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How to “Unlock” Value to Remediate and Redevelop Gasoline Stations

Redevelopment Framework for Former Service Stations

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Presentation Outline - Redevelopment Framework

- Stakeholder Need
- Development Process
- Objective and Outcomes
- Components (Steps, Guiding Principles, Tools)
- Next steps



What Is It?



◆ Redevelopment Framework

- Developed as a guide and resource for Ontario municipalities and other stakeholders to assist them with the redevelopment of former service stations located in their communities



Redevelopment
Framework
for
Former Service Stations
in Ontario





Why Former Service Stations?



- ◆ Most common type of brownfield site in Canada
- ◆ Highly visible
- ◆ Often lower value sites that aren't worth the risk
- ◆ Process barriers identified by industry and government stakeholders





Why a Framework?



- ◆ Standardized approach
- ◆ Common language tool
- ◆ Clear, transparent, and streamlined
- ◆ Stakeholder input through consultations
- ◆ Guiding principles
- ◆ Best practices
- ◆ User-friendly





How Was It Developed?



- ◆ Identified common practices, existing tools, resources, and programs

- ◆ Framework should:
 - Include site characterization in accordance with jurisdictional requirements
 - Clarify process through decision trees, flowcharts and matrices
 - Be written in non-technical terms
 - Emphasize the importance of risk based protection and management
 - Highlight proven technologies
 - Reflect the existing regulatory regime
 - Be flexible

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Phase 2 - Development



- ◆ Coordinated a multi-stakeholder interdisciplinary team
 - Leveraged stakeholder expertise
 - Key experts (public and private sector)





Phase 2 - Development



- ◆ Engaged in open and candid discussions to identify best practices
- ◆ Created online communication tool to coordinate stakeholder involvement
- ◆ Developed framework for “typical” gas stations





Outcomes - Stakeholders



- ◆ Provides an accessible online resource
- ◆ Provides a set of **Guiding Principles**
- ◆ Highlights the importance of early and ongoing communication between stakeholders
- ◆ Provides guidance on **Finance, Technical Issues, Land Use Planning**, and **External Communication** at each stage of the redevelopment process



Outcomes - Municipalities



- ◆ Identifies Planning Tools - streamline the municipal approval process
- ◆ Highlights importance of a predictable and timely for approvals process
- ◆ Provides guidance on effective municipal incentives
- ◆ Describes how to implement *interim site uses* when there is no immediate redevelopment potential
- ◆ Illustrates what municipalities can do to improve the *development potential* of a site
- ◆ Illustrates how municipal planning and technical decisions interact at different stages of redevelopment



Outcomes – Property Owners and Developers



- ◆ Creates a streamlined approach (basis for working with municipalities)
- ◆ Reduces approval delays and addresses misunderstandings between developers and municipalities
- ◆ Identifies financial incentives available at each stage of redevelopment
- ◆ Illustrates how *development potential* can be improved through the use of Property Specific Standards
- ◆ Clarifies when municipalities can ask for a Record of Site Condition
- ◆ Clarifies the approval process for Remediation to Property Specific Standards and Risk Management Measures



Outcomes - Province



- ◆ Develops a streamlined process that works within the existing regulatory framework
- ◆ Addresses a number of regulatory barriers by improving communication
- ◆ Identifies the major issues, current practices, possible solutions and gaps



Framework Components



◆ 4 Stages:

1. Setting the Stage
2. Evaluation and Planning
3. Implementation
4. Management

◆ Guiding Principles (Key Elements and Best Practices)

