



RemTech 2014



City of Kingston

*Innovative Redevelopment of Legacy Brownfield
Properties in the City of Kingston*

October 16, 2014

7 acres, 2km from downtown

2



\$5,000

Outline



City Challenges

Infill and Urban Sprawl

Brownfield Program

Abandoned Properties

Failed Tax Sale Process

City Challenges



Fiscal challenges

Sprawl subsidy

Infill challenges

Legacy brownfield properties

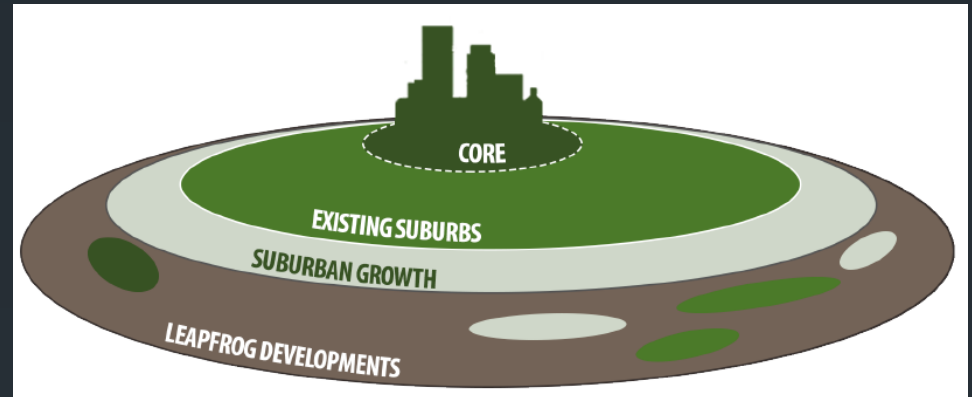
Opportunity in the risk

Urban Sprawl

“For thousands of years, cities and towns were built at a human scale. Even large cities were walkable.

Then, within the span of two lifetimes, cities and towns were completely transformed. Instead of being built for people, they were being built for automobiles. They sprawled.”

