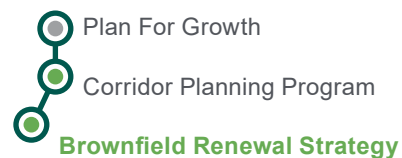


City of Saskatoon

Brownfield Renewal Strategy & Incentive Program Recommendations Report



August 1, 2018



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1.0 INTRODUCTION

1.1 What is Brownfield Redevelopment

The City of Saskatoon, through its Brownfield Redevelopment Program, has completed significant work on the potential of brownfield redevelopment in Saskatoon. Brownfield redevelopment refers to the redevelopment of “abandoned, vacant, derelict, or underutilized commercial or industrial property that, because of its past use, may have perceived or actual contamination.”

Brownfields can include sites previously used as gas stations, rail yards, dry cleaners, warehouses, and storage areas for toxic substances as well as riverbanks, waterfronts, and any other sites where there was a history of commercial or industrial activity. While often associated with environmental contamination, brownfields are not necessarily contaminated. **Some brownfield sites may remain underdeveloped because of stigma associated with previous commercial or industrial activity on the site.**

1.1.1 Benefits of Brownfield Redevelopment

The benefits of brownfield redevelopment are becoming more widely known. Many municipalities see brownfield redevelopment as an opportunity to revitalize older neighbourhoods and contribute to a more sustainable community. **Table 1** illustrates some of the key economic, social and environmental benefits of brownfield redevelopment. This table has been modified from the City of Saskatoon's Brownfield Guidebook and presents a high-level overview of some of the benefits of brownfield redevelopment.

Table 1: Brownfield Redevelopment Matrix

Economic Benefits	Social Benefits	Environmental Benefits
Increased tax revenue for municipality	Neighbourhood revitalization and the opportunity to enhance existing areas	Less pressure for greenfield development and urban expansion
Use of existing infrastructure	Improvements in the health, safety and security of neighbourhoods	Improvement in environmental quality by removal of contaminants
Increased employment opportunities	Opportunities for development (such as affordable housing) in core areas close to services	Lowered risk of contaminants migrating off site
Opportunities to develop strategically-located properties	Redevelopment of historical buildings	Improvements in air quality by redeveloping in already-established areas thus reducing transportation needs and associated harmful emissions

Economic Benefits	Social Benefits	Environmental Benefits
Increased values of surrounding properties	Improvement In quality of life in neighbourhoods	Reduction of Saskatoon's ecological footprint by redeveloping brownfields versus greenfields
Economic opportunities for developers	More sustainable and liveable communities	Interim land use options

Table derived from *Redeveloping Brownfields in Saskatoon, A Guidebook*, City of Saskatoon

1.2 City of Saskatoon Growth Policies

1.2.1 Growth Plan to Half a Million

The *Growth Plan to Half a Million* is a strategic planning document that provides a new growth model for the City of Saskatoon to reach 500,000 residents. The *Growth Plan to Half a Million* was adopted by Council in principle and has several key themes which were the result of extensive community engagement and participation.

Today, the City of Saskatoon is implementing the direction provided in the *Growth Plan to Half a Million*, starting with a re-envisioned transit system based around Bus Rapid Transit (BRT) and infill at strategic locations in the City including downtown, the university endowment lands and along major transportation corridors.

Areas of focus include
Corridor Growth,
Transit, Core Area
Bridges, Employment
Areas, Active
Transportation and
Financing Growth.



1.2.2 Corridor Growth Portfolio

The City of Saskatoon, in response to its *Growth Plan to Half a Million*, has initiated a Corridor Growth Portfolio. The Corridor Growth Portfolio focuses redevelopment

resources along key corridors including two BRT lines. As a result, the City of Saskatoon is working towards developing a Corridor Growth - Brownfield Renewal Strategy to help address and overcome common brownfield redevelopment barriers. The work will also prioritize brownfield redevelopment along the BRT corridors. The Corridor Growth - Brownfield Renewal Strategy also works towards achieving many of the larger development goals of the City of Saskatoon.

Concurrent with the Corridor Growth - Brownfield Renewal Strategy, the City of Saskatoon is also developing Transit Villages Concept Plans as part of the Corridor Growth Portfolio. The project involves the development of concept plans for Transit Villages at key transit station locations, providing a link between corridor land uses and the new BRT system. Transit Villages are envisioned as vibrant and attractive growth nodes based on Transit Oriented Development (TOD) principals, incorporating a wide range of land uses at densities that are financially feasible and support the use of the BRT system.

1.2.2.1 Brownfield Redevelopment and Transit Oriented Development

Brownfield redevelopment and TOD can work hand-in-hand to promote transit-supportive growth and revitalize under-performing sites. Increased costs of redeveloping brownfield sites can be offset by the higher densities and development interest that BRT investments can spur, while new development and associated increases in tax revenue help to capture the increased value of the land. Some of the costs associated with brownfield redevelopment can also be offset by new development and increased lease or unit costs because of the amenity and convenience of a BRT system. Similarly, revitalizing underutilized parcels along BRT corridors helps support the transit system and ridership, increasing transit-supportive land uses and potential riders, while also returning previously under-performing sites to the City's tax base. Ultimately, this generates increased tax and property revenue, increased ridership levels and support for transit, assists in paying the costs of brownfield redevelopment and transit infrastructure, and contributes to a more sustainable community.

The City of Saskatoon has been proactive in recognizing the link between TOD and brownfield redevelopment in order to achieve the goals of the *Growth Plan to Half a Million* including:

- Supporting land use intensification along major corridors;
- Anchoring the Transit Village developments; and
- Supporting a transportation mode shift to transit.

There are a variety of tools and approaches related to TOD that also can assist in facilitating the redevelopment of brownfield sites. These approaches foster ‘value capture’ of increasing property values due to investments in transit or infrastructure, while also facilitating development and mitigating risk.

