



FEDERATION  
OF CANADIAN  
MUNICIPALITIES

FÉDÉRATION  
CANADIENNE DES  
MUNICIPALITÉS

# Green Municipal Fund



**Devising and  
implementing  
an effective  
brownfield  
strategy**

Leadership in Brownfield Renewal Program  
**Guidebook Series**

## Acknowledgements

This guidebook is based on best practices observed in communities across Canada, as well as information provided by leading brownfield experts. It also draws on past research, commissioned by the Federation of Canadian Municipalities (FCM), conducted by James Van Hemert and Laurel Cowan (Golder & Associates), Tammy Lomas-Jylha (TLomasJylha Consulting), Carola Lima (CBL Consulting Ltd.), and Steve Dulmage (Build Green Solutions). Jeremy Murphy (Sustainability Solutions Group) as well as Tim Collins and Evan DiValentino (LANDx Developments) provided additional research and expertise, and compiled content.



Devising and implementing an effective brownfield strategy

©2015 Federation of Canadian Municipalities.  
All rights reserved.  
24 Clarence Street  
Ottawa, Ontario K1N 5P3  
[www.fcm.ca/gmf](http://www.fcm.ca/gmf)



# Table of contents

About this guidebook. . . . .	2
<b>Part A: An introduction to brownfield strategies</b>	
Types of brownfield strategies . . . . .	3
What should your brownfield strategy include? . . . . .	4
1. Introduction. . . . .	5
2. Goals and objectives . . . . .	5
3. Policy context . . . . .	5
4. Analysis . . . . .	5
5. Brownfield renewal programs . . . . .	6
6. Implementation and performance measurement . . . . .	6
<b>Part B: Best practices for developing and implementing an effective brownfield strategy</b>	
Identify priority brownfields . . . . .	8
Set clear and realistic redevelopment goals . . . . .	9
Engage stakeholders . . . . .	9
Select the right brownfield incentives. . . . .	10
Financial incentives . . . . .	10
Non-financial incentives . . . . .	11
Evaluating your options. . . . .	12
Create a customer-oriented process. . . . .	13
Establish clear roles and responsibilities . . . . .	14
Monitor and report on performance . . . . .	14
The path forward. . . . .	15
<b>Appendix A: Goals and objectives of sample brownfield strategies . . . . .</b>	<b>16</b>
<b>Appendix B: The benefits and challenges of brownfield incentives. . . . .</b>	<b>17</b>
<b>Appendix C: Sample performance indicators . . . . .</b>	<b>20</b>

# About this guidebook

This guidebook, produced by the Federation of Canadian Municipalities (FCM) as part of a series for its new Leadership in Brownfield Renewal Program (LiBRé), has been developed to help Canadian municipalities devise and implement successful brownfield strategies. It is designed for municipalities ready to develop a brownfield strategy and for municipalities with existing brownfield strategies that are re-evaluating or renewing their programs.

Part A of this guidebook provides an outline of different types of brownfield strategies and an overview of what your brownfield strategy should include. Part B outlines best practices for successful brownfield strategy development, and offers guidance on selecting the right brownfield incentives for your municipality.

Devising a brownfield strategy is one of the key steps in FCM's Leadership in Brownfield Renewal best practices framework.

FCM's **Leadership in Brownfield Renewal** (LiBRé) framework outlines seven key steps to becoming a brownfield champion community. Complete the steps in an order best suited for your community, whether you follow them one-by-one, undertake several simultaneously, or build on work already accomplished.



**Commit to action**



**Promote programs and opportunities**



**Understand the landscape**



**Manage programs and projects**



**Build partnerships**



**Evaluate, improve and celebrate**



**Devise a strategy**

This framework is based on the practices of Canadian municipalities that have been successful in returning their brownfield sites to productive use.

# Part A:

## An introduction to brownfield strategies

A successfully implemented brownfield redevelopment strategy can generate significant triple-bottom-line benefits for your municipality, improving many aspects of economic, environmental and social health. Benefits include increased property values, local tax revenue and employment opportunities, as well as reduced environmental risks and revitalized neighbourhoods. Despite this, many brownfield sites sit idle for years as redevelopment is complicated by remediation costs and regulations. Other barriers include higher redevelopment costs and limited financing options, greater uncertainty associated with environmental assessments, environmental liability, and complex approval processes.

Municipalities can play a key role in overcoming these barriers by developing programs and incentives that:

- ▶ Reduce capital costs of development
- ▶ Increase land development potential
- ▶ Reduce uncertainties associated with brownfield redevelopment

Devising a brownfield strategy allows municipalities to structure their approach to incentivizing redevelopment – enabling them to design programs and incentives adapted to the local context, focusing efforts and investments on priority areas.

### ▶ Types of brownfield strategies

Brownfield strategies can take three different forms:

- ▶ **Community-wide:** A comprehensive approach that addresses all brownfields within a municipality's inventory.
- ▶ **District-scale:** Addresses brownfield sites within certain neighbourhoods or districts; renewal is focused on priority areas.
- ▶ **Specific:** Addresses a single type of brownfield site, such as a former gas station, with specific contamination issues, approval processes and redevelopment barriers – an approach that centres on prevalent or problematic sites.

While some municipalities opt to produce a dedicated brownfield strategy, others prefer to embed brownfield redevelopment and infill goals within other plans or strategies (e.g. a Town Centre Plan). How your municipality develops its brownfield strategy will depend on your administrative processes and capacity, your local priorities and the local context. Many elements of a brownfield strategy can be developed in partnership with developers (e.g. using developer real estate information to generate an inventory of brownfield sites).

The following table provides a sampling of brownfield strategies from municipalities across Canada that are active in the area of brownfield redevelopment. Although brownfield strategies are becoming increasingly common in communities across Canada, they are most frequently found in Ontario.

