

Creating Jobs through Remediating and Redeveloping Brownfields

Issue

The current process to discover, investigate, remediate, and redevelop brownfields is onerous, costly, and frustrating for local governments and does not encourage and incentivize the private sector to redevelop brownfields. While Alberta's Municipal Government Act enables local governments to cancel, defer, or reduce the municipal taxes on brownfields through a property tax bylaw, the provincial portion of education taxes remains on the property. In addition, legislation and regulations for remediation and reclamation change over time with old reclamation certificates deemed null and void because they do not meet the current requirements. The evolution of standards and lack of funding and incentive creates significant barriers for brownfield redevelopment.

Background

More than 1,700 brownfields sit abandoned on main streets and in neighbourhoods in almost every municipality across Alberta. The cost to remediate brownfields is quite onerous, often costing more than the property's value, resulting in private property owners choosing to leave brownfields vacant/dormant to avoid these costs, leaving brownfields and contaminated sites a detriment to business development, community growth and aesthetics in many communities.

In 2011, Alberta Environment and Parks (AEP) established a working group to identify required actions to encourage brownfield redevelopment. AUMA participated in this working group along with Municipal Affairs, the Cities of Edmonton and Calgary, Rural Municipalities of Alberta, the Federation of Canadian Municipalities, and industry stakeholders such as the Canadian Fuels Association and BILD. The group's final report¹, which included recommendations relating to financial tools, liability closure and educational programs, was submitted to responsible Ministers in April 2012. Since the final report, AEP has implemented several recommendations, but not all of them. A successful example coming from the report is enabling Municipal Government Act (MGA) to grant municipalities to offer multi-year property tax exemptions for brownfields. However, the province's education tax portion remains despite that municipal property tax exemption, and municipalities will continue to collect the education tax on behalf of the provincial government.

The provincial government has not enacted several important recommendations, including providing financial offsets to support local governments for environmental site assessment or financial incentives for the private sector to redevelop brownfields. Financial incentives and support are significant for smaller rural communities, who may not have the expertise and resources to investigate, reclaim and reuse contaminated sites.

Today's regulatory system for brownfield development can be burdensome, slow and confusing. Streamlining the system is equally important as having financial incentives for local government and businesses to redevelop brownfields so that not only can we contribute to protecting our environment, but also stimulate job creation and spur investment, development, tax revenue

¹ https://www.abmunis.ca/sites/default/files/brownfield_redevelopment_working_group_final_report_-_practical_approache.pdf

generation and sustainability within our communities.

Alberta needs a better system to allow local governments and businesses to discover, investigate, remediate, and redevelop brownfields. We need the provincial government's assistance on financial and regulatory barriers to this development.

At a time of economic uncertainty and increased concern about the state of the environment and our economy, brownfield redevelopment provides a business opportunity for Alberta.

Municipalities, the province, and the private sector need to collaborate on solutions that promote economic development, protect the environment, and improve Alberta's reputation as a responsible steward of natural resources.

The Alberta Chambers of Commerce recommends the Government of Alberta:

1. Immediately implement all recommendations from the 2011 Brownfield Redevelopment Working Group.
2. Provide financial incentives to support municipalities in conducting environmental site assessments.
3. Develop a policy to manage old reclamation certificates deemed null and void and re-define the Orphan Well Association mandate to support legacy sites.
4. Create a provincial brownfield tax incentive program to match the province's education tax with municipal property tax to encourage eligible property owners to clean up brownfield properties.
5. Through the Associate Minister of Red Tape Reduction, work to remove barriers for local government and the private sector to discover, investigate, remediate, and redevelop brownfields.