

AN EXAMINATION OF MUNICIPAL EFFORTS TO MANAGE BROWNFIELDS REDEVELOPMENT IN CANADA

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Canadian Brownfields Research with Municipal Relevance

- National

1. Urban brownfields redevelopment in Canada: The role of local government. *The Canadian Geographer*, 50 (3): 392-407 (2006)
2. The State of Brownfields in Canada: Renewing Canada's National Brownfield Redevelopment Strategy. Report prepared for the Canadian Brownfields Network (2018)

- Ontario

3. The Management of Brownfields in Ontario: A Comprehensive Review of Remediation and Reuse Characteristics, Trends, and Outcomes, 2004-2015. *Environmental Practice*, 20(1), 4-15 (2018)
4. *An Examination of Municipal Efforts to Manage Brownfields Redevelopment in Ontario (Under Review)*

1. Urban brownfields redevelopment in Canada: The role of local government (2006)

- Data gathered from 22 Canadian municipalities in 2003-2004
- Key Findings:
 - Brownfields = 3.3% of urban area (22% in Montreal)
 - Cons = **blight & redevelopment impact**, unpaid taxes, pollution
 - Pros = **urban revitalization & infill, increasing tax base**, risk reduction, economy & jobs
 - Barriers = **cleanup & redevelopment costs**, governance, development, and neighbourhood issues
 - Mechanisms = **financial incentives**, liability, provincial review
 - Redevelopment = residential (47%), retail (20%), office (16%), open space (12%), industrial & institutional (2%)
- Takeaways =
 - Significant evidence of progress, but unevenly distributed
 - Need to move beyond just the “low hanging fruit”
 - Private-sector driven, market-based approach not working for all cities
 - Federal/provincial leadership required to help manage costs/risks and facilitate the market-driven approach

2. The State of Brownfields in Canada: Renewing Canada's National Brownfield Redevelopment Strategy (2018)

- National Survey performed for CBN in 2018, 80 respondents (20 municipal)
 - (A=Excellent, B=Good, C=Satisfactory, D=Marginal, F=Unsatisfactory)

2003 National Round Table on the Environment and the Economy (NRTEE) Recommendations	NRTEE Recommendations & Actions	Municipal Grade
1. Applying strategic public investments to address upfront costs	1.1 Implement tax system changes to promote brownfield redevelopment	D+
	1.2 Remove liens and tax arrears against qualifying brownfield sites	D
	1.4 Provide revolving loans for qualifying brownfield sites	D-
	1.5 Provide grants for qualifying brownfield sites	D+
2. Establishing an effective public policy regime for environmental liability and risk management	2.5 Apply site-specific assessment and approvals regime	D+
	2.6 Provide for regulatory approvals of remediation	D+
3. Building capacity for and community awareness of brownfield redevelopment	3.1 Increase capacity to undertake brownfield	D+
	3.2 Facilitate the demonstration of innovative environmental technologies and remediation processes	D-

The State of Brownfields in Canada: Renewing Canada's National Brownfield Redevelopment Strategy (2018)

- Survey Recommendations for municipal governments focused on two key issues:
 - increasing funding and incentives (i.e. tax breaks, faster approvals, lower development charge rates etc.) to support assessment, remediation, and redevelopment activity, as well as for municipal involvement and dedicated staffing;
 - improving education, awareness, and outreach within municipal council, bureaucracy, and communities generally.
- CBN Summit Recommendations also focused on:
 - improving collaboration and alignment among all levels of government to make municipal approaches more consistent and to facilitate municipal management and leadership;
 - improving municipal understanding and comfort with risk assessment.