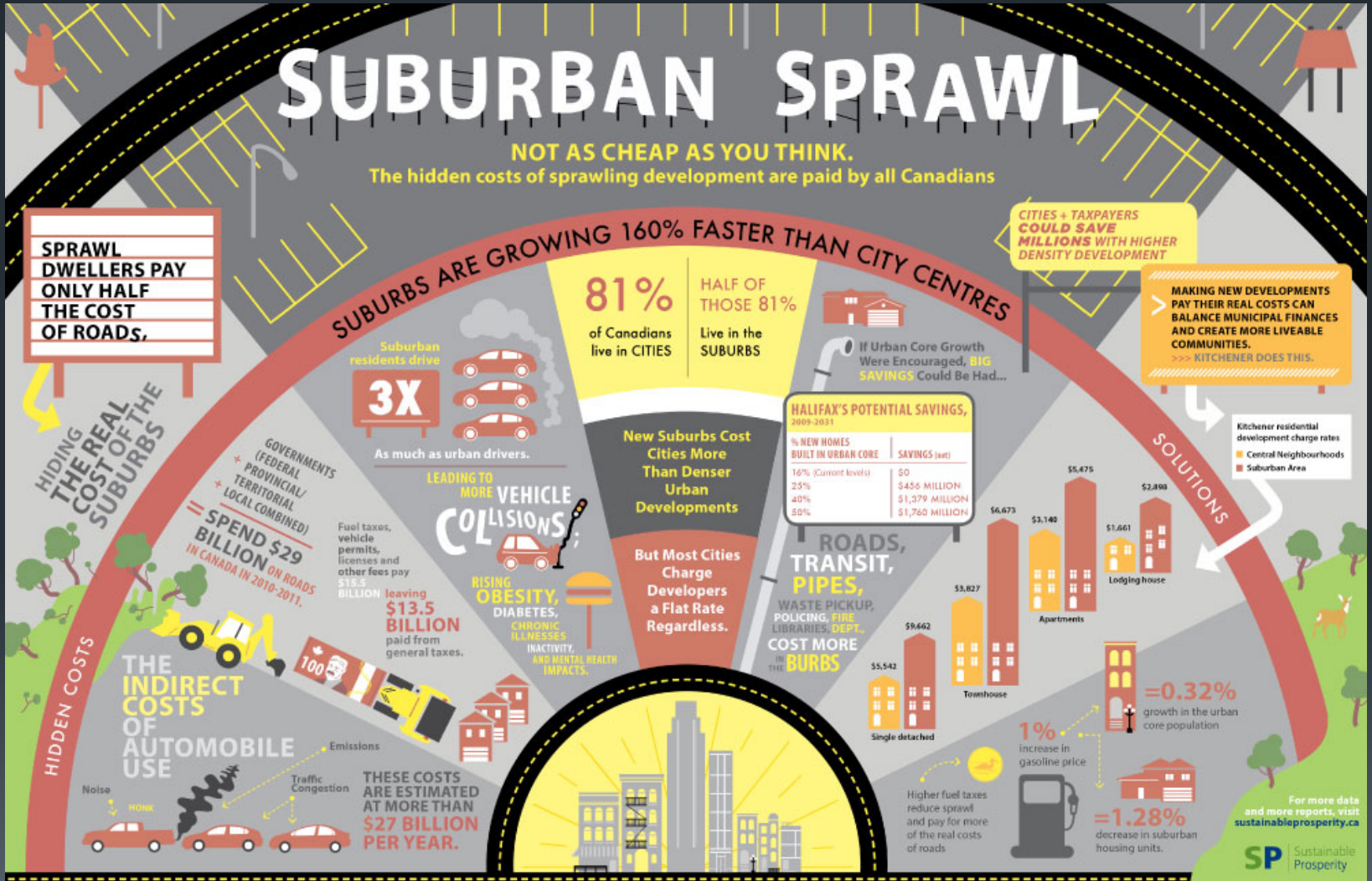
- Sustainable Prosperity



“Calgary Mayor Naheed Nenshi has started calling these hidden costs the "sprawl subsidy."

- Sustainable Prosperity

Urban Sprawl



Opportunity

Properties become less desirable to developers

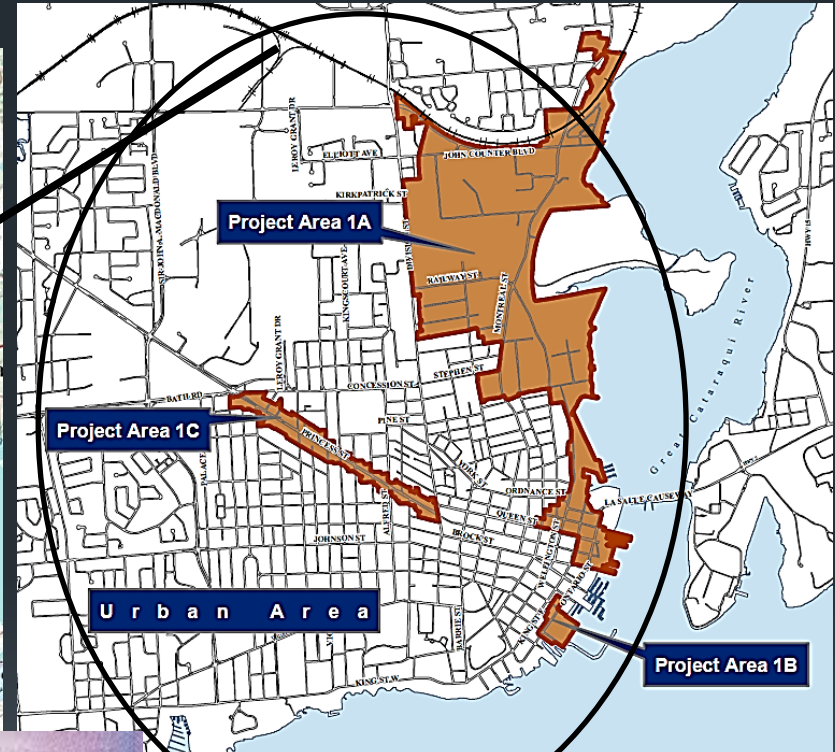
Devalue surrounding properties

Collaboration with development community

Slow down Urban Sprawl to promote Infill / Intensification

Where is Kingston

125,000 people



Sir John A. MacDonal



Brownfield Program

Brownfield Program

- Study Grant 2%
- Tax Cancel 10%
- Tax Rebate 88%

Reimbursement

- 100%

Level the field

- Compensation for remediation
- Hedge the risk

City perspective

- Health and Safety
- Community use
- Taxes

Abandoned Properties (Legacy Properties)

Municipal Act

Provincial jurisdiction

Tax Sale Cycle

Remediation costs

Highest and Best Use

Value added strategy

Tax Increment Example

AFTER \$3M development:

\$40,000/year x 80%

\$32,000

BEFORE:

