

Environment and Sustainability Standing Committee
October 6, 2011

TO: Chair and Members of Environment and Sustainability Standing Committee

SUBMITTED BY:



Phillip Townsend, Director, Infrastructure and Asset Management

DATE: September 8, 2011

SUBJECT: Brownfield Funding Opportunities

INFORMATION REPORT

ORIGIN

August 4, 2011: Motion passed that the Environment and Sustainability Standing Committee direct staff to:

1. Provide an update on the progress and status of Brownfield redevelopment plans, policies, strategies and initiatives;
2. Request that the Green Municipal Brownfields Fund Program Manager provide a workshop for the development community outlining opportunities to fund offers; and
3. Provide clarification regarding what the Green Municipal Brownfields Fund and other incentives offer.

This Report responds to items 1 and 3 only, and the subject should remain on the Status Sheet.

BACKGROUND

Brownfield sites: a term for abandoned or underused former industrial or commercial sites available for re-use.

Greyfield sites: a term for economically out-dated or failing sites available for re-use.

In the Regional Plan, we call these two terms Opportunity Sites. An Opportunity Site Functional Plan is called for in the Regional Plan, Policy S-39:

“Halifax Regional Municipality (HRM) shall prepare an Opportunity Sites Functional Plan to assist the Community Visioning exercise and the preparation of secondary planning strategies described in Policy S-38 and to facilitate the development or redevelopment of opportunity sites within the Regional Centre and other locations.”

That Policy has been addressed by the following planning projects:

- Opportunity Sites Task Force
- Cogswell Interchange Property Master Plan
- Proposed Centre Plan (extension of HRMbyDesign)
- Capital Ideas

Essentially, we have two areas of Brownfields/Opportunity Sites:

1. Public Lands
2. Private Lands

Public Lands

An Opportunity Sites Task Force has been struck to bring municipal properties to development. The Province of Nova Scotia has been invited to include provincial properties in these efforts. Examples of success include the recent sale of the Clyde Street properties, which has catalyzed redevelopment on Spring Garden Road. Also of note of the Brownfield development opportunities, is the Shannon Park site. This is currently Federal owned property.

Private Lands

The Private Sector has undertaken some Brownfield redevelopment projects such as Kings Wharf, the Starr Manufacturing Property, and the Emera Building.

DISCUSSION

The Federation of Canadian Municipalities (FCM) Green Municipal Fund (GMF) offers financial services and resources to Canadian municipalities to improve environmental performance and reduce greenhouse gas emissions.

Through GMF, FCM provides funding to three types of environmental initiatives: plans, studies and projects. Grants are available for sustainable community plans, feasibility studies and field tests, while a combination of grants and loans are available for capital projects.

Funding is allocated in five sectors of municipal activities: brownfields, energy, transportation, waste and water.

Currently, the fund is oversubscribed and applications are closed, with the exception of Brownfield Capital Projects.

The FCM, GMF Brownfield Capital Projects must involve one or both of the following activities:

- **Site remediation or risk management:** The project must demonstrate the potential to bring the site back into economically productive use in conformity with provincial soil quality standards.
- **Renewable energy production:** This refers exclusively to stand-alone renewable energy production projects implemented on brownfield sites, with or without remediation, and approved by the provincial or territorial regulator.

Examples of eligible projects include:

- removal and disposal of contaminated soils or materials
- in situ or ex situ treatment of contaminated soils, groundwater or materials
- risk management activities (construction or installation of engineering controls and monitoring systems)
- building demolition undertaken as part of a site remediation
- redevelopment of a site to return it to productive economic use through the installation of on-site renewable energy generation (with or without prior remediation)

The benefit to municipalities is the preferred interest rate at 1.5% below Government of Canada rate (i.e. around 0.5% right now). Private developers are able to access the same program, however, they do not get the municipal rate. Their rate is 1.5% above the Government of Canada rate plus some risk rating. This rate is lower than the high interest rates developers are charged through traditional financial offerings.

Examples of two Approved municipal projects are:

City of Saint-Jean sur Richelieu, Quebec

Remediation of IPC Pigment Site

Project Value: \$1,369,725.00

GMF Loan Amount: \$342,431.00

Description:

This former industrial site, west of Vieux Saint-Jean, is flanked to the north and south by Canadian Pacific and Canadian National railways. The buildings on the site are deteriorating and structural problems are surfacing. Soil and groundwater contamination is related to the storage of paint pigments in barrels and/or other containers on site. A partial audit of the pre-demolition work done in 1998 showed that this site also contains

asbestos, hazardous waste stored in barrels, and underground and surface hydrocarbon reservoirs. The latter elements render necessary the use of level-C equipment for decontamination of the buildings. Site remediation would be completed in four phases:

- (1) Toxicologic risk and impact analysis of groundwater;
- (2) Disposal of residual material and remediation of buildings;
- (3) Demolition of buildings; and
- (4) Redevelopment of the site.

Once remediation has been completed, the City plans to construct buildings on the property and use the remaining unoccupied grounds to centralize operations of its Department of Public Works.