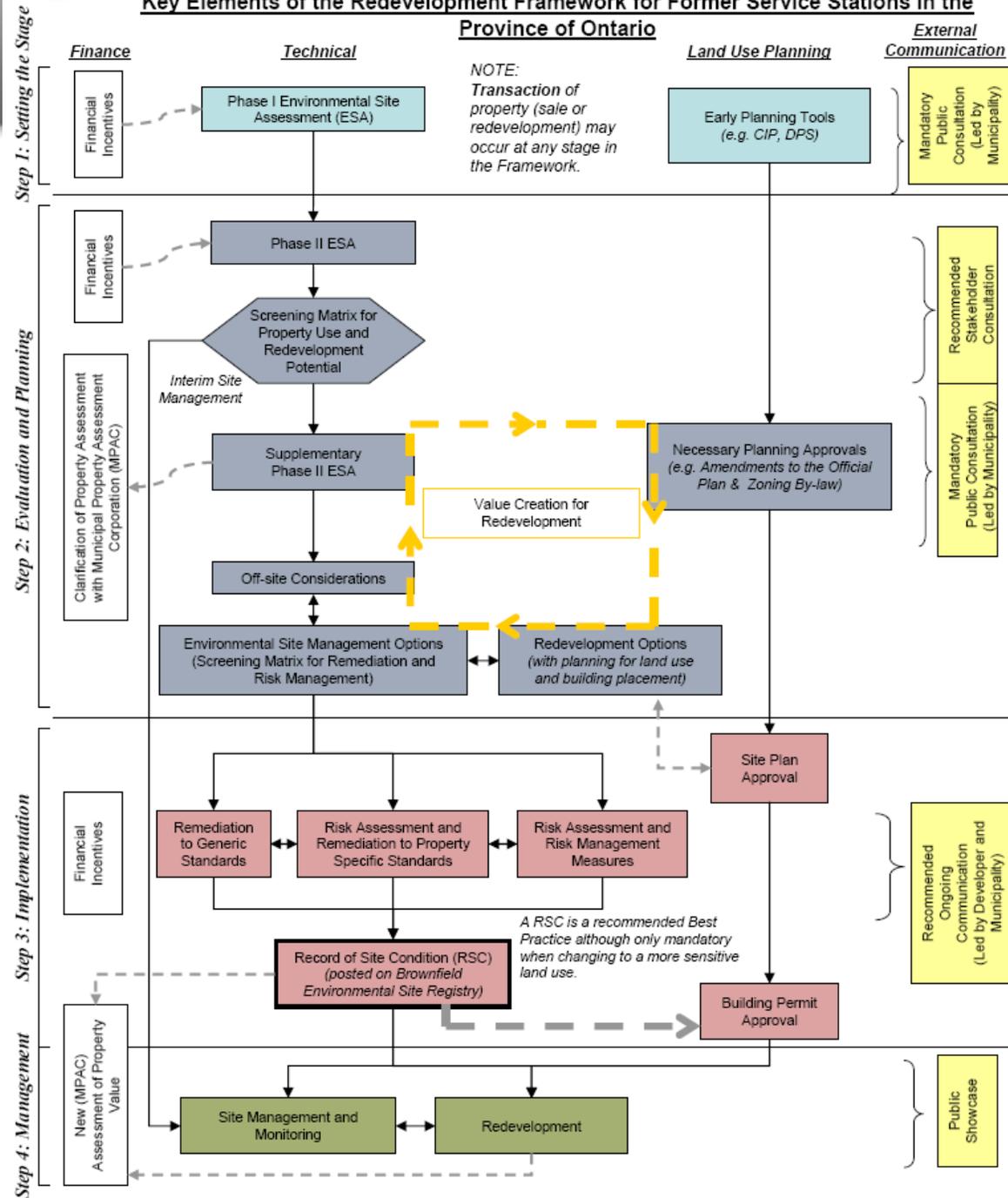
◆ 5 Tools (Flow Diagram and Screening Matrices)

1. Framework Diagram
2. Property Use & Redevelopment Potential
3. Selection of Remediation Technologies and Risk Management
4. Implementing Remediation and Risk Management
5. Glossary and Abbreviations
6. Examples, Templates, and Case Studies



Framework Diagram

Redevelopment Framework for Former Service Stations in the Province of Ontario Key Elements of the Redevelopment Framework for Former Service Stations in the Province of Ontario





Step 1: Setting the Stage



Step 1: Setting the Stage

Finance

Financial Incentives

Technical

Phase I Environmental Site Assessment (ESA)

NOTE:
Transaction of property (sale or redevelopment) may occur at any stage in the Framework.

Land Use Planning

Early Planning Tools (e.g. CIP, DPS)

