
Subject: Development Charge Demolition Credit Extension Request –
Brownfield Redevelopment, Grimsby

Report to: Corporate Services Committee

Report date: Wednesday, September 11, 2024

Recommendations

1. That the eligibility period for the Regional Development Charge demolition credits associated with the brownfield redevelopment located at 21-23 Main Street East, Grimsby, **BE EXTENDED** to August 1, 2027, in accordance with Section 10 (c) of By-law 2022-71.

Key Facts

- The purpose of this report is to seek Council's approval to extend the Regional Development Charge (RDC) demolition credits associated with the brownfield redevelopment at 21-23 Main Street East, Grimsby, in accordance with Section 10 (c) of the RDC By-law 2022-71.
- Per By-law 2022-71 Section 10 (a) a demolition credit may be applied towards RDCs owing based on the RDCs for the building/structure that was demolished. This credit expires if a building permit for the land is not obtained within 5 years of a demolition credit being issued. A demolition permit for this site was issued by the Town of Grimsby on August 1, 2019. Therefore, the demolition credit for this site expired on August 1, 2024.
- Per By-law 2022-71, if a demolition takes place on a brownfield site, an application may be made to the Regional Treasurer for an extension of time for the demolition 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 request must then be considered by Regional Council.
- The developer has applied for an extension and indicated in their extension request that the site redevelopment was delayed due to the environmental remediation work that was required for the site and the requirement to file a ministry-approved Record of Site Condition (RSC) for the site.

Financial Considerations

The demolition permit for the property of 21-23 Main Street East, Grimsby, was issued to DeSantis Homes on August 1, 2019, related to the former commercial use building on the property. As per the demolition permit, the demolition resulted in the removal of 2,850 square feet of commercial space. To date, none of the available demolition credits have been utilized in the redevelopment of the property. RDC By-law 2022-71 allows for a five-year time limit on the use of demolition credits from the date a demolition permit is obtained. As a result of this provision the demolition credits associated with this property expired on August 1, 2024. The RDC By-law further specifies that where 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 for up to three additional years if the redevelopment has not been able to proceed due to delays in completing the development work. If the recommendations of this report are approved, the demolition credit will be extended for an additional three years and will result in a reduction of \$59,194.50 based on current RDC rates applied against the RDCs payable by the developer.

Analysis

On July 19, 2024, staff received a request from DeSantis Homes, the owner of 21-23 Main Street East, Grimsby, requesting that the RDC demolition credits associated with the former commercial use property be extended for an additional three years from the point of expiry. The request was made under section 10 (c) of the RDC By-law 2022-71 which permits an extension of three years (i.e., in addition to the base five years, for a total of eight years) if the redevelopment was delayed due to brownfield environmental remediation work required on the site.

Region staff have reviewed the requests and believe the extension associated with this property is reasonable and fits within the intent of section 10 (c) of the RDC By-law 2022-71. As such, staff is recommending Council approve the request to extend the RDC demolition credits associated with 21-23 Main Street East, Grimsby.

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 or an archaeological site, 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 10(a) of this By-law. This application will be considered by Regional Council for approval.

For additional clarification on how a property qualifies as a brownfield, the definition from RDC By-law 2022-71 is included below for reference:

“brownfield” means land located within the urban areas as defined from time to time in the Regional Official Plan, upon which there has been previous agricultural, industrial, institutional, or commercial or open lands use or other use as prescribed under the Environmental Protection Act, R.S.O. 1990, c.E.19 and Ontario Regulation 153/04 thereto, each as amended from time to time, and for which site remediation is required in accordance with a Phase 2 Environmental Site Assessment, and for which a Record of Site Condition has been filed on the Province’s Brownfields Environmental Site Registry pursuant to the Environmental Protection Act, R.S.O. 1990, c.E.19 and Ontario Regulation 153/04 thereto, each as amended from time to time.

Notwithstanding the request for the demolition credit extension, the remediation of this property is progressing well per the written request from DeSantis Homes, as the only remaining barrier to receiving the building permits at the site is the Provincial review of the Record of Site Condition by the Ministry of Environment.

It should also be noted that despite the initial five years being expired for the demolition credits at the time of writing this report, the application for the additional three years was received prior to the expiry of the initial five years, meaning the request still adheres with the extension provision of the RDC By-law.

Alternatives Reviewed

Council may elect to deny the extension request. This is not recommended. This project involves the redevelopment of a currently underutilized former commercial site within Grimsby’s downtown core. The extension of the current demolition credits would be reasonable given the environmental remediation work that was undertaken and the demolition credit extension provision within the RDC By-law 2022-71.

Relationship to Council Strategic Priorities

This report provides details related to the collection of RDCs and the redevelopment of underused land. This relates to Council’s Strategic Priorities of Effective and

Prosperous Region as RDCs are a major source of funding for growth projects in the capital budget.

Other Pertinent Reports

None.

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Appendices

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| Appendix 1 | DeSantis Homes Request to Staff – July 19, 2024 |
| Appendix 2 | Map of 21-23 Main Street East, Grimsby |