- **Proactive infrastructure investments to foster growth** – Aligning infrastructure investments identified in the capital budget with the *Growth Plan to Half a Million*, to enable and facilitate redevelopment. This in turn creates synergies between public infrastructure investments and private development, and greatly increases the likelihood of development consistent with the City of Saskatoon’s vision;
- **Establishing inter-departmental working groups or ‘tiger teams’** – TOD and brownfield redevelopments are very different from typical projects handled by development review processes. By their nature, these projects are a ‘different beast’, requiring alternate approaches and do not easily fit within existing review processes or standards. A standing inter-departmental working group consisting of seasoned professionals that handle all brownfield and/or TOD projects will assist public and private sector parties, increase the potential for successful projects, and implement lessons learned to facilitate future projects;
- **Promoting flexibility in development standards** – Projects of this nature will not neatly fit into existing development standards, and will require progressive and innovative approaches to facilitate development. Flexibility in development standards will be required, rather than defaulting to a standard checklist review approach;
- **Collaborative planning and fostering progressive development** – Successful redevelopment of brownfield sites can be facilitated by the City of Saskatoon by working with developers in a collaborative manner. This may involve working with a developer jointly through a planning process, engaging with a developer much earlier than normal, and working with them to address potential community concerns; and
- **Regulatory and financial incentives** – Like TOD, brownfield redevelopment involves a level of risk not typically found in ‘normal’ or standard development projects. As such, the use of regulatory and/or financial incentive measures by the City of Saskatoon beyond those approaches described above may assist in minimizing or mitigating risk, and enabling successful projects. These regulatory and financial incentives may range from proactive up-zoning of sites to promote

redevelopment at higher densities and mixed use, proactive and timely public infrastructure investments to facilitate private brownfield redevelopment investments, to taxation credits equal to the costs of Environmental Site Assessments (ESAs) should a developer move forward with a brownfield site.

1.2.3 Achieving the City’s Corridor Growth Objectives

The City of Saskatoon has outlined a number of different objectives to achieve its Corridor Growth Goals. The Corridor Growth - Brownfield Renewal Strategy supports the following corridor growth goals and helps implement the *Growth Plan to Half a Million*:

- To explore opportunities for complete, vibrant communities along major corridors with attractive transit services;
- To create and enhance complete communities with a variety of housing choices, a high-quality public realm and overall vibrancy; and
- To support the efficient provision of infrastructure and associated services.

The Corridor Growth - Brownfield Renewal Strategy is a unique approach to addressing brownfield redevelopment through a larger growth management initiative. The City of Saskatoon has the opportunity to achieve its growth goals through multiple programs and help build a better city.

1.3 Corridor Growth - Brownfield Renewal Strategy Report Overview

This report will help support the Corridor Growth - Brownfield Renewal Strategy by identifying incentive strategies which the City of Saskatoon can use to encourage redevelopment along the corridor. This report includes:

- **State of the Industry** – focusing on existing programs in the City of Saskatoon and lessons learned from implementation;
- **Brownfield Strategies** – examining brownfield redevelopment strategies in a number of municipalities across Canada (highlighted by the Federation of Canadian Municipalities); and
- **Incentive Programs and Recommendations** – strategic funding opportunities at the federal, provincial and municipal levels, and suggested tools to incentivize brownfield redevelopment in the City of Saskatoon.

2.0 STATE OF THE INDUSTRY

2.1 Existing Brownfield Redevelopment Programs at the City of Saskatoon

The City of Saskatoon has recognized the importance of brownfield redevelopment and the impact redevelopment of underutilized lands would have on achieving its growth targets and planning objectives. This recognition has led to multiple incentive programs and initiatives, including:

- Vacant Lot & Adaptive Reuse Program;
- Mortgage Flexibilities Support Program;
- Saskatoon Housing Business Plan; and
- The Brownfield Guidebook.

The City of Saskatoon has had a number of successful brownfield redevelopment projects which show that there are many different successful approaches to redeveloping brownfield sites. **Table 2** shows some of the successful brownfield redevelopment projects in the City of Saskatoon.

Table 2: Successful Brownfield Redevelopment Projects in the City of Saskatoon

Location	Incentive Program	Project Details
T. Eaton Warehouse 211 Avenue D North	Enterprise Zone – Tax abatement, rebate environmental screening charges, development charges and taxes	Vacant warehouse redeveloped into high-end loft condominiums
Fairbanks Morse 14 – 23 rd Street East	Downtown Housing Incentive- tax abatement, rebate on taxes and off-site levies	Converted warehouse to loft condominiums to accommodate residential in the downtown
Former Inland Steel Site 22 nd Street West	Orphaned Fuel Storage and Sales Facility Cleanup Program	Redevelopment of steel manufacturing facility to a grocery store
Little Chief Police Station 344 – 20 th Street West	City-led environmental remediation	Redevelopment of a gas station to a police station and now offices
River Landing Phase II	Environmental remediation	Largest brownfield redevelopment project, remediating former industrial and commercial yards
Station 20 West	Urban Development Agreement with Provincial and Federal Government to cost-share land acquisition and environmental remediation	Former industrial and commercial areas redeveloped into affordable housing, library, offices and community spaces
Former Service Station 1031 Avenue J South	Enterprise Zone – Rebate Environmental Screening Charges	Former service station redeveloped into two unit residential dwelling
Pleasant Hill Revitalization	Large-scale remediation	Neighbourhood renewal project

2.1.1 Vacant Lot & Adaptive Reuse Program

The City of Saskatoon is utilizing the Vacant Lot & Adaptive Reuse Program which is designed to encourage development on existing vacant or brownfield sites, and the reuse of vacant buildings in established areas of the city, including downtown Saskatoon, by providing financial and/or tax-based incentives to owners of eligible properties.

The Maximum Incentive Amount is the equivalent to the increment between the existing property taxes (City portion) and the taxes paid upon completion, multiplied by five years. While the program encourages brownfield redevelopment, the program is limited to the downtown neighbourhoods within the City of Saskatoon. Specific brownfield redevelopment programs need to be targeted at the Corridor Planning Area to encourage redevelopment and revitalization. This program could be extended to allow for eligible brownfield redevelopment projects to access the same funding.

