How to “Unlock” Value to Remediate and Redevelop Gasoline Stations

Redevelopment Framework for Former Service Stations

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Presentation Outline - Redevelopment Framework

- Stakeholder Need
- Development Process
- Objective and Outcomes
- Components (Steps, Guiding Principles, Tools)
- Next steps
What Is It?

♦ Redevelopment Framework

- Developed as a guide and resource for Ontario municipalities and other stakeholders to assist them with the redevelopment of former service stations located in their communities

Redevelopment Framework
for
Former Service Stations
in Ontario
Why Former Service Stations?

- Most common type of brownfield site in Canada
- Highly visible
- Often lower value sites that aren’t worth the risk
- Process barriers identified by industry and government stakeholders
Why a Framework?

- Standardized approach
- Common language tool
- Clear, transparent, and streamlined
- Stakeholder input through consultations
- Guiding principles
- Best practices
- User-friendly
How Was It Developed?

- Identified common practices, existing tools, resources, and programs

- Framework should:
  - Include site characterization in accordance with jurisdictional requirements
  - Clarify process through decision trees, flowcharts and matrices
  - Be written in non-technical terms
  - Emphasize the importance of risk based protection and management
  - Highlight proven technologies
  - Reflect the existing regulatory regime
  - Be flexible
Phase 2 - Development

- Coordinated a multi-stakeholder interdisciplinary team
  - Leveraged stakeholder expertise
  - Key experts (public and private sector)
Phase 2 - Development

- Engaged in open and candid discussions to identify best practices
- Created online communication tool to coordinate stakeholder involvement
- Developed framework for “typical” gas stations
Outcomes - Stakeholders

♦ Provides an accessible online resource

♦ Provides a set of **Guiding Principles**

♦ Highlights the importance of early and ongoing communication between stakeholders

♦ Provides guidance on **Finance**, **Technical Issues**, **Land Use Planning**, and **External Communication** at each stage of the redevelopment process
Outcomes - Municipalities

♦ Identifies Planning Tools - streamline the municipal approval process

♦ Highlights importance of a predictable and timely for approvals process

♦ Provides guidance on effective municipal incentives

♦ Describes how to implement *interim site uses* when there is no immediate redevelopment potential

♦ Illustrates what municipalities can do to improve the *development potential* of a site

♦ Illustrates how municipal planning and technical decisions interact at different stages of redevelopment
Outcomes – Property Owners and Developers

- Creates a streamlined approach (basis for working with municipalities)
- Reduces approval delays and addresses misunderstandings between developers and municipalities
- Identifies financial incentives available at each stage of redevelopment
- Illustrates how development potential can be improved through the use of Property Specific Standards
- Clarifies when municipalities can ask for a Record of Site Condition
- Clarifies the approval process for Remediation to Property Specific Standards and Risk Management Measures
Outcomes - Province

♦ Develops a streamlined process that works within the existing regulatory framework

♦ Addresses a number of regulatory barriers by improving communication

♦ Identifies the major issues, current practices, possible solutions and gaps
Framework Components

♦ 4 Stages:
  1. Setting the Stage
  2. Evaluation and Planning
  3. Implementation
  4. Management

♦ Guiding Principles (Key Elements and Best Practices)

♦ 5 Tools (Flow Diagram and Screening Matrices)
  1. Framework Diagram
  2. Property Use & Redevelopment Potential
  3. Selection of Remediation Technologies and Risk Management
  4. Implementing Remediation and Risk Management
  5. Glossary and Abbreviations
  6. Examples, Templates, and Case Studies
Framework Diagram
Step 1: Setting the Stage

- **Finance**
  - Financial Incentives

- **Technical**
  - Phase I Environmental Site Assessment (ESA)

- **Land Use Planning**
  - Early Planning Tools (e.g. CIP, DPS)

- **External Communication**
  - Mandatory Public Consultation (Led by Municipality)

**NOTE:** Transaction of property (sale or redevelopment) may occur at any stage in the Framework.
Step 2: Evaluation and Planning

**Finance**
- Financial Incentives

**Technical**
- Interim Site Management
- Supplementary Phase II ESA
- Value Creation for Redevelopment
- Environmental Site Management Options (Screening Matrix for Remediation and Risk Management)
- Redevelopment Options (with planning for land use and building placement)

