



City of Edmonton Contaminated Gas Stations Task Force

- *Strategy*
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Introduction

The research into brownfields that were previously gas stations produced a comprehensive list of barriers that prevent timely remediation and redevelopment to align with the City of Edmonton's priorities and goals.

The issues range from regulation deficiencies to process uncertainty to prohibitive remediation costs and lack of financial feasibility. Each property faces a unique combination of issues based on location, size, development opportunity, nature and extent of contamination, and the business goals and financial means of the owner.

A strategy to address these brownfield sites must address all the barriers and provide ways to resolve them.

1. **Contaminated Gas Stations Vision Statement**

Brownfields which were previously gas stations are remediated and redeveloped to productive land uses to support improving Edmonton's livability and preserving and sustaining our environment.

2. **Contaminated Gas Stations Goals**

- 2.1. Ensure human health and environment is protected.
- 2.2. Achieve appropriate permanent redevelopment or interim uses of brownfields which were previously gas stations throughout Edmonton.
- 2.3. Promote remediation/risk management of contaminated sites to facilitate more intensive use of the sites.
- 2.4. Leverage financial opportunities from a range of stakeholders.
- 2.5. Reduce the possibility of future contamination from planned gas station operations.

3. **Contaminated Gas Stations Strategy Principles**

The City of Edmonton Contaminated Gas Station Strategy is based on the following principles to ensure initiative tools are relevant, specific, proactive and responsive to the need for remediation and redevelopment of the sites:

- 3.1. Meeting acceptable criteria through the application of the provincial guidelines must be the outcome for all properties.
- 3.2. Apply Stackable Initiatives: Individual initiatives will have greater overall impact when combined.

For example a tank removal grant combined with an FCM loan, City of Edmonton tax incentive, and Greenhouse Gas Emissions grant may accomplish more than just one grant available in isolation.

- 3.3. Use Initiatives that can be integrated: Recognizing the various stages of a full brownfield redevelopment, initiatives that support or address more than one of these phases will increase likelihood of progress. A successful application for rezoning, remediation tax credit and redevelopment grants can be combined to increase the return for developers and the City.
- 3.4. Use Flexible Initiatives: The varied characteristics of brownfields require initiatives to have flexible qualifications and be scalable to address the barrier and the potential.
- 3.5. Taxation initiatives and taxation regulatory changes, zoning and planning approval processes may all be applied to safely advance brownfield redevelopment.
- 3.6. Apply Cost-Effective Initiatives: The initiatives must ensure the financial burden is not unreasonably applied to any one stakeholder or to the taxpayer on a case by case basis.
- 3.7. Outcome-Oriented Initiatives: Must promote the advancement of City of Edmonton goals for human health, environment, densification, economic development, sustainability and neighbourhood revitalization. The City has an obligation to be the steward of land and employ tools and policies that fulfill that responsibility.
- 3.8. Designed for Persistence: Delivery of support and monitoring from the City of Edmonton administration must be firmly established to ensure accountability of remediation/redevelopment projects. The pursuit of continued brownfield redevelopment will require ongoing interaction with municipal partners, provincial regulators, developers, owners and other interested parties.

4. Contaminated Gas Stations Strategy

The City strategy for brownfields which were previously gas stations is to create the development and application of an integrated and stacked set of initiatives that encourage redevelopment. The strategy will involve actions at every level of planning, assessment, remediation/risk management and redevelopment of a site.

Advocacy initiatives with the Provincial government, other municipalities and other stakeholders will be undertaken to promote a collaborative approach to brownfield redevelopment.

4.1. Action Elements

Planning Steps

- 4.1.1. Complete the identification, inventory and land use analysis of the individual brownfield sites which were previously gas stations.