2.1.2 Capital Funding and Property Tax Abatements

The City of Saskatoon currently has a funding opportunity which allows eligible affordable housing projects to qualify for funding assistance in the form of a cash grant of up to 10% of total project costs. Eligible non-profit projects can receive a five-year abatement of the incremental increase in property taxes. This program could also be extended to allow for eligible brownfield redevelopment projects to access the same funding mechanisms; however, it should be noted that tax abatements cannot be stacked.

2.1.3 Other Programs Which Can Support or be Integrated to Encourage Brownfield Redevelopment

- HeadStart on a Home Program
 - » Finances construction for entry-level homes.
- Zoning districts to accommodate entry-level and affordable housing
 - » Higher density allowances that can reduce the cost per unit.
- Land pre-designation program
 - » City-owned sites which can be sold at lower price points to encourage affordable redevelopment opportunities.

2.1.4 Redeveloping Brownfields in Saskatoon, A Guidebook

As previously mentioned, the City of Saskatoon developed the Brownfield Guidebook which provided an overview of the process to redevelop brownfield sites across the City. It primarily focused on the legislative framework in Saskatchewan and the necessary environmental assessments that needed to be completed in order to redevelop an impacted parcel. The Brownfield Guidebook is outdated and contains a number of programs that no longer exist. While the programs within the Brownfield Guidebook no longer exist, there are opportunities to learn from past programs.

Within the Brownfield Guidebook, the City of Saskatoon outlined three incentive programs:

- **Enterprise zone** was a temporary incentive program available to assist with environmental screening and remediation. It was a rebate program which covered 100% of the costs of environmental screening charges upon completion of an eligible project. Rebates were considered on a project-specific basis;
- **Downtown Housing Incentives** were established to facilitate increasing the population of downtown to 10,000 people. This program offered incentives such as tax abatements for new construction of housing and residential conversion; and
- **Affordable Housing Initiative** was launched in 2007 and focused on developing affordable housing units across the City of Saskatoon. This program was replaced by the City of Saskatoon Housing Business Plan which provides information and funding for affordable housing projects.

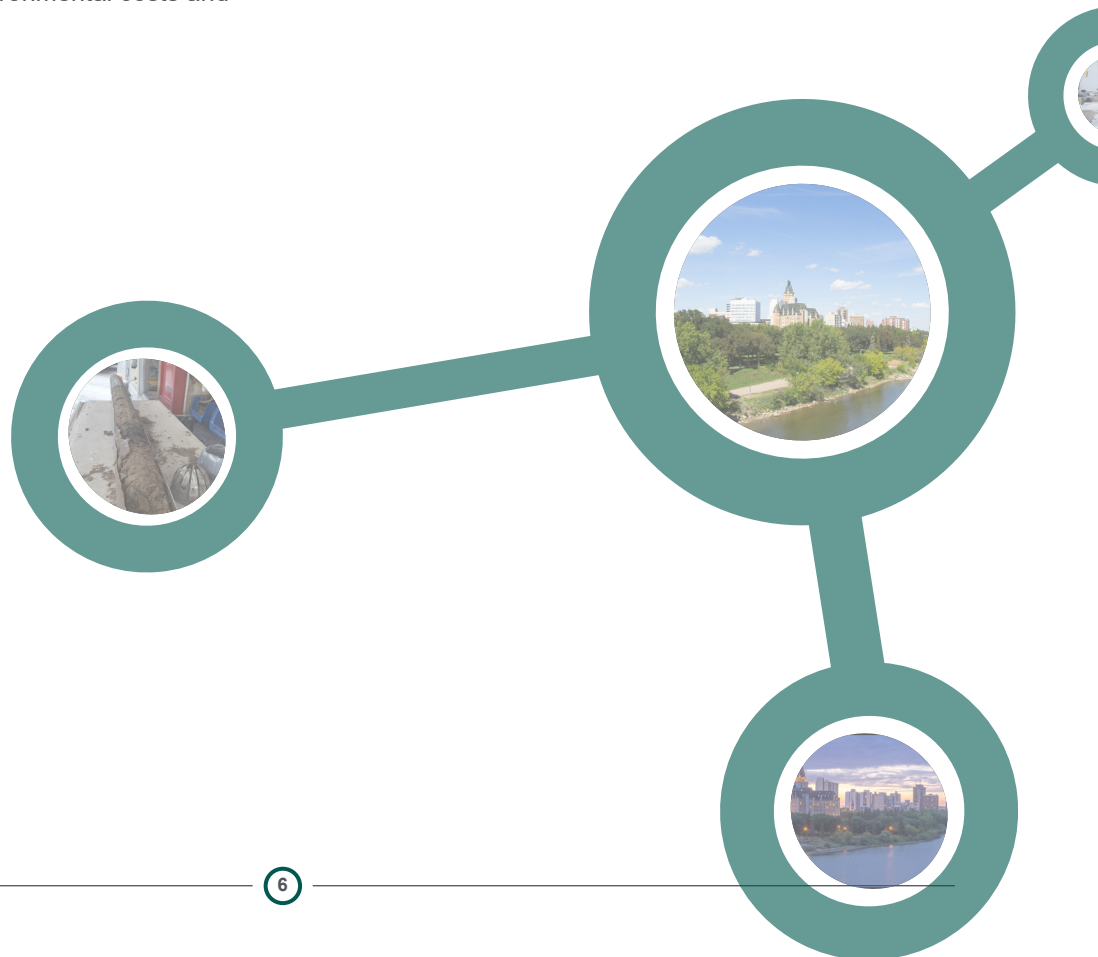
It is recommended that the Brownfield Guidebook be updated to include currently-active programs which are available to support brownfield redevelopment in Saskatoon. Once updated, the Brownfield Guidebook will complement the Corridor Growth - Brownfield Renewal Strategy which focuses on implementing some of the broader goals found within the Brownfield Guidebook.

