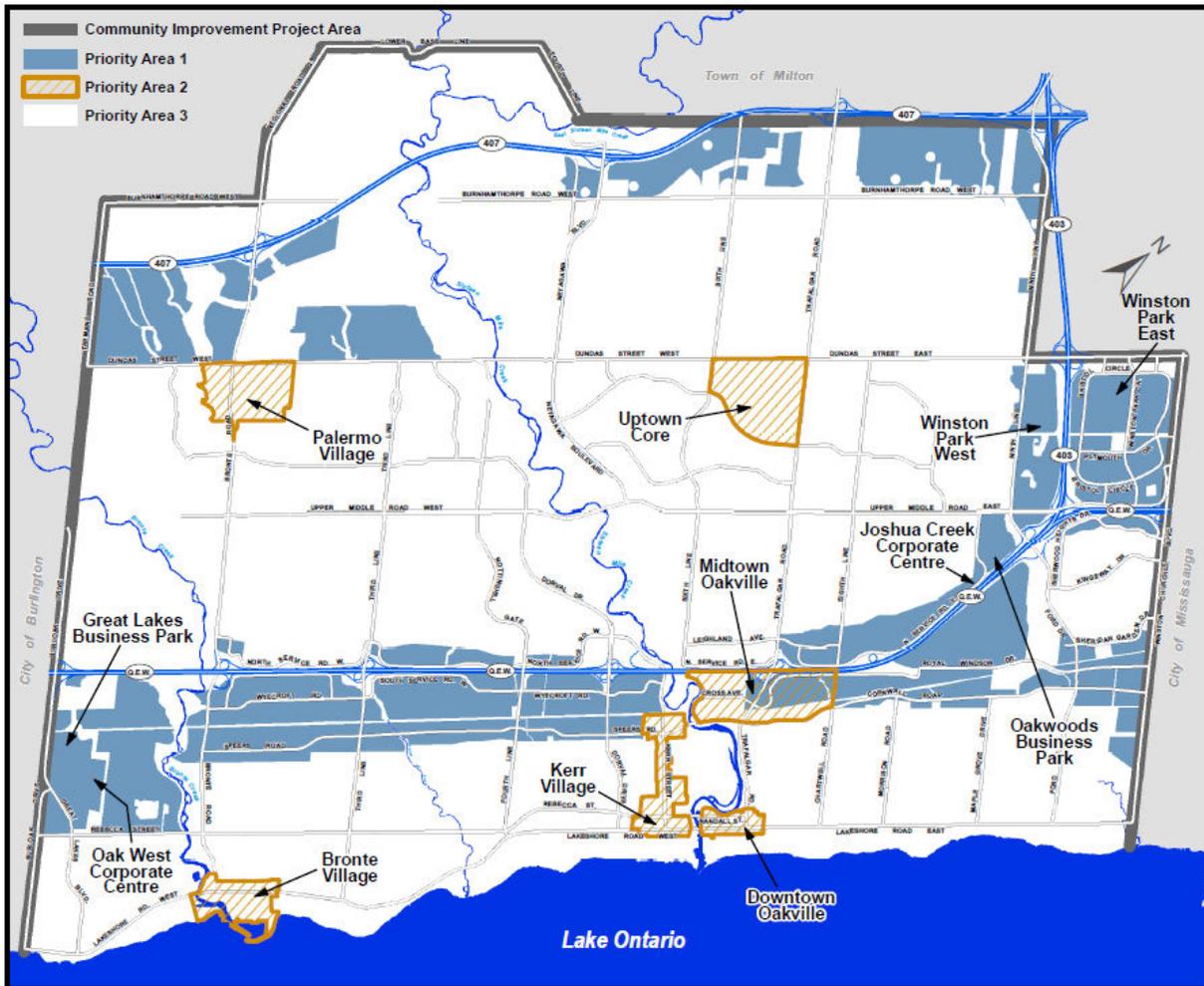
- Employment growth;
- Environmentally sustainable buildings;

- High quality building and site design/construction; and,
- Affordable housing.

Community Improvement Project Area

Under the Planning Act, for a Council to adopt a community improvement plan the local municipality must designate, by bylaw, a specific property, area or entire community as a community improvement project area. In order to promote brownfield redevelopment across Oakville, the Draft Community Improvement Project Area (CIPA) will be “all land within the urban area of the Town of Oakville, as amended from time to time”. However, it was determined through the policy review, critical needs analysis and stakeholder consultation that Employment Areas (Priority Area 1) should have the highest priority), followed by the Growth Areas (Priority Area 2), and then the Rest of the Urban Area (Priority Area 3). Employment areas are given the highest priority because brownfield redevelopment in these areas addresses all of the key issues identified – environmental, financial and economic development. The boundary of the CIPA and the three priority sub-areas is shown in **Figure 1** below.