Ontario: Brownfields Cleanup Policy and Planning Context

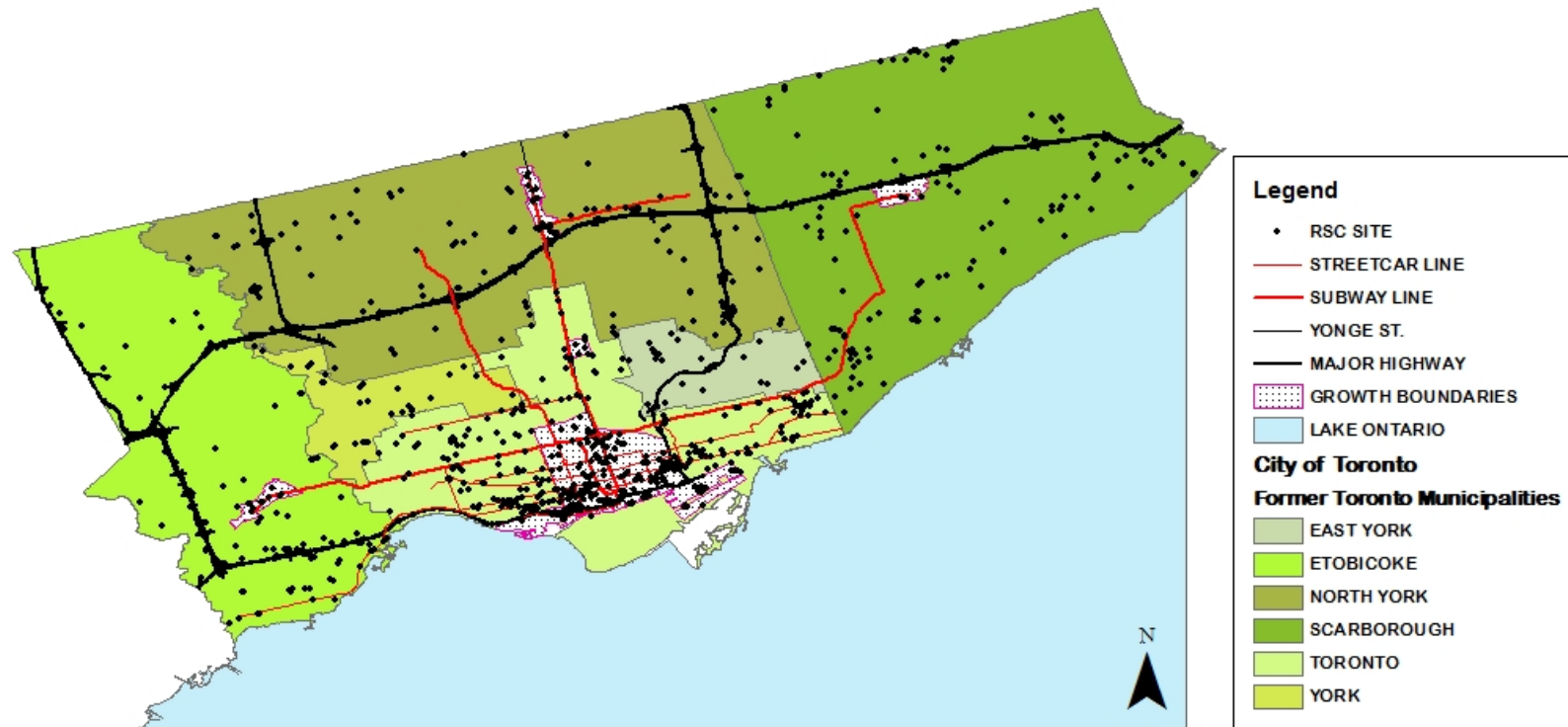
- Ontario Record of Site Condition Regulation (RSC 2004):
 - those interested in acquiring, remediating, and/or redeveloping a brownfield must hire a Qualified Person (QP) to assess and mitigate risks to provincial standards and document work in a Record of Site Condition (RSC) that is submitted to the Ministry of Environment, Conservation, and Parks where it is checked for administrative and technical errors and then filed on the province's Environmental Site Registry.
- Planning Act (2006):
 - allows municipalities to create Community Improvement Plans (CIPs) in order to incentivize development in plan areas.
- Places to Grow Act (2005):
 - allows for the identification and designation of growth plan areas and the development of strategic growth plans for communities throughout Ontario; explicitly encourages the intensification and infill on brownfields

