



The Honourable Dalton McGuinty  
Premier of Ontario  
Legislative Building  
Queen's Park  
Toronto ON M7A 1A1

Dear Premier McGuinty,

We are writing to you today regarding the Province of Ontario continuing to prioritize “Brownfield Redevelopment as a critical part of building strong, healthy and sustainable communities”.

The Government of Ontario cannot afford to miss this window of opportunity to effect permanent change that will allow Brownfield Redevelopment to occur while simultaneously supporting current provincial policies.

Brownfield Redevelopment is an important component in implementing the Province’s existing policies and legislation on Smart Growth, including the Green Belt, Places to Grow, Urban Intensification, the Provincial Policy Statement, Transit, Clean Water and Environmental Management. However, without removing the barriers to Brownfield Redevelopment in Ontario, the effectiveness and benefits of these policies will be greatly undermined by the negative impacts and increased costs associated with urban sprawl, including traffic congestion, air pollution, and increased infrastructure and transit service costs.

Experience in other jurisdictions has verified that a number of conditions must exist for Brownfield Redevelopment projects to proceed. These include:

- Owners of brownfield properties must be prepared to sell their land to developers who wish to remediate and redevelop this land;
- Developers must be willing to take the additional risks associated with a Brownfield Redevelopment project compared with a greenfield project;
- Sources of financing must be available;
- A workable regime must exist to facilitate remediation of the site to a standard that meets the principle of "good science";
- Municipal governments have to be prepared to approve development projects on brownfield sites where verification has been provided that these sites have been made environmentally suitable for the proposed use; and
- The project has to make economic sense to all the stakeholders.

These impediments to Brownfield Redevelopment were well articulated in the 2003 National Round Table on the Environment and Economy (NRTEE) report, *Cleaning up the Past, Building for the Future*. This report contains many excellent recommendations that are just as relevant today as they were three years ago. As well, the recent report from the Association of

Municipalities of Ontario (AMO), *AMO Report on Brownfields Redevelopment What Has Been Achieved, What Remains To Be Done (May 2006)*, identifies 73 recommendations regarding what is required to motivate Brownfields Redevelopment in Ontario. We recognize the need for the Provincial Government to prioritize the recommendations contained in both the NRTEE Report and AMO Report, but we encourage the Province to focus on the three main barriers in Ontario, namely, liability, technical standards and financing.

The major barrier to Brownfield Redevelopment in Ontario is the existing uncertain liability regime. Owners of contaminated sites are not prepared to accept the significant liability risks that come with selling their properties to developers. In turn, many developers find the risks of redeveloping brownfield sites to be unacceptable, and therefore focus their efforts on greenfields or sites that do not have environmental issues.

The second major impediment to Brownfield Redevelopment is technical. In some cases, the Province is imposing standards that are unnecessarily onerous and at times impossible to achieve. The end result is the failure to recognize the consequences of choosing to impose an unnecessarily strict standard. In an era of sustainability, it is important that the Province implement legislation and policies to facilitate the reuse of these brownfield sites.

The third major impediment is financing. Changes to Income Tax legislation that would permit the expensing, rather than capitalizing, of clean-up costs, would be of general benefit to Brownfield Redevelopment. However, there are a number of brownfield sites that will only be economic to redevelop with some form of financial assistance. We believe that the Government of Ontario should provide this assistance and do so in a manner that directs this assistance to those sites that offer the greatest benefit to the people of Ontario. One example of the success that a province has had in motivating redevelopment with a relatively small injection of provincial dollars, is in the Province of Quebec. Through their Revi-Sols Program, the Province of Quebec leveraged significant amounts of private sector investment, resulting in the clean up and redevelopment of hundreds of brownfield sites and the generation of millions of dollars in property taxes.

As stated in various Provincial policy documents, “redeveloping unused, former industrial or commercial sites will help revitalize neighbourhoods, create jobs and housing, and boost development in areas with existing transit, infrastructure and community facilities”. There are significant benefits to the redevelopment of these strategically positioned properties including: increased property values and increased property tax base; improved availability of housing, commercial and mixed-use properties; improved environmental health; improved human health and safety; reduction in urban sprawl and its associated costs; and increased urban intensification.

