

# Creating Jobs through Remediating and Redeveloping Brownfields

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## Issue:

The current process to discover, investigate, remediate, and redevelop brownfields is onerous, costly, and frustrating for local governments and does not encourage and incentivize the private sector to redevelop brownfields. While Alberta's Municipal Government Act enables local governments to cancel, defer, or reduce municipal taxes on brownfields through a property tax bylaw, as well as enabling municipalities to utilize a new multi-year tax reduction, cancellation, or deferral tool for brownfields, the provincial portion of education taxes remains on the property. In addition, the onerous red tape and lack of incentive continue to create significant barriers to brownfield redevelopment and stagnates job creation.

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## Background:

More than 1,700 brownfields sit abandoned on main streets and in neighbourhoods in almost every municipality across Alberta. The cost to remediate brownfields is quite onerous, often more than the property's value. Private property owners choose to leave brownfields vacant or dormant to avoid these costs, leaving brownfields and contaminated sites a detriment to business development, community growth, and aesthetics in many communities.

In 2011, Alberta Environment and Parks (AEP) established a working group to identify required actions to encourage brownfield redevelopment. AUMA participated in this working group along with Municipal Affairs, the Cities of Edmonton and Calgary, Rural Municipalities of Alberta, the Federation of Canadian Municipalities, and industry stakeholders such as the Canadian Fuels Association and BILD. The group's final report<sup>25</sup>, which included recommendations relating to financial tools, liability closure and educational programs, was submitted to responsible Ministers in April 2012. Since the final report, AEP has implemented several recommendations, but not all of them. A successful example coming from the report is enabling the Municipal Government Act (MGA) to grant municipalities to offer multi-year property tax exemptions for brownfields. However, the province's education tax portion remains despite the municipal property tax exemption, and municipalities will continue to collect the education tax on behalf of the provincial government.

The provincial government has not enacted several important recommendations, including providing financial offsets to support local governments for environmental site assessment or financial incentives for the private sector to redevelop brownfields. Financial incentives and support are significant for smaller rural communities, who may not have the expertise and resources to investigate, reclaim, and reuse contaminated sites, leaving many sites dormant because of the burden to assess and evaluate the liability is too high.

The regulatory system for brownfield development continues to be burdensome, slow and confusing. Streamlining the system is equally important as having financial incentives for local government and businesses to redevelop brownfields so that we can stimulate job creation, spur investment, development, tax revenue generation and create these properties to a higher and better use while creating better environmental sustainability within our communities.

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<sup>25</sup> [www.abmunis.ca/sites/default/files/brownfield\\_redevelopment\\_working\\_group\\_final\\_report-practical\\_approache.pdf](http://www.abmunis.ca/sites/default/files/brownfield_redevelopment_working_group_final_report-practical_approache.pdf)

Alberta needs a better system to allow local governments and businesses to discover, investigate, remediate, and redevelop brownfields. We need the provincial government's assistance on financial options available to incentivize business activity while also eliminating both risk & regulatory barriers to this development.

At a time of economic uncertainty and increased concern about the state of the environment and our economy, brownfield redevelopment provides a business opportunity for Alberta. While other jurisdictions continue to make progress on addressing these important barriers, Alberta still falls behind. Municipalities, the province, and the private sector need to collaborate on solutions that promote economic development, protect the environment, and improve Alberta's reputation as a responsible steward of natural resources.

Left idle and unmanaged, contaminated sites represent a significant loss of economic opportunity. Cleaning up and redeveloping these sites offers a wealth of public benefits, such as job creation, new housing and business development, preservation of agricultural land, and revitalization of older neighbourhoods. This will also stimulate opportunities for Alberta—and Canadian-based businesses.

If the Government were to consider certification of a site that is no longer contaminated, such as the ENV certification in British Columbia, it would also enable local governments to put their jurisdictions to more productive use and allow landowners and developers to take advantage of potential business opportunities. Certification also encourages local governments to approve developments, reduce liability concerns and allow financial institutions to have greater confidence in providing financing for developments without concern regarding potential liability due to contamination.

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**The Alberta Chambers of Commerce recommends the Government of Alberta:**

1. Immediately implement any remaining recommendations from the 2011 Brownfield Redevelopment Working Group report;
2. Redefine the Orphan Well Association mandate to support legacy sites;
3. Create a simplified tool, similar to the Stop Housing Delays portal, to identify both the challenges and the opportunities in developing brownfield sites;
4. Implement an alternate classification system for different brownfield sites based on site risk assessment that would expedite approvals and development for lower-risk sites;
5. Consider implementing successful models found in other jurisdictions, such as ENV certification, which enables land to be developed and financed to more productive uses; and,
6. Create programs similar to the United States Environmental Protection Agency to:
  - a. Provide or promote access to financial assistance for the assessment, cleanup, and sustainable reuse of contaminated properties. This could include grants or loans for site assessment, cleanup, and workforce training and development;
  - b. Provide Technical Assistance to help communities understand the benefits of reusing contaminated properties and provide tailored assistance to meet specific needs to repurpose sites; and,
  - c. Focus on land revitalization versus reclamation allowing municipalities and landowners to identify possibilities for reusing contaminated sites, ensuring they are put back into productive use versus restricting it to its original use, and de-risk opportunities.