3. The Management of Brownfields in Ontario (2018)

Ontario Example - Toronto Cleanup & Land Use Change (2004-11)

City of Toronto

- 1000 RSCs filed (995),
2,868 acres, (2.3 mean)
- Site Assessment & Remediation
 - Phase I ESA = 16% of RSCs
 - Phase I and II ESA (generic) = 77%
 - Phase I and II ESA risk assessment 7%



Toronto cont... Redevelopment Highlights (2004-2011)

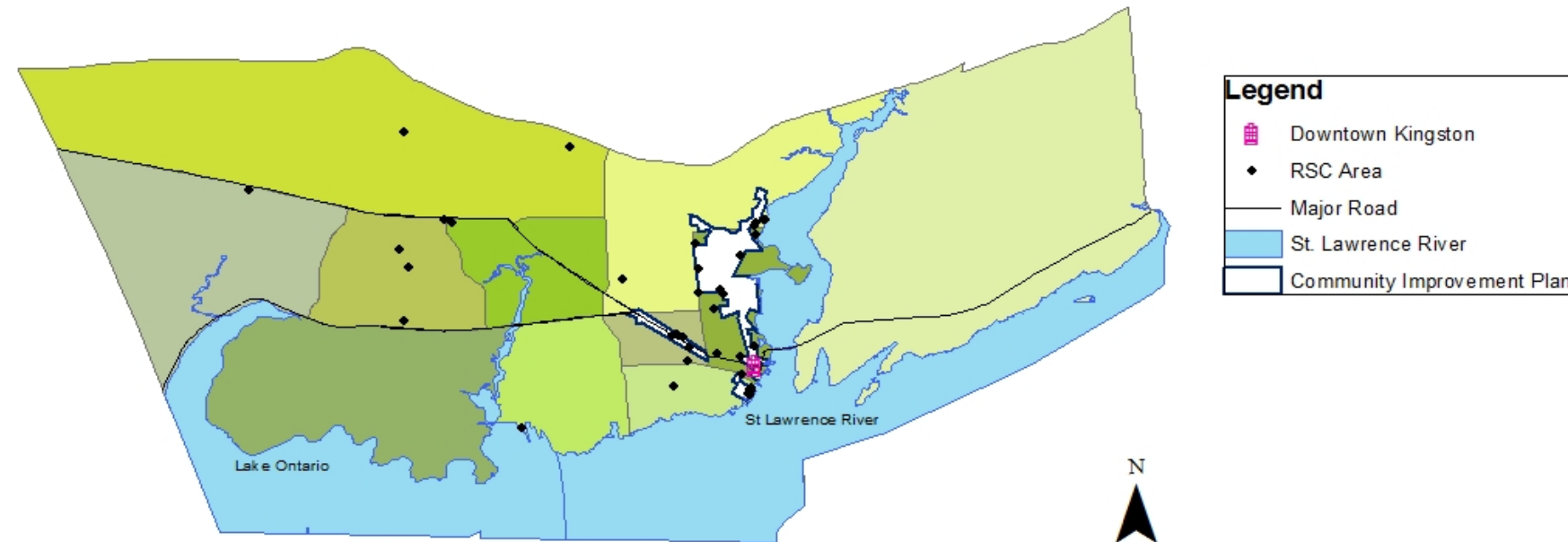
- \approx 87,000 units total
- \approx 83,000 Residential units
 - Condo (71,079 units)
 - Apartment (4,109 units)
 - Townhouse (6,820 units)
 - Singles (772 units)
 - Semis (240 units)
- \approx 148,551 to 222,152 residents
- \$37.1 billion total assessed property value (2013), with \$22.7 billion downtown.