## Examples of brownfield strategies

Type of strategy	Examples
<ul style="list-style-type: none"> <li>▶ Community-wide</li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>City of St. Catharines, ON:</b> Community Improvement Plan (2015)</li> <li>▶ <b>Greater Sudbury, ON:</b> Brownfield Strategy and Community Improvement Plan (2013)</li> <li>▶ <b>City of Guelph, ON:</b> Brownfield Redevelopment Community Improvement Plan (2011)</li> <li>▶ <b>City of Brantford, ON:</b> Brownfield Sites Community Improvement Plan (2006)</li> </ul>
<ul style="list-style-type: none"> <li>▶ District</li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>City of Oshawa, ON:</b> Brownfields Renaissance Community Improvement Plan (2005)</li> <li>▶ <b>City of Langley, BC:</b> Brownfield Redevelopment Strategy (2012)</li> <li>▶ <b>City of Hamilton, ON:</b> ERASE Community Improvement Plan (2010)</li> <li>▶ <b>City of Kingston, ON:</b> Community Improvement Plan for Brownfields Project Areas 1A, 1B &amp; 1C (2013)</li> </ul>
<ul style="list-style-type: none"> <li>▶ Site-specific</li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>City of Edmonton, AB:</b> Contaminated Gas Stations Task Force Strategy (2010)</li> </ul>
<ul style="list-style-type: none"> <li>▶ Other</li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>District of Maple Ridge, BC:</b> Town Centre Area Plan (2008)</li> </ul> <p>Note: while this plan does not address brownfield redevelopment explicitly, it lays the groundwork for incentive programs offered by the municipality to stimulate infill and brownfield redevelopment in the town centre.</p>

## ▶ What should your brownfield strategy include?

While a brownfield strategy should be tailored to your municipality's unique context, several common elements should be included, regardless of your municipality's size or location. These include:

1. An introduction
2. An outline of the strategy's goals and objectives
3. A description of the local policy context
4. An analysis of relevant, local brownfield data and information
5. A description of the programs that will enable your municipality to achieve the goals and objectives
6. An overview of how these programs will be implemented and how their performance will be measured

## 1. Introduction

Introduce the topic of brownfields to your reader by:

- ▶ Providing a **definition of “brownfields”**
- ▶ Discussing the **rationale for brownfield renewal** by presenting the **potential benefits** of brownfield redevelopment and the **negative impacts** resulting from inaction
- ▶ Explaining the **purpose** of the brownfield strategy

## 2. Goals and objectives

Clearly defining your strategy goals and objectives will allow you to implement programs and incentives that are best suited to overcoming local barriers to brownfield redevelopment. Your goals and objectives should be **specific, measurable** and **time-bound**.

The motivations for devising a brownfield strategy vary among municipalities. Some may want to meet growth demand within municipal boundaries or urban containment boundaries, while others may want to revitalize a specific neighbourhood or brownfield type (e.g. former service stations). Some may simply want to meet provincial government requirements in order to access financial incentives for brownfield redevelopment.

See **Appendix A** for samples of goals and objectives for three different types of brownfield strategies (developed for the cities of Hamilton, Waterloo and Edmonton).

## 3. Policy context

Your brownfield strategy should describe the provincial/territorial, regional and municipal policy context for local redevelopment. Incorporate these details by:

- ▶ Outlining any **relevant legislation or regulations** and clarifying the municipality’s options and obligations with regard to brownfield redevelopment
- ▶ Explaining how the strategy fits in with **existing municipal policies**, including how the strategy will build on or contribute to other sustainability policies, redevelopment plans or strategic plans
- ▶ Summarizing **what other municipalities have done** to encourage brownfield redevelopment, which helps to ensure that the strategy builds on the experience of other municipalities

## 4. Analysis

The analysis section of your brownfield strategy should provide the details of your “brownfield landscape,” considering:

- ▶ Results from your **brownfield inventory**, highlighting areas or sites of interest (e.g. zones with particular concentrations of brownfields sites; sites that have been identified as redevelopment priorities in other municipal strategies or plans)

---

<sup>1</sup> For brownfield renewal strategies focusing on a specific type of brownfield (e.g. former gas stations), it is particularly important to clearly define the type of brownfield targeted by the strategy.

- **Redevelopment opportunities and barriers** identified in your community
- Findings from any **community engagement** efforts (e.g. public consultations, open houses, focus groups, internal steering committee, stakeholder interviews)

You can also draw upon existing municipal planning documents for historical, economic and demographic data to create a full picture of your municipal profile.

## 5. Brownfield renewal programs

At the core of your brownfield strategy will be a description of programs that, once implemented, will help reduce redevelopment barriers and stimulate developers' interest in local brownfield sites. Such programs often include **financial incentives** (e.g. tax exemptions). However, in recent years, municipalities have increased their focus on **non-financial incentives** (e.g. reducing parking requirements) and providing **improved customer service** (e.g. streamlining approvals), as these have a lower impact on a municipality's bottom line. Some argue that, in certain cases, these approaches can be more effective than financial incentives. Whichever options you choose, remember the purpose is to level the playing field between brownfield sites and other sites by:

- Reducing the capital costs of development
- Increasing the development potential of the land
- Reducing the uncertainties associated with brownfield redevelopment

**Appendix B** includes a list of brownfield incentives commonly offered in Canadian municipalities, particularly in Ontario where brownfield strategies are most common.

## 6. Implementation and performance measurement

To ensure success, your strategy should clearly outline the **roles and responsibilities** of the different municipal departments involved in implementation and oversight, and how these departments will work together.