- Establish a tracking process to identify additions, deletions and other relevant changes.
- 4.1.2. Initiate an application to the FCM Green Municipal Funds to use a collaborative approach with land owners wishing to remediate and redevelop identified sites of interest. Ensure the activities associated with the Green Municipal Funds are available to be stacked and integrated with other initiatives.
 - 4.1.3. Coordinate the FCM Renewable Energy Program that provides support for stand alone renewable energy production projects implemented on brownfield sites, with or without remediation and approvals by provincial regulator.
 - 4.1.4. Contact property owners to identify possible interim use opportunities.
 - 4.1.5. Utilize a financial pro forma analysis with private developers to validate the timing of remediation and redevelopment, type of redevelopment, the nature of financial and other incentives being sought from the City and the implications for the rates of return.
 - 4.1.6. Proponents must demonstrate a measurable improvement to the timelines of redevelopment which may include reduction in the timeline for remediation to access City initiatives.
 - 4.1.7. Develop a Request for Proposal (RFP) process for the redevelopment of identified sites for both permanent and interim uses. The RFP process would be designed as a pilot to show the City's commitment, using a comprehensive set of initiatives, to work with landowners and to achieve successful redevelopment.
 - 4.1.8. Restructure the City's Brownfield Redevelopment Grant Program for flexibility and integration with other initiatives. Allow the grant program the flexibility to provide for example: a payment of 25% early in the process at some qualifying step, 25% at mid point, and 50% at confirmed remediation completion. Allow the maximum grant to be \$200,000 per project subject to confirmation from a pro forma analysis.
 - 4.1.9. Develop municipal property taxation support packages (forgiveness or deferrals) to facilitate remediation and redevelopment and obtain Council approval as required.
 - 4.1.10. Establish a Brownfield Coordinator within City administration to provide a single point of contact to landowners and coordinate civic initiatives on brownfields that were previously gas stations.
 - 4.1.11. Develop an Edmonton tailored roadmap of the remediation and redevelopment process to assist landowners with decision making and execution.

4.2. **Assessment**

- 4.2.1. Initiate the City RFP for closed sites offering an integrated set of initiatives and actions to achieve reuse of the sites. Use separate RFPs for permanent redevelopment projects and interim use projects.

- 4.2.2. Where feasible utilize Direct Control (DC) zoning to address site specific issues with remediation or with the use of exposure control.
- 4.2.3. Work with the Brownfield Coordinator to minimize processing time.
- 4.2.4. Encourage industry to consider and apply new, innovative remediation techniques that accelerate remediation.
- 4.2.5. Where long term remediation is unavoidable, confirm the potential for desirable interim uses.
- 4.2.6. Consider and assess, on site by site basis, the use and extent of density bonuses or up zoning to increase development options.

4.3. **Remediation/Risk Management**

- 4.3.1. Work with successful applicants for the RFPs to address issues and achieve appropriate remediation or risk management.
- 4.3.2. For properties with long term remediation requirements, work with land owners to promote a breadth of interim land uses.
- 4.3.3. Continue to allow flexibility in the timing of clean up to go beyond the rezoning bylaw stage to the development permit stage when Direct Control zoning is used.
- 4.3.4. Allow the use of exposure control as acceptable technique on contaminated sites or portions of sites subject to the following conditions:
 - 4.3.4.1. Protection of human health and environment is first priority.
 - 4.3.4.2. Acceptable exposure control programs must be formally in place for the intended interim land use.
 - 4.3.4.3. Remedial end points must be defined as part of an exposure control program.
- 4.3.5. For any interim use, progress toward remedial end points must continue while the temporary use occurs. Meeting acceptable criteria through the application of provincial guidelines must clearly and measurably be the end point for all properties
- 4.3.6. Support sustainable methods of demolition and clean up, including natural and ecological forms of remediation (in situ) and the reuse of materials.

4.4. **Redevelopment**

- 4.4.1. Work with successful applicants for the RFPs to address issues and achieve appropriate approved interim uses or redevelopment.
- 4.4.2. Assess Strategy effectiveness and identify improvements.

5. Gas Station Life Cycle: Planning to Open and Scheduled to Close

While the scope of the Task Force was limited to brownfields which were previously gas stations, the Task Force recognizes there is a gas station life cycle that must be considered. The key phases in the gas station life cycle are: Planning to Open and Scheduled to Close.

The phase of a closed gas station include: site testing infrastructure demolition and cleaning. The strategy provided above is designed to address the closed stations.

- 5.1. The following activities apply to the Planning to Open and the Scheduled to Close gas stations:
 - 5.1.1. Work with industry to ensure best practices for underground gasoline tank design and operation are incorporated in the planning of gas stations.
 - 5.1.2. Continue to review site planning for gas stations and underground tanks and identify and utilize measures to prevent possible contamination flowing into adjacent municipal rights of way or utility installations.
 - 5.1.3. Maximize communication with the Fire Rescue Services Branch to use information available to Administration within Provincial regulations.
 - 5.1.4. Maintain an updated inventory of gas station sites in Edmonton and status of development and environmental information on the sites.
 - 5.1.5. Work with industry to apply a self insurance approach to the development of gas stations so that adequate funds are available for remediation when a site is closed.
 - 5.1.6. Provide options for the use of a surety bond for permit approval for future gas stations. The intent of the surety bond would be to establish financing at the outset of the business for any eventual contamination and resulting remediation that may occur over the life of the gas station. Address such implications as:
 - 5.1.6.1. Future development;
 - 5.1.6.2. Financial implications of a long term outstanding financial commitment.
- 5.2. **Assessment:**
 - 5.2.1. Encourage industry to undertake Phase 1 and Phase 2 Environmental Site Assessments of sites about to be closed.
- 5.3. **Remediation/Risk Management:**
 - 5.3.1. Encourage remediation plans to be in place before closure and demolition.