5,000/year x 80%

\$4,000

Tax increment

\$28,000/year

Incentive is 80% of
Increment \$28,000/year

x 80%

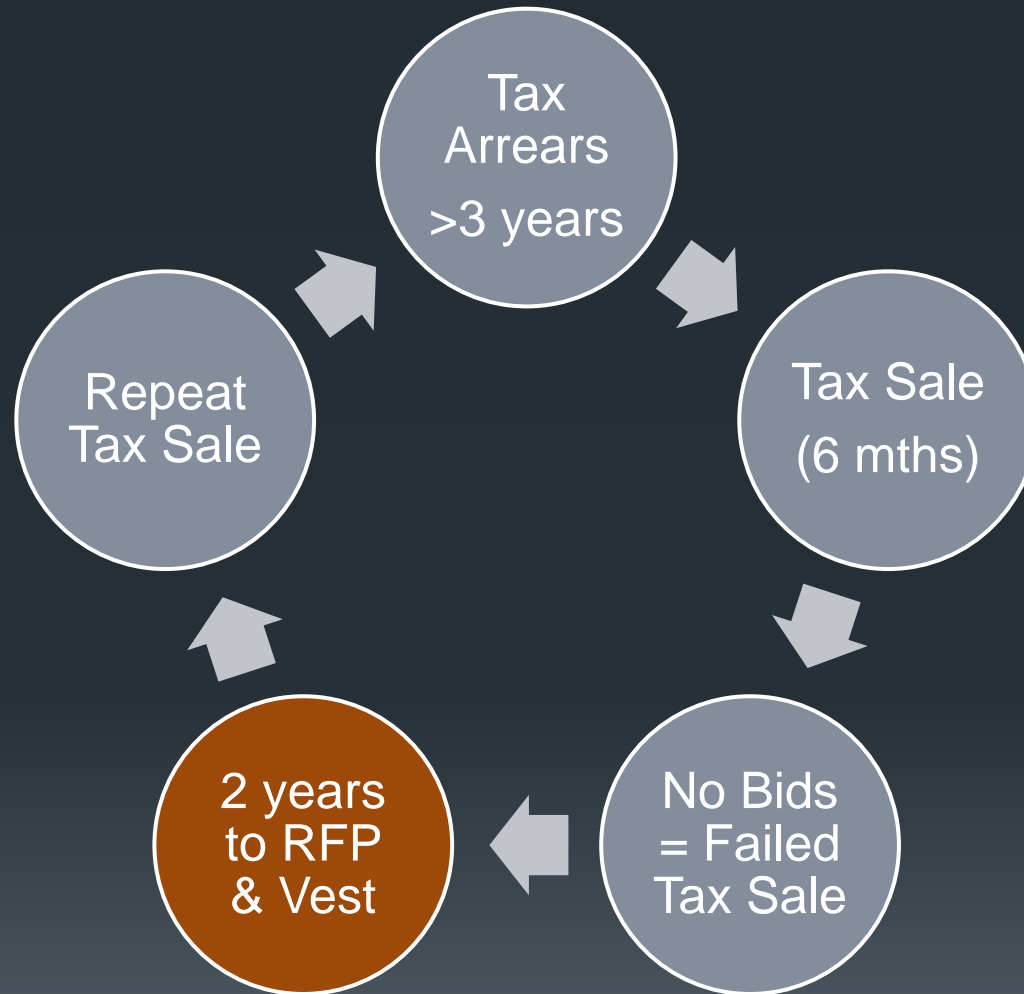
Tax increment-based grant each
year (80%)

\$22,400/year

Total **Maximum** Grant Available
\$22,400/year x 10 years =

\$224,000

Tax Sale Cycle



Decades of Abandonment



Failed Tax Sale Process

Legislation

- Vest to take title for city
- RFP vesting and transferring

Kingston RFP Process

- 3 smaller properties
- Cohen (metals)

Compensation

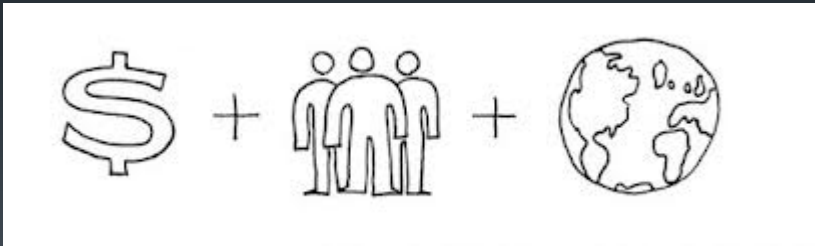
- Offsite liability?
- Cost to remediate?
- Zoning changes?

