



Can a Grant Program Encourage The Redevelopment of Brownfields in Winnipeg? Lessons from Edmonton, Alberta

Salma Sedigh with Becky Raddatz

Abstract

Brownfields represent the history of industrialization in Canada and can be found in every major urban area (National Round Table on the Environment and the Economy, 2003). Over the years, these sites have become a barrier to the development, growth and sustainability of a community (Dorsey, 2003). Promoting their clean-up and redevelopment has become a focus of all three levels of government in Canada.

Brownfield initiatives are a positive indicator of the “redirected priorities of the public and private sectors to restore and regenerate sustainable places” (Dorsey, 2003, p.69). These initiatives include municipalities establishing

development strategies and programs to incentivize development on brownfield sites.

This Case-in-Point looks at the initiatives of the City of Edmonton which launched the Brownfield Redevelopment Grant Program for gas stations and refuelling sites that are located in the inner city (City of Edmonton, 2017). The lessons learned from Edmonton is applied to the City of Winnipeg if they were to develop a program in the future.

1.0 INTRODUCTION

Brownfields represent the history of industrialization in Canada and can be found in every major urban area (National Round Table on the Environment and the Economy, 2003). Over the years, brownfields have become a barrier to the development, growth and sustainability of a community as they are often neglected or underutilized out of fear of complications and the costly process associated with these sites (Dorsey, 2003). These idle sites represent the social, environmental and economic liability to the communities that have brownfield sites.

Promoting the clean-up and redevelopment of brownfields has become a focus of all three levels of government in Canada, particularly in urban areas where land is in short supply (Federation of Canadian Municipalities, 2016). The redevelopment of brownfields has also become an important component of the movement toward sustainable development in Canada. These initiatives are a positive indicator of the “redirected priorities of the public and private sectors to restore and regenerate sustainable places” (Dorsey, 2003, p.69).



Fig 1: Dockside Green - Brownfield Redevelopment Site in Victoria, British Columbia.

What are Brownfields?

There are no legal definitions of brownfields in Canada, but are generally considered to be “an abandoned, vacant, derelict, or underutilized commercial or industrial property where past actions have resulted in actual or perceived contamination and where there is an active potential for redevelopment” (National Round Table on the Environment and the Economy, 2003, p.3).

Brownfields include former railway yards, old warehouses, abandoned gas stations, other commercial properties where toxic substances may have been used or stored.

Why do these properties remain undeveloped?

Brownfields are considered risky to developers. Cleaning up a brownfield site is a time consuming and costly process. It is also difficult to know the scope of contamination. Developers are reliant on profit, and therefore, the greenfield lands which are the cheapest to purchase and the most efficient to develop are often targeted. In addition, financial institutions steer away from giving loans for developments on polluted sites due to liability issues (Dorsey, 2003).

How would a Brownfield Redevelopment Program help?

Having a municipality wide Brownfield Development Strategy can help reduce the risks and liability issues for the developers, in return, encouraging the development of these properties.

Social: Revitalization of areas, residential intensification, and community growth.

Economic: Denser communities and compact land use which leads to more efficient uses of the infrastructure and increase land values and property tax revenue.

Environmental Benefits: Reduce risk of contamination on environment and affecting human health.

Reduces the pressure on greenfield lands from being developed.

1.1 Brownfield Development Strategies - Edmonton's Brownfield Redevelopment Grant Program

Brownfield development strategies are established by municipalities to incentivize development on brownfield sites. These strategies aim at encouraging the re-use of land, supports urban densification, stimulates community revitalization, increases property values, and reduces health and environmental risks (Dorsey, 2003). Investment in brownfield sites also increase the tax revenue for the cities (National Round Table on the Environment and the Economy, 2003).



Fig 2: Construction of Raymond Block, Edmonton

In Edmonton, the City launched the Brownfield Redevelopment Grant Program to gas stations and refueling sites that were located in the inner city. These properties are small in size which are challenging to develop due to the limited financial return on investment .

The grant program has led to rapid revitalization of areas, residential intensification, and vibrant community growth (City of Edmonton, 2011).

Figure 2 and 3 show the construction and proposal for Raymond Block, a project that was incentivized through the program.



Fig 3: Proposal of Raymond Block, Edmonton

1.2 Brownfield Development Strategies - City of Winnipeg

In Winnipeg, although the City has the authority to address urban brownfield redevelopment planning through the powers delegated to it in the City of Winnipeg Act (Brown, 1998), there are no strategies established yet. The former city councilor Jenny Gerbasi has mentioned that there is a brownfield strategy that is being developed by the City, but it has not come forward yet" (Martin, 2017). Therefore, the City could benefit from applying lessons learned from Edmonton if it were to develop a program.