2.2 Lessons Learned

The City of Saskatoon has clearly identified intensification targets in order to accommodate population growth to half a million. Underutilized brownfield sites in strategic locations throughout the City of Saskatoon have been acknowledged as potential revitalization catalysts for encouraging residents to relocate to downtown or transit-oriented areas. The

City of Saskatoon is ahead of many of its municipal counterparts in regards to brownfield redevelopment strategies; however, there are opportunities to improve brownfield incentive programs in order to encourage more redevelopment. From the City of Saskatoon's current incentive programs there are key lessons learned which can guide the Corridor Growth - Brownfield Renewal Strategy, including:

- The current incentive programs offered by the City of Saskatoon are limited to specific areas of the City such as downtown, rather than corridors
 - » Improvements could be achieved by expanding the incentive program areas to growth corridors. In addition, the City of Saskatoon could update the Brownfield Guidebook.
- The program is primarily focused on housing initiatives
 - » While it is recognized that the accommodation of residential development is the focus of the Corridor Growth Study, there are opportunities to encourage other developments which complement and support residential development along the corridors.
- There is a need for a permanent program dedicated to brownfield redevelopment along the BRT corridors which addresses increased environmental costs and environmental risks
 - » City-wide initiatives such as the Vacant Land and Adaptive Reuse Program are great programs which will help support redevelopment and infill; however, there are specific environmental risks and challenges to overcome when redeveloping on a contaminated brownfield site. Recognizing this, the City of Saskatoon should create a permanent incentive program for the Corridor Growth - Brownfield Renewal Strategy area.
- Redevelopment incentive programs can be either financial or non-financial
 - » Many brownfield redevelopment projects can be supported through non-financial incentives such as streamlining or improving various internal processes. Typically, developers are looking for consistency in timelines and approvals; therefore, an incentive program could aim to achieve that consistency. Financial programs are beneficial when extensive environmental remediation is a project risk.



3.0 BROWNFIELD STRATEGIES

3.1 Brownfield Redevelopment in Canada

Increased pressure to build denser communities across Canada has left city builders looking to existing built up areas for development opportunities. Naturally, attention is being focused on underutilized or vacant properties, in order to increase value and revitalize neighbourhoods.

In major cities across Canada, brownfield redevelopment is seen as a solution to revitalizing old downtown areas, better utilizing community infrastructure and creating complete communities. To promote redevelopment and intensification, a number of funding options have been developed to assist communities redevelop lands; however, every municipality across Canada is unique and there is no “one-size-fits-all” approach to brownfield redevelopment.

3.2 Municipal Comparison

In order to gain a better understanding of existing brownfield redevelopment strategies and incentive tools, a jurisdictional scan of brownfield strategies and plans across Canada was conducted, focusing on municipalities of comparable size and setting to Saskatoon. Further, municipalities which provide unique incentive programs to encourage redevelopment of brownfield locations were included. The section also includes commentary for each municipal program on its limitations and successes.

Some of the municipalities examined in this section were also funded by the Federation of Canadian Municipalities. **Table 3** highlights the municipalities which were examined for the purposes of this report. Links to the publicly available brownfield redevelopment strategies have been embedded in the table.

Table 3: Comparison Municipal Brownfield Strategies

Municipality	Document Attached
City of Regina	Document in draft
City of Prince Albert	Document in draft
City of Barrie	Built Boundary Community Improvement Plan
City of Calgary	Brownfield Redevelopment Technical Guidebook
Region of Waterloo	Brownfield Financial Incentive Program
Town of Mayerthorpe	Brownfield Redevelopment Grant Program
Municipality of Chatham-Kent	Brownfield and Bluefield Community Improvement Plan
City of Brantford	Brownfields Financial Tax Incentive Program
City of North Bay	Brownfield Community Improvement Plan
Town of Oakville	Kerr Village Community Improvement Plan
City of Windsor	Brownfield Redevelopment Strategy and Community Improvement Plan
City of Langley	Brownfield Redevelopment Strategy

Appendix A also includes a brownfield redevelopment matrix developed by the Office of the Provincial Brownfields Coordinator – Ontario Ministry of Municipal Affairs and Housing. The matrix compares which incentive programs are used by over 40 municipalities. Incentive programs include:

- Tax Assistance (e.g., tax abatement or refund programs);
- Tax Increment Equivalent Grants (e.g., short-term reductions in tax assessment);
- Study Grant Programs (e.g., environmental remediation programs or economic feasibility studies);
- Development Charges Reductions or Exemptions (e.g., waived application fees);
- Façade Grant or Loan Programs (e.g., low interest municipal loans);
- Rehabilitation and Redevelopment Grants/Loans (e.g., municipal grants); and
- Miscellaneous Fees Grant Program (e.g., grants or refunds of municipal fees).

Population, area and density of each municipality examined was also pulled for comparison purposes. As of the 2016 Canadian Census, the City of Saskatoon had a population of 246,376, covering an area of 228 square kilometres with a population density of 1,080 people per square kilometre. Note that all population and municipal statistics included in the following sections (3.2.1 – 3.2.10) were obtained through Statistics Canada.

3.2.1 City of Regina, Saskatchewan

The City of Regina is currently developing an Underutilized Land Study which is looking at potential regulatory, environmental, social and economic barriers to private sector redevelopment of various types of underutilized sites throughout Regina, including brownfield sites. The Underutilized Land Study is currently being drafted. Once completed, the City of

City of Regina Statistics
Population: 215,106
Area: 179.97 sq. km
Density: 1,195 per sq. km
Location: Saskatchewan

Regina will develop the Underutilized Land Improvement Strategy. This strategy will include specific goals and actions the City can undertake to encourage new investment in underutilized properties.

The City of Saskatoon's approach differs from the City of Regina in that the City of Saskatoon is developing a standalone brownfield redevelopment program in order to implement some of the broader goals of the Corridor Growth Program.

3.2.2 City of Prince Albert, Saskatchewan

The City of Prince Albert is also developing a Brownfield Redevelopment Process and Framework to apply to select brownfield sites throughout the City. An inventory of brownfield sites within Prince Albert was compiled and each site is being evaluated and ranked for redevelopment potential.

