

For Information Only

Draft Brownfield Strategy and Community Improvement Plan for the City of Greater Sudbury

Presented To:	Policy Committee
Presented:	Wednesday, Mar 23, 2011
Report Date	Tuesday, Mar 15, 2011
Type:	Presentations

Recommendation

For information only.

Background

On June 11, 2008, City Council approved Planning Committee Recommendation #2008-17, as follows:

“THAT City Staff be directed to prepare a Brownfield Community Improvement Plan for Greater Sudbury, as described in the report dated May 21, 2008 from the Manager of Community and Strategic Planning.”

The May 21, 2008 Manager’s Report is included in Attachment A for information. This report recommends that a Brownfield Community Improvement Plan (CIP) be developed over the following five-phase work program:

1. Reconnaissance.
2. Greater Sudbury Brownfield Symposium.
3. Formulate Draft Brownfield Community Improvement Plan.
4. Finalize and Adopt Brownfield CIP.
5. Promote, Implement and Monitor Brownfield CIP.

Purpose:

This report provides an update on the status of the five-phase work program. It also describes the key elements of the draft Brownfield Strategy and CIP developed by the City’s interdepartmental brownfield staff team, and the next steps in the public consultation and council approval process.

Discussion:

1. What is a brownfield and why are they important?

There are many different ways to define a brownfield. The Province of Ontario, through the *2005 Provincial*

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Policy Statement, defines a brownfield as:

“an undeveloped or previously developed property that may or may not be contaminated. They are usually, but not exclusively, former industrial or commercial properties that may be utilized, derelict or vacant.”

Examples of brownfields include former gas station sites, former automotive repair sites and former dry cleaning sites, to name a few.

Brownfields have a unique set of economic, environmental and social challenges.

- Economically, brownfields have a negative effect on property values, assessment, taxation and municipal revenues. As commercial or industrial properties that are not being used, brownfields represent a lost opportunity in terms of jobs and productivity. They also contribute to the underutilization of existing infrastructure.
- Environmentally, the type nature and extent of contamination can pose risks to human health and the natural environment.
- Socially, the condition and quality of brownfields can detract from a neighbourhood's quality of place. Those brownfields situated in key and highly-visible locations can also negatively affect the image and appearance of the city.

Brownfields also have a unique set of market barriers, which can prohibit them from being brought back into full productive urban use. These can include:

- the presence of outstanding financial obligations tied to the land (e.g. unpaid property taxes and provincial and federal liens);
- the stigma created by the presence or the perceived presence of contamination;
- the up-front cost required for environmental investigations and clean-up;
- the difficulty in securing the capital required to undertake these necessary pre-development activities;
- ongoing regulatory and civil liability concerns;
- accessing the necessary insurance vehicles to mitigate risk;
- regulatory approvals and the possibility for delays;
- legal difficulties in obtaining title from the owners of abandoned properties; and,
- lack of awareness.

In recent years, the federal and provincial governments have focused a substantial amount of attention on the issue of brownfields to encourage their revitalization. At the provincial level, this work is led by the Ministry of Municipal Affairs and Housing, and the Ministry of the Environment.

In recent years, the province has enacted a series of changes that are designed to:

- establish a consistent land use planning policy framework to guide the revitalization of brownfields, through the new *2005 Provincial Policy Statement*.
- create a new legislative framework for brownfield remediation and redevelopment through the *Brownfield Statute Law Amendment Act*, which requires that a Record of Site Condition be filed whenever a building permit application is made to change the use of a property from an industrial or commercial use to a more sensitive use (e.g. residential and parkland).
- clarify the science behind brownfields and issues relating to liability and risk, through amendments to the *Environmental Protection Act* and related regulations; and,
- provide municipalities with new financial tools to encourage the remediation and revitalization of brownfields, through amendments to the *Municipal Act* and *Planning Act*.

These initiatives are further supported through the new Northern Ontario Growth Plan, which requires that

economic and service hubs develop strategies to encourage a significant portion of future residential and employment development to locate on brownfield sites, strategic core areas, downtowns, and intensification corridors.

Utilizing these new tools and addressing key market barriers can have a number of benefits. These can include:

- the creation and retention of employment opportunities;
- the increasing of assessment and tax revenue;
- the strengthening of economic competitiveness;
- the enhancement of environmental quality, health and safety; and,
- the intensification and revitalization of neighbourhoods and communities.

2. What is the city's current role on brownfields?

The City of Greater Sudbury has an important role with respect to brownfields.