Fig 4: Underutilized Brownfield in South Point Douglas

2.0 FACTS ABOUT THE CASE

Edmonton's Brownfield Redevelopment Grant Program has won three awards, including Canadian Urban Institute's Brownie Award for Reinvestment and Minister's Award for Municipal Excellence for Larger Municipalities in 2015, as well as FCM Sustainable Communities Award for Brownfields Plan in 2016.

The program is managed by City of Edmonton and launched in 2011 with the support from Federation of Canadian Municipalities Green Municipal Fund.

The program initially targeted brownfields that were previously gas stations based on the study Contaminated Gas Stations Task Force Discussion Paper (2010). This study included research into Edmonton's brownfields that were previously gas stations and identified the factors that prevented "timely remediation and redevelopment" (City of Edmonton, 2010). It also provided strategies for redevelopment. The study was done specifically with stakeholder engagement with the oil and gas companies that were responsible for the contamination.

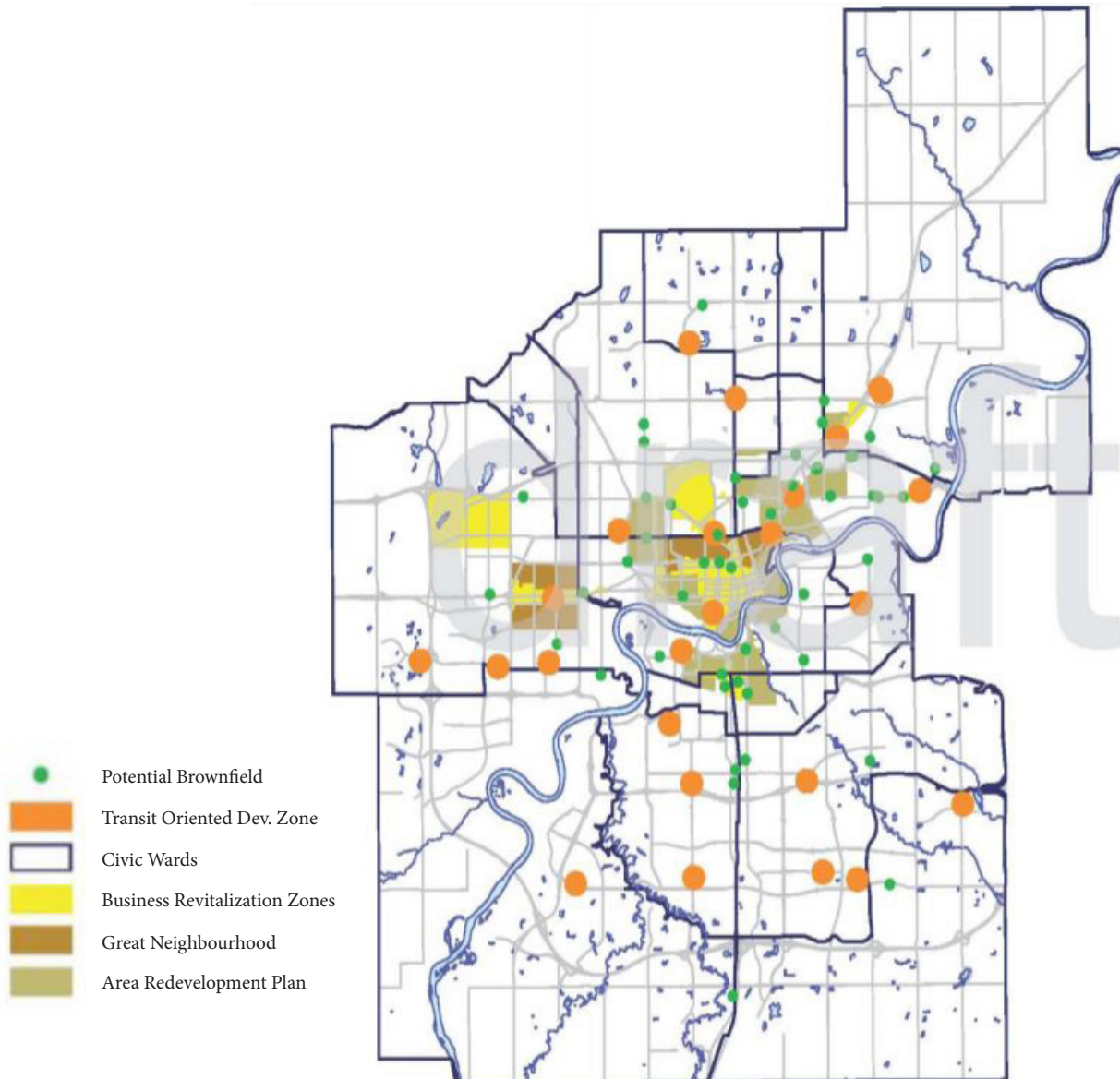


Fig 5: Map indicating the brownfield locations in Edmonton

The program later expanded to also include grants for refuelling sites (City of Edmonton, 2017). Through the program, the City promotes redevelopment of qualified brownfield properties by including environmental performance incentives.

The long-term funding model is based on municipal tax uplift from the increased tax revenue of a redeveloped property for maximum of six years. In addition, the program provides financial support through four main phases of brownfield redevelopment.



Fig 6: Before - Edmonton Contamination Removal

2.1 Program's Team

Edmonton's grant program was designed by a multidisciplinary team working with city councillors. It drew on extensive research into best practices in Canada and beyond, as well as consultation with local property owners, developers and industry experts. Once launched, a municipal brownfield coordinator position was established to act as a single point of contact.

2.2 Program's Outcome

The grant program encouraged many inner-city developments that had many benefits for the City including:

Four Phases:

Phase 1: Historical Investigation of the Site

Phase 2: Testing, Delineation, Remedial/Exposure Control Planning

Phase 3: Site remediation - 100% of the remediation cost is granted if the building achieves LEED Gold certification. If not, only 50% of the remediation cost is granted

Phase 4: Remediation/Exposure Control with an innovative interim land use solution



Fig 7: After - Edmonton's Capital Regional Housing

Environmental: The risks of environmental contamination from the polluted sites were removed. New developments also increased urban density, and in turn, reduced urban sprawl. In addition, many of the new developments were also LEED certified.

Economic: New developments led to increase in property tax revenue for the City, as well as benefited neighbouring businesses. In addition, the city's infrastructure served more population.

