

# TOWNSHIP OF NORTH HURON

# REPORT

Item No. 2020-15

**REPORT TO:** Reeve Bailey and Members of Council  
**PREPARED BY:** Vicky Luttenberger, Director of Recreation & Community Services  
**DATE:** 10/08/2020  
**SUBJECT:** RC-2020-15 Future of the Wingham Trailer Park and Results of the Environmental Site Condition Assessment Phase I and II  
**ATTACHMENTS:** Huron County Planning Department Report and Presentation re: Land Use Analysis, and; Staff Report RC-2020-05 Wingham Trailer Park

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## **RECOMMENDATION:**

THAT the Council of the Township of North Huron hereby receives the report prepared by the Director of Recreation & Community Services, dated August 10, 2020 regarding the future of the Wingham Trailer Park and the results of the Environmental Site Condition Assessment Phase I and II for information purposes;

AND FURTHER, THAT staff be authorized to proceed with Phase III of the Environmental Site Condition Assessment (Soil Remediation Program) at a cost of approximately \$10,000;

AND FURTHER, THAT the Director of Finance be authorized to allocate funding from the Planning and Development Reserve fund to cover the costs associated with the Phase III of the Environmental Site Condition Assessment (Soil Remediation Program);

AND FURTHER, THAT the Director of Finance include the estimated \$30,000 cost associated with the pre-development site work in the 2021 Budget;

AND FURTHER, THAT staff be directed to provide notice to the Wingham Legion by no later than August 14, 2020 that the municipality wishes to terminate the Operating Agreement with the Wingham Legion regarding the Wingham Trailer Park effective December 31, 2020.

## **BACKGROUND/EXECUTIVE SUMMARY**

The Wingham Trailer Park is a 2.85 acre parcel of land located at 166 John Street. The Park is owned by the Township of North Huron. The property is a seasonal recreational campground that operates for six months of the year from May – October. For many years, the Trailer Park was operated directly by the Township's Recreation department. It is currently being operated by the Wingham Legion through an Operating Agreement.

Over several years, North Huron Council has been scrutinized for the operational costs of the Trailer Park. The operational costs have historically been borne by the taxpayer. With respect to capital costs, the Wingham Trailer Park is an aging facility. It is expected that capital funds will soon be needed to undertake necessary repairs and/or replacements. There are no funds in reserves for capital repairs and/or replacements. Capital funds required will have a direct impact on North Huron's tax base.

At the February 18, 2020 regular meeting, Council directed staff to undertake a Phase I and II Environmental Site Condition Assessment with an upset limit of \$35,000. Council also directed staff to notify the Wingham Legion and an interested purchaser of the Council's direction to staff.

The Environmental Site Condition Assessment has been completed. The purpose of this report is update Council on the results of the Environmental Site Condition Assessment and to seek direction regarding next steps. It is recommended that staff be directed to notify the Wingham Legion in writing that the municipality wishes to terminate the Operating Agreement regarding the Wingham Trailer Park effective December 31, 2020.

## **DISCUSSION**

In the Fall of 2018, North Huron requested and was granted a one-year extension of the Operating Agreement with the Wingham Legion. The extension was requested to provide the incoming Council with an opportunity to become familiar with Township's operations and its financial situation.

In the spring of 2019, there were a number of reports presented to Huron County Council and North Huron's Council regarding the current housing and related workforce shortage. Businesses and manufacturers in North Huron reported that they were unable to attract and retain skilled workers due to the housing shortage. The Trailer Park lands were identified as a possible medium to short term solution to address this issue.

In July of 2019, the Wingham Legion approached the Township about a renewal of the Operating Agreement. In response, staff prepared a report for Council's consideration regarding possible future uses of the Trailer Park. The report identified various options including:

1. Renewal of the Operating Agreement with the Wingham Legion;
2. Selling the property as a private trailer park; and
3. Selling the property to a developer for the development of year-round residential use.

Council directed staff to further investigate the financial implications of developing permanent housing on the property.

In October of 2019, staff presented a report to Council recommending the Operating Agreement with the Wingham Legion be extended by one more year. The extension was requested to provide staff with additional time to report back on the financial implications of developing permanent housing on the property. Council agreed to extend the term of the Operating Agreement for one more year.

In December of 2019, members of the Wingham Legion appeared before Council to request a new and longer-term Operating Agreement. Council re-affirmed their decision to grant a one year extension and at the Legion's request, added a provision requiring the Township to notify the Legion by August 1, 2020, if the Township were to decide not to renew the Operating Agreement. Due to a delay in the submission of the Environmental Site Condition Assessment reports due to COVID-19, staff requested and the Legion agreed to extend the August 1, 2020 deadline to August 14, 2020.