External Communication

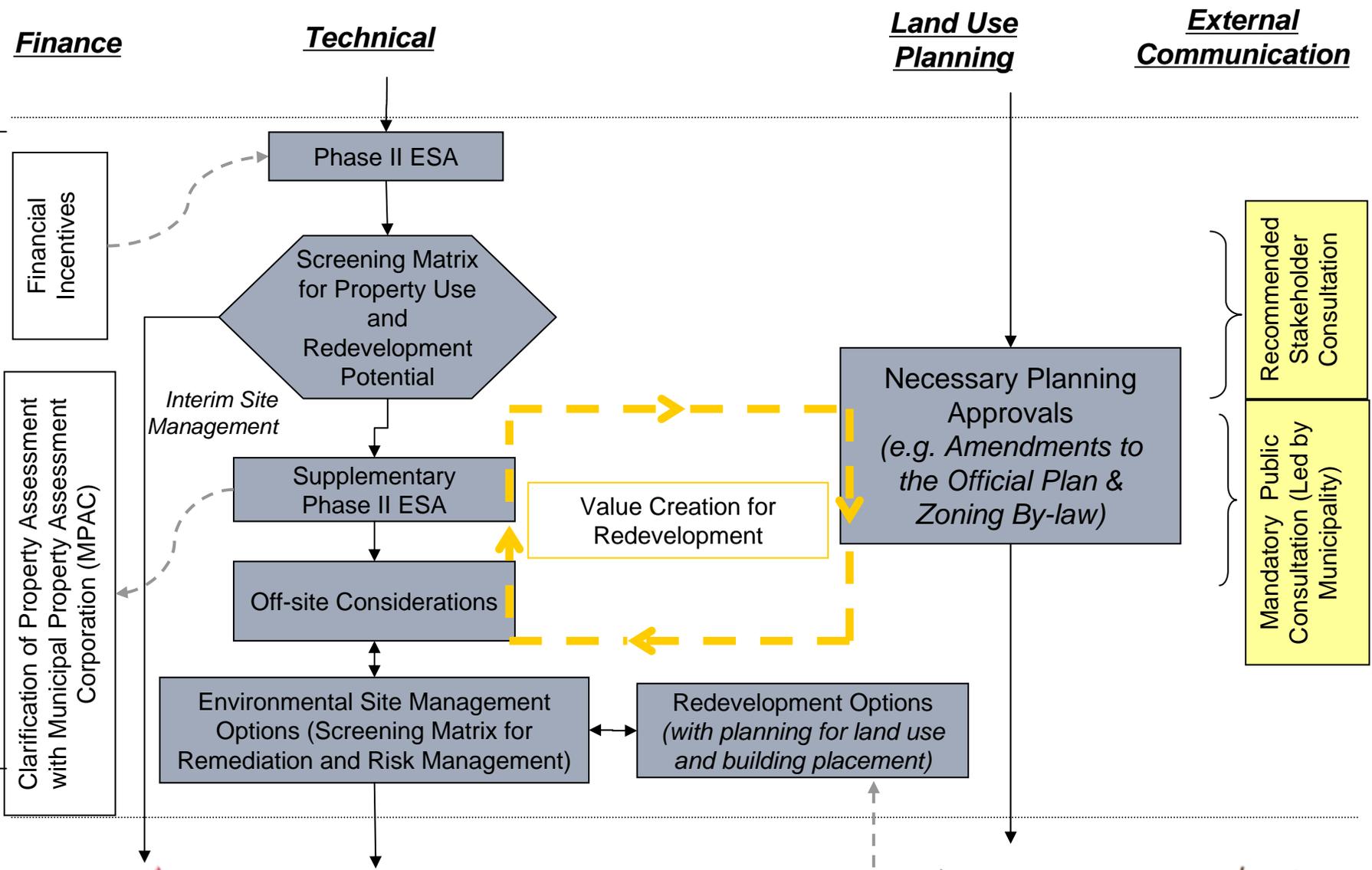
Mandatory Public Consultation (Led by Municipality)