For **each of your brownfield programs**, your strategy should clearly layout:

- How the program will be **administered** and **monitored**
- **Financial viability** and sustainability, including
  - How the program is or will become self-funding
  - Profit/loss from the standpoint of municipal investment<sup>2</sup>
  - How private investment works with the program<sup>3</sup>
- Program **budget** and **duration**;<sup>4</sup>
- **Eligibility requirements**;

---

<sup>2</sup> Creating a distinct balance sheet for investment in municipal brownfield redevelopment will ensure that return on investment occurs over time. This will ensure long-term viability of the brownfield program, as returns can be re-invested into the program. Simplistically, this can be viewed as municipal investment in a brownfield project versus taxes collected as a direct result of the project.

<sup>3</sup> Outline the extent of private financing and its interaction with municipal financing on the project. What options are available for private investment in the project? How flexible is the program? Does it allow private sector developers to leverage the brownfield program and related financial incentives?

<sup>4</sup> Assurance of program longevity encourages developers to take part and plan their developments better.



- ▶ Program **performance indicators and targets** (e.g. acres redeveloped, tax base increase, population accommodated, amenities created, social capital created) (see Appendix C).

Your strategy should also specify the **frequency at which it will be reviewed** (e.g. every five years). By periodically reviewing your goals and objectives, the uptake of your brownfield programs, and the success of the resulting redevelopment projects, you can refine your strategy to improve effectiveness and adapt to new conditions.

You may also want to consider including a **marketing strategy** within your brownfield strategy to clearly define the target audience and key messages of your promotional efforts, and to recommend appropriate marketing tools and approaches (e.g. brochure, website, presentations, attendance at relevant conferences and networking events and media releases).

## Tips for avoiding a dark desk drawer

- ▶ **Start small.** If your municipality has limited experience or capacity to deal with brownfield sites, start by focusing on a particular priority area or brownfield type. Once you've demonstrated the success of your brownfield strategy and programs, you can expand their scope
- ▶ **Consult, consult, consult.** Be sure to consult residents and other stakeholders (e.g. developers, landowners, real estate professionals) to better understand local brownfield redevelopment opportunities and barriers, and to obtain early buy-in from these groups. Don't hesitate to reach out to your provincial/territorial government and to other municipalities who are experienced in brownfield redevelopment in order to benefit from their expertise.
- ▶ **Align your strategy.** Aligning your strategy with other municipal priorities (e.g. downtown revitalization, infrastructure renewal) will help ensure that sufficient resources are devoted to your brownfield programs. This will also help you to build buy-in for your programs across municipal departments.
- ▶ **Frame your strategy around local issues.** Framing your strategy around local issues such as downtown revitalization, waterfront renewal or economic development can help build excitement and support for your strategy.
- ▶ **Keep council informed and engaged.** Some brownfield redevelopment projects can require substantial municipal investment to get off the ground. Keeping your council informed and engaged on your brownfield achievements can help you maintain their buy-in over time.
- ▶ **Achieve two in one.** If properly designed, your brownfield strategy can meet other provincial/territorial regulatory requirements. For example, Ontario municipalities are required to develop community improvement plans before they can offer certain financial incentives.
- ▶ **Ensure that your strategy has a good home.** To be successful, a brownfield strategy needs to be housed in a department that has the capacity to administer, promote and monitor its implementation.
- ▶ **Manage expectations.** It is important to engage stakeholders and build interest in the strategy. However, you need to create a level of interest that can be sustained once the strategy is complete. Ensure that your municipality can reasonably achieve the strategy's goals and objectives.
- ▶ **Report your successes.** Whenever you have helped a brownfield redevelopment project come to life, share your successes with council, the public and other municipalities.

### ➤ Identify priority brownfields

Identifying public and private brownfield sites that are redevelopment priorities for your municipality can help inform the focus of your brownfield strategy. It is important to conduct a brownfield inventory prior to developing your brownfield strategy. You should also draw upon other municipal documents such as neighbourhood plans or economic development strategies, which may identify priority redevelopment sites. Talking with brownfield site owners and developers can be an effective way to get important information on sites and their redevelopment potential.

The types and locations of your municipality's priority sites will determine whether your brownfield strategy should be city-wide or target a specific area or brownfield type. Furthermore, the characteristics of your priority sites can help your municipality determine which approaches will help to catalyze their redevelopment and when financial incentives may be necessary.

For many municipalities, priority brownfield sites include:

- Municipally owned sites
- Properties in tax arrears
- Sites located in high visibility areas (e.g. waterfront, downtown)
- Sites with the potential to generate significant environmental, social or economic benefits to neighbourhoods

Recognizing which of these priority sites are **threshold sites** may help you determine which sites to target first. Threshold sites are those that would not be developed under normal market conditions, but that may be developed with the addition of an appropriate incentive.

The following questions can help you identify threshold sites in your community:

- What is preventing the site from being developed?
- What are the anticipated levels of site contamination and costs of remediation?
- Is the property in a strategic or high-profile location?
- Have assessment values been increasing?
- Has there been population and job growth in the area?
- Have there been recent public or private investments in infrastructure and redevelopment nearby?
- Do adjacent property uses support redevelopment here?
- Is the community ready for development of this brownfield?

This information can often be obtained through publically available resources (e.g. fire insurance mapping), on provincial or local databases, and by speaking with the landowners.