- 5.3.2. Ensure the Environmental Site Assessments indicated whether short or long term remediation is required.
- 5.4. **Redevelopment:**
 - 5.4.1. Encourage prompt demolition to accelerate redevelopment of the site.
 - 5.4.2. Ensure that where full redevelopment is not imminent, appropriate interim land uses are employed. Monitoring reports for long term remediation must show current status relative to remediation goals.

Conclusion

This strategy addresses remediation / redevelopment activities at each stage of a brownfield redevelopment project: planning, assessment, remediation/risk management and redevelopment. Each step in the economic life cycle of a gas station should be linked to one or more corresponding City of Edmonton initiatives to address brownfield redevelopment.

City of Edmonton Contaminated Gas Stations Advocacy Activities

Successfully addressing some of the barriers to brownfield redevelopment outlined in this report would require the joint commitment of the City of Edmonton, other Alberta municipalities and the Government of Alberta. Federal involvement, through the Federation of Canadian Municipalities Green Municipal Fund, may also be of benefit. Ongoing industry consultation would also be required.

While future advocacy is likely to require the support and efforts of members of City Council to ensure elected officials and leaders in other jurisdictions fully understand the challenges and Council's priorities for moving forward, it is no less important to undertake discussions at the administration level to establish common positions among municipal stakeholders who know and manage the issues on the ground – and to increase awareness and understanding of these positions among, for example, impacted Government of Alberta staff and senior administration.

As a key initial step, advocacy priorities identified by the Task Force should be shared with other municipal stakeholders such as the Alberta Urban Municipalities Association and the City of Calgary to establish – where possible – common positions and priorities.

These municipal stakeholders are currently undertaking explorations of brownfield issues. General agreement has been expressed among the parties at the working level of the value of working collaboratively, and such agreement may form the basis for more formalized partnership on addressing the issues with the Government of Alberta and industry stakeholders.

Potential actions for working with industry stakeholders and the Federation of Canadian Municipalities – as well as steps the City can take in adapting its own practices and processes – are outlined in the draft report and so are not duplicated in this attachment. Such actions must happen alongside any advocacy with other orders of government.

As this project advances, areas for focused cost-benefit discussion and advocacy with other partners and stakeholders could include the following:

1. Legislation, Regulation and Technical Criteria Changes

- 1.1. Work with the Government of Alberta to improve its remediation certificate program to better and more broadly provide regulatory closure for remediated sites, as well as to ensure that sites determined to meet current guidelines and therefore not requiring remediation – but that have historically been used for high risk activities – receive regulatory closure.
- 1.2. Work with the Government of Alberta to allow obligations arising from risk management strategies to be recognized and transferred with land title transfer, thereby allowing for the obligation to manage exposure control programs to be transferred to another party.
- 1.3. Work with the Government of Alberta to provide the legislative amendments necessary to allow municipalities to successfully implement tax policies that would make it more expensive to leave land idle.

This may involve amendments to section 297 of the Municipal Government Act (MGA) to allow municipalities to create subclasses for contaminated land based upon the degree of development on the site.

- 1.4. Work with the Government of Alberta to align the purpose of the Environment Protection and Enhancement Act (EPEA) with aims and needs of municipalities so that the regulations contribute to the end objective of redevelopment. Currently, the overall intent of the EPEA is environmental protection, which includes an aspect of public safety. An additional and key municipal objective in these situations is redevelopment. These two objectives do not have to be mutually exclusive between the differing legislative schemes. Amendments could be contemplated which would enable both objectives.
- 1.5. Work with the Government of Alberta to invest in resources to examine and update technical criteria to ensure legitimacy of remediation investments and efforts for environmental protection. Such amendments could be used to require remediation that not only protects the environment but also sets standards that are consistent with future development thresholds.
- 1.6. Work with the AUMA and member municipalities. This includes participating in the Contaminated Sites Stakeholder Advisory Committee (CSSAC) being re-organized in Summer 2010 for a review of previous findings.

