

Brownfields Funding in Canada: Overview

Project Title: Examining the Role of Public Funding and Financing Incentives in Supporting Brownfield Redevelopment in Canada

QUICK FACTS

Location: Canada

Number of Federal Programs: 2

Number of Provincial Programs: 4

Number of Municipal Programs: 90

Keywords/special features
Brownfields, financing, funding, assessment, remediation, redevelopment

Authors:

Dr. Chris De Sousa (PI), School of Urban and Regional Planning, Toronto Metropolitan University
Jim Tischler (Collaborator)

Research Assistants:

- Simon Horner
- Adam Gardner
- Guillaume Perreault

Note to readers: if you have any updates, additions, or find any errors, please send an email to chris.desousa@torontomu.ca

Source: Chris De Sousa



Toronto's West Don Lands

PROJECT SUMMARY

This overview briefly summarizes information collected in the first phase of a multi-phase research project on brownfields funding and financing in Canada. The research is funded by an Insight Grant from Canada's Social Sciences and Humanities Research Council. The research explores four main questions: (1) What government incentives are available in Canada to support brownfield assessment, remediation, and redevelopment? (summarized here) (2) How have they been applied by federal, provincial, and local governments to support cleanup and redevelopment? (3) What redevelopment outcomes have been realized, and how effective have incentives been according to developers, lenders, and environmental contractors? (4) Can promising incentives from within Canada or other jurisdictions (US, UK) support conventional brownfield redevelopment and advance sustainability-oriented projects?

Funding Collection Method

The initial phase of the research involved collecting information about different public funding and financing initiatives supporting brownfield redevelopment in Canada. All three levels of government were considered when identifying programs. The following section summarizes the programs, when available, by level of government, their name, the eligibility criteria, the funding details, and the

eligible spending activities. The summary starts with the federal level followed by provincial and territorial programs. Finally municipalities with programs are listed by province. Provinces without any provincial and municipal programs are listed at the end of the overview.

reACTIVATE
brownfield research lab @TorontoMU

SSHRC  CRSH
CRSH  SSHRC

**Toronto
Metropolitan
University**

Federal Programs

Federally, two programs support brownfields redevelopment. Together, both programs have offered a total of \$7.3 billion in funding support.

Program Name¹

Federal Contaminated Sites Action Plan (FCSAP)

Eligibility

Only sites contaminated by activities prior to April 1, 1998, are eligible for FCSAP funding. Federal agencies and crown corporations (custodians) are eligible to apply for funds if their site meets specific criteria. Land must be owned or leased by the federal government or land in which the federal government has accepted liability for contaminants.

Funding

Established in 2005, total funding for the first 15 years was \$4.54 billion. The program was renewed for an additional 15 years (2020-2034), with the first 5 years of funding earmarked at \$1.16 billion.

Eligible Spending Activities

Site assessment and remediation.

Program Name²

Green Municipal Fund

Eligibility

Municipal governments are eligible for grant and loan support.

Funding

Established in 2005, approximately 7% of the \$1.6 billion budget was allocated to the brownfield sector. Loans range with a maximum amount of 50% of eligible costs with a cap of \$500,000. Small municipalities (population under 20,000) can qualify for 80% of eligible costs.

Eligible Spending Activities Remediation (and related activities, including servicing and road costs). Eligible expenses historically included community brownfield plans, feasibility studies, remediation and risk management activities, and redevelopment initiatives.

Provincial Programs

Provincial programs exist in Ontario, Alberta, Saskatchewan, and Quebec. Each program differs in its offerings (described below), where they can be supplemented by municipal programs.

Ontario

Program Name³

Brownfield Financial Tax Incentive Program (BFTIP)

Eligibility

The property must be in a designated community improvement project area that is covered by a provincially approved Community Improvement Plan (CIP) under the Planning Act. The CIP must contain provisions for tax assistance under section 365.1 of the Municipal Act, 2001. The site must have already undergone a Phase 2 site assessment identifying the need for remediation. Third-party stakeholders may apply for the program.

Funding

The program provides up to \$5 million annually through property tax assistance. This is a proportional matching program. The Province will match whatever municipal tax cut and discount in educational property tax (e.g., if there is a 50% cut by the municipality, the province will consider a 50% cut). If eligible, the Province can cancel all or a portion of the educational property tax for 6 years for business development and 10 years for residential development.

Eligible Spending Activities Remediation.

Province Alberta

Program Name
Municipal Government Act

Eligibility

Allows municipalities to create brownfield funding and financing programs.

Funding

Not available.

Eligible Spending Activities
Not available.

Province

Saskatchewan

Program Name⁴

- *Oil and Gas Processing Investment Incentive (OGPII)*
- *Oil Infrastructure Investment Program (OIIP)*
- *Impacted Sites Fund (ISF)*

Eligibility

OGPII: All activities that add or create value to the above mentioned industries. Must increase processing capacity and be approved by the Ministry of Energy and Resources. Must involve a minimum investment of \$10 million in eligible costs.

OIIP: Must directly increase oil or carbon dioxide pipeline capacity in SK and be approved by the Ministry of Energy and Resources. Must involve a minimum investment of \$10 million in eligible costs.

ISF: Municipal governments and municipal partnerships, which may include municipally owned corporations, not-for-profit organizations, and private companies, are eligible to apply for project funding to clean up the contaminated sites using the Impacted Sites Fund.

Funding

OGPII: 15% of eligible program costs. Awarded credit cap of \$75 million for oil, gas, helium, and lithium projects and \$70 million for chemical fertilizer projects.

OIIP: 20% of eligible program costs. Award credit cap of \$40 million. Credits are fully transferable.

ISF: Applications are not funded on a first-come, first-served basis. They are prioritized by ministry officials, taking into consideration the technical information derived from the National Classification System for Contaminated Sites (NCSCS) score that assesses the severity of the contamination. This score ranges from 0 to 100, with 100 being the highest priority for cleaning up. Those sites that receive a score:

- of 70 to 100 will be eligible to receive up to 100 percent of the costs to clean up the site;
- of 50 to 69.9 will be eligible to receive up to 75 percent of the costs to clean up the site;

- of 37 to 49.9 will be eligible to receive up to 50 percent of the costs to clean up the site; and
- below 37 will be eligible to receive up to 25 percent of the costs to clean up the site.

Eligible Spending Activities OGPII Eligible projects include:

- Refineries/upgrading facilities (i.e., partial upgrades, asphalt production, and sulphur removal units);