Failed Tax Sale Process

RFP Framework for municipal objectives for the lands

- Remediation Plan
- Redevelopment Plan
- Community Benefit
- Qualified developer (financial and experience)

Triple bottom line (WIN³)



Failed Tax Sale Process

Encourage sustainable approaches

Purchase Price for land; \$5 - 10k

Qualified developers

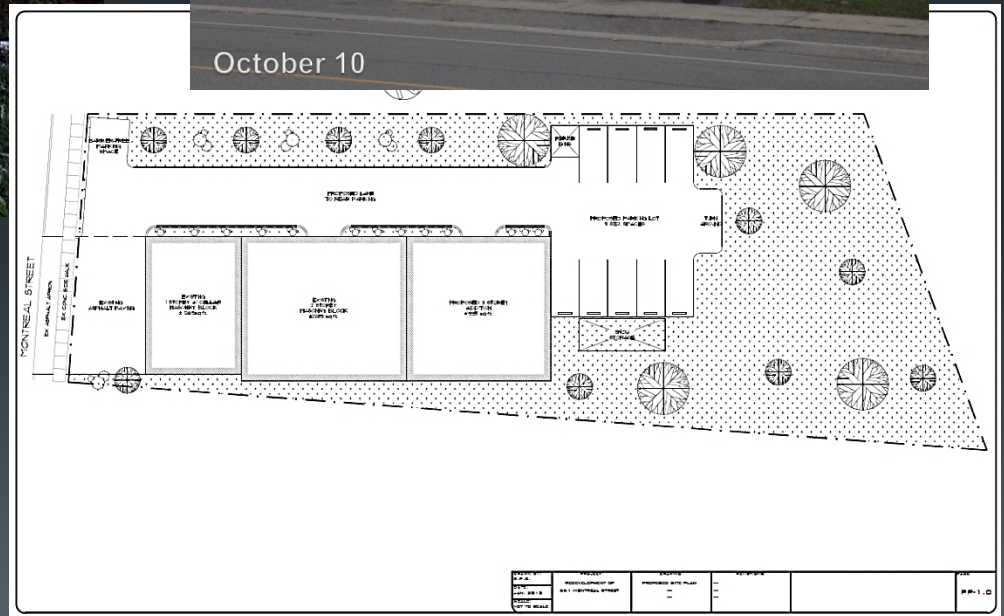
- Burtons
- Cohen 7 acre 200,000ft² of industrial – accelerator space
- Railway – low cost commercial and industrial space