**Land Use Planning**
- Necessary Planning Approvals (e.g., Amendments to the Official Plan & Zoning By-law)

**External Communication**
- Recommended Stakeholder Consultation
- Mandatory Public Consultation (Led by Municipality)

**Step 2: Evaluation and Planning**
Step 3: Implementation

**Finance**
- Financial Incentives
- New (MPAC) Assessment of Property Value

**Technical**
- Remediati on to Generic Standards
- Risk Assessment and Remediation to Property Specific Standards
- Risk Assessment and Risk Management Measures
- Record of Site Condition (RSC) *(posted on Brownfield Environmental Site Registry)*

**Land Use Planning**
- Site Plan Approval

**External Communication**
- Recommended Ongoing Communication (Led by Developer and Municipality)

A RSC is a recommended Best Practice although only mandatory when changing to a more sensitive land use.
Step 4: Management

**Finance**
- New (MPAC) Assessment of Property Value

**Technical**
- Site Management and Monitoring
- Redevelopment

**Land Use Planning**

**External Communication**
- Public Showcase

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*OCETA*
<table>
<thead>
<tr>
<th>Site Considerations</th>
<th>Net Site Value (= final property value - cost of remediation and/or risk management)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Troubled site</td>
<td>Site has Negative Net Value</td>
</tr>
<tr>
<td>Redevelopment Potential = Fair</td>
<td>Steps: 1. Engage owner and developer early. 2. Follow Framework when project economics support moving forward. 3. Improve project economics. Consider entire zone economics, developer incentives, site-specific remediation, etc.</td>
</tr>
<tr>
<td>Redevelopment Potential = Very Poor</td>
<td>Steps: 1. Framework is NOT applicable. 2. If desired, develop aesthetics or surface use agreement with owner, including interim site management obligations.</td>
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### Redevelopment Potential

#### Improving Redevelopment Potential

A site may shift to the right side of the matrix if either the property value increases or the cost of remediation decreases. A Risk Assessment may reduce the cost through remediation to Property Specific Standards and/or the use of Risk Management.

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<th><strong>Redevelopment Potential</strong></th>
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<tr>
<td><strong>Site is located within a Municipal CIP or revitalization strategy area</strong></td>
<td><strong>Site has Negative Net Value</strong></td>
<td><strong>Fair</strong></td>
</tr>
<tr>
<td><strong>Site has Marginal Net Value</strong></td>
<td><strong>Poor</strong></td>
<td><strong>Good</strong></td>
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- **Steps:**
  1. Engage owner and developer early.
  2. Follow framework when project economics support moving forward.
  3. Improve project economics. Consider entire zone economics, developer incentives, site-specific remediation, etc.

- **Steps:**
  1. Engage owner and developer early.
  2. Follow Framework to redevelop.
  3. Improve project economics through shortened development time, developer incentives, CIP funding, flexible land use/exit strategies, etc.

- **Steps:**
  1. Engage owner, consultant, regulator and developer early.
  2. Jointly identify redevelopment options and timeframe. Consider less sensitive interim use and options to improve project economics.
  3. Follow framework when feasible and use plan is developed.

- **Steps:**
  1. Engage owner, consultant, regulator and developer early.
  2. Jointly identify economically feasible redevelopment options.
  3. Improve project economics through shortened development time, developer incentives, CIP funding, flexible land use/exit strategies, etc.
### Redevelopment Potential

#### Redevelopment Potential = Very Good

**Steps:**
1. Engage Owner and developer early
2. Follow Framework to redevelop

#### Redevelopment Potential = Very Poor

**Steps:**
1. Framework is NOT applicable
2. If desired, develop aesthetics or surface use agreement with owner, including interim site management obligations

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Interim Site Uses

♦ Interim uses:
  - First step in the gradual development of these sites
  - Interim to full redevelopment ("highest and best uses")

♦ Examples:
  - Temporary commercial structures, parking lots, parks, gardens, farmers markets, and other short-term uses of sites

♦ Chicago’s City Farm
  - Mobile farm located on contaminated sites
  - Produce is grown on raised beds of soil that can be loaded onto a trailer
  - When development begins on the site, City Farm works with the City to find another location
    (city guarantees entire growing season)
  - Produce is sold to local restaurants
  - Close collaboration with the city
What’s Next?

♦ **Implement the Framework**
  - Testing the Framework with Ontario municipalities (Webinar, Survey and Launch the Online Framework)

♦ **Provide Training and Matchmaking Opportunities** for Municipalities and Property Owners

♦ **Expand the Framework** beyond the Ontario Pilot
  - Other jurisdictions
  - Other types of brownfield sites such as dry cleaners
Summary

♦ Developed an effective guidance framework (online www.aboutremediation.com)

♦ Streamlined the approval process

♦ Facilitated matchmaking opportunities to encourage redevelopment considerations

♦ Created a product with potential application in other jurisdictions and for other types of brownfield sites
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