## Spotlight on screening brownfield sites for redevelopment

The **City of Trenton, New Jersey**, uses the following screening criteria<sup>5</sup> to identify priority brownfield sites on the basis of their development potential and expected community benefits:

### Development potential

- ▶ Size of land tract
- ▶ Presence of other development activities in surrounding area
- ▶ Water frontage
- ▶ Highway or railway access
- ▶ Proximity to markets (both customers and suppliers)
- ▶ Labour availability (with suitable skills)
- ▶ Cost of cleanup
- ▶ Geology

### Potential for significant community benefits:

- ▶ Presence of community leaders who can drive the redevelopment vision
- ▶ Residential population of the area (number and age distribution of nearby residents)
- ▶ Presence of schools or playgrounds near site
- ▶ Extent and nature of contamination and health risk
- ▶ Potential for secondary development activities
- ▶ Potential for redevelopment activity to generate city taxes
- ▶ Job creation potential
- ▶ Opportunities for environmental education

<sup>5</sup> Smart Growth Network. "An Integrated Approach for Brownfield Redevelopment — A Priority Setting Tool." 1996. Retrieved from: <http://aix1.luottawa.ca/~rroberge/an%20integrated%20approach%20for%20brownfield%20redevelopment-sgn%20library.htm>

<sup>6</sup> A sensitivity analysis is a simulation in which key assumptions are changed to assess their effect on the final outcome. This type of analysis helps evaluate risk and identify critical assumptions while predicting alternative outcomes of the same course of action.

<sup>7</sup> A "highest and best use" is a realistic use of a property that results in the highest value (i.e. maximizing value within legal and physical constraints) (adapted from the Appraisal Institute of Canada).

<sup>8</sup> A market conditions and absorption analysis determines the rate at which available homes or rentable space are purchased or leased in a specific real estate market. The higher the rate, the better the market. An absorption analysis is one way of determining real estate demand.

## ▶ Set clear and realistic redevelopment goals

Ensuring that priority brownfield sites have clear redevelopment goals that are well-aligned with community needs helps to build local buy-in for redevelopment projects and reduces the perception of risk in the development community. Setting clear and realistic redevelopment goals for brownfield sites requires that municipalities strike a balance between community needs and financial viability. Existing policy documents can provide a good indication of community priorities and expectations for a given brownfield site. While the development of smaller sites can be guided by existing municipal plans, larger sites may warrant a public visioning exercise or the development of a master plan.

To determine whether redevelopment objectives for a site are financially viable, it is often worthwhile to conduct a **sensitivity analysis**,<sup>6</sup> a "**highest and best use**" **site assessment**,<sup>7</sup> and a **market conditions and absorption analysis**,<sup>8</sup> and to analyze the impacts of zoning (i.e. density and mix of uses).

## ▶ Engage stakeholders

Stakeholder engagement is essential to aligning your brownfield strategy with the aspirations of local residents and the needs of developers. Stakeholder groups will have different objectives for site redevelopment. Broad consultations involving residents and businesses can provide valuable insights on what the community envisions for local brownfield sites and can be an important means to generating early buy-in for brownfield redevelopment. Consultations with stakeholders such as developers, landowners and real estate professionals will help ensure that your brownfield strategy reflects the realities of the local development market and effectively addresses redevelopment barriers. The more knowledgeable stakeholders are about municipal development requirements, the development process, and brownfield remediation in general, the more useful the consultation will be.

## ▶ Select the right brownfield incentives

When developing your brownfield strategy, you should carefully consider the incentives you will offer, to ensure that they provide the greatest benefit to the developer at the lowest cost to your municipality. Appropriate incentives vary by local context (e.g. real estate demand, land values), your municipality's financial capacity and the nature of the proposed redevelopment project. It is therefore important to develop your incentives in consultation with an internal steering committee (or "brownfield team") of departmental representatives, as well as with an external advisory group composed of developers, landowners, real estate professionals, financial representatives and residents.

Two critical aspects of brownfield incentive programs from a municipality's perspective are **complexity** and **cost**. It is important to consider your municipality's capacity to implement, administer and fund brownfield programs. Performing a self-assessment will help your municipality determine:

- ▶ The portion of the operating budget that can be devoted to brownfield programs
- ▶ Whether the required in-house expertise is available to administer more complex financial incentives (e.g. low-interest remediation loans)
- ▶ Which department is best positioned to spearhead the implementation and administration of the chosen brownfield programs (e.g. Economic Development)

The following sections outline considerations to keep in mind when developing your brownfield incentives package.

## Financial incentives

Financial incentives<sup>9</sup> signal a municipality's willingness to partner in brownfield redevelopment, and may entice a developer to choose to work with one municipality over another. It is important to carefully consider the impacts of such incentives, since some may represent a high cost for your municipality, yet yield little benefit for developers. A temporary or short-term cost to the municipal budget or tax revenue stream should shift a developer's proposal into profitable territory. Whenever possible, municipal costs should be recovered through (or, offset by) future tax revenue generated by the redevelopment

### Spotlight on stakeholder engagement

The **City of Greater Sudbury, ON**, initiated an extensive public engagement process to raise awareness of brownfield issues and to collect feedback and ideas from local stakeholders. The municipality was awarded an FCM Sustainable Communities Award in 2013 for the resulting "Reclaiming Our Urban Places: Greater Sudbury Brownfield Strategy and Community Improvement Plan."

The **City of Brantford, ON** Brownfields Community Advisory Committee, in cooperation with the Brantford Home Builders' Association, hosts an annual "Transforming Brown to Gold Bus Tour" to give the public an opportunity to visit remediated sites and learn about their development potential. The tour also includes visits to redeveloped sites to show what success can look like.

<sup>9</sup> Note that the availability of financial incentives varies by province.

Generally, the earlier in the redevelopment process a financial incentive is provided, the better. Brownfield redevelopment projects often require significant cash flow in the early stages to pay for studies and site remediation. **“Up front” money** such as **study grants, charge reductions** and **fee waivers** in the early stages of the redevelopment process can be very useful to developers when traditional financing is unavailable or insufficient.