The City of Prince Albert's approach is similar to the City of Saskatoon in that they have developed a prioritization matrix for brownfield redevelopment; however, it is different because it only focuses on select locations rather than corridors.

City of Prince Albert Statistics
Population: 35,129
Area: 65.74 sq. km
Density: 534 per sq. km
Location: Saskatchewan

3.2.3 City of Barrie, Ontario

The City of Barrie developed a Built Boundary Community Improvement Plan in 2016. It encompasses most of the City of Barrie's built-up area (developed area) and identifies intensification nodes and intensification corridors. The Built Boundary Community Improvement Plan has two grant programs, one for renovations and one for redevelopment.

City of Barrie Statistics
Population: 141,434
Area: 99.04 sq. km
Density: 1,428 per sq. km
Location: Ontario

The Redevelopment Grant supports brownfield redevelopment within the intensification areas identified within the Official Plan (nodes and key transportation corridors). Redevelopment Grant applications can be submitted with development applications and can include:

- Percentage of planning application fees;
- Percentage of building permit fees;
- Percentage of development charges;
- Percentage of costs of environmental studies for brownfields and some remediation costs; and
- Tax increment payments paid in decreasing increments over a five-year period.

While the City of Barrie used provincial grant funding to complete the Built Boundary Community Improvement Plan, the incentive program now focuses on reducing costs for private developers in order to encourage redevelopment of brownfield sites. Redevelopment Grant applications are considered on a case-by-case basis and funding is considered based on availability.

The City of Saskatoon can learn from the City of Barrie because they have created a Redevelopment Grant Program that is focused on intensification nodes and corridors. However, the Built Boundary Community Improvement Plan is primarily focused on financial incentives to achieve current planning goals and objectives.

3.2.4 City of Calgary, Alberta

The City of Calgary's Municipal Development Plan, adopted in 2009, has a number of growth objectives similar to the City of Saskatoon, which can be supported by brownfield redevelopment.

The Utilities and Environmental Protection group within the City of Calgary is responsible for overseeing and encouraging brownfield redevelopment. The City of Calgary also has a brownfield redevelopment technical guidebook which outlines the application process at the City of Calgary.

There are no clearly-defined funding or incentive programs outlined; however, in order to demonstrate the process, the City of Calgary has focused on brownfield redevelopment on strategic City-owned properties.

City of Calgary Statistics

Population: 1,239,220
Area: 825 sq. km
Density: 1,501 per sq. km
Location: Alberta

Key learnings from the City of Calgary's brownfield redevelopment program are that there is a department which is mandated to oversee brownfield redevelopment and the City of Calgary has led by example by redeveloping City-owned properties. In addition, the City of Calgary also allowed interim use on a brownfield site using shipping containers to activate the site and demonstrate value.

3.2.5 Region of Waterloo, Ontario

The Region of Waterloo has developed a Brownfield Financial Incentive Program. The primary incentive tool is through Joint Tax Increment Grants, which allow developers to recoup some or all of the remediation costs associated with brownfield projects after the sites have been remediated and redeveloped.

Eligible brownfield redevelopment costs include: Phase I ESAs, Phase II ESAs, environmental remediation work identified in a remediation work plan, and indirect remediation costs to a maximum of 10 percent of eligible direct remediation costs. Developers can also access Phase II ESA grants and exemptions from Regional Development Charges.

The Region of Waterloo's Brownfield Financial Incentive Program is focused on financial incentive programs and a reduction of development charges; however, there is a dedicated *Brownfield Coordinator* who is available to guide developers through the application processes.

Region of Waterloo Statistics

Population: 535,154
Area: 1,369 sq. km
Density: 390 per sq. km
Location: Ontario

3.2.6 Town of Mayerthorpe, Alberta

In 2015, the Town of Mayerthorpe embarked on a program to establish funding tools to assist owners of brownfield sites within the Town. The funding opportunities focus on assisting private land owners to conduct ESAs. For Phase I ESAs there is a maximum of \$1,000 available. For Phase II ESAs there is a maximum of \$5,000 available to cover costs.

Town of Mayerthorpe Statistics

Population: 1,205
Area: 1.29 sq. km
Density: 302 per sq. km
Location: Alberta

However, since initiating the program, uptake has been slow. The Town is focusing on sites that they currently own to demonstrate to developers that redevelopment can occur successfully.

3.2.7 Municipality of Chatham-Kent, Ontario

Chatham-Kent developed a Brownfield and Bluefield Community Improvement Plan which includes four incentive programs that can be used individually or in combination.

Chatham-Kent Statistics
Population: 102,042
Area: 2,470 sq. km
Density: 41.3 per sq. km
Location: Ontario

The Feasibility Study Grant covers 50% of the cost up to a maximum of \$5,000 per study. The Environmental Study Grant covers 50% of the cost of environmental studies up to a maximum of \$20,000.

The Municipality of Chatham-Kent also has two tax assistance programs. A freeze on municipal and education property tax can be approved for up to five (5) years to help pay for the costs of environmental remediation, risk assessment and risk management.

3.2.8 City of Brantford, Ontario

Brantford's Brownfields Financial Tax Incentive Program implements, in part, Brantford's Brownfield Sites Community Improvement Plan, and provides tax

City of Brantford Statistics
Population: 97,496
Area: 72.44 sq. km
Density: 1,345 per sq. km
Location: Ontario

assistance to private developers for the rehabilitation and redevelopment of brownfield properties.

The financial incentive program allows successful applicants to obtain rebates on the municipal and school portion of the property taxes paid on rehabilitated brownfield properties. It is designed to work in conjunction with the Province of Ontario's Brownfield Financial Tax Incentive Program.

The City of Brantford will rebate 100% of municipal property taxes paid during the rehabilitation and development periods for the brownfield redevelopment project. Provincial assistance will be considered on a case-by-case basis by the Province of Ontario.

3.2.9 City of North Bay, Ontario

The City of North Bay has recognized the importance of brownfield redevelopment to revitalize the downtown area and underutilized sites throughout the City.

