

7. **BROWNFIELD GRANT APPLICATION - 78, 84, 86 AND 88 BEECHWOOD AVENUE AND 69, 73, 77, 81, 85, 89 AND 93 BARRETTE STREET
DEMANDE DE PARTICIPATION AU PROGRAMME DE SUBVENTION
POUR LA REMISE EN VALEUR DES FRICHES INDUSTRIELLES - 78, 84,
86 ET 88, AVENUE BEECHWOOD, ET 69, 73, 77, 81, 85, 89 ET 93, RUE
BARRETTE**

COMMITTEE RECOMMENDATIONS

That Council:

1. **Approve the Brownfield Redevelopment Grant application submitted by Barwood Limited Partnership, owner of the property at 78, 84, 86 and 88 Beechwood Avenue and 69, 73, 77, 81, 85, 89 and 93 Barrette Street, for Rehabilitation Grant under the Brownfield Redevelopment Community Improvement Plan (2015), not to exceed a total of \$1,471,324 for which the grant payment period will be phased over a maximum of 10 years under the Rehabilitation Grant for development, subject to the establishment of, and in accordance with, the terms and conditions of the Brownfield Redevelopment Grant Agreement; the maximum deferral of Development Charges of \$1,318,875 under the Development Charge Deferral Program; and the estimated contribution of \$393,109 towards the Municipal Leadership Strategy fund;**
2. **Delegate the authority to the General Manager, Planning, Infrastructure and Economic Development, to execute a Brownfield Redevelopment Grant Agreement with Barwood Limited Partnership, establishing the terms and conditions governing the payment of the grant for the redevelopment of 78, 84, 86 and 88 Beechwood Avenue and 69, 73, 77, 81, 85, 89 and 93 Barrette Street, to the satisfaction of the General Manager, Planning, Infrastructure and Economic Development Department, the City Solicitor and the City Treasurer.**

RECOMMANDATIONS DU COMITÉ

Que le Conseil :

- 1. Approuve la demande de participation au Programme de subvention pour la remise en valeur des friches industrielles présentée par Barwood Limited Partnership, propriétaire du bien-fonds situé aux 78, 84, 86 et 88, avenue Beechwood, et aux 69, 73, 77, 81, 85, 89 et 93, rue Barrette, pour une subvention versée en vertu du Plan d'améliorations communautaires (2015) pour le réaménagement des friches industrielles n'excédant pas 1 471 324 \$ au total pour une période maximale de dix ans, sous réserve de l'adoption des modalités de l'Entente de subvention pour la remise en valeur des friches industrielles, et conformément à celles-ci; le report maximal des redevances d'aménagement fixé à 1 318 875 \$ en vertu du Programme de report des redevances d'aménagement; et le versement d'une somme estimée à 393 109 \$ au fonds de la Stratégie municipale de leadership;**
- 2. Délègue au directeur général de Planification, Infrastructure et Développement économique le pouvoir de conclure une entente de subvention pour la remise en valeur de friches industrielles avec Barwood Limited Partnership, laquelle établira les modalités de paiement de la subvention pour le réaménagement des 78, 84, 86 et 88, avenue Beechwood, et des 69, 73, 77, 81, 85, 89 et 93, rue Barrette, à la satisfaction du directeur général de Planification, Infrastructure et Développement économique, de l'avocat général et de la trésorière municipale.**

DOCUMENTATION/DOCUMENTATION

1. Director's report, Planning Services, Planning, Infrastructure and Economic Development, dated August 24, 2021 (ACS2021-PIE-PS-0090)

Rapport de la Directrice, Services de la planification, Services de la planification, de l'infrastructure et du développement économique, daté le 24 août 2021, (ACS2021-PIE-PS-0090)

**Report to
Rapport au:**

**Finance and Economic Development Committee / Comité des finances et du
développement économique
September 7, 2021 / 7 septembre 2021**

**and Council / et au Conseil
September 22, 2021 / 22 septembre 2021**

**Submitted on August 24, 2021
Soumis le 24 août 2021**

**Submitted by
Soumis par:**

**Lee Ann Snedden
Director / Directrice**

Planning Services / Services de la planification

**Planning, Infrastructure and Economic Development Department / Direction
générale de la planification, de l'infrastructure et du développement économique**

Contact Person

Personne ressource:

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Ward: RIDEAU-VANIER (12)