If your municipality does not have the financial capacity to absorb the lost revenue associated with fee reductions and waivers, **offering tax increment financing (TIF)**<sup>10</sup> may be a viable

alternative. The TIF mechanism is self-financing, as the money made available to the brownfield site developer is recouped via increased tax revenue generated by post-redevelopment land uses (e.g. increasing the property tax base). It is important to note, however, that this type of financial incentive is offered post-redevelopment and, as such, it is most useful to developers who have access to sufficient capital or financing to fund the remediation and redevelopment stages.

### Spotlight on innovative incentive programs

The **City of Edmonton, AB**, provides financial assistance for the construction of infrastructure that supports interim land uses or renewable energy projects on brownfields. It also provides financial assistance for costs associated with detailed exposure control programs or long-term passive remediation approaches such as monitored natural attenuation.

## Non-financial incentives

If land values in your municipality are high or the availability of land within the municipal boundaries is low, financial incentives may not be needed; focusing on non-financial incentives and customer service approaches may be sufficient to catalyze brownfield redevelopment. This is the approach used by the City of Langley in British Columbia.

Non-financial incentives can deliver important benefits to developers while costing very little to the municipality. **Reducing parking requirements** helps to reduce the capital costs of development, while **“upzoning”** and **building height flexibility** can help increase the development potential of a site. These approaches ultimately result in greater profit for the developer. However, keep in mind that these options can be met with public opposition if your municipality fails to effectively engage and educate residents beforehand.

<sup>10</sup> Tax increment financing is financial assistance of an amount equal to all or a portion of the municipal property tax increase that will result from redeveloping a site, as redevelopment increases the assessed property value. There is no net expenditure on the part of the municipality.

## Spotlight on sliding-scale benefits

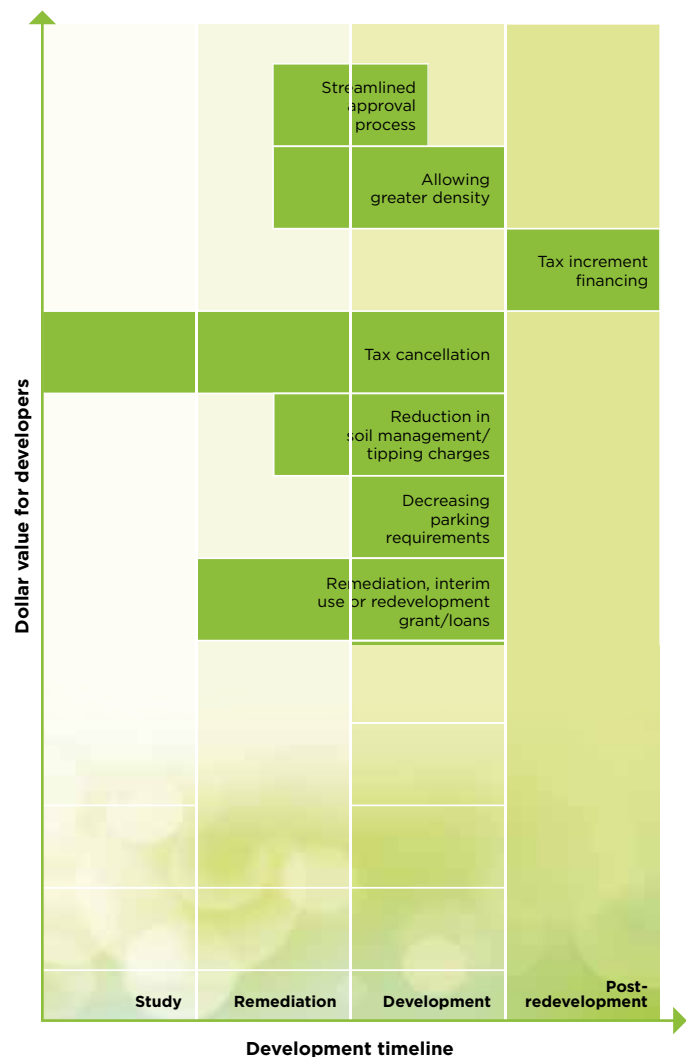
Another strategy to consider when developing your financial incentive programs is to apply a sliding scale. This strategy is based on the premise that not all brownfields are equal in their financial viability. The City of Kingston, ON, for example is considering using the following factors<sup>11</sup> to determine its level of financial contribution to a particular brownfield project:

- Have environmental liabilities been discounted through a recent property sale?
- Has the property been in productive use within the past five years?
- Was the applicant responsible for the previous uses that contributed to the site contamination requiring remediation?
- Did the recent or current owner contribute to the contamination and is that party liable for the action and responsible for cleanup?
- Are environmental encumbrances less than the present market value of the property?
- Can eligible remediation costs be rebated within less than 10 years with application of a 100% benefit scenario?
- Does the proposed redevelopment create enhanced community benefit through the provision of mixed land-use features and building features such as:
  - Affordable housing
  - Heritage preservation
  - Neighbourhood commercial services
  - Public park space
  - Public access to the waterfront
  - Active transportation infrastructure and recreational opportunity
  - Urban forest canopy and shade
  - Low impact development
  - Innovation in energy and water efficiency

## Evaluating your options

Offering a variety of incentives allows developers to choose the ones best suited to their needs. At the same time, developing and administering each brownfield incentive requires resources, so you should not offer more options than you are able to manage effectively.

The graph below illustrates the timing of incentives versus the dollar value for developers. This graph is a generalization — the dollar value of the incentives may differ for each project and jurisdiction. For further details on the benefits and challenges associated with different incentive measures, refer to **Appendix B**.



This diagram was adapted from one prepared by Dave Harper of the Kilmer Brownfield Equity Fund L.P.