The City has evolved its policy framework in response to this changing legislative framework. The Official Plan, Healthy Community Strategy, Community Economic Development Strategy and EarthCare Action Plan, all speak to brownfields. Administratively, the City has implemented the necessary legislative reforms as they have been rolled out by the province. Brownfield considerations are taken into account during the land use planning and building permit approval application processes. Brownfield considerations are also taken into account on during the failed tax sale process, as well as property acquisitions and dispositions.

3. What is the status of this initiative?

The first three phases of the recommended work program are complete and a city-wide draft Brownfield Strategy and CIP has been prepared. Key highlights include:

The creation of an interdepartmental brownfield staff team. This team is made up of Planning, Building, Finance, Real Estate, Legal, Economic Development, Housing, Environmental Initiatives and Environmental Services Staff. This team regularly met during the first three phases of the work program to survey and analyze brownfields across the city. Team members continue to collaborate on brownfield revitalization opportunities and brownfield issues, as the need arises.

The survey of all communities to identify potential brownfields. Brownfield staff team members surveyed all communities in the city to identify vacant and abandoned commercial and industrial properties. This process involved the collection of relevant data for each potential brownfield including physical property characteristics, (e.g. lot area, frontages, etc), ownership, official plan designation, zoning, assessment and municipal tax revenue. It also involved interviews with stakeholders (e.g. developers, builders, lawyers, architects, appraisers, community organizations) to better understand various perspectives on this issue.

The review of other precedents in Ontario. Brownfield staff team members also examined the approach that other municipalities in Ontario are taking with respect to brownfields, with a special emphasis on the approach taken in other Northern Ontario cities, including North Bay, Timmins and Sault Ste. Marie.

The hosting of a day-long symposium to raise awareness of brownfields and possible revitalization approaches with the local development community. In March 2009, the City in partnership with the Canada Mortgage and Housing Corporation, the Province of Ontario, the Greater Sudbury Development Corporation and the Northwest Ontario Development Network, held a day-long Symposium with the development

community to discuss brownfield and brownfield development. The approximately 75 people who attended this session heard leading experts in the fields of public policy, law, environmental remediation and finance speak about the opportunities and challenges associated with brownfield development.

4. What does the draft Brownfield Strategy and CIP Propose?

The draft Brownfield Strategy and CIP developed by city staff is included in Attachment B. It proposes a comprehensive set of actions that the City of Greater Sudbury can take to help address select key market barriers that currently inhibit the revitalization and rejuvenation of brownfields across the city.

The draft Brownfield Strategy and CIP proposes that the City:

- 1. continue to work with its partners to further build local brownfield awareness and capacity;
- 2. make use of the financial incentive mechanisms available to it under the *Planning Act* and *Municipal Act* to help reduce the cost of eligible brownfield projects. The four financial incentive mechanisms proposed are a tax assistance program, a landfill tipping fee rebate program, a planning and building fee rebate program, and a tax increment equivalent grant program;
- 3. attract investment to select brownfield properties through a new brownfield marketing strategy; and,
- 4. create and implement a new procedure for failed tax sale properties.

The draft Brownfield Strategy and CIP would apply to brownfields across the City of Greater Sudbury on lands designated Living Area 1, Mixed Use Commercial, Downtown and Town Centre. The proposed financial incentive mechanisms would be targeted towards brownfields that are contaminated, vacant, derelict, or at risk, but could be re-used or redeveloped for residential purposes.

5. What are the next steps?

The draft Brownfield Strategy and CIP would be shared with the community for comment. The draft would be adjusted and brought back to Council for approval later this year. The key steps and possible timing in this process are:

Key Step	Possible Timing
Release Draft Brownfield Strategy and CIP	End of March
Public Open Houses	Early May
Revise Brownfield Strategy and CIP	May
Policy Committee to consider revised Brownfield Strategy and CIP	June
Planning Committee to hold statutory Public Meeting on CIP	September
Brownfield Strategy and CIP to come into effect	Late October

6. Conclusion

In 2008, City Council directed staff to prepare a Brownfield Strategy and Community Improvement Plan for the City of Greater Sudbury. A draft strategy and plan has been developed. Public consultations on the draft will be held this Spring.

Reclaiming our Urban Places - Greater Sudbury Brownfield Community Improvement Plan Presentation
circulated under seperate cover.



Request for Recommendation

City of Greater Sudbury Proposed Brownfield Community Improvement Plan

Presented To:	Planning Committee
Presented:	Tuesday, Jun 03, 2008
Report Date	Wednesday, May 21, 2008
Type:	Delegations / Presentations

Recommendations

That City Staff be directed to prepare a Brownfield Community Improvement Plan for Greater Sudbury, as described in this Report.