File Number: ACS2021-PIE-PS-0090

**SUBJECT: Brownfield Grant Application - 78, 84, 86 and 88 Beechwood Avenue
and 69, 73, 77, 81, 85, 89 and 93 Barrette Street**

**OBJET: Demande de participation au Programme de subvention pour la
remise en valeur des friches industrielles - 78, 84, 86 et 88, avenue
Beechwood, et 69, 73, 77, 81, 85, 89 et 93, rue Barrette**

REPORT RECOMMENDATIONS

That Finance and Economic Development Committee recommend Council:

- 1. Approve the Brownfield Redevelopment Grant application submitted by Barwood Limited Partnership, owner of the property at 78, 84, 86 and 88 Beechwood Avenue and 69, 73, 77, 81, 85, 89 and 93 Barrette Street, for Rehabilitation Grant under the Brownfield Redevelopment Community Improvement Plan (2015), not to exceed a total of \$1,471,324 for which the grant payment period will be phased over a maximum of 10 years under the Rehabilitation Grant for development, subject to the establishment of, and in accordance with, the terms and conditions of the Brownfield Redevelopment Grant Agreement; the maximum deferral of Development Charges of \$1,318,875 under the Development Charge Deferral Program; and the estimated contribution of \$393,109 towards the Municipal Leadership Strategy fund;**
- 2. Delegate the authority to the General Manager, Planning, Infrastructure and Economic Development, to execute a Brownfield Redevelopment Grant Agreement with Barwood Limited Partnership, establishing the terms and conditions governing the payment of the grant for the redevelopment of 78, 84, 86 and 88 Beechwood Avenue and 69, 73, 77, 81, 85, 89 and 93 Barrette Street, to the satisfaction of the General Manager, Planning, Infrastructure and Economic Development Department, the City Solicitor and the City Treasurer.**

RECOMMANDATIONS DU RAPPORT

Que le Comité des finances et du développement économique recommande ce qui suit au Conseil :

- 1. Approuver la demande de participation au Programme de subvention pour la remise en valeur des friches industrielles présentée par Barwood Limited Partnership, propriétaire du bien-fonds situé aux 78, 84, 86 et 88, avenue Beechwood, et aux 69, 73, 77, 81, 85, 89 et 93, rue Barrette, pour une subvention versée en vertu du Plan d'améliorations communautaires (2015) pour le réaménagement des friches industrielles n'excédant pas 1 471 324 \$ au total pour une période maximale de dix ans, sous réserve de l'adoption des modalités de l'Entente de subvention pour la remise en**

valeur des friches industrielles, et conformément à celles-ci; le report maximal des redevances d'aménagement fixé à 1 318 875 \$ en vertu du Programme de report des redevances d'aménagement; et le versement d'une somme estimée à 393 109 \$ au fonds de la Stratégie municipale de leadership;

- 2. Déléguer au directeur général de Planification, Infrastructure et Développement économique le pouvoir de conclure une entente de subvention pour la remise en valeur de friches industrielles avec Barwood Limited Partnership, laquelle établira les modalités de paiement de la subvention pour le réaménagement des 78, 84, 86 et 88, avenue Beechwood, et des 69, 73, 77, 81, 85, 89 et 93, rue Barrette, à la satisfaction du directeur général de Planification, Infrastructure et Développement économique, de l'avocat général et de la trésorière municipale.**

BACKGROUND

Brownfields are properties where past actions have resulted in actual or perceived environmental contamination and/or derelict or deteriorated buildings. They may be vacant, abandoned or underutilized. They are usually, but not exclusively, former industrial or commercial properties.

The Brownfield Redevelopment Community Improvement Plan (BRCIP) was adopted by Council on April 27, 2007 and amended by Council on May 12, 2010, and October 14, 2015. This report is in conformance with the 2015 BRCIP.

The BRCIP presents the rationale behind the redevelopment of Brownfield in Ottawa, and the actions and strategies that will promote brownfield redevelopment. The BRCIP contains a comprehensive framework of incentive programs which include the Property Tax Assistance, Rehabilitation Grant, Project Feasibility Study Grant, Environmental Site Assessment Grant, Building Permit Fee Grant, and Development Charge Deferral Programs, as well as the Municipal Leadership Strategy Program.

The site qualifies to be eligible for a Brownfield priority area candidate due to its location along a Mainstreet and meets the criteria under the BRCIP.

The purpose of this report is to bring the application before the Finance and Economic Development Committee and Council for consideration and approval.