<sup>11</sup> Source: City of Kingston. Report to Planning Committee. 2014.

## Spotlight on competitive application processes

Municipalities that have experienced considerable uptake for their incentive programs sometimes choose to implement a competitive application process to better leverage limited financial resources. In its 2015 Community Improvement Plan, the City of **St. Catharines, ON**, included a valuation ranking system by which to evaluate and prioritize projects for approval. Projects must achieve a minimum score to be eligible for council approval and are evaluated according to these criteria:

- Whether the project is a brownfield redevelopment
- The estimated remediation costs
- Lot size
- Project location
- Financial impact
- Density generation
- Value added (urban design features, sustainability, accessibility, heritage restoration/preservation)

## ➤ Create a customer-oriented process

The success of your brownfield programs hinges not only on the selection of appropriate incentive measures but also on the thoughtful design of your application process and application packages. If the process is too onerous and fraught with uncertainty, developers may decide that it is not worth their time or resources to apply for the incentive, potentially leaving brownfield sites undeveloped.

Here are some considerations to keep in mind when designing your brownfield incentive application processes:

- Identify a point person to respond to inquiries and shepherd applications through the approval process.
- Map out how applications will move through the approval process.
- Develop clear selection criteria and communicate to applicants how they will be assessed.
- Be explicit about what is expected of applicants throughout the process (e.g. documents required, response times).
- If your municipality chooses to require certain performance standards (e.g. sustainable remediation, green building design, urban design), be sure that these are clearly communicated from the outset.
- Establish clear criteria for eligible costs, including cost types (assessments, rehabilitation, redevelopment) and eligibility dates (e.g. on the application submission date, after council approval, once the agreement is signed).
- To save time, develop agreement templates that can be customized to each project.
- Ensure that applicants whose projects have been approved for specific incentive programs will not lose their funding through any changes in policy.
- Ensure that information on policies, regulations and application processing is accurate, accessible, timely and predictable, to reduce uncertainty for developers.

When dealing with prospects and applicants, be sure to establish a **solution-oriented business relationship** and adopt a **client-centred approach** to processing applications and undertaking negotiations. It is also important to know when to be **flexible** in applying process and regulatory standards. Building in a certain degree of flexibility in your incentive programs will allow developers to respond to changing market conditions throughout the life cycle of a redevelopment project.






## **Establish clear roles and responsibilities**

Brownfield redevelopment projects often involve a broad spectrum of municipal departments, such as economic development, planning, finance, legal, risk management, real estate, engineering and public works. In order to maximize efficiencies and streamline approval processes, it is important to clearly define the roles and responsibilities related to the implementation of your brownfield strategy and the administration of your programs.

In order to simplify communications with brownfield stakeholders, many municipalities choose to designate a “point person” to handle brownfield inquiries and shepherd brownfield redevelopment proposals through the municipal process. This point person is often a member of the planning or economic development department. If your municipality chooses this approach, ensure that the staff person’s contact information can easily be found on your municipality’s website and on any communication materials used to promote your brownfield programs.

## **Monitor and report on performance**

When devising your brownfield programs, it is important to select performance indicators that will enable you to assess:

-  Program uptake
-  Financial and administrative implications for your municipality
-  The effectiveness of marketing and promotion
-  The efficiency of application and approval processes
-  The economic, social and environmental benefits generated by the resulting brownfield redevelopment projects

These performance indicators will be particularly useful when the time comes to review and renew your programs. Without a clear sense of the programs’ strengths, challenges and impacts, it may be difficult to maintain buy-in and identify areas for improvement.



Appendix C: Sample Performance Indicators provides a list of sample indicators that you can use to assess your brownfield programs, as well as suggestions on where to find the data. When selecting performance measures, consider the following:

- ▶ Choose performance indicators that relate to the goals of your incentive programs.
- ▶ Focus on key indicators and ensure that you have the resources required to collect, analyze and report on these indicators.
- ▶ For high-profile projects or projects that benefit from substantial municipal investment, be sure to collect baseline data against which to evaluate the impacts of the redevelopment over time.

Your performance measures, as well as the frequency of program reviews and audits, should be outlined in your brownfield strategy.

## ▶ **The path forward**

Developing a brownfield strategy and supporting programs will enable your municipality to leverage limited municipal resources and strategically encourage the redevelopment of priority brownfield sites. However, it is important not to lose momentum once the strategy is developed, as the strategy in and of itself does not guarantee that your brownfield sites will be redeveloped. Redevelopment is a long-term process that requires ongoing commitment from council and staff; the success of your brownfield strategy and programs hinges upon their continued dedication.

Once you have adopted your brownfield strategy, your municipality will have completed another step of FCM's Leadership in Brownfield Renewal framework and will be ready to tackle the additional steps:

- ▶ **Promote programs and opportunities:** Build awareness by creating a communications plan and promotional materials and by participating in or hosting local events.
- ▶ **Manage programs and projects:** Administer your municipal brownfield programs, and facilitate the redevelopment of local properties.
- ▶ **Evaluate, improve and celebrate:** Assess and ensure ongoing improvement of policies and programs, and celebrate your successes.

Stay tuned for more resources from FCM's Green Municipal Fund that will support your progress every step of the way.