City of North Bay Statistics
Population: 51,553
Area: 161 sq. km
Density: 161 per sq. km
Location: Ontario

The Brownfield Community Improvement Plan has four financial incentive programs:

- **Environmental Study Grant Program** – provides funding for Phase I, II and III ESAs or risk assessments;
- **Municipal Fee Rebate Program** – refund municipal fees related to site cleanup, Planning, Legal and Building Permits related to development approval;
- **Tax Incentive Financing** – multi-year rebate of the incremental increase in property taxes resulting from the redevelopment a brownfield site; and
- **Brownfield Tax Incentive Program (Ontario)** – provincial education portion of property tax.

Funding is applied to four strategic areas of the City of North Bay, which focuses funding resources in specific areas of the City and allows land owners to self-identify eligibility for the program.

3.2.10 Town of Oakville, Ontario

In 2014, the Town of Oakville developed a Community Improvement Area for a pilot study area of

Town of Oakville Statistics
Population: 193,832
Area: 138 sq. km
Density: 1,395 per sq. km
Location: Ontario

Kerr Village. The program has created a Building Façade Improvement Grant Program to support revitalization efforts along the Kerr Village corridor. Currently, there are no grants available for brownfield redevelopment; however, brownfield redevelopment has been identified as a way to achieve the goals and objectives of the Town of Oakville.

3.2.11 City of Windsor, Ontario

In 2010, The City of Windsor adopted the Brownfield Redevelopment Strategy and Community Improvement Plan. The plan was intended to promote brownfield redevelopment across the City and consisted of five (5) incentive programs:

City of Windsor Statistics
Population: 217,188
Area: 146 sq. km
Density: 1,483 per sq. km
Location: Ontario

- **Feasibility Study Grant Program** – provides a matching grant of 50% of the cost of an eligible feasibility study to a maximum of \$7,500;
- **Environmental Site Assessment Grant Program** – 50% of the cost of an eligible environmental study such as a Phase I ESA;
- **Brownfields Property Tax Assistance Program** – encourage remediation and rehabilitation of brownfield sites by providing a cancellation of part or all of the property tax increase on a property;
- **Brownfields Rehabilitation Grant Program** – supports redevelopment by providing grants to help pay for remediation costs; and
- **Brownfields Development Charge Exemption Program** – reduction of development charges that must be paid when a brownfield property is redeveloped.

The City of Windsor also recognizes that brownfield redevelopment is a complicated process and has developed implementation tools such as a Single Window Service model for potential brownfield redevelopment projects.

The City of Saskatoon can learn from the City of Windsor's success from the Single Window Service model which can help applicants manage the application process.

3.2.12 City of Langley, British Columbia

The City of Langley developed a Brownfield Redevelopment Strategy in 2012. The Brownfield Redevelopment Strategy is a program designed to encourage brownfield redevelopment across the City of Langley through incentives.

City of Langley Statistics
Population: 25,888
Area: 10 sq. km
Density: 2,533 per sq. km
Location: British Columbia

Incentive Programs referenced by the City of Langley include the Federation of Canadian Municipalities Green Municipal Fund and Sustainable Development Technology Canada which is a federally-funded foundation that finances and supports the development and demonstration of clean technologies. The City of Langley also touts the Federal Gas Tax Fund which provides funding to municipalities to allocate green initiatives based on population. Brownfield redevelopments that reduce CO₂ emissions are eligible. In addition to those programs, the City of Langley offers tax exemptions, prioritization in the redevelopment process and promotion of interim uses.

In British Columbia, there are a number of Provincial tools that can promote the redevelopment of derelict brownfield sites including tax exemptions and streamlined contaminated sites regulations; however, these may not apply in Saskatchewan.

3.2.13 Summary

The scan of municipalities who have instituted a brownfield redevelopment program reinforces the idea that there is no “one-size-fits-all” approach and that each municipality must adopt a program that reflects their unique needs. The scan of municipalities also reveals common incentive strategies between each of the brownfield redevelopment programs.

Common incentive programs include:

- City-led development of a brownfield redevelopment strategy which outlines priority areas as well as goals and objectives;
- Dedicated staff member who can guide applicants through the application process;
- Tax exemptions for brownfield redevelopment projects;
- Funding support for ESAs on brownfield properties;
- City-led brownfield redevelopment initiative to demonstrate success and work out issues; coordinate with other incentive programs (e.g., provincial support); and
- Incentives which cover feasibility studies to address site servicing, etc.

The most successful brownfield redevelopment programs are those which offer a suite of options for developers to select from for their particular project. For example, a redevelopment project which dramatically changes the tax assessment may benefit from a short-term reduction in taxes to offset construction and remediation costs. Municipalities can cap funding so that only one program can be used for each site; however, it is often the non-financial incentives that are the most beneficial to developers. This could include a dedicated staff person who can guide the application through the process or density bonusing. This reduces project risk such as increased timelines and delays. Developers will build the project proforma to cover remediation and construction costs. Another way that municipalities have highlighted the potential of brownfield redevelopment is through city-led redevelopment as a catalyst site for future redevelopment.



4.0 INCENTIVE PROGRAMS AND RECOMMENDATIONS

This section of the report will highlight specific programs and policies which may be appropriate for the City of Saskatoon to promote, and how these programs will specifically integrate with the City of Saskatoon's Corridor Growth - Brownfield Renewal Strategy. In addition to the federal, provincial and local funding options outlined below, Appendix B is a report completed by Municipal Advocacy Solutions which focuses on federal funding opportunities for the City of Saskatoon.

4.1 Federal Funding

There are a number of federal funding programs that are available for the City of Saskatoon to utilize in order to promote redevelopment of brownfield properties.

4.1.1 Federal Gas Tax Fund

The Federal Gas Tax Fund is a permanent source of funding available to provinces and in turn, local municipalities in order to support local infrastructure priorities. It is allocated on a per capita basis and the allocation for Saskatchewan in 2018-19 was \$61,919. The Federal Gas Tax Fund allows municipalities to make strategic investments in projects such as public transit and brownfield redevelopment. The City of Saskatoon would apply to the Province and funds are allocated based on project eligibility.