Figure 1 Community Improvement Project Area and Priority Sub-Areas



Proposed Incentive Programs

The proposed Incentive Programs have been custom designed to respond to the identified critical needs for brownfield redevelopment in Oakville so the main and secondary goals for brownfield redevelopment in Oakville can be achieved over time. The incentive programs must be implemented through a CIP.

Once the CIP has been adopted and approved, the proposed Incentive Programs can be activated by Council, one or more at a time, based on Council approval of the implementation of each program, subject to the availability of funding. The CIP is an enabling document, however, Council is under no obligation to activate and implement any of the incentive programs contained in the CIP. Once activated, the programs in the CIP can be used individually or together by an applicant.

General requirements that apply to all the proposed Incentive Programs and program specific requirements will be included to help ensure that the Town's goals for the CIP will be achieved while protecting the financial interests of the Town.

The following three (3) proposed Incentive Programs have been developed for potential inclusion in the CIP.

1. Environmental Study Grant (ESG) Program;
2. Tax Assistance Program (TAP); and,
3. Tax Increment Grant (TIG) Program.

A basic description of these incentive programs is provided below and summarized in **Table 1**.

Table 1 Summary of Proposed Incentive Programs

Program Name	Program Description
Environmental Study Grant (ESG) Program	<ul style="list-style-type: none"> - Grant equal to 50% of the cost of eligible environmental studies to a maximum: <ol style="list-style-type: none"> a) grant of \$3,000 for a Phase I ESA; b) grant of \$20,000 for any other eligible environmental study; c) of two (2) studies per project and \$30,000 per project.
Tax Assistance Program (TAP)	<ul style="list-style-type: none"> - Cancellation of part or all of the municipal property taxes and education property taxes for up to 3 years. - Cancellation of education property taxes is subject to approval by the Minister of Finance.
Tax Increment Grant (TIG) Program	<ul style="list-style-type: none"> - Annual grant equal to between 60% and 100% of the municipal property tax increase generated by the project for up to 12 years after project completion. - The percentage and duration of the annual grant payments is dependent on the location of the project and whether or not the project achieves environmental sustainability, exemplary building and site design, heritage restoration, inclusion of affordable housing.

Environmental Study Grant (ESG) Program

The purpose of the ESG Program is to promote the undertaking of environmental studies such as Phase I and II Environmental Site Assessments (ESAs) so that more and better information is available with respect to the type of contamination and potential remediation costs on brownfield properties. This program would offer a grant equal to 50% of the cost of eligible environmental studies to a maximum:

- a) grant of \$3,000 for a Phase I ESA;
- b) grant of \$20,000 for any other eligible environmental study;
- c) of two (2) studies per project and \$30,000 per project.

Tax Assistance Program (TAP)

The purpose of the TAP is to encourage the remediation and rehabilitation of brownfield sites by freezing municipal and education property taxes for 3 years on a property that is undergoing or has undergone remediation and redevelopment to assist with payment of the cost of environmental remediation. Eligible costs include the costs of environmental studies not disbursed by the ESG Program, environmental remediation, controls/works, and environmental insurance premiums.

Tax Increment Grant (TIG) Program

The purpose of the TIG Program is encourage the remediation, adaptive re-use, expansion of existing buildings, and the redevelopment of brownfield sites by providing grants help pay for site assessment and remediation costs, and other costs associated with brownfield redevelopment such as building rehabilitation, retrofit and demolition. Eligible costs include the costs disbursed by the ESG and Tax Assistance Programs, plus the costs of: building demolition, rehabilitation, retrofitting, and LEED certification and material/ construction costs.

The TIG Program would provide an annual grant equal to between 60% and 100% of the municipal property tax increase paid to an approved applicant for a maximum of between 8 to 12 years or the point where eligible costs repaid, whichever comes first. This grant operates as a rebate of part or all of the municipal property tax increase generated by the brownfield redevelopment project. In order to ensure that the TIG Program reflects the priority areas and secondary goals of the CIP, the TIG % and duration depends on location of the brownfield redevelopment project and various project performance factors as shown in **Table 2** below.

Table 2 TIG Program Details

Priority Area	Base TIG for Qualifying Project	Plus the Project	Achieves Minimum Employment Density	Achieves LEED certification or other env. sustainability standard recognized by Town	Achieves exemplary building/ site design & construction or restores designated heritage building	Includes min. 20% residential units that are affordable	Maximum Duration of TIG Payment
1 Employment Areas	80%		100%	100%	100%	100%	12 years
2 Growth Areas	70%		90%	90%	90%	90%	10 years
3 Other Areas	60%		80%	80%	80%	80%	8 years

Next Steps

The next step in the CIP process is to prepare a Draft CIP that includes the detailed incentive programs, a monitoring program and a marketing strategy. Internal staff meetings will be held to review and complete the Draft CIP. This Draft CIP will then be circulated to the Ministry of Municipal Affairs and other stakeholders for comment. These comments will then be utilized to finalize the CIP, and the Final CIP be presented for consideration to Council at a Statutory Public Meeting.