# Appendix A:

## Goals and objectives of sample brownfield strategies

Brownfield strategy	Goals and objectives
<p>City of Hamilton ERASE Community Improvement Plan 2010</p>	<ul style="list-style-type: none"> <li>➤ Replace underutilized, contaminated, abandoned and blighted properties with productive land uses</li> <li>➤ Increase tax assessment and revenues for the City of Hamilton and the Province of Ontario</li> <li>➤ Retain and increase employment opportunities</li> <li>➤ Reduce urban sprawl and its related costs</li> <li>➤ Promote energy efficiency and sustainable building practices through the construction of Leadership in Energy and Environmental Design (LEED®) standards</li> <li>➤ Improve the physical and visual quality of the urban area</li> <li>➤ Improve environmental health and safety</li> <li>➤ Increase the provision of city core housing opportunities</li> <li>➤ Stimulate private investment activity and private property maintenance</li> </ul>
<p>City of Waterloo City-Wide Brownfields Community Improvement Plan 2013</p>	<ul style="list-style-type: none"> <li>➤ Stimulate and leverage private and public sector investment to promote the remediation, rehabilitation, adaptive re-use and overall improvement of brownfield sites throughout the municipality</li> <li>➤ Reduce outward expansion and make better use of existing infrastructure by encouraging the redevelopment of underutilized and vacant sites</li> <li>➤ Increase tax assessment and property tax revenues</li> <li>➤ Improve the physical and visual quality of the municipality</li> <li>➤ Improve environmental health and public safety in areas within which brownfields are located</li> <li>➤ Retain and increase employment opportunities</li> <li>➤ Increase community awareness of the economic, environmental and social benefits of brownfield redevelopment</li> <li>➤ Utilize municipal resources to demonstrate leadership in the remediation, rehabilitation, adaptive re-use and overall improvement of brownfield sites throughout the municipality</li> </ul>
<p>City of Edmonton Contaminated Gas Stations Task Force Goals and Objectives 2010</p>	<ul style="list-style-type: none"> <li>➤ Ensure that human health and environment are protected</li> <li>➤ Achieve appropriate permanent redevelopment or interim uses of brownfields throughout Edmonton which were previously gas stations</li> <li>➤ Promote remediation/risk management of contaminated sites to facilitate more intensive use of the sites</li> <li>➤ Leverage financial opportunities from a range of stakeholders</li> <li>➤ Reduce the possibility of future contamination from planned gas station operations</li> </ul>

# Appendix B:

## The benefits and challenges of brownfield incentives

This table details the benefits and challenges associated with the different incentives to consider including in your brownfield programs. The table should be used for guidance only – consulting your local brownfield stakeholders will help you choose the approaches that are best suited to your community’s context.

Measures	Definitions	Benefits	Challenges
<b>Financial incentives</b>			
Tax increment financing	Tax increment financing is financial assistance of an amount equal to all or a portion of the municipal property tax increase that will result from redeveloping a site, as redevelopment increases the assessed property value. There is no net expenditure on the part of the municipality.	<p>Significant financial value to developer, particularly if financing starts during construction or is transferrable to a financial institution, or both</p> <p>Low risk to the municipality</p> <p>This incentive “pays for itself” as property tax revenues increase</p>	<p>Benefit accrues to the property owner, not the developer, unless a clause in the purchase agreements transfers the benefit of the tax rebate back to the developer</p> <p>Often available only after development is complete and begins generating tax revenue</p> <p>Can be complex to implement and administer</p> <p>Some programs may delay payments if new owners are in tax arrears</p>
Municipal examples: Cornwall, Hamilton, Kingston, Kitchener, Thorold, Windsor			
Environmental study grants	Grants are made available for the completion of site environmental and contamination studies.	<p>Ideal for “threshold” property redevelopment</p> <p>Can be provided early in the development process</p> <p>Helps to reduce uncertainties associated with brownfield redevelopment</p> <p>Can be used by the municipality to gather environmental data</p>	<p>Can be of limited financial value to developer, relative to the overall project cost</p> <p>Can result in high costs for municipality (important to set annual maximum ceiling)</p> <p>“Return on investment” for municipality may be delayed if development doesn’t proceed</p>
Municipal examples: Edmonton, Niagara Falls, Oshawa, Ottawa, Region of Waterloo			

Measures	Definitions	Benefits	Challenges
<b>Financial incentives</b>			
Remediation or interim use grants or loans	Grants or loans are made available for brownfield remediation or the installation of an interim use on a brownfield site.	<p>Ideal for “threshold” property redevelopments</p> <p>Can be provided early in the development process</p> <p>Can be a significant incentive for developers</p> <p>Provides developers with access to capital at a time when traditional sources of funding are often unavailable</p> <p>Interim use can stimulate developer interest in a site</p>	<p>Grants can result in high costs for municipality (important to set annual maximum ceiling)</p> <p>Loans represent a higher risk to the municipality, with higher potential rewards (development of otherwise undevelopable land and urban renewal)</p> <p>Loans can be complex to administer and require staff or consultants experienced in real estate finance</p>
Municipal examples: Edmonton, Hamilton			
Reductions or exemptions in fees, permit costs, taxes or development charges	<p>Municipalities may offer rebates or options to waive taxes or fees related to development, including:</p> <ul style="list-style-type: none"> <li>• Planning and development application and permit fees such as minor variances or site plan approvals</li> <li>• Building permit or demolition permit fees</li> <li>• Sign permit fees</li> <li>• Land tipping fees</li> </ul>	<p>Available to developers early in development process</p> <p>Relatively easy to implement and administer</p> <p>Reductions or exemptions generally have low cost implications for municipalities, particularly for urban or previously serviced lots</p> <p>Initial tax exemptions and reductions can “pay for themselves” as property tax revenue increases with development</p>	<p>Financial value varies with scale of development and degree of reduction, but can be significant for larger-scale developments</p> <p>Return on investment may be delayed if the development occurs over a longer timeline than expected</p> <p>Indirect cost to the municipality depending on staff resources or development impacts on infrastructure</p>
Municipal examples: Brantford, Cambridge, Guelph, Maple Ridge, Niagara Falls, St. Catharines			
Development loans or other financial partnering	Municipalities may make financing available to the developer, to be repaid under conditions specified in the financing contract.	<p>Value to developer depends on the amount, but can be significant because it is available to the developer when required</p> <p>Facilitating access to low-cost financing represents no direct cost to the municipality</p> <p>Risk is shared among key project stakeholders (i.e. developer and municipality)</p>	<p>Higher risk to the municipality, with higher potential rewards (development of otherwise undevelopable land and urban renewal)</p> <p>Can be complex to implement</p> <p>Requires staff or consultants experienced in real estate finance to arrange and administer</p>

