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**Subject:** Development Charge Demolition Credit Extension Request – Brownfield Redevelopment, St. Catharines

**Report to:** Corporate Services Committee

**Report date:** Wednesday, June 16, 2021

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## Recommendations

1. That the eligibility period for the Regional Development Charge demolition credit associated with the brownfield redevelopment located at 155 Ontario St., Catharines, **BE EXTENDED** to August 8, 2024, in accordance with section 18 (c) of By-law 2017-98.

## Key Facts

- The purpose of this report is to seek Council's approval to extend the Regional Development Charges (RDC) demolition credits associated with the brownfield redevelopment located at 155 Ontario St., St. Catharines, in accordance with section 18 (c) of the RDC By-law 2017-98 which are set to expire August 8, 2021 (demolition permit issued August 9, 2016).
- As per By-law 2017-98 if a demolition takes place on a brownfield, an application may be made to the Regional Treasurer for an extension of time for the demolition credit of up to three additional years (an increase from the base 5 years) if the redevelopment has not been able to proceed due to delays in completing the remediation works.
- The developer has identified in their extension request, as included as Appendix 1 to Report CSD 33-2021, that the site redevelopment was delayed as a result of the environmental remediation work that was required for the site in order to achieve the record of site condition.

## Financial Considerations

The demolition permit for the former hospital located at 155 Ontario St., St. Catharines was issued to the developer on August 9, 2016. As per the demolition permits, the demolition resulted in the removal of 219,037 square feet of institutional building space. To date, 136,827 square feet has been utilized of the available credit to reduce the RDC payable for the redevelopment of special care dwelling and other institutional space by \$1,216,396. On August 8, 2021, the remaining demolition credits of 82,210 square feet

are set to expire. If the extension is approved, the 82,210 square feet demolition credit will be extended for an additional 3 years as a reduction of \$748,111 (based on 2021 rates) against DCs payable by the developer.

**Table 1 – Summary of Demolition Credits**

Description	Square Footage	Effective RDC Rate	Amount
Demolition Credit Available as per Demolition Permits – Issued August 2016	219,037	N/A	N/A
Partial Utilization of Demolition Credit for Redevelopment Permit – Issued 2020	(136,827)	\$8.89 (2020 rate)	\$(1,216,396)
Demolition Credits Remaining – To Expire August 2021	82,210	\$9.10 (2021 Rate*)	\$748,111

\* Subject to annual indexing.

## Analysis

On March 31, 2021, staff received a letter (Appendix 1 to Report CSD 33-2021) from Stantec on behalf of the owner of 155 Ontario St., St. Catharines, requesting that the RDC demolition credits associated with the former hospital use of the property be extended for an additional three years. The request was made under section 18 (c) of the RDC By-law 2017-98, which permits an extension of three years (i.e., in addition to the base five years for a total of eight year) if the redevelopment was delayed as a result of brownfield environmental remediation work required on the site.

Region staff have reviewed the request and believe the extension is reasonable and fits within the intent of section 18 (c) of the RDC Bylaw 2017-98. As such, staff is recommending Council approve the request to extend the remaining RDC demolition credits as identified in Table 1 to August 8, 2024.

The section from the RDC by-law that allows for the extension has been included below for reference:

*“Where demolition takes place on a brownfield, the above conditions apply however, an application may be made to the Regional Treasurer for an extension of time for the redevelopment credit of up to three additional years if the redevelopment has not been able to proceed due to delays in completing the remediation works. This application must be received prior to the expiry of the initial five year period as provided in section 18. (1) of*

*this By-law. This application will be considered by Regional Council for approval.”*

Notwithstanding the request for the demolition credit extension, the redevelopment of this property is progressing well as can be seen with the pictures included as part of Appendix 2 to Report CSD 33-2021.

### **Alternatives Reviewed**

Council may elect to deny the extension request, which is not recommended. This project involves the redevelopment of a currently underutilized former institutional site. The extension of the demolition credits would be reasonable given the environmental remediation work that was undertaken, Council’s previous endorsement establishing brownfield remediation as an incentive pillar priority, and the perceived benefit of the redevelopment on the surrounding area.

### **Relationship to Council Strategic Priorities**

This report supports the Council Strategic Priority of Supporting Businesses and Economic Growth.

### **Other Pertinent Reports**

None.

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#### **Recommended by:**

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#### **Submitted by:**

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Acting Chief Administrative Officer

*This report was reviewed by Margaret Murphy, Associate Director, Budget Planning & Strategy and Helen Chamberlain, Director, Financial Management & Planning/Deputy Treasurer.*

## **Appendices**

Appendix 1 Letter Re: Request for Development Charge Demolition Credit Extension

Appendix 2 Construction Progress Pictures