City of Trois Rivières

Rehabilitation of the former Ivaco plant site within the development project

Project Value: \$1,129,249.00

GMF Loan Amount: \$903,399.00

Description:

The City of Trois-Rivières will proceed with the decontamination and redevelopment of the 3.1-hectare lot on the site of the former Ivaco plant on the shore of the Saint-Maurice River, in order to use this property as the north entrance to the urban development project “Trois-Rivières-sur-Saint-Laurent”. The work managed by the sustainable development division of the City of Trois-Rivières will be directed by a consultant who will provide a certificate of decontamination. The contractor will be selected by publicly advertised tender call. Soil characterization studies have shown that 4,725 cubic metres of soil will have to be excavated; of this amount, 3,757 cubic metres will be treated off site either by bio-restoration or by thermal treatment and 968 cubic metres will be buried in an authorized site. Surface water and mud from a contaminated basin will be pumped and disposed of at an authorized site. Revegetation of the land, notably by planting 395 trees, will provide suitable habitat to fauna in this area known for its avian biodiversity. The completion of the project will allow the population to enjoy the following benefits: environmental (reduction of contaminants in the soil and of the risk of river contamination, new plant cover), social (cycle path, museum, theatre) and economic (new property tax revenues, revitalization of tourism industry). The “Trois-Rivières-sur-Saint-Laurent” project will include residential, commercial, industrial and public properties.

The other Brownfield grant opportunity is specifically for municipalities to pay for Phase II Environmental Assessments. The grants provides for up to 50% of these costs. The grants are currently not available for projects but will be open after December 1, 2011, for new applications.

The Halifax Regional Municipality took advantage of this program in 2006 and received \$12,510 towards the \$25,020 for the environmental site assessment performed at the Africville Memorial Project Site.

Examples of Best Practices, identified during a brief survey, for Municipal Incentives for Brownfield Development include:

City of Brockville	Tax Increment Equivalent Grant (TIEG) is to utilize for a specified period of time the benefits associated with the assessment and property tax generated through redevelopment initiatives. The TIEG is provided as a grant equivalent to a specified increase in the municipal portion of the increase in property tax which is generated through redevelopment. The tax increase (or increment) is net of any property tax rebates for which the property may be eligible.
City of Cornwall	<ol style="list-style-type: none"> 1. City of Cornwall Rehabilitation Grant (tax based) Program 2. Environmental Site Assessment (ESA) Grant and Project Feasibility Study Grant Program 3. Brownfield Property Tax Cancellation Assistance Program 4. Municipal Brownfield and Urban Information Service Program 5. Municipal Planning/Development Fees Grant (Rebate) Program
City of Edmonton	Brownfield Redevelopment Grant Program
City of Hamilton	<p>Downtown Hamilton/West Harbourfront Remediation Loan Pilot Program</p> <p>Loan to property owners who undertake remediation to facilitate residential and commercial redevelopment in the Downtown Hamilton and West Harbourfront areas.</p> <p>Redevelopment Grant Program (RGP)</p> <p>Grants to property owners who undertake redevelopment. “Pay-as-you-go” grants equal to 80% of increase in municipal portion of property taxes for up to 10 years.</p>
City of Kingston	<ol style="list-style-type: none"> 1. Initial Study Grant 2. Brownfields Financial Tax Incentive Program (BFTIP) 3. Tax Increment-Based Rehabilitation Grant Program (TIRGP)
North Bay	<ol style="list-style-type: none"> 1. Environmental Study Grant 2. Municipal Fee Rebate 3. Tax Incentive Financing (TIF) 4. Brownfield Tax Increment Program (BFTIP) - provincial education portion of property tax
Waterloo	<ol style="list-style-type: none"> 1. Brownfields Financial Incentive Program (BFIP) 2. Phase II Environmental Site Assessment Grants 3. Regional Development Charges Exemptions 4. Joint Tax Increment Grant Program (Regional and Area Municipal)
Province of Ontario	Province of Ontario Brownfield Financial Tax Incentives Program (BFTIP): Matching Education Tax Cancellation

Ontario has created an incented climate for Brownfield redevelopment by offering a Provincial Tax Incentive Program available only to developments where Municipalities offer an incentive program.

Currently, Halifax Regional Municipality offers a Heritage Incentive Program which is designed to assist the conservation of privately owned, municipally registered heritage properties <http://www.halifax.ca/planning/HeritageGrants.html>. However, HRM does not offer comparable Brownfield incentive programs.

One of the actions under Capital Ideas is to explore and develop a variety of financial and policy tools to encourage development and investment in the Regional Centre (<http://www.halifax.ca/council/agendasc/documents/100706cow3.pdf>). Brownfield reinvestment tools would complement this action very well.

BUDGET IMPLICATIONS

There are no budget implications to this report. GMF funding offers opportunities to reduce costs to HRM taxpayers for activities that align with GMF financial offerings.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

COMMUNITY ENGAGEMENT

None

ATTACHMENTS

None

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/cc.html> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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