In February of 2020, Denise van Amersfoort, Senior Planner with the Huron County Planning Department, presented a report to Council regarding a Land Use Analysis conducted for the

Wingham Trailer Park (see attached). The Land Use Analysis Report provided an overview of the property, and identified the developable area and the non-developable area based on the new floodplain mapping provided by the Maitland Valley Conservation Authority. The report also indicated that the property is currently zoned for residential use and was large enough to allow for various types of residential development including low density, medium density and high density residential units. The presentation also included several conceptual drawings depicting different types of residential dwellings that could be developed on the site. It was reported that the property would be suitable for single family homes, townhomes, stacked townhomes, clustered townhomes, and/or apartment buildings.

One of the Land Use Analysis Report's findings was that the property was once part of the southern terminus of the Toronto, Grey, and Bruce Railway. Huron County Planning staff advised that an Environmental Site Condition Assessment of the property would be required if Council wished to pursue residential development of the property. It was explained that an Environmental Site Condition Assessment is a three stage process that includes research of historical uses and conducting physical exploratory work of the site through soil sampling, drilling bore holes, etc. If contamination was found to exist on the site, the third and final stage is to develop a remediation plan to prepare the property for residential development.

In conjunction with the Land Use Analysis Report, Township staff presented Report RC-2020-05. This report (attached) discussed the financial implications of each of the options previously presented (1. Retaining ownership and operating the Trailer Park through the Operating Agreement; 2. Selling the Trailer Park as a privately run trailer park; and 3. Selling the property for the development of permanent housing). The report also provided estimates relative to the increase in taxation revenue that would be realized for each of the conceptual images presented by the Huron County Planning Department. Council directed staff to proceed with a Phase I and Phase II Environmental Site Condition Assessment.

In early March of 2020, the Township retained RJ Burnside Engineering to undertake an Environmental Site Condition Assessment of the Wingham Trailer Park. In the spring 2020, the consultant commenced Phase I of the Assessment. Phase I of the Assessment involved conducting research into the historical uses of the property and through extensive research, the consultant was able to trace the historical uses of the property back more than 150 years. Their research indicates that the property had been used for various types of purposes including: being the southern terminus of the rail line, a railway turntable, a salt works storage and a dumping area. Phase I of the Assessment also determined that due to the construction period of the washroom facility, a Designated Substance Survey needed to be undertaken to assess for hazardous materials.

Based on the level of industrial use, it was determined that a Phase II Site Condition Assessment would be needed. The Phase II Assessment, which was conducted in June and July, involved:

- Completing utility locates;
- Drilling six bore holes to examine subsurface conditions and facilitate the collection of soil samples;

- Collecting soil samples for laboratory analysis of petroleum hydrocarbons (PHCs), volatile organic compounds (VOCs), polycyclic aromatic hydrocarbons (PAHs), and metals and inorganics;
- Equipping five of the six boreholes with groundwater monitoring wells;
- Measuring static water levels to interpret the direction of groundwater flow;
- Collecting groundwater samples from monitoring wells for analysis of contaminants of potential concern - PHCs, VOCs, and metals and inorganics; and
- Comparing soil and groundwater analytical results to the applicable site condition standards for Residential Property Use.

The Phase II Site Condition Assessment determined that the soil tests taken from all of the bore holes, with the exception of bore hole MW5, were found to be within the required standards for Residential Property Use.

Bore hole MW5 is located at the northwest boundary of the property and in an area once known to be a dumping area. It is a low lying area and in the vicinity of the undevelopable area/floodplain portion of the property. Bore hole MW5 is located near the Wingham Community Trail.

As noted above, the soil tests taken at bore hole MW5 exceed the standards established for metals and inorganics and according to the report, the depth of contamination does not exceed 6.10m (15 feet). Soil samples taken from boreholes in close proximity to MW5 (MW1 and BH6) do not have any metals and/or inorganics concentrations that exceed the site condition standards. Therefore, the level of contamination is limited to a specific area of the property.

With respect to the Designated Substance Survey for the washroom building, the study identified asbestos content in the pipe wrap insulation material in the utility closet. Various levels of lead were also identified in paint samples collected from washroom floors, doors, walls and window trim. The estimated cost to have the asbestos removed by a licensed contractor is \$15,000-\$20,000. The lead in the paint samples is addressed by the use of personal protective equipment at the time the washroom building would be demolished.

If Council wishes to proceed with the development of the property for residential use, it is recommended a Phase III Environmental Site Condition Assessment be undertaken. A Phase III Assessment involves the development of a soil remediation program. The program would entail the excavation, removal and disposal of the contaminated soil to an approved disposal facility. The contaminated area would then be backfilled with clean soil and be ready for development. For the safety of residents, temporary closure of the Wingham Community Trail may be required during the remediation work.

Members of Council and the public have raised concerns regarding the location of sanitary services. Investigative work conducted by B.M. Ross & Associates and Township staff has determined that the sanitary line does not go through the centre of the Trailer Park. This line is located on the easement between the Wingham Legion and the Trailer Park property.

Based on the information contained in previous reports including: 1. the Huron County Planning Departments Land Use Analysis Report and Presentation; and 2. the results of the Phase I and Phase II Environmental Site Condition Assessment, it is staff's opinion that redevelopment of the property for residential uses is feasible. Staff recommend Council proceed with a Phase III Environmental Site Condition Assessment (i.e. development of a remediation program) in 2020. This would allow for the sale and/or development of the property for residential purposes.