4.1.2 Federation of Canadian Municipalities

The Federation of Canadian Municipalities is a municipal government advocacy organization which represents approximately 90 percent of Canada's municipal population. The Federation of Canadian Municipalities supports brownfield redevelopment projects in municipalities through a number of key programs including the Municipal Asset Management Program, Municipalities for Climate Innovation Program, Leadership in Brownfield Renewal Program and the Green Municipal Fund.

4.1.2.1 Leadership in Brownfield Renewal Program

The Leadership in Brownfield Renewal Program is an online resource which allows members to engage with other municipalities and brownfield experts as well as participate in workshops.

The Leadership in Brownfield Renewal Program outlines a framework based on best practices found by observing other municipalities as they navigated brownfield redevelopment.

- **Commit to Action** – such as making brownfield redevelopment a municipal priority;
- **Understand the Landscape** – regulatory obligations and policy options, conduct a brownfield inventory;
- **Build Partnerships** – develop an external brownfield advisory group, build relationships with financial institutions;
- **Devise a Strategy** – will enable your municipality to structure its approach to incentivizing redevelopment and focus its effort and investments on priority areas;
- **Promote Programs and Opportunities** – actively promote brownfield redevelopment opportunities;
- **Manage Programs and Projects** – administer and manage brownfield redevelopment projects; and

- **Evaluate, Improve and Celebrate** – evaluate brownfield redevelopment program and celebrate success.

The Corridor Growth – Brownfield Renewal Strategy has committed to action and this report will assist the City of Saskatoon to better understand the landscape. The City of Saskatoon is already a member of the Leadership in Brownfield Renewal Program and can utilize key resources and discussion forums while refining the Corridor Growth - Brownfield Renewal Strategy. After a brownfield inventory has been developed, the City of Saskatoon can move to building partnerships, and promoting programs.

4.1.2.2 Green Municipal Fund

The Green Municipal Fund is a program delivered by the Federation of Canadian Municipalities which provides funding and knowledge services to support sustainable community development for projects which aim to improve air, water, and soil, and reduce greenhouse gas emissions.

The Capital Projects funding offers grants combined with low-cost loans to municipalities in order to reduce borrowing rates. Grants up to 50% are also available for plans, studies and pilot projects which are related to sustainable neighbourhood and brownfield action plans, as well as transportation.

The Green Municipal Fund could assist the City of Saskatoon in offsetting costs associated with developing the Corridor Growth - Brownfield Renewal Strategy. **In addition, if the City of Saskatoon was going to pilot the program on municipal-owned sites, the Green Municipal Fund could help support the program.** It is understood that this funding request is currently in process for the City of Saskatoon.

4.1.2.3 Municipal Asset Management Program

The Municipal Asset Management Program is a new program designed to help municipalities make infrastructure investment decisions based on sound asset management practices. The Municipal Asset Management Program equips municipal decision-makers with tools and resources such as knowledge sharing to support decision-making.

There is funding for up to 80% of total eligible project costs, to a maximum of \$50,000 available for projects. Projects include risk assessments, asset management plans, policies and strategies, data collection and reporting, and knowledge transfer.

The funding for the Municipal Asset Management Program is focused on asset management of municipal services; therefore, the City of Saskatoon would need to focus on inventory of City-owned land in order to access the funding offered within this program. This program could also help understand site servicing requirements and utilities, which are important considerations for many brownfield redevelopments.

4.1.2.4 Municipalities for Climate Innovation Program

The Municipalities for Climate Innovation Program is a five-year \$75-million program that helps municipalities prepare for, and adapt to, climate change, and to reduce emissions of greenhouse gases. Within the Municipalities for Climate Innovation Program is funding for plans, studies and capital projects from both a climate change adaptation as well as mitigation perspective.

The program focuses on ways to maximize investments to bring awareness to municipalities on the impacts of climate change. In order for grant applications to be considered, the project must demonstrate benefits to the environment or new technologies that will reduce greenhouse gas emissions. The project also must demonstrate significant environmental, social and economic benefits. It is important to note that this fund has been oversubscribed since its inception; therefore, there is limited funding available for new applications.

4.1.2.5 Private - Public Partnership Model

The programs offered by the Federation of Canadian Municipalities can be accessed through private – public partnership projects between municipalities and private developers; however, they must include the municipal partner in order to access the funding opportunities. In addition, there must be supporting documentation that demonstrates the partnership between municipality and private developer and that the municipal government has active involvement in the environmental initiative.

The private – public partnership model is a unique opportunity and arrangement to address brownfield redevelopment and can potentially serve as a model that can be applied to strategic sites along the BRT Corridors.

4.1.3 Sustainable Development Technology Canada

Sustainable Development Technology Canada's mandate is to fund projects that support small and medium size, Canadian enterprises who are advancing innovative technologies that are pre-commercial and have the potential to demonstrate significant and quantifiable environmental and economic benefits in one or more of the following areas: climate change, clean air, clean water and clean soil.

Leading edge brownfield projects could receive 33% to 50% of eligible project costs; however, the project must be technology-based and has to demonstrate an environmental or economic benefit.

This program could be useful for the City of Saskatoon or industry partners if they are using or developing a new technology for remediating or monitoring brownfield sites.

4.1.4 Canadian Brownfield Network

The Canadian Brownfield Network is a national network of industry professionals which is focused on uncovering, understanding and sharing brownfield redevelopment knowledge. Although there are no funding programs offered by the Canadian Brownfield Network, members can access a wealth of information and resources such as lessons learned and best practices to follow during brownfield redevelopment. There are a variety of forums, discussion groups, conferences and resources available to municipalities and private developers who are going through the process of brownfield redevelopment. These resources help reduce costs and overcome challenges associated with the remediation of brownfield sites and redevelopment of the specific parcel. The Canadian Brownfield Network is a vital source of news such as contaminated site information, new technologies and breakthroughs which serves to improve the brownfield redevelopment process.