Step 2: Evaluation and Planning



Step 2: Evaluation and Planning

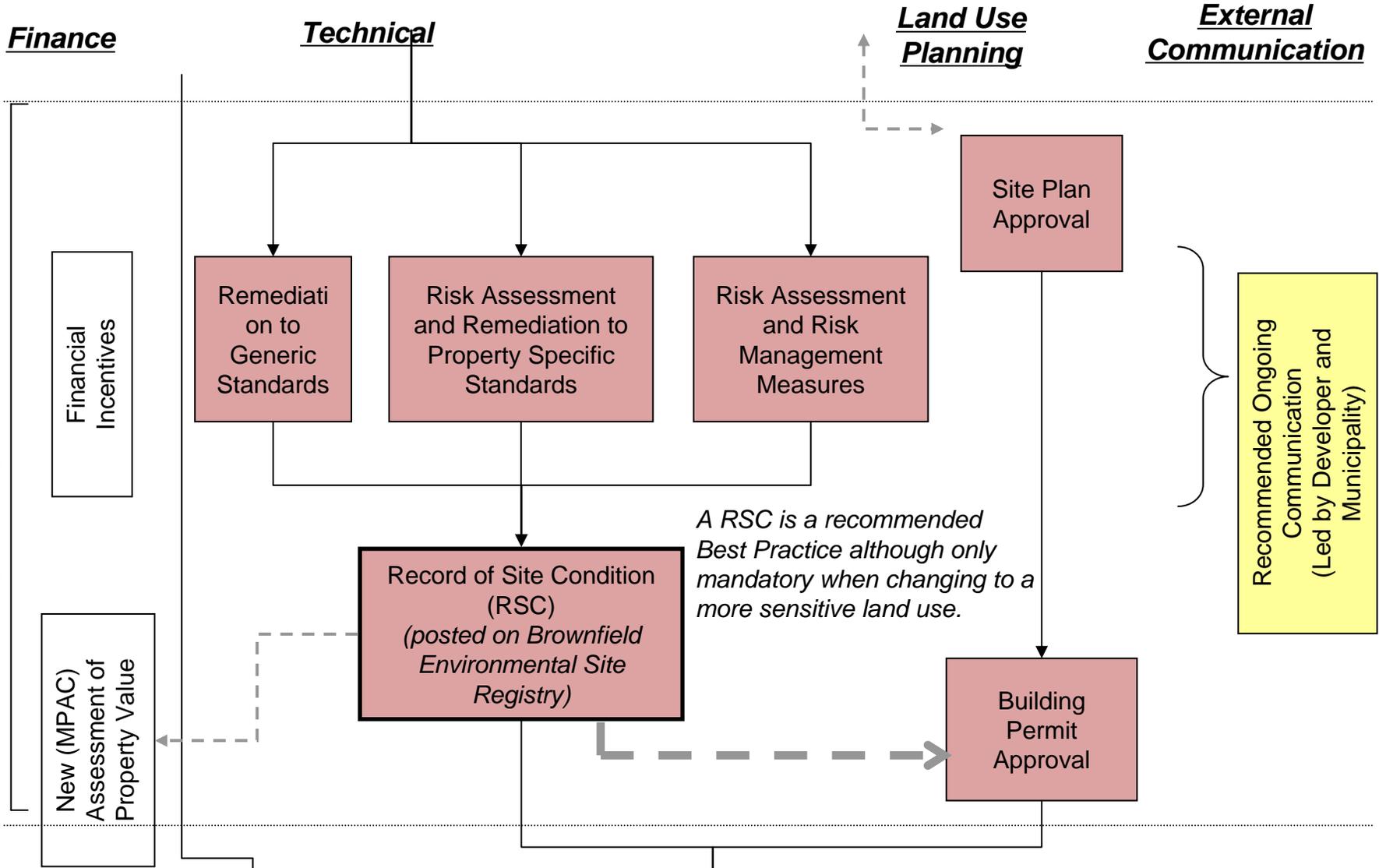




Step 3: Implementation



Step 3: Implementation





Step 4: Management



Finance

Technical

Land Use
Planning

External
Communication

Step 4: Management

New (MPAC) Assessment of Property Value

Site Management and Monitoring

Redevelopment

Public Showcase

Municipal Site Considerations	Net Site Value (= final property value - cost of remediation and/or risk management) ¹		
	Site has Negative Net Value	Site has Marginal Net Value	Site has Positive Net Value
Site is located within a Municipal CIP or revitalization strategy area	Redevelopment Potential = Fair	Redevelopment Potential = Good	Redevelopment Potential = Very Good
	Steps: 1. Engage owner and developer early. 2. Follow framework when project economics support moving forward. 3. Improve project economics. Consider entire zone economics, developer incentives, site-specific remediation, etc.	Steps: 1. Engage owner and developer early. 2. Follow Framework to redevelop. 3. Improve project economics through shortened development time, developer incentives, CIP funding, flexible land uses/exit strategies, etc.	Steps: 1. Engage owner and developer early. 2. Follow Framework to redevelop.
Site is located in an area with redevelopment focus but no firm plans (e.g. CIP) in place for the area	Redevelopment Potential = Poor	Redevelopment Potential = Fair	Redevelopment Potential = Good
	Steps: 1. Engage owner, consultant, regulator and developer early. 2. Jointly identify redevelopment options and timeframe. Consider less sensitive interim use and options to improve project economics. 3. Follow framework when feasible end use plan is developed.	Steps: 1. Engage owner, consultant, regulator and developer early. 2. Jointly identify economically feasible redevelopment options. 3. Improve project economics through shortened development time, developer incentives, CIP funding, flexible land uses/exit strategies, etc. 4. Follow framework when feasible end use plan developed.	Steps: 1. Engage owner, consultant, regulator and developer early. 2. Jointly identify economically feasible redevelopment options. 3. Follow framework when feasible end use plan developed
Site is located in an area with no plans or redevelopment focus	Redevelopment Potential = Very Poor	Redevelopment Potential = Poor	Redevelopment Potential = Fair
	Steps: 1. Framework is NOT applicable. ² 2. If desired, develop aesthetics or surface use agreement with owner, including interim site management obligations.	Steps: 1. Framework is NOT applicable. ² 2. If desired, develop aesthetics or surface use agreement with owner, including interim site management obligations.	Steps: 1. Engage owner, consultant, regulator and developer early. 2. Jointly identify economically feasible redevelopment options. 3. Follow framework if a feasible end use plan is identified OR if desired, develop aesthetics or surface use agreement with owner, including interim site management obligations.



