

May 10th, 2024
Project #191756

Katie Scott
CAO/Clerk
Town of Blind River
11 Hudson Street
Blind River, Ontario
P0R 1B0

Re: Brownfield Redevelopment Incentives

Dear Ms. Scott,

The enclosed memo responds to the Town's request to investigate options for the Municipality to encourage Brownfield redevelopment and recommend next steps to potentially implement such options in the Town of Blind River. Outlined below is an explanation of the brownfield remediation process, the (limited) options the Town has to encourage landowners to remediate brownfields, as well as some benefits and constraints in pursuing this objective.

Section 4.16.3.2 of Blind River's Official Plan states that the Town will identify and inventory lands which are suspected to be or are contaminated and will advise applicants or proponents of development of the inventory.

Further, Section 4.16.3.3 states that the Town will encourage and facilitate the remediation of contaminated lands or brownfield sites and may utilize the Environmental Protection Act and the Municipal Act to provide for the cleanup and redevelopment of contaminated lands and where appropriate, by providing financial incentives.

While the Town's Official Plan does identify brownfield site locations, there are other sites in the Town that are not mapped and/or may not currently be known.

1. INTRODUCTION

Brownfield properties are vacant or underutilized lands where past industrial or commercial activities may have left contaminants (e.g. polluting or poisonous substances) behind, including factories, gas stations, or waterfront properties (port lands) formerly used for industrial or commercial activities. Brownfields can pose health and safety risks and be costly for the communities where they are located.

The benefits of the redevelopment of a brownfield site are generally:

- Increased property value
- Local tax revenue
- Employment opportunities
- Stimulate neighbourhood revitalization and economic development
- Reduced or remove environmental hazards

Brownfield redevelopment is time consuming and costly. This is because extensive studies and regulatory approvals are required. Complex and lengthy approval processes can also impact timelines and significantly affect a project's financial viability.

If a brownfield property is being developed for a new use, property owners and developers must meet set requirements for:

- Assessing the environmental condition of a property through environmental site assessments.
- Ensuring that the site meets Ontario's site condition standards.
- Submitting a record of site condition for filing in Ontario's Environmental Site Registry.

Taking on a development project on a brownfield site can be challenging for a developer who must address the upfront study and remediation costs. Each brownfield has its own set of unique challenges depending on its past use and physical characteristics.

Redevelopment of a brownfield site is completed in three main stages:

Study: Perform an initial environmental site assessment to determine the likelihood that contaminants are present on a property. Conduct further studies to determine if contamination is present. If so, develop a remediation or risk management plan.

Rehabilitate: If studies confirm contamination, remediate the site. If remediation is not an option, implement risk management and mitigation measures to achieve desired clean-up objectives. Confirmation of compliance must be received from provincial/territorial authorities.

Redevelop: Perform ongoing post-remediation risk management, monitor the site, ensure project proponent is compliant with regulations and begin construction.

2. BROWNFIELD INCENTIVE OPTIONS

There is no mechanism for municipalities to 'force' landowners to remediate brownfields. However, municipalities can develop programs to help promote brownfield redevelopment.

Land Use Planning and Zoning

Through careful land use planning, the Town can manage growth and development while addressing brownfield sites. By pre-zoning brownfield lands (while including appropriate land use planning controls to ensure the need to remediate is still clear, transparent, and understood early on), it may make these areas more attractive for developers. By eliminating the lengthy process and costs associated with rezoning or other applications, developers may be more likely to redevelop brownfield sites.

A common example of this is rezoning sites to permit a range of residential or commercial uses as-of-right, while potentially placing a Holding symbol on the lands that are only lifted upon completion of a Record of Site Condition (amongst other planning options).

Community Improvement Plans

The Town may use its legislative authority under Section 28 of the Planning Act to pass by-laws designating the entire Town as a Brownfield Community Improvement Plan Area. In doing so, the Town can then help reduce upfront brownfield remediation/redevelopment costs. The following financial incentives are commonly adopted by Municipalities looking to incentivize the redevelopment of brownfields:

1. Tax Assistance Program:

Council may, by by-law, provide tax assistance to an approved eligible property during its rehabilitation period and development period, on such conditions as the Minister of Finance and Council may determine to help offset eligible costs.

2. Landfill Tipping Fee Rebate Program:

The Town may reduce the tipping fees for impacted soil being removed from an approved eligible property, provided that the impacted soil can be utilized as cover material at the landfill.

3. Planning and Building Fee Rebate Program:

The Town may rebate fees for Planning Act and Ontario Building Code applications associated with improvements to eligible properties. These include Official Plan Amendments; Zoning By-law Amendments, Site Plan Control, Subdivisions, Consents, Demolition Permits, Building Permits, and Occupancy Permits.

