

As intensification continues, brownfield sites are becoming a more attractive target for urban rehabilitation.

ARE WE MAKING ENOUGH PROGRESS?

Breaking down the barriers to brownfield redevelopment in Canada. *By Grant Walsom*

The current focus on intensification in our major cities, and construction around public transit systems, has revitalized the interest in previously developed properties, often brownfields. The term brownfields was coined in the early 1990s and refers to previously developed properties that are vacant, derelict, and under-used but have potential for redevelopment. The brownfield property lies idle and contaminated from former industrial or commercial uses that have since closed. Throughout history, industrial and commercial developments were located within city cores and along waterways. In many cases, these properties are highly valuable for redevelopment, most often to residential or mixed commercial and/or residential uses. Redevelopment of these properties encourages intensification and utilizes existing infrastructure.

Demand

Restrictions on urban sprawl and development of greenfields (previously undeveloped) are having an impact on how we build our cities and locate our growing populations. This has created intensification pressures and demand for the space that brownfields occupy.

When the demand for the property is there, and a higher and better use is known and desired, the cost of the remediation of contamination prior to redevelopment can be overcome. However, without the demand, the brownfield site often sits idle for decades, creating lasting stigma and

potential liabilities for the owners, the community, and area residents. Most large cities in Canada have the built-in demand for space with relatively high and rising property values, and thus, redevelopment opportunities can be realized. Even with the built-in demand, a number of barriers for redevelopment can exist.

The built-in demand in larger cities includes higher property values and higher redevelopment potential, making many of these properties low-hanging fruit for developers willing to accept greater liabilities and remediation requirements. However, there are many sites in smaller communities where the same liabilities and remediation costs cannot be sustained by the property values and low demand for redevelopment.

How do we enable the smaller communities to take on the challenge, accept partial liabilities, find the funding, and engage a developer when the property location is not desirable or the return on investment (ROI) will not attract interest? Perhaps a federal program and involvement for these situations would provide some relief from the municipal burden.

Strategies

In 2003, the now-defunct National Round Table on the Environment and Economy (NRTEE) issued a National Brownfield Redevelopment Strategy for Canada in their report entitled *Cleaning up the Past, Building the Future*. The strategy encompassed three strategic directions and 14 accompanying recommendations to overcome the

barriers to brownfield redevelopment. Since 2003, great strides have been made in the brownfield industry to address the NRTEE recommendations through the policies of the provincial and municipal governments. Additional efforts to assist in breaking down the barriers have been provided by various provincial environment industry associations (i.e. ESAM, Réseau, ONEIA, ESAA and BCEIA), as well as other organizations such as the Federation of Canadian Municipalities (FCM), the Canadian Urban Institute (CUI), the Atlantic Partnership in Risk-Based Corrective Action Implementation (Atlantic PIRI), and the Canadian Brownfields Network (CBN). Each of these organizations have worked hard to deliver their messages regarding brownfields and how to break down the barriers to redevelopment. Due to regional differences and points of view, alignment in the messaging and practices, along with greater strategic collaboration, are likely necessary. Perhaps the national strategy should be revisited and updated to reflect the current drivers and barriers, as well as standardizing approaches and procedures.

There has been overall acceptance of relatively recent developments of various non-traditional tools and remediation strategies, such as in-situ oxidation/reduction for contaminant breakdown and employment of risk assessment and risk management measures in the redevelopment of the brownfield properties. LEED certified developments, sustainable approaches, and climate change considerations are other

examples of the unique and innovative solutions that are being applied to some of Canada's most challenging brownfield sites. These are all positive advancements and part of the evolution with the environment industry that can assist to ensure that the redevelopment costs fit within a manageable and effective budget. Learning from these success stories is vital in tackling the many brownfield sites that are yet to be revitalized.

Current Status with Barriers

Even with the scientific and technological advancements that continue to evolve, there are still many barriers that have not yet been overcome. During the recent 2016 Canadian Brownfield Network Conference, a workshop identifying current barriers to brownfield redevelopment was held. The participants represented a wide array of practitioners from within the brownfield industry across Canada (with some valued U.S. participation). Current barriers identified included concepts surrounding government regulations, inter-governmental relations, funding, and communications. When we look back at the recommendations offered by NRTEE, many of the barriers in 2003 are still considered barriers. Why? Although great strides have been made in addressing the issues that formed the NRTEE recommendations, it appears that communication and leadership has been lacking through the process. Aside from shortfalls in funding and strained economic climates, changes in government and their mandates, and a lack of vision and connectivity between the three levels of government, may be attributed to many of the current barriers.