Social: New developments beautified the neighbourhood and nuisance was removed from the area. New housing and other amenities were also added to the inner-city.

3.0 LESSONS LEARNED

Edmonton's Brownfield Redevelopment Grant Program was tailored to the city's local context as they identified and prioritized the type of brownfield development Edmonton would most benefit from. The plan was also reviewed and updated since it was first launched.

For Winnipeg to successfully catalyze the redevelopment of the local brownfield sites, the future brownfield program should also be tailored to the local context and target specific redevelopment barriers. The programs should reflect the goals and circumstances of the city. This includes identifying and targeting contaminated sites, defining eligibility or specific requirements for types of incentives, or prioritizing developments in certain locations.

In addition, the factors that affect these decisions change over time, therefore, the program should be reviewed and updated periodically. It is important to track the strengths, weaknesses and impacts of the program for future improvements (Federation of Canadian Municipalities, 2017).

Also, the program should aim at ways to reduce the risk for stakeholders. In Edmonton, this was done using financial incentives and grants to cover some of the testing and remediation costs. Another possible way includes reducing application process time which, in turn, reduces the construction time for developers.

Building performance standards like LEED® Silver or Gold can be added to requirements to grant funding in order to ensure higher quality and sustainable buildings are developed in return for the financial incentives.

Developing a brownfield program also requires a multidisciplinary team to get the different vantage points needed as seen in Edmonton. This includes staff with backgrounds in planning, economic development, environmental health, and finance.

Like Edmonton, Winnipeg could also establish a brownfield coordinator position as the only point of contact for owners and developers. This role is important as the coordinator can create networks across the City's various departments and tailor support to help projects move more efficiently through the redevelopment process. In addition, a strong leadership should be exhibited by the City of Winnipeg for a successful process and implementation.

Finally, the City of Edmonton worked closely with the city councilors to familiarize them with the complexities of brownfield redevelopment. This helped build a strong relationship and gain their support for effective solutions. This should also be considered in Winnipeg.

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Figure 5: City of Edmonton (2010). City of Edmonton Contaminated Gas Stations Task Force. Retrieved from https://www.edmonton.ca/programs_services/documents/PDF/BrownfieldRedevelopmentStrategy.pdf

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