Finance Implications

Any funds required for the report will be directed from the Official Plan Capital Envelope. Any budget impacts will be identified through the CIP process and prior to any costs being incurred.

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STAFF REPORT

Purpose:

This report proposes that the City of Greater Sudbury prepare a city-wide Community Improvement Plan (CIP) to help facilitate the redevelopment of "brownfields".

There are many different ways to define a "brownfield". The National Round Table on the Environment and Economy defines a brownfield as "... abandoned, idle or underutilized commercial or industrial properties where past actions have caused known or suspected environmental contamination, but where there is an active potential for redevelopment." The Province of Ontario defines a brownfield as "an undeveloped or previously developed property that may or may not be contaminated. They are usually, but not exclusively, former industrial or commercial properties that may be utilized, derelict, or vacant."

There are many properties in the City that meet these definitions (e.g. old gas stations, old industrial sites). The proposed Brownfield CIP will build on the commonalities in these and other examples to best define what a brownfield means within the varying contexts of the Greater City.

The report also describes a phased process for the implementation of the CIP.

Background:

In recent years, the federal and provincial government have focussed a substantial amount of attention on the issue of "brownfields" and their redevelopment. For example:

- In 2001, the Federal Government of Canada asked the National Round Table on the Environment and the Economy to prepare a National Brownfield Redevelopment Strategy. This Strategy, which was released in 2003 and is called *Cleaning up the Past Building the Future*, is designed to support brownfield redevelopment through three strategic directions: apply strategic public investments to address upfront costs; establish an effective public policy regime for environmental liability and risk management; and, build capacity for and community awareness of, brownfield redevelopment.
- In recent years, the Province of Ontario has enacted a series of changes that are designed to: establish a consistent land use planning policy framework for brownfield redevelopment; clarify the science behind brownfields; clarify issues relating to liability and risk; and, to provide municipalities with new financial tools that can be used through a CIP to stimulate the revitalization of brownfields.

Municipalities across Ontario are responding to this evolving policy and legislative framework, by preparing Brownfield CIPs, suited to their own particular needs. Many municipalities, including Hamilton, Brantford, Kingston, Toronto, North Bay and Sault Ste Marie have developed a CIP to facilitate brownfield redevelopment.

The new Official Plan, which recently came into effect, after receiving approval from the Ontario Municipal Board, provides a policy platform to guide the redevelopment of brownfields across the City.

- The Official Plan recognizes the opportunities for brownfield redevelopment, and the connection between brownfield redevelopment and other key objectives such as intensification. Policy 10.5, for example, states "The redevelopment of abandoned or underutilized industrial and commercial sites is consistent with policies encouraging increased intensification in built up areas." Brownfield redevelopment is also linked to commercial area revitalization and heritage conservation.

- The Official Plan also recognizes CIPs as the vehicle to address brownfield redevelopment. Policy 15.3.e, for example, states that "brownfield redevelopment" is a community improvement project.
- The Official Plan also anticipates that the City may use a CIP to make financial incentives available to stimulate brownfield redevelopment. Policy 10.5.1, for example, states "The City may consider financial and other incentives to promote the redevelopment and reuse of brownfield properties that are subject to environmental constraints." Furthermore, Policy 15.4.k states "in order to effectively implement ... Community Improvement Plans, a variety of initiatives will be used. These initiatives may include, but are not limited to: ... the use of financial incentives to achieve objectives of the CIP...".

With these Official Plan policies in place, the City is well-positioned to move forward with the preparation of a Brownfield CIP that facilitates the redevelopment of brownfields across the entire City.

Brownfields:

What are some of the challenges associated with brownfields?

Brownfields can present many economic, social and environmental challenges.

- Economically, brownfields can have a negative effect on property values, assessment and taxation. In some cases, this effect can be felt beyond the brownfield itself. As vacant or underused commercial or industrial sites, brownfields represent lost economic opportunities in terms of productivity and jobs. Brownfields also contribute to the underutilization of existing hard and soft services.
- Socially, the derelict nature of brownfields detracts from a neighbourhood's quality of place and can affect the quality of life of neighbourhood residents. Those brownfields situated in key locations can also have negative effects on the quality and image of the City.
- Environmentally, the type, nature and extent of contamination can pose risks to human health and the environment.

What benefits could be realized through brownfield redevelopment?

The redevelopment of brownfields in Greater Sudbury has the potential to generate many economic, social and environmental benefits.