Regulatory rigidity remains a barrier to success for brownfields. Regulations are needed, and important, but redevelopment of contaminated properties often offers unknowns. As a result, frequent necessary changes to the strategy and employment of new and innovative methods and practices. Where rigid regulations and requirements do not allow for flexibility, the developer and project team often become frustrated and disinterested, project costs rise, and the redevelopment project can be shelved for projects with greater returns and fewer barriers. Communication with regulatory bodies throughout the process often assists in finding flexibilities. Although, an overly prescriptive regulatory regime provides few opportunities for flexibilities within the process. Practical application of the regulations is a must, along with knowing where flexibility can be applied in the process. Today's regulators are working hard to be advocates and assistants to the process, compared to the old stigma of road-blockers and barriers.

Related to rigidity of regulations is the

turnaround time for approvals, which most often are significant barriers for redevelopment. Like any smart business decision, the ROI on a brownfield project needs to be carefully considered. Time is money. Having lengthy approvals processes where development, occupancy, and sales are stalled and high rates of interest are being paid on loans and covenants only serves to reduce the ROI. Finding opportunities to fast track approvals and achieve the regulator's blessings in an expeditious manner is a must in successful redevelopment schemes. Priority services for reviewing applications and granting approvals should be available for negotiation with pre-identified brownfield projects to assist in making them attractive.

Reluctance to accept the liability is often a major consideration in moving the brownfield from derelict site to a higher and better use. Characterization of sites through well executed and detailed site assessments assists in the removal of uncertainty over

the environmental quality and remedial requirements. Full characterization also assists in the quantification of liabilities so that business decisions can be made on whether to proceed with the project. Many municipalities that have the resources to put grant and tax incentives in place for characterization as part of their brownfield strategies, most have generous funding assistance for site characterization.

However, there are many have-not municipalities that lack the resources to offer funding assistance. This is where a funding strategy such as the Green Municipal Fund through FCM can be of assistance, as would the establishment of a federally-funded process. There are still reports within the brownfield community that current funding programs are too difficult to access and the application processes onerous. In addition, the concept of tax incentives that are realized on the back end of a redevelopment project can be restrictive for the developer, who often passes the ownership of the redeveloped property onto others and cannot realize the funding benefits as part of the redevelopment activities. Even with funding opportunities, there still has to be a demand for redevelopment of the brownfield and a local champion with a vision that can be

communicated to see the process implemented to completion as a productive property.

Any funding assistance or tax incentives with brownfield redevelopment should have a mandatory submission of case study linked to it. A repository of detailed case studies needs to be established to maintain reference resources and sources of learning for future brownfield projects. The brownfield industry has a wealth of bright-minded and creative professionals who should share their stories, celebrate their successes, and publish and present case studies. Promotion of the projects and communications at all levels should be actively pursued.

Summary

It has been demonstrated in many cases, the redevelopment of brownfield sites can act as catalysts for broader community renewal and revitalization. As such, the spin-off benefits of brownfield redevelopment should not be overlooked.

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Breaking down the barriers and facilitating discussions between each group in the brownfield industry is a must to continuing the successful redevelopment of brownfield properties to productive use. Each of the parties mentioned throughout this article have a part to play in continuing to move brownfields to productive use, but perhaps the national strategy needs to be revisited. Seeing the remediation and redevelopment of a formerly idle, under-used, and contaminated properties back to productive use is extremely rewarding for everyone involved. It also fits within the overall reuse/recycle and sustainability revolution in which we currently reside. There are many linkages for brownfield redevelopment and measures for reduction of climate change factors... but discussion of this topic will be reserved for another article. ♣



D. Grant Walsom is a remediation engineer and partner at XCG Consulting Limited who proudly serves as the vice-president with the Canadian Brownfields Network. Mr. Walsom was named "Brownfielder of the Year" in October 2015 by the Canadian Urban Institute.