City of Kingston, Ontario Redevelopment Highlights (2004-2011)

- 45 RSCs, 172 acres (3.8 acre mean)
- Redevelopment of 38 properties (254 acres):
 - Residential 58%,
 - Vacant 18%,
 - Retail 8%,
 - Office 5%,
 - General Commercial 5%,
 - Industrial 3%,
 - Institutional 3%
- \$316 million total assessed value (2015)

City of Kingston

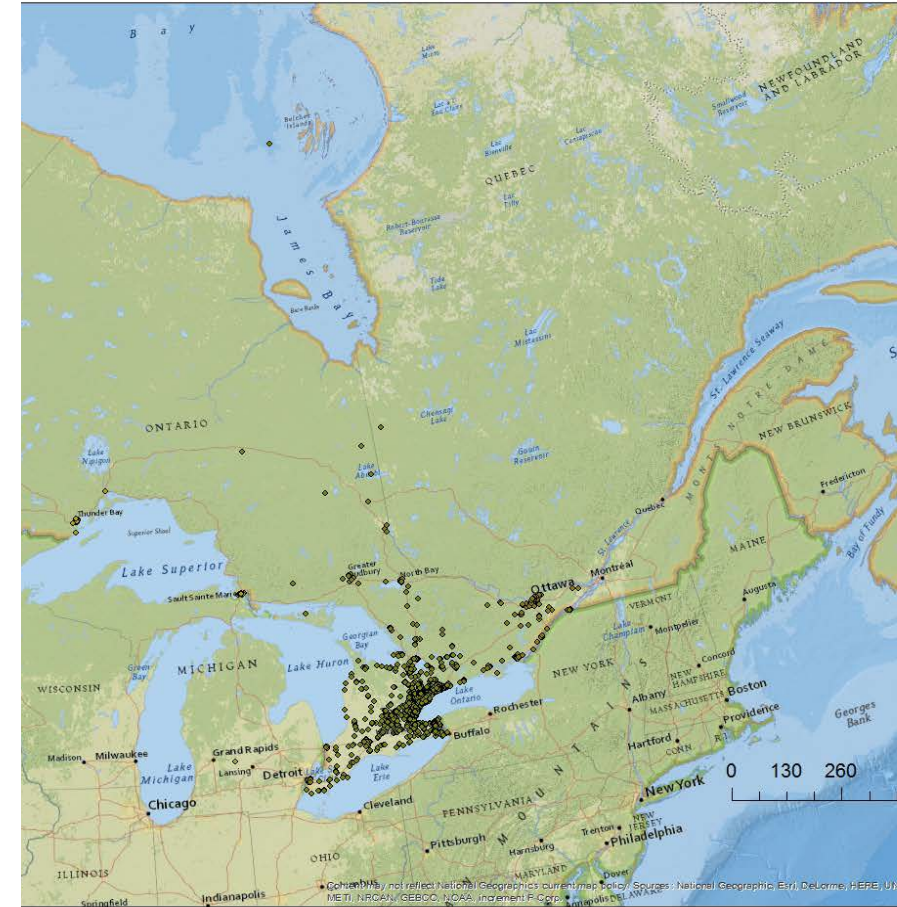


4. An Examination of Municipal Efforts to Manage Brownfields Redevelopment in Ontario (Under review)

- Research Questions
 - What role are Ontario municipalities playing in managing and facilitating brownfields assessment, remediation, and redevelopment activity in regulatory, financial, technical, and other relevant terms?
 - What barriers continue to inhibit the redevelopment of brownfields?
 - What redevelopment outcomes and impacts have been evidenced by municipalities?
 - What is the municipal relationship with other public, private, and non-profit sector stakeholders?

Methods

- Online survey distributed to over a hundred municipalities throughout Ontario purported to have brownfield CIPs.
 - 43 municipal surveys sufficiently completed (8 discarded), including 14 surveys from small municipalities (pop 20,000 persons or less), 15 medium (pop 20,000 to 100,000), and 14 large (pop 100,000 and over).
- Visits to five cities that are considered to have a legacy of brownfields and taken a proactive approach to managing them (Cornwall, Hamilton, Kitchener, Kingston, Ottawa)
- Survey of brownfield provisions in municipal CIPs conducted by Ontario's Ministry of Municipal Affairs and Housing in 2018.