IMPROVING REDEVELOPMENT POTENTIAL

IMPROVING REDEVELOPMENT POTENTIAL





Redevelopment Potential



Municipal Site Considerations	Net Site Value (= final property value - cost of remediation and/or risk management) 1		
	Site has Negative Net Value	Site has Marginal Net Value	Site has Positive Net Value
Site is located within a Municipal CIP or revitalization strategy area	Redevelopment Potential = Fair Steps: 1. Engage owner and developer early. 2. Follow framework when project economics support moving forward. 3. Improve project economics. Consider entire zone economics, developer incentives, site-specific remediation, etc.	Redevelopment Potential = Good Steps: 1. Engage owner and developer early. 2. Follow Framework to redevelop. 3. Improve project economics through shortened development time, developer incentives, CIP funding, flexible land uses/exit strategies, etc.	
	Redevelopment Potential = Poor Steps: 1. Engage owner, consultant, regulator and developer early. 2. Jointly identify redevelopment options and timeframe. Consider less sensitive interim use and options to improve project economics. 3. Follow framework when feasible end use plan is developed.	Redevelopment Potential = Fair Steps: 1. Engage owner, consultant, regulator and developer early. 2. Jointly identify economically feasible redevelopment options. 3. Improve project economics through shortened development time, developer incentives, CIP funding, flexible land uses/exit strategies, etc.	

IMPROVING REDEVELOPMENT POTENTIAL

A site may shift up the matrix if the municipality implements policies, protocols, or incentives

IMPROVING REDEVELOPMENT POTENTIAL

A site may shift to the right side of the matrix if either the property value increases or the cost of remediation decreases. A Risk Assessment may reduce the cost through remediation to Property Specific Standards and/or the use of Risk Management



Redevelopment Potential



Redevelopment Potential = Very Good

Steps:

1. Engage Owner and developer early
2. Follow Framework to redevelop

Municipal Site Considerations	Net Site Value (= final property value)	
	Site has Negative Net Value	Site has Positive Net Value
Site is located within a Municipal CIP or revitalization strategy area	Redevelopment Potential Fair	
Site is located in an area with	Redevelopment Potential Poor	

Redevelopment Potential = Very Poor

Steps:

1. Framework is NOT applicable
2. If desired, develop aesthetics or surface use agreement with owner, including interim site management obligations

Redevelopment Potential Poor		Redevelopment Potential Fair



Interim Site Uses



◆ Interim uses:

- First step in the gradual development of these sites
- Interim to full redevelopment (“highest and best uses”)

◆ Examples:

- Temporary commercial structures, parking lots, parks, gardens, farmers markets, and other short-term uses of sites

◆ Chicago’s City Farm

- Mobile farm located on contaminated sites
- Produce is grown on raised beds of soil that can be loaded onto a trailer
- When development begins on the site, City Farm works with the City to find another location
(city guarantees entire growing season)
- Produce is sold to local restaurants
- Close collaboration with the city





market
PARKDALE
market

No entry sign

Handwritten sign on a white board



What's Next?



◆ Implement the Framework

- Testing the Framework with Ontario municipalities (Webinar, Survey and Launch the Online Framework)

◆ Provide Training and Matchmaking Opportunities for Municipalities and Property Owners

◆ Expand the Framework beyond the Ontario Pilot

- Other jurisdictions
- Other types of brownfield sites such as dry cleaners



Summary



- ◆ Developed an effective guidance framework (online www.aboutremediation.com)
- ◆ Streamlined the approval process
- ◆ Facilitated matchmaking opportunities to encourage redevelopment considerations
- ◆ Created a product with potential application in other jurisdictions and for other types of brownfield sites



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