

# EcoLog environmental conference hears from experts on the changing brownfields landscape

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Michael Billowits says that 2009 was a "dog-eat-dog" year for the remediation industry in Canada.

"With the real estate and market slowdown, there were less transactions, less remediation, and more competition in the market," said Billowits, general manager, remediation, with Quantum Murray LP.

The good news, he said, is that the "2009 rainstorm appears to be over."

He noted that there's been a "significant increase" in brownfield redevelopments since August and September 2009.

"Debt financing is becoming more readily available," he said, adding that, "investors are now interested in closing deals."

Billowits shared his sunny outlook for 2010 at EcoLog's Environmental Compliance Conference (ECC), which was held in Toronto on November 5, 2009.

But, as other speakers from the remediation industry attested, the future of brownfield development in Canada will be influenced by more than just market factors.

In Ontario, the government has proposed amendments to its brownfields regulation, Records of Site Condition Regulation (O. Reg.153/04).

The amendments are intended to improve the records of site condition (RSC) through new environmental site assessment rules and an administrative check of the RSC before filing.

The Ontario Ministry of the Environment (MOE) has also proposed to update contaminant standards and streamline the risk assessment process with a modified generic model called "Tier 2."

Tier 2 is a web-based software tool that allows users to modify inputs for site-specific conditions.

But some stakeholders have expressed concerns over the proposed RSC process and Tier 2 process.

To address questions about cost impacts and how the Tier 2 model would work, the MOE ran two desktop demonstration pilots in 2009.

"We had a good variety of participants from the Greater Toronto Area, southwestern Ontario and eastern Ontario," said Dale Gable, MOE regional project engineer, central region, program services unit.

Gable presented the demonstration results at the ECC.

The demonstration included properties that were former industrial or commercial sites destined mostly for parkland, residential or undecided use. Metals and volatile organic compounds (VOCs) were some of the main contaminants of concern.

It found that costs would increase during Phase 1 and 2 of the environmental site assessment.

The cost impact depended on factors such as the quality and extent of the work being completed in Phase 1 and 2, with a lower cost impact in cases where there were already more tasks being performed compared to the proposed regulation amendments.

"Participants didn't see this as a big deterrent," Gable said, adding that they didn't mind spending a little more money on the environmental assessment if it meant more certainty and reduced review timeline.

But when it came to soil remediation costs for risk management measures, that's where "the Tier 2 model was able to provide some level of relief," Gable said.

"Savings ranged from a 50 per cent decrease to an eight per cent increase," he noted.

Gable pointed out, however, that the model is not "a magic bullet," pointing to one case with a parkland end-use, where a Tier 3 model would probably work best.

The comments from participants also ranged.

One user said that "Tier 2 versus Tier 3 could result in about \$150,000 to \$250,000 of business interest savings per \$1,000,000 invested in the property."

But another participant commented that "for redevelopment brownfield sites where substantial excavation is involved, the Tier 2 model has limited application."

Gable said that overall, participants were generally happy to have "another tool at their disposal."

He said that the MOE is incorporating the feedback it received into a guidance document that will come out once the model is implemented.

The proposed amendments, which are currently under review, are expected to quicken the pace for brownfield redevelopment in Ontario.

As Billowits pointed out in his presentation, Ontario could stand to catch up to other provinces like British Columbia (B.C.).

He noted that in B.C., the ministry has stepped back from the risk assessment process and instead created a roster of qualified inspectors to conduct reviews, resulting in a quicker turn-around time.

"We're hoping that will become the trend in Ontario, too," he said.

While B.C.'s brownfield initiatives may beat out those in Ontario, Canada as a whole has a ways to go, according to another ECC speaker, Angus Ross.

Ross, who is chair of the advisory panel of the Canadian Brownfields Network, said that financing redevelopment projects remains a barrier.

He said that other countries have introduced incentives to get the shovel in the ground sooner.

The U.S. brought in a brownfield remediation tax in 1997, through which the full cost of cleaning up a brownfield can be deducted in the year the cost was incurred.

Ross said that the Netherlands and France have similar taxes, but Britain's tops them all.

"They do not let you deduct 100 per cent, they let you deduct 150 per cent," he said, asking, "isn't it time that the federal government here, and the provinces, follow?"