### **FINANCIAL IMPACT**

As noted above, it is staff's recommendation to proceed with Phase III of the Environmental Site Condition Assessment. At the time that the Phase I and II Environmental Site Condition Assessment was authorized, it was unknown that a Phase III Environmental Site Assessment would be required. Phases I and II informed the need for a Phase III Environmental Site Condition Assessment. Funding for Phase III was not included in the 2020 budget. To proceed with this project, it is recommended that Council fund the remediation work from the Planning and Development Reserves.

There is \$51,934.29 in the Planning and Development reserve account. Subject to Phases I, II and III being funded from this account, the remaining balance would be approximately \$6,000. It is important to note that the cost of the environmental site condition assessments and the associated remediation work could be recovered from the development and/or proceeds from the sale of the property. With respect to the estimated cost to prepare the washroom building for demolition (\$15,000-\$20,000), this cost could also be recovered from the development and/or proceeds from the sale of the property.

As indicated in staff's previous Report RC-2020-05, if the Township were to decide to develop the property, pre-development site work would be required. The pre-development site work would involve the disconnection and removal of hydro, water and sewage services to each of the camp sites as well as, the removal of the bathroom/shower house located on the site. The cost to disconnect and remove the services is estimated to be approximately \$30,000. Staff recommend that the cost of the pre-development site work be incorporated into the 2021 Budget and the cost of the pre-development site work also be recovered from the development proceeds and/or sale of the property.

As previously reported, development of the property for permanent housing would have a positive financial impact on the community as a whole. The development of 14 single residential units or more than 29 town homes, would generate new employment construction opportunities and would help the Township address the housing needs of its residents. The construction of new permanent housing would also provide additional year-round economic benefits to local businesses, retailers, restaurants, grocery stores, banks and gas stations on a year-round basis rather than the current six-month period when the Trailer Park is occupied.

Lastly, the re-development of the Wingham Trailer Park into a permanent residential area would provide an increase in tax revenue. Additional tax revenue will help address the Township's operational and capital costs associated with aging infrastructure. Although, the exact amount of tax revenue that can be generated is unknown, based on the conceptual drawings presented by the Huron County Planning Department, it is anticipated that the Township will realize a tax revenue

increase of \$63,000 - \$90,000 annually, if not more. The increased amount of tax revenue is dependent upon the number of and assessment type of housing constructed.

### **FUTURE CONSIDERATIONS**

As Council is aware, the Wingham Legion has expressed an interest in the continued operation of the Wingham Trailer Park. If Council wishes to proceed with the sale and development of the property, Notice of Termination of the Operating Agreement must be provided to the Wingham Legion by no later than Friday, August 14, 2020. It is recommended that notice specify the date in which the property must be vacated and all campers/trailers be removed.

The Township has also been contacted by two separate individuals who have expressed an interest in purchasing the property. To dispose of the property, the Township would need to declare the property surplus and make it available for purchase by way of a public process. In order to ensure the development of the property is medium to high density residential units, staff would recommend the Township request potential buyers to submit an "expression of interest" detailing the type of housing that would be constructed on site.

The Township will also need to:

- Sever and retain the northwest portion of the property that is designated floodplain, contains the Wingham Community Trail and provides access to the Union gas building;
- Ensure that the Corporation has unhindered access to the easement located between the Legion and the property line for ongoing repairs and maintenance; and
- Ensure that the Wingham Community Trail connects to Victoria Street.

As noted above and like many other communities, North Huron has a housing shortage. Council is advancing a proposed plan of subdivision development in Hutton Heights and there has been renewed interest in the former A2A property (now Maitland Estates).

Council supported a one year extension of draft plan approval for the Maitland Estates development. The one year extension expires at the end of this year. Staff have been working with the developer to clear conditions, including the development of a subdivision agreement. All conditions of draft plan approval remain outstanding with one exception. The developer has granted Union Gas easements for the provision of services.

With respect to Hutton Heights, it is expected that by the end of Summer, all necessary studies and designs will be completed. In early Fall, staff will be presenting a report seeking authorization to submit the necessary planning application and possibility authorization to prepare and issue a tender for the construction and installation of water and sanitary services. The construction and installation of services is estimated to be \$1.8 million.

Unlike Hutton Heights, the Wingham Trailer Park is fully serviced. Development of this property for residential purposes could proceed in a timely fashion. Next steps would involve the Phase III remediation work, preparing the washroom building for demolition and commissioning the necessary studies to support a plan of subdivision and rezoning application.

### **RELATIONSHIP TO STRATEGIC PLAN**

This report is not listed as an action item in the current Strategic Plan. The investigative work was undertaken as per direction given by Council at the July 15, 2019 meeting.



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Vicky Luttenberger, Director of  
Recreation & Community Services



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Dwayne Evans, CAO