The NRTEE Report (2003) and Canada Mortgage and Housing Corporation Report on Brownfield Redevelopment for Housing (2005) present a number of case studies from Ontario and the rest of Canada that demonstrate the

significant economic benefits associated with Brownfield Redevelopment. The following case studies taken from the NRTEE Strategy Report, demonstrate the significant economic benefits associated with Brownfield Redevelopment:

- **Barton and Crooks Streets, Hamilton, Ontario**  
Private sector investment (project cost): \$3.64 million  
Personal income from onsite remediation/construction jobs: \$720,000  
Increase in GST: \$240,000  
Increase in PST: \$274,000  
Increase in annual property taxes collected by municipality: \$77,500  
Income tax revenue from onsite remediation/construction jobs: \$216,000
- **Spencer Creek Village, Hamilton (Dundas), Ontario**  
Private sector investment (project cost): \$94.4 million  
Personal income from onsite remediation/construction jobs: \$12 million  
Increase in GST: \$6.61 million  
Increase in PST: \$7.55 million  
Increase in annual property taxes collected by municipality: \$1.76 million  
Income tax revenue from onsite remediation/construction jobs: \$3.6 million

We appreciate the Province's efforts through the Ministry of Municipal Affairs and Housing to seek broad input into the impediments to Brownfield Redevelopment and the solutions that will promote Brownfield Redevelopment in Ontario. Minister Gerretsen's Brownfields Stakeholder Working Group represents the key industry sectors and organizations involved in Brownfield Redevelopment in Ontario. This experienced and distinguished Group has provided excellent input, advice and many detailed recommendations to Provincial staff. However, without the additional revisions to the legislation and clear policy direction recommended by the undersigned organizations who participated in the Brownfields Stakeholder Group, Brownfield Redevelopment will simply not occur on many of Ontario's brownfield sites. Therefore, we encourage you to provide the necessary support for these changes as soon as possible.

We must continue to build on the strong momentum that has been created by the Province of Ontario. There remains a strong need for continued leadership and forward thinking from the Province of Ontario on this critical public policy issue.

We would like to thank you for your serious and immediate consideration of our comments.

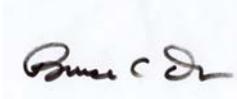
Sincerely,



**Association of Municipalities of Ontario (AMO)**  
Doug Reycraft, President



**Canadian Brownfields Network (CBN)**  
Angus Ross, Chair



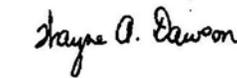
**Canadian Petroleum Products Institute (CPPI)**  
Bruce Orr, Director Government & Stakeholder Relations



**Canadian Environmental Auditing Association (CEAA)**  
Don Fraser, Executive Director (Registrar)



**Canadian Urban Institute (CUI)**  
David Crombie, President and CEO



**Cement Association of Canada**  
Wayne Dawson, Vice President- Ontario Region



**Greater Toronto Homebuilders Association**  
Desi Auciello, President



**National Brownfields Association (NBA), Ontario Chapter**  
Ted Salci, President, Ontario Chapter and Mayor, City of Niagara Falls



**Ontario Centre for Environmental Technology Advancement (OCETA)**  
Ed Mallett, President and CEO



**Ontario Environment Industry Association (ONEIA)**  
Alex Gill, Executive Director



**Ontario Home Builders Association (OHBA)**  
Victor Fiume, President



**Ontario Professional Planners Institute (OPPI)**  
Gregory Daly, Chair, Policy Development Committee



**Seneca College**  
Laurel Schollen, Dean of Applied Science and Technology



**Toronto Economic Development Corporation**  
Jeffrey D. Steiner, President and CEO



**Urban Development Institute (UDI)/Ontario**  
Neil Rodger, President



**EcoLog Environmental Risk Information Services Ltd.**  
Lee Scarlett, Sales Manager



**Windmill Development Group Ltd.**  
Jonathan Westeinde, Managing Partner

c.c.

The Honourable Greg Sorbara, Minister of Finance

The Honourable David Caplan, Minister of Public Infrastructure Renewal

The Honourable Sandra Pupatello, Minister of Economic Development and Trade

The Honourable Laurel Broten, Minister of the Environment

The Honourable Dwight Duncan, Minister of Energy

The Honourable Leona Dombrowsky, Minister of Agriculture, Food, and Rural Affairs

The Honourable Madeleine Meilleur, Minister of Community and Social Services

The Honourable John Gerretsen, Minister of Municipal Affairs and Housing

The Honourable David Ramsay, Minister of Natural Resources

The Honourable Rick Bartolucci, Minister of Northern Development and Mines

The Honourable Donna Cansfield, Minister of Transportation

Peter Wilkinson, Chief of Staff to the Premier