The Canadian Brownfield Network also presents the Brownfield Awards (Brownies) annually, which acknowledges achievement in brownfield redevelopment. The Brownie awards recognize excellence in the remediation and redevelopment of brownfield sites across Canada. The Brownie awards also bring national exposure to the brownfield redevelopment project and the municipality or developer responsible for remediation and development.

The City of Saskatoon or local development partners could become members of the Canadian Brownfield Network in order to access resources and submit projects for awards and recognition. Individual membership is \$300.00, and a corporate membership (10 members) is \$1500.00.

4.2 Provincial Funding

There are some provincial funding options available which encourage brownfield redevelopment in Saskatchewan.

4.2.1 Government of Saskatchewan

4.2.1.1 Municipal Financial Corporation of Saskatchewan

The Municipal Financial Corporation of Saskatchewan allows local authorities to minimize interest costs by offering extremely competitive interest rates and the ability to repay debt prior to maturity. The Municipal Financial Corporation of Saskatchewan also offers flexible borrowing terms that can be customized to meet the needs of the project being financed. Eligible projects include local improvement projects by municipalities.

4.3 Local Funding

The municipal comparison (Section 3.2) outlined relevant municipal approaches to encourage brownfield redevelopment. It was noted that a number of the municipalities utilize provincial or federal funding opportunities in order to initiate their brownfield redevelopment programs, and then use municipal or local incentives to encourage brownfield redevelopment (i.e., tax reductions). This section will highlight some potential local funding programs that could help the City of Saskatoon encourage brownfield redevelopment along the Corridor Growth - Brownfield Renewal Strategy.

4.3.1 Program Process and Support

Research has shown that developers are frustrated with the municipal process, specifically around brownfield redevelopment. Typically, municipal planning departments see very little planning applications that have contamination issues; therefore, when an application comes forward timelines and costs can escalate and impact project development.

The City of Saskatoon could create a staff position within the municipality that is dedicated to the brownfield redevelopment process and would be available to help guide private developers through the process and outline potential funding opportunities. Resource packages could be made available for developers to review to better understand the process in the City of Saskatoon and available resources. Resources could include:

- Brownfield Redevelopment Strategy Documents;
- Establishment of clear development application guidelines for brownfield projects;
- Dedicated staff member to review brownfield redevelopment applications;
- Outline opportunities for City – Industry redevelopment partnership opportunities; and
- A Single Window Approach to Brownfield Redevelopment.

A dedicated staff resource could also work with private developers for larger-scale remediation projects to enable to the joint venture program and access further Federation of Canadian Municipalities funding opportunities.

4.3.2 Tax Exemptions

The City of Saskatoon collects property taxes on behalf of three taxing authorities: City of Saskatoon, Education, and Library. The City of Saskatoon is bound by provincial legislation to bill, collect and send education property taxes to the Province; however, the City of Saskatoon can reimburse the City portion of the taxes to a brownfield redevelopment for a specific period of time to assist the developer with increased costs.

The City of Saskatoon already administers a similar program designed to encourage development of affordable housing. The program could be expanded to allow for brownfield redevelopment projects within

the Corridor Growth Program to be eligible for tax exemptions or reductions. This could include tax abatement, or reductions in incremental tax increases.

4.3.3 Reduction of Municipal Fees

A common municipal tool to incentivize brownfield redevelopment in strategic areas is to create a program which reduces municipal development fees. These fees could include:

- Planning and development application and permit fees;
- Building permit or demolition permit fees; and
- Sign permit fees.

The City of Saskatoon could reduce or waive municipal fees in an effort to encourage brownfield redevelopment along the BRT Corridors. If the program is successful along the corridor, the City of Saskatoon could expand the program to larger areas of the City.

4.3.4 Other Non-Financial Incentives

There are many other non-financial incentives that the City of Saskatoon can implement to encourage brownfield redevelopment. In fact, one of the first is the creation of guidance documents which outline the brownfield redevelopment process and regulations. In addition to the inventory, an update to the Brownfield Guidebook would provide developers with a resource when evaluating brownfield redevelopment options. Another option is identification of interim uses on brownfield sites. Industry examples have included retail located within temporary installations of shipping containers. Other examples include:

- Corridor-specific environmental endpoints for remediation (establishment of another land-use criteria); and
- Facilitation of soil reuse in order to assist in remedial work/ redevelopment excavations.

5.0 CONCLUSION

Brownfield sites represent enormous development potential in the City of Saskatoon and in particular, along the Corridor Growth - Brownfield Renewal Strategy. A strategic incentive program to encourage brownfield redevelopment along the BRT corridors will help redevelop vacant and underutilized lands. In turn this will support the BRT program.

Currently, the City of Saskatoon has only one operational brownfield redevelopment program which focuses on specific areas of the City, such as downtown and primarily on housing initiatives. The program also provides funding for commercial properties; however, there is a need for a permanent program dedicated to brownfield redevelopment along the Corridor Growth - Brownfield Renewal Strategy.

A jurisdictional scan revealed that many municipalities have taken the lead on brownfield redevelopment in order to demonstrate the feasibility of their own program. The City of Saskatoon could focus on:

- City-owned parcels of land and apply for funding programs at the federal and provincial levels;
- Development of a specific program to support brownfield redevelopment along the Corridor Growth Area by reducing municipal fees and having a dedicated staff member to guide developers through the municipal processes; and
- Incentive programs that also cover costs related to feasibility studies pertaining to site servicing, drainage or utilities.

As part of the process for the City of Saskatoon to develop a Corridor Growth - Brownfield Renewal Strategy which reflects the needs of the local community, the City of Saskatoon should develop and deliver an engagement program to targeted stakeholders. Targeted engagement could include stakeholder group discussions on some of the challenges associated with brownfield redevelopment. Feedback could be sought during the discussions regarding potential approaches and components of a brownfield redevelopment framework. Relevant stakeholders could include the Chamber of Commerce, local developers, consultants, industry, Saskatoon & Region Home Builders' Association, and City of Saskatoon Senior Administration and Staff. This would identify some of the common constraints and potential approaches to encourage brownfield redevelopment. In addition, it will help make local developers and builders aware that these programs exist and continue to promote redevelopment along strategic corridors.