Remediation community
– sustainable remediation solutions -

Success Stories



661 Montreal

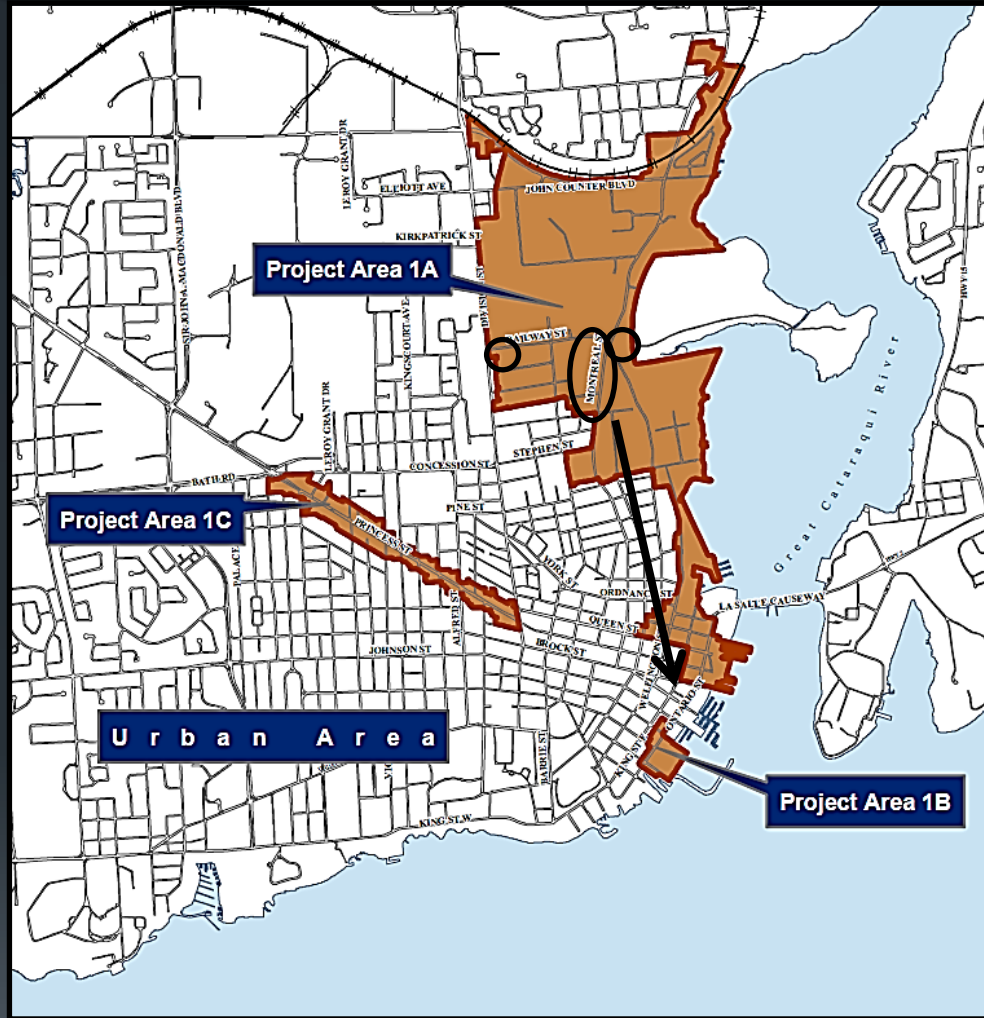


Success Stories



176 Railway

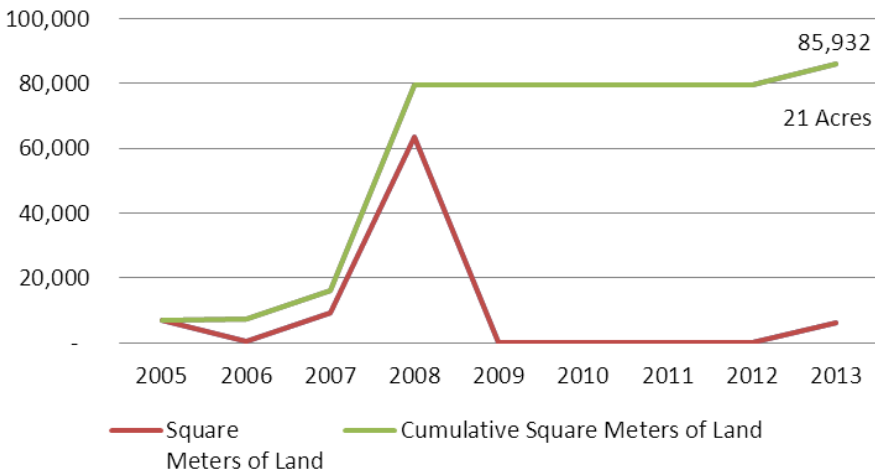
Success Stories



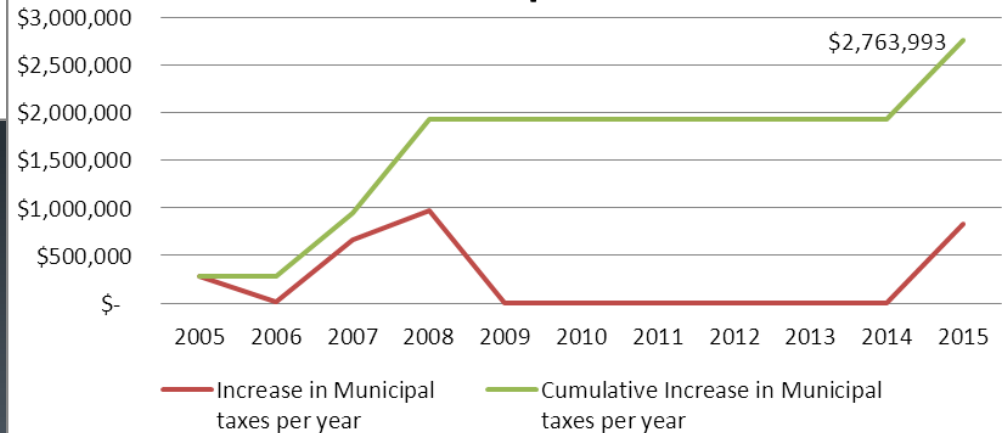
2KM to City Core

Kingston Brownfield Performance

Brownfield Land Developed



Property Tax Increase from Brownfield Redevelopment



\$5,000 for 7 acres downtown?! ²¹



Success Stories



\$5,000 for 7 acres downtown? - YES

Cohen Metals

Thank you!



Questions?

