

APPENDIX A

8.1 ERASE Study Grant Program (ESG)

8.1.1 Purpose

There is very little information on the existence, type, and extent of contamination, as well as the estimated cost of site remediation for brownfield properties in the Project Area. This lack of information is one of the key stumbling blocks in the redevelopment of brownfield properties because it inhibits interest in the redevelopment of these properties, as both property owners and purchasers are often reluctant to undertake and fund environmental studies.

The purpose of this program is to promote the undertaking of environmental studies so that more and better information is available with respect to the type of contamination and potential remediation costs on brownfield properties. As Phase I ESA's have become a standard requirement of most financial institutions and do not provide detailed information with respect to the type of contamination and cost of remediation, Phase I ESA's are not eligible for funding under this program.

The Study Grants are considered an important tool to facilitate ERG applications, and to ensure this continues administrative changes will be recommended to require that all ESG's are accompanied by preliminary development plans and/or letter of intent to develop.

8.1.2 Program Description

The ESG will provide a financial incentive in the form of a matching grant equal to 50% of the cost of a Phase II ESA, Risk Assessment or Remedial Action Plan (excluding H.S.T), to a maximum of:

- a) \$20,000 per study;
- b) two studies per property/project (Since July 1, 2011);
- c) \$35,000 per property/project;

The ESG is an application-based program. Review and evaluation of the application and supporting materials against program eligibility requirements will be done by City staff and a decision on the grant application will be made by City staff. Applications will be processed and approved on a first come, first serve basis, subject to a higher priority being placed on ESG applications where planning applications have already been approved or submitted, and applications that are in key strategic locations and/or in areas of greatest need, as may be identified by the City from time to time.

The grant will be paid on the lesser of a cost estimate provided by the qualified person conducting the study or the actual cost of the study. Property owners may assign the grant to non-owners, otherwise known as assignees. For example, some property owners may wish to enable prospective purchasers to be eligible for a study grant. Assignees are eligible to apply for this grant, subject to providing the municipality with written consent from the owner to conduct the study and provided that the property owner has assigned the grant to their assignee.

Grants approved under this program would be provided to property owners or their assignees following submission of the final completed study with the original invoice, indicating that the study consultants have been paid in full. One hard copy and one electronic copy of the environmental study will be provided to the City for its inspection, review and 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.

For consideration of an ESG proposed on City owned lands, the application must be accompanied with an intent to purchase agreement approved by City of Hamilton Real Estate Staff.

The City reserves the right to audit the cost of the study. The grant may be reduced or cancelled if the study is not completed, not completed as approved, or if the environmental consultant(s) that conducted the study are not paid. Notwithstanding any representation by or on behalf of the City, or any statement contained in the program, no right to any grant arises until it has been duly authorized by the City. The City is not responsible for any costs incurred by the Owner/Applicant in any way relating to the program, including without limitation, costs incurred in anticipation of a grant. The City may discontinue this program at any time, but applicants with approved grants will still receive a grant subject to meeting the program eligibility requirements.

It is to be noted that an ESG cannot be used solely for refinancing purposes. Finally, for the purposes of clarity a 'project' consists of the redevelopment site. The redevelopment site may include adjacent municipal addresses.

8.1.3 Eligibility Requirements

All owners and their assignees within the ERASE Community Improvement Project Area are eligible to apply for funding under this program, subject to meeting the general program requirements in Section 8.0, the following eligibility requirements and subject to the availability of funding as approved by City Council:

- a) An application for the ESG must be submitted to the City prior to the start of any environmental study to which the grant will apply (Program is not retroactive);
- b) Assignees are eligible to apply for the ESG only if they can provide written consent to conduct the study from the owner of the property;
- c) Environmental studies shall be for the purpose of:
 - i) confirming and describing contamination at the site (partial or complete Phase II ESA); and,
 - ii) developing a plan to remove, treat, or otherwise manage contamination found on the site (Remedial Action Plan or Risk Assessment);
- d) Applicants must submit to the City a Phase I ESA that demonstrates that site contamination is likely;
- e) Applications will include:
 - i) a brief proposal for the environmental study;
 - ii) a detailed study work plan;
 - iii) a cost estimate for the study; and,
 - iv) a description of the planned redevelopment, including any planning applications that have been submitted/approved;
- f) All environmental studies shall be completed by a "qualified person" as defined by the *Environmental Protection Act* and its regulations;
- g) All completed environmental studies must comply with the description of the studies as provided in the grant application form;
- h) One (1) digital and one (1) hard copy of the study findings shall be submitted to the City;

- i) A maximum of two (2) study grants will be awarded for any property, to a maximum of \$20,000 (excluding H.S.T) per study and \$35,000 (excluding H.S.T) per property/project since July 1, 2011;
- j) The City reserves the right to audit the costs of studies prior to advancing the grant payment;
- k) The total value of any grant(s) provided under this program will be deducted from eligible program costs for the ERASE ERG, if applicable.
- l) Eligible costs to cover Designated Substances and Hazardous Material Survey and Industrial/Office Reuse Feasibility Study and their removal and abatement in the Older Industrial Area.
- m) Eligible costs to cover Designated Substances and Hazardous Material Survey and their removal and abatement applicable to current/closed Institutional uses across the CIPA.
- n) Eligible costs to cover Designated Substances and Hazardous Material Survey and their removal and abatement applicable to designated Heritage Buildings (properties designated under Part IV or V of the Ontario Heritage Act) across the CIPA.
- o) All environmental studies must be prepared to meet latest O. Regulation 153/04 standards.
- p) The applicant must provide a phase one ESA for all properties within the redevelopment site.

8.1.4 Administration

The Economic Development Department will be responsible for administering the ESG, in consultation with other departments as necessary. Applications shall be submitted to the Economic Development Department and shall include a detailed work plan and cost estimate for the required study. Applications must be accompanied by a Phase I ESA that demonstrates site contamination is likely and a letter of intent and preliminary development plans for intended development. It should be noted that two quotes should be provided for the proposed study work.

Program eligibility will be determined by the Economic Development Department, in consultation with other departments as necessary. Applications will be approved by the Economic Development Department only if they meet the criteria specified in this Plan and any other requirements of the City.

If an application is approved, the applicant will be sent a letter that outlines the terms and the amount of the grant. The grant amount will be based on 50% of the estimated cost of the study (excluding H.S.T) or 50% of the actual cost of the study (excluding H.S.T), whichever is less. If an application is not approved, the applicant will be advised by letter.

Upon receipt of one (1) hard copy and (1) digital copy of the final study report with the original invoice indicating that the study consultants have been paid in full, the Economic Development Department shall review the report for conformity with the submitted work plan and eligibility criteria. If the submitted report does not conform to the submitted work plan or is not to the satisfaction of the City, the applicant will be given an opportunity to modify the report.

Once the report conforms to the submitted work plan and is to the satisfaction of the City, the Economic Development Department will authorize the Finance Department to issue a cheque to the applicant equivalent to the grant amount.

ESG approval (except Risk Assessments) will be revoked if study work is not completed within two calendar years from date of initial approval.