Results: Community Improvement Plans and Brownfields Administration

- 80 municipalities with brownfield CIPs out of 444 municipalities in Ontario
- Few (13.5%) of the 43 respondents have a municipal Brownfields Coordinator
- Managing CIPs typically performed by a combination of Planning (56%), Economic Development (33%), Finance (13.5%), and other municipal departments
- 60% of CIPs target specific locations versus 40% the entire municipality
- 60% of CIPs incorporated into Official Plan
- Primary objectives of CIP
 - remediation (42%) & redevelopment (37%)
 - provision of public incentives (19%)
 - reusing old buildings (19%) & serviced land (12%)
 - encouraging private-sector investment (12%)
 - revitalizing communities (12%)

Results: Funding and Financing Tools

Type of Financial Incentive (MMAH 2018)	No. of Muni in 2018	% of Muni offering in 2018
Tax Increment Equivalent Grant	74	93%
Tax Assistance	56	70%
Study Grant Program	47	59%
Development Charges Reductions/Exemptions	26	33%
Fees Grant Program	41	51%
Façade Grant or Loan Program	30	38%
Rehabilitation and Redevelopment Grants/Loans	7	9%

- Only 1/5 of municipalities have considerable experience with funding (>10 projects), while a third have funded 1 to 3 projects, and the remainder have not funded any projects or were unsure.
- Financial tools used “always” or “often” include Tax Increment Equivalent Grants (30%), Study Grants (19%), and Development Charge Reductions (19%).
- Very or moderately effective tools are Tax Increment Equivalent Grants (35%), Development Charge Reductions (21%), Study Grants (18%), Municipal Tax Assistance (16%), Rehabilitation and Redevelopment Grants/Loans (14%).
- Respondents from small municipalities had very limited awareness of the frequency or effectiveness of the different tools.
- Half of large cities and handful of medium ones made regular use of financial tools.

Results: Capacity Building and Collaboration

- Greatest challenges facing municipal brownfield efforts
 - Lack of awareness/demand/priority or funding issues (23%)
 - Limited knowledge/training/expertise in brownfields (12%)
 - Budgets (9%)
 - Staff resources (9%)
 - Weak market forces (9%)
- Few have received technical/policy support from government (provincial 37%, federal 13%) or non-profits (FCM 38%, CBN 12%).
- Most respondents pointed out that the relationship between developers and their municipality was favorable (39%) or neutral (15%), with (10%) unfavorable (35% NA)

Results: Observations from site visits with ‘highly-effective’ municipalities

- Municipal brownfield actions and programs are largely market/developer-driven and oriented.
- Planning and CIP important for framing brownfields as infill opportunities; understanding the needs of developers, internal departments, and other stakeholders; gaining a better understanding of the strength of specific markets and end uses; and linking brownfields with internal planning processes and exercises (e.g., secondary plans), as well as activities of other departments (e.g., economic development, real estate).
- Provincial and municipal growth planning is important for pushing the market toward brownfields.
- Brownfields coordinator or a small team of coordinating staff is important for matchmaking, nurturing developers, linking staff within municipality, assessment and redevelopment process, and internally, acting as program champion, resource warrior, story teller, and advocate for cost/benefit.
- All maintained, monitored and continuously improved extensive programs related to funding and financing brownfield assessment, remediation, and cleanup activities.

Key Takeaways for Ontario and Canadian Municipalities

- There has been some growth in the number of municipalities of different sizes engaging in brownfields redevelopment.
- Ontario's CIP approach does help standardize how municipalities perceive their role and the role of brownfields in urban planning, planning for growth, and urban economic development.
- Municipal capacity and experience to deliver on brownfields objectives and their roles is extremely diverse.
- Barriers that continue to inhibit brownfields redevelopment focus not only on costs, risks, and procedures associated with developing projects, but also on improving and maintaining municipal capacity.
- Government interest in brownfields seems to be waning.
- Perhaps allow municipal governments to continue to plan for brownfields revitalization, but create specialized units or authorities (e.g., Tax Increment Financing authorities, Land Banks) at upper levels of government to work through the financial aspects of the problem with municipalities and developers.