- Economically, brownfield redevelopment results in increased assessment, increased property value and increased tax revenue. For example, in Guelph, the redevelopment of four industrial sites for residential/commercial uses resulted in \$26.7 million increase in assessment (from \$1,801,116 to \$28,534,580) and a corresponding \$569,000 increase in tax revenue (from \$58,718 to \$627,704).
- Socially, brownfield redevelopment can help to repair the fabric of existing communities, improving quality of place and life.
- Environmentally, brownfield redevelopment can help to remove threats to human health and safety, temper pressures for development of the Living Area 1 land supply, and, in urban areas, improve air quality and reduce greenhouse gas emissions by providing increased opportunities for closer live-work relationships, especially if the brownfield is situated on a public transit line.

What are the barriers to brownfield redevelopment?

The experience of other communities suggests that there can be numerous barriers to brownfield redevelopment. These include:

- lack of awareness of brownfields;
- threat of real or perceived contamination;
- concerns regarding liability and risk;
- substantial and/or prohibitive clean up costs;
- tax arrears; and,
- not in my back yard attitudes.

What can the City do to help stimulate brownfield redevelopment?

The City of Greater Sudbury can pro-actively address some of the above barriers by initiating a comprehensive city-wide Brownfield CIP.

- The proposed Brownfield CIP would help to raise the level of awareness for brownfields and approaches to brownfield redevelopment. A key element in this awareness raising could be a "Brownfields Symposium" which could be held in the Fall of 2008. This symposium could be targeted towards those involved in developing Greater Sudbury (i.e. Council, staff, developers, lawyers, lenders, appraisers and other professionals and stakeholders) and bring together an array of relevant experts, who would speak of their experience with successfully redeveloping brownfields.
- The proposed Brownfield CIP would provide the City with a unique vehicle to stimulate brownfield clean up and redevelopment, thus helping to level the playing field between already developed and undeveloped sites. Properties across the City meeting certain criteria (e.g. contaminated, in a town centre) would be eligible for incentives to help offset the cost of remediation and redevelopment. The incentives offered would be similar to the Downtown Tax Increment Financing Program. With the proposed Brownfield CIP, the brownfield redevelopers would also be able to access the provincial Brownfield Financial Tax Incentive Program, which allocates matching education property tax assistance for the rehabilitation and development of eligible brownfield properties.
- The proposed Brownfield CIP would also provide the City with additional policy and financial tools to facilitate the sale and redevelopment of former commercial and industrial properties through the municipal tax sale process.

How should the City prepare a brownfield redevelopment strategy?

The Brownfield CIP for the City of Greater Sudbury would be developed and implemented through a five phase process that would begin in June 2008. This process, which is described below, would be led by Planning Services and involve an interdepartmental staff team.

Phase 1. Reconnaissance (June to October, 2008)

- Create interdepartmental staff team (e.g. planning, economic development, finance, property).
- Review provincial legislation, regulations, policies and programs.
- Review comparable municipal precedents.
- Conduct key stakeholder interviews.
- Characterise the scope and nature of brownfields in Greater Sudbury.

Phase 2. Greater Sudbury Brownfield Symposium (October 2008)

- This day-long event would be designed to raise the level of awareness of brownfields in Greater Sudbury, as well as successful approaches to their redevelopment. All relevant stakeholders would be invited to this event including Council, key City Staff, key community stakeholders, developers, lawyers, lenders, insurers and other relevant technical specialists.

Phase 3. Formulate Draft Brownfield CIP (November 2008 to March 2009)

- Based on the results of Phases 1 and 2, City Staff would create a draft Brownfield CIP for Greater Sudbury. The draft Brownfield CIP would be circulated to key stakeholders for comment. Public open houses would also be held to solicit feedback on the draft Brownfield CIP. The location, number and timing of the public open houses would be tailored to the scope the draft Brownfield CIP.

Phase 4. Finalize and Adopt Brownfield CIP (April to June 2009)

- Based on the feedback received during Phase 3, City staff would finalize the draft Brownfield CIP. It is anticipated that the Brownfield CIP would be adopted by City Council according to the provisions of Sections 28 and 17 of the Planning Act, which provides for a formal public meeting and establishes appeal rights.

Phase 5. Promote, Implement and Monitor Brownfield CIP (June 2009 to Ongoing)

- Once in effect, the Brownfield CIP would be promoted using new brochures and through the City website. The administration of the plan would be undertaken by Staff, who would provide Council with annual reports regarding the implementation of the plan. The plan would also be monitored during implementation to determine the need for any future adjustments. All major adjustments would require Council approval.

Conclusion:

The City of Greater Sudbury should prepare a Community Improvement Plan to help stimulate the revitalization of brownfields across the entire City. This plan should be developed following the above-described work program.