2. Tax incentives

- 2.1. Work with the Government of Alberta to explore the provision of tax credits for remediation projects
- 2.2. Work with the Government of Alberta to amend section 347 of the MGA to allow multiple year agreements between the City and property owners, thereby providing increased certainty to all parties.
- 2.3. Work with the Government of Alberta to explore an exemption from education property taxes for properties undertaking significant remediation and redevelopment projects in Alberta's municipalities. The exemption from education property tax could be triggered by a municipal property tax exemption provided by the municipality (one option would be to have the education property tax exemption provided at the same level as the municipal tax exemption provided by the municipality).

3. Direct Grants and Funding

- 3.1. Work with the Government of Alberta and Government of Canada to establish new grants or funding programs specifically targeted to brownfield remediation and redevelopment or with guidelines broad enough to allow for funds to be applied to these endeavors.
- 3.2. Work with the Government of Alberta to provide operational funding to municipalities towards a brownfield coordinator position – or equivalent – to allow municipalities to better coordinate the transformation of vacant or underused brownfield sites into redeveloped sites.

Conclusion

Advancing discussions with other orders of government, municipalities and organizations on any of the above issues is a long-term process requiring persistence; given the complexity of the issues and inputs, and the various stakeholders involved, “quick wins” are expected to remain elusive.

Careful consideration must be given to the possible consequences of any amendments.

City of Edmonton Contaminated Gas Stations Strategy/Advocacy Timeline

The following provides a timeline for delivery of the action items proposed in the Contaminated Gas Stations Strategy.

The tasks and action items of the proposed strategy are broken out by three month periods that allows for planning and preparation, execution, measurement and review.

Activity owners are designated in the table below with: ✓

Activities			
	Brownfield Coordinator	Working Committee	Task Force
Quarter 1			
1.1. Administrative team confirmed/adjusted and retains current meeting schedule		✓	
1.2. Refine Brownfield Inventory			
1.2.1. Update with additions and deletions		✓	
1.2.2. Adjust parameters for former gas station brownfield as necessary		✓	
1.2.3. Review available material pertinent to property status	✓		
1.2.4. Engage owners	✓		
1.2.5. Categorize and prioritize properties based on remediation timelines and options		✓	
1.3. Begin Inventory Tracking of property status	✓	✓	
1.4. Craft formal advocacy schedule with appropriate resources to approach the Provincial government, other jurisdictions, AUMA, CPPI	✓	✓	✓
1.5. Pro-actively contact inventory property owners to identify possible interim use opportunities.	✓		
1.6. Proactively contact inventory property owners for input on RFP approach.	✓		
1.7. End of quarter: Quarterly update to Corporate Leadership Team and Task Force. Includes inventory status, interim results, advocacy progress, issues and recommendations.	✓		

	Brownfield Coordinator	Working Committee	Task Force
Quarter 2			
1.8. Mock Pro Forma exercise with willing owners to test and examine opportunity and support requirements.	√		
1.8.1. Results to assist in RFP design	√	√	
1.8.2. Confirm potential valuations, qualification factors for proposed RFP tools to confirm appropriate administrative and Council approvals	√	√	
1.8.3. Establish target list for RFP Pilot	√	√	
1.9. Pro-actively engage owners for Interim land use options	√		
1.9.1. Support cost-effective and appropriate interim solutions where long term remediation efforts are unavoidable and active	√	√	
1.10. Assign and schedule advocacy activities	√		√
1.11. Quarterly Update to CLT and Task Force	√		
Quarter 3			
1.12. Advocacy efforts continue, activities adjusted as necessary, progress measured	√		√
1.13. Preparation/Distribution of RFP	√		
1.14. RFP Responses vetted	√	√	
1.14.1. Appropriate approvals based on tools required (eg. tax forgiveness requires Council approval)		√	√
1.15. RFP Awarded		√	
1.15.1. Resources assigned for end to end support of awarded project(s)	√	√	
1.16. Assign and schedule advocacy activities	√		√
1.17. Quarterly Update to CLT and Task Force	√		
Quarter 4			
1.18. Advocacy efforts continue with all groups (Task Force members, Administrative team, AUMA representative, other)	√	√	√

	Brownfield Coordinator	Working Committee	Task Force
1.19. Restructure City of Edmonton Brownfield Redevelopment Grant Program based on outcome RFP submissions		√	
1.20. Quarterly update	√		
1.21. Strategy review including brownfield progress, grant status and value, advocacy status by initiative, planning summary (zoning activity, exceptions). Recommendation on future strategy directions.	√	√	√