4. Tax Increment Equivalent Grant Program:

To encourage the remediation, reuse and redevelopment of eligible properties by providing grants equivalent to the incremental increase in property tax assessment and revenue resulting from property improvements such as, but not limited to, new construction.

Brownfields Financial Tax Incentive Program

The *Brownfields Financial Tax Incentive Program* (BFTIP) is a financing tool from the Government of Ontario that helps municipalities provide tax assistance to remediate brownfield properties.

If a property is eligible for the program, the Province can cancel all or a portion of the property owner's [education property taxes](#) for up to six years for commercial development and up to 10 years for residential development. Matching is proportional, so if a municipality cancels 50% of municipal property taxes to help the property owner, then the Province would consider cancelling 50% of the education portion of the property tax.

To be eligible for the program the property must be:

1. Covered by a Community Improvement Plan (CIP) to rehabilitate existing built-up areas. The Community Improvement Plan may also include municipal financial incentive programs for land such as grants and loans to encourage private sector investment.
2. The site must have results from a phase 2 environmental site assessment that show the property needs environmental remediation. That means work has to be done to ensure the property meets the appropriate standards under the *Environmental Protection Act*.

To qualify for matching education tax assistance, municipalities apply on behalf of brownfield property owners.

3. RECOMMENDATIONS

This section outlines recommendations for ways the Town could address brownfields.

Undertake a Brownfield Inventory

The Town could undertake a Brownfield Inventory. Section 4.16.3.2 of the Town's OP states that the *Town will identify and inventory lands which are suspected to be or are contaminated and will advise applicants or proponents of development of the inventory*. It is understood that the Town has identified numerous sites, mainly along the Highway 17/ Causley Street corridor, that are contaminated. The first step in addressing brownfields redevelopment is understanding the Town's present brownfield inventory. A brownfield inventory can support municipal policy and planning objectives, including identifying high priority sites, areas of concern or specific brownfield types.

The Federation of Canadian Municipalities has developed a [10-step guide to developing a municipal brownfield inventory](#). A brownfield inventory details a site's location and ownership, physical characteristics, land use, redevelopment potential and environmental conditions. Taking stock of the brownfield sites allows municipalities to take a more strategic approach to encouraging their redevelopment by focusing efforts on high priority sites, areas of concern, or specific brownfield types (e.g. former gas stations). Council can decide if they will allow public access to the data inventory, either by request or demand. *'An important consideration is the security of the sensitive data as identifying a brownfield site can have a negative impact on property value. For this reason, many private owners are reluctant to voluntarily disclose information about the environmental condition of their properties. To help alleviate these concerns, some municipalities will restrict access to inventory data'*.

Pre-Zoning Specific Sites

The Town could explore pre-zoning some of the Town's known brownfield sites to ensure they are zoned in a manner that encourages investment-readiness and redevelopment. Pre-zoning lands to allow a wider range of uses (i.e., medium density residential, commercial, industrial etc.) may encourage private-sector investment, given fewer roadblocks to development if flexible zoning already exists.

For example, pre-zoning brownfield sites for a variety of compatible uses proactively avoids a potential investor from going through a zoning amendment process, which is often seen as risky, expensive, and uncertain for those looking to invest. This tool assists in removing barriers to development while maintaining a level of municipal control over uses/activities that could occur on the lands.

Investigate the Adoption of a Community Improvement Plan

The Town could explore adopting a Community Improvement Plan; however, such CIPs are sometimes limited in their effectiveness. The main challenge facing Brownfield Community Improvement Plans is that municipalities must choose to allocate a significant annual budget to the CIP, in addition to the preparation and adoption of the actual CIP and marketing/advertising so that property owners are aware that such incentives exist.

In our professional experience working with smaller towns in Northern Ontario, the minimal incentives that can be offered do not act as a major accelerator for brownfield redevelopment - given the significant cost of remediating sites. Larger municipalities can often afford to allocate larger financial contributions to their CIP to help reduce upfront costs associated with the redevelopment of brownfields. For example, the City of Greater Sudbury allocates over \$550,000 annually to its Brownfield Strategy and Community Improvement Plan. The total amount of

funding provided for the Landfill Tipping/Planning and Building Fee Rebate Program is \$110,000 per property, with the amount of assistance provided under the Tax Increment Equivalent Grant and Tax Assistance Program varying.

Nonetheless, should the Town desire to prepare a Brownfield Community Improvement Plan the costs and process to complete such can be explored. In the interim, the Town should explore the potential financial benefits and costs of incentives such as Tax Assistance Programs, Landfill Tipping Fee Rebate Programs, and Tax Increment Equivalent Grant Programs.

Respectfully submitted,



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