DISCUSSION

The Ottawa BRCIP specifies grants available to the development industry. The total grant from this program shall not exceed 50 per cent of the eligible cost (with the provision that eligible items 7 to 12 cannot exceed 15 per cent of the total eligible items being submitted for a grant) specific to the program for rehabilitating said lands and buildings. These items can be seen in Document 4 of this report. If the development does not proceed, no grants are paid.

The Site

The property has a lot area of approximately 4,153 square metres with approximately 68 metres frontage along Beechwood Avenue and 78 metres along Barrette Street (see Documents 1, 2 and 8). The property's previous uses were listed as Residential and Commercial. It is along Beechwood Avenue which is a Traditional Mainstreet pursuant to Schedule B of the Official Plan.

Proposed Redevelopment

Barwood Limited Partnership is redeveloping the property at 78, 84, 86 and 88 Beechwood Avenue and 69, 73, 77, 81, 85, 89 and 93 Barrette Street to accommodate a nine-store mixed use building comprised of 227 residential units and four at-grade commercial units. The related Site Plan Control application (D07-12-20-0186) is currently under review through delegated authority.

Brownfield Grant Application

Barwood Limited Partnership filed an application under the BRCIP for the clean-up and redevelopment of 78, 84, 86 and 88 Beechwood Avenue and 69, 73, 77, 81, 85, 89 and 93 Barrette Street.

A Phase I and II Environmental Site Assessment was prepared by Paterson Group in 2020, which identified that the fill material at the subject site is impacted with petroleum hydrocarbons, volatile organic compounds, polycyclic aromatic hydrocarbons and metal parameters which exceeds the Ontario Ministry of the Environment, Conservation and Parks (MECP) Table 3.

This application is for the Rehabilitation Grant, Project Feasibility Study Grant, Environmental Site Assessment Grant, Building Permit Fee Grant, Development Charge Deferral, and Municipal Leadership Strategy Programs.

The required documents that are to be submitted to the City as part of a Brownfield Redevelopment Grant Program application are described in Document 3. Staff reviewed the submissions and deemed the application to be complete as of April 21, 2021.

Proposed Remediation

The suggested remedial action plan consists generic approach, where the excavation and subsequent disposal of contaminated soil at an approved waste disposal facility. It is anticipated that the remediation work will take five months to complete.

Calculating the Brownfield Redevelopment Grant

Under the Brownfield Redevelopment Grant Program, the applicant is required to submit various technical documents to determine eligibility as well as the costs eligible for the Grant. The BRCIP specifies that the total grant be capped at 50 per cent of the total eligible costs (with the provision that eligible items 7 to 12 cannot exceed 15 per cent of the total eligible items being submitted for a grant). A breakdown of the eligible costs is shown in Document 4 and the calculation of the grant is shown in Document 5. (see Document 5).

- Rehabilitation Grant

Grants would be capped at 85 per cent of the municipal share of the increase in property taxes that result from the redevelopment, payable annually for up to 10 years or up to the time when the total grant payments equal the total eligible grants, whichever comes first. The City will only pay the annual grant after the property taxes have been paid in full each year and all terms and conditions specified in the registered legal agreement between the City and the applicant have been met. The anticipated maximum Rehabilitation Grant for this project is \$1,471,324.

- Development Charge Deferral Program

Under the Development Charge Deferral Program, the owner of the property is eligible for a 50 per cent deferment of eligible items costs towards development charges (items 1 to 7, see Document 4), by entering into a Deferral Agreement with a preferred annual interest charge of the issued index interest rate with the City of Ottawa. The term of the agreement would be subject to a maximum of either two years after issuance of a building permit or three years after the approval by the Council of the BRCIP application by the developer, whichever one occurs first, at which time the payment of the Development Charge deferred amount, plus interest, would be made by the developer.

This amount eligible for deferral is \$1,318,875 (subject to all terms and conditions specified in the registered legal agreement between the City and the applicant have been met).

Under the Development Charges By-law 2014-229, Collection Procedures, Section 13 (2), the ability to enter an agreement between the City of Ottawa and the owner is established, and the City Treasurer is assigned to collect the applicable development charges.

Under the Delegated Authority By-law 2016-369, the City Solicitor has delegated authority to enter into an agreement with the owner for a Deferral of Development Charges.

- **Municipal Leadership Strategy Program**

As part of the Brownfield Grant Program, a Municipal Leadership Strategy is a general program of municipal property acquisition, investment and involvement in pilot projects with the private sector to remediate and rehabilitate Brownfield sites in Ottawa. The program is funded from 15 per cent of the municipal share of the increase in property taxes that resulted from the redevelopment that is retained by the City as a result of properties participating in the Rehabilitation Grant Program and is placed into a Municipal Leadership Account. This account will function as a revolving fund. The allocation of 15 per cent of the tax increment that is retained by the City to the Municipal Leadership Account will end when the Rehabilitation Grant Program ends. At that time, the City may return funds remaining in the Municipal Leadership Account to general revenues or continue to utilize these funds for Leadership activities until the Municipal Leadership Account is exhausted. The anticipated funding under this program for this site is estimated at \$393,109.

Economic Benefits to the Community

The overall economic impact of the proposed residential development is estimated at over \$67 million in direct construction value. During the development of the site, direct and indirect economic benefits to the local economy will be experienced as a result of site remediation, the construction period through payroll, purchased material supplies, services, and equipment rentals.

Over \$86 million in new residential/commercial assessment would be added to the property tax assessment roll at full development. The developer's taxation consultant estimates that over \$1,003,423 per year in increased municipal property and education

taxes can be expected at the completion of the project (2025), after the brownfield grant ends, which would subsequently go to the City's general revenues (see Document 6).

RURAL IMPLICATIONS

There are no rural implications associated with this report.

CONSULTATION

There was no public consultation for this report.

COMMENTS BY THE WARD COUNCILLOR

Councillor Fleury is aware of the recommendations in this report.

LEGAL IMPLICATIONS

There are no legal impediments to implementing the recommendations of this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with this report.

FINANCIAL IMPLICATIONS

The maximum grant under the 2015 Brownfield Redevelopment Community Improvement Plan Program is \$1,471,324. In addition, the estimated Municipal Leadership Strategy contribution is \$393,109, for a total requirement of \$1,864,433. Budget authority requirements will be brought forward through the annual budget process. Development Charges of \$1,318,875 are eligible for deferral under the Development Charge Deferral Program. Deferred DCs would be subject to interest.

ACCESSIBILITY IMPACTS

There are no accessibility implications associated with this report.

ENVIRONMENTAL IMPLICATIONS

The approval of this grant will assist with the redevelopment of this brownfield property and ensure that this contaminated site is properly remediated prior to development. A Record of Site Condition will be required as per the funding agreement. Brownfield redevelopment is identified as a key strategy for promoting reinvestment in existing urban areas and for reducing the need to expand into greenfield sites. The remediation

and redevelopment of brownfield sites assist in meeting the Environmental Strategy's goal of clean air, water and earth.

TERM OF COUNCIL PRIORITIES

This application is directly related to the 2019-2022 Term of Council Priorities:

- **Economic Growth & Diversification:** Encourage economic growth and diversification by supporting business investment and expansion, talent attraction and retention, and branding Ottawa as a place to be.
- **Environmental Stewardship:** Grow and protect a healthy, beautiful, and vibrant city that can adapt to change.

SUPPORTING DOCUMENTATION

- Document 1 Location Map
- Document 2 Aerial View
- Document 3 Brownfield Redevelopment Grant Application Requirements
- Document 4 Brownfield Redevelopment Grant - Eligible Costs
- Document 5 Calculating the Brownfield Redevelopment Grant
- Document 6 Estimated Future City Property Tax Increment and Annual Municipal Grant Payable
- Document 7 Payment Option Scenario
- Document 8 Site Plan

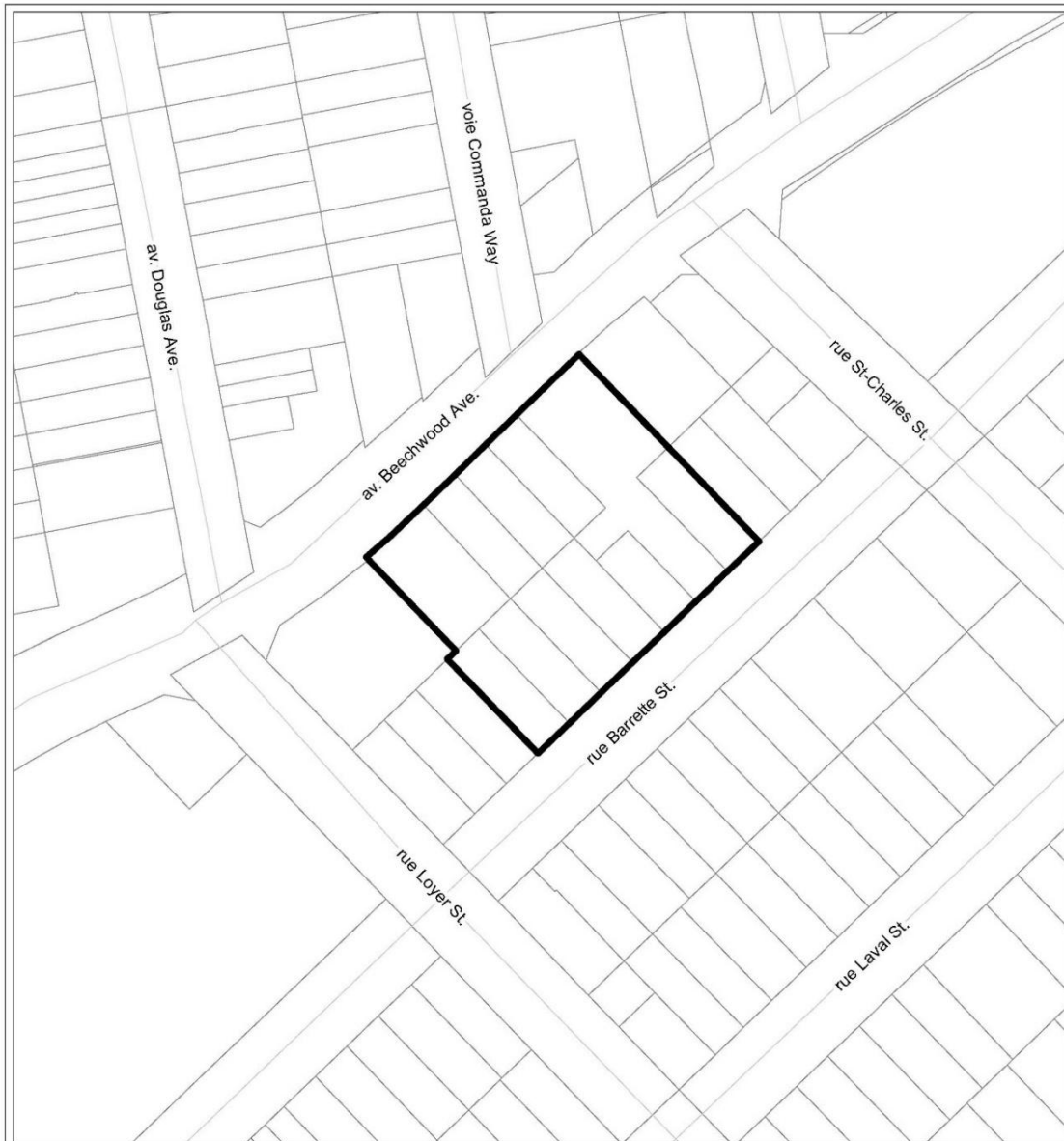
DISPOSITION




Innovative Client Services, Legal Services, to prepare the Brownfield Rehabilitation Grant Agreement.

Planning, Infrastructure and Economic Development Department and Finance Department, Revenue Branch to develop a general administrative approach to implement the Brownfield Redevelopment Financial Incentive Program and more specifically for this application.

Planning, Infrastructure and Economic Development Department to notify the applicant of Council's decision.

Document 1 – Location Map



		LOCATION MAP / PLAN DE LOCALISATION BROWNFIELDS REDEVELOPMENT PROGRAM / PROGRAMME DE RÉAMÉNAGEMENT DES FRICHES INDUSTRIELLES	
F18-04-21-BEEC	21-0880-X	 78, 84, 86, 88 avenue Beechwood Avenue, 69, 73, 77, 81, 85, 89, 93 rue Barrette Street	
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REVISION / RÉVISION - 2021 / 06 / 08			

Document 2 – Aerial View

Address: 78, 84, 86 and 88 Beechwood Avenue and 69, 73, 77, 81, 85, 89 and 93 Barrette Street



Document 3 – Brownfield Redevelopment Grant Application Requirements

A Brownfield Redevelopment Grant Program guide was prepared as part of the administration of the Brownfield Financial Incentives Program. This program guide provides the detailed requirements to an applicant in order to file a complete application with the City for consideration of financial assistance under this grant program. The applicant is required to submit various technical documents to determine eligibility and costs eligible for the rehabilitation grant. The following documents are required:

- All environmental studies (Phase I ESA, Phase II ESA and Remedial Action Plan);
- Detailed work plan and cost estimate prepared by a qualified person (as defined by the *Environmental Protection Act* and Ontario Regulation 153/04, as amended), for all eligible environmental remediation and risk assessment/risk management works;
- A cost estimate provided by a bona fide contractor for eligible rehabilitation/redevelopment and demolition costs;
- A set of detailed architectural/design and/or construction drawings; and
- An estimated post-project assessment value prepared by a private sector property tax consultant.

The applicant (registered owner) or agent acting on behalf of the registered owner is required to fully complete the application including all required signatures and complete the sworn declaration.

Document 4 – Brownfield Redevelopment Grant – Eligible Costs

Table 1 – Eligible Cost and Estimated Cost - 78, 84, 86 and 88 Beechwood Avenue and 69, 73, 77, 81, 85, 89 and 93 Barrette Street

	Eligible Items	Estimate Cost
1	Environmental studies, Remedial Work Plan and Risk Assessment not covered by Environmental Site Assessment Grant Program	\$67,000
2	Environmental Remediation including the cost of preparing a Record of Site Condition	\$1,996,750
3	Placing clean fill and grading	\$382,500
4	Installing environmental and/or engineering controls/works as specified in the Remedial Work Plan and/or Risk Assessment	\$0
5	Monitoring, maintaining and operating environmental and engineering controls/works as specified in the Remedial Work Plan and/or Risk Assessment	\$0
6	Environmental Insurance Premiums	\$55,000
	Sub-total 1 to 6 Costs eligible for Property Tax Assistance	\$2,501,250
7	Leadership Program	\$136,500
	Sub-Total 1 to 7 Costs eligible for 50% of DC deferral program	\$2,637,750
8	Cost of Feasibility Study	\$10,000
9	30% of Building Permit Fee	\$60,000
10	50% Building demolition costs	\$207,500
11	50% Building rehabilitation costs	\$0

12	50% of the upgrading costs for on-site infrastructure including water services, sanitary sewers and stormwater management facilities	\$206,151
	Sub-total 7 to 12 - Actuals	\$620,151
	Items 7 to 12 maximum amount allowable based on 15% of total	\$441,397
	Total costs eligible for Property Tax Assistance and Rehabilitation Grant	\$2,942,647

Document 5 – Calculating the Brownfield Redevelopment Grant

The Ottawa Brownfield Redevelopment Community Improvement Plan (BRCIP) specifies that the total of all grants shall not exceed 50 per cent of the cost of rehabilitating said lands and buildings (with the provision that eligible items 7 to 12 cannot exceed 15 per cent of the total eligible items being submitted for grant). *

Table 2 – Total eligible costs

1	Total eligible Costs- from Document 4	\$2,942,647
2	Total capping at 50 per cent of line 1	\$1,471,324
3	Total of Redevelopment Grant Payable	\$1,471,324

The land is located within a priority area. This location is eligible for the Rehabilitation Grant equivalent to 85 percent of the municipal property tax increase that results from the redevelopment, payable annually for up to 10 years.

Document 6 – Estimated Future City Property Tax Increment and Annual Municipal Grant Payable

Recent (2020 tax year) Value Assessment on the property at 78, 84, 86 and 88 Beechwood Avenue and 69, 73, 77, 81, 85, 89 and 93 Barrette Street is \$6,156,000, classified as Residential and Commercial tax class. Recent property taxes are broken down as follows:

Table 3 – Recent (2020 tax year) Property Taxes

Municipal Property Tax portion	\$51,556
Education Property Tax portion	\$19,414
Total Pre-Project Property Taxes	\$70,970

Based on a post-project assessment valuation prepared by Altus Group, as submitted as part of the application, it is estimated that once the entire project is complete, the proposed development could have a post-project assessment value of \$86 million (based on an effective valuation date of 2025). The estimated taxes (Municipal and Education) to be generated from full build-out is as shown in Table 4.

Table 4 – Estimated Annual Post-Project Municipal\Education Property Taxes

Tax Class	Estimated assessment (2025)	Estimated Municipal Tax (2025)	Estimated Education Tax (2025)	Estimated Total Tax (2025)
New-Multi-Residential (NT)	\$86,778,000	\$913,296	\$168,539	\$1,081,835
New Commercial (XT)				

Document 8 – Site Plan