Measures	Definitions	Benefits	Challenges
<b>Non-financial incentives</b>			
Allowing greater density	Through rezoning, variance or decision (dependent on the type of zoning and site conditions), the developer is allowed to build to greater density than previously permitted.	<p>No direct cost to the municipality unless infrastructure is impacted</p> <p>Relatively easy to implement</p> <p>Can have significant profitability for developer</p> <p>Benefits flow to developer fairly early in the development process</p> <p>Results in higher potential tax revenue</p>	<p>Not always feasible – value of this incentive is linked to market conditions and real estate absorption rates</p> <p>Potential for community opposition or technical limitations</p>
Decreasing parking requirements	The municipality makes an allowance to decrease on-site parking requirements.	<p>No direct cost to the municipality</p> <p>Relatively easy to implement</p> <p>Can have significant profitability for developer</p> <p>Supports sustainable transportation policies</p>	<p>Sustainable modes of transportation must be integrated into development plan (cycling infrastructure, transit, car sharing, etc.)</p> <p>The local real estate market may demand higher parking ratios, so the developer may gain no benefit</p>
<b>Customer service</b>			
Streamlined development approval process	The municipality facilitates the development approval process by various means (e.g. consolidating application forms, assigning staff to shepherd a project through the process).	<p>Can represent significant (though indirect) financial value to developer as it shortens development process (i.e. “time is money”)</p> <p>Available to developer throughout the development process</p>	<p>Municipal in-kind resources required</p> <p>Can be complex to implement and maintain</p> <p>Approval timing often depends on the quality and timing of third-party studies, which is outside the municipality’s control</p>

# Appendix C:

## Sample performance indicators

Category	Indicator	Potential data source
Environment and health	Development parcel size	Municipality
	Amount of land/wetland/riparian area preserved or restored for wildlife habitat	Developer
	Quantity of soil, surface water and groundwater treated or risk managed	Developer
	Reduction in soil and groundwater pollution	Remediation plan or risk management plan
	Preservation of greenfields (e.g. arable farmland, forests, etc.)	Municipality
Financial/economic	Property taxes before and after redevelopment	Municipality
	Total estimated development costs	Developer
	Remediation costs	Developer
	Municipal grants	Municipality
	Infrastructure and servicing costs (i.e. capital and operations and maintenance costs) avoided, as compared to conventional development	Municipality
	Property assessment	Assessment agencies
Social/liveability	Person/years employment during construction	Developer
	Person/years employment during remediation	Developer
	Person/years employment pre-redevelopment	Developer
	Person/years employment post-redevelopment	Developer, owner
	Number of housing units	Municipality, developer

Other sources of baseline or neighbourhood-scale data include:

- Statistics Canada (employment and demographic information)
- Local real estate industry (information on sales and leasing activities, as well as property market values)
- Regional, provincial and federal government departments and agencies
- Utilities (information on consumption of energy and water, generation of waste, impacts on infrastructure capacity, and comparative efficiency of different types of development)
- Professional and business sector organizations (employment information and general information on insurance costs, products and claims)



# FCM's **Green** Municipal **Fund**: Supporting municipal leadership in brownfield redevelopment

FCM's Green Municipal Fund (GMF) is your brownfield clean-up partner and much more. Whether your organization is a **municipal government**, a **municipally owned corporation** or a **private-sector partner**, GMF can help get your brownfield projects moving with funding and knowledge resources.

PLAN	ASSESS	REMEDiate	REDEVELOP
<b>GRANTS</b> (up to \$175,000)	<b>GRANTS</b> (up to \$175,000)	<b>LOANS</b>	<b>LOANS + GRANTS</b>
<ul style="list-style-type: none"> <li>• Sustainable neighbourhood action plans</li> <li>• Community brownfield action plans</li> </ul>	<ul style="list-style-type: none"> <li>• Phase II ESAs</li> <li>• Risk assessments</li> <li>• Risk management/remedial action plans</li> <li>• Field tests</li> </ul>	<ul style="list-style-type: none"> <li>• Site remediation</li> <li>• Risk management</li> <li>• Interim use — renewable energy generation on a brownfield site</li> </ul>	<ul style="list-style-type: none"> <li>• For eligible capital projects in the energy, transportation, waste and water sectors</li> </ul>

**KNOWLEDGE RESOURCES:**  
Case studies, roadmaps, webinars, award-winning projects, videos and more.

## The GMF advantage

Let the GMF advantage help you revitalize your brownfields, overcome market barriers and create new economic opportunities. GMF offers attractive financing on a cost-reimbursement basis. Unlike most other funders, GMF offers loans at the remediation stage. Find out about innovative financing methods, such as using municipal incentives like tax increment financing (TIFs) as loan security. GMF funding can be combined with other funding programs (e.g. federal and provincial) and applications are accepted year-round.

GMF can also connect you with a network of brownfield experts and resources and share lessons learned from other projects.

To apply for funding or learn more about GMF, visit [www.fcm.ca/brownfields](http://www.fcm.ca/brownfields) or contact us at **1-877-997-9926** or [gmf@fcm.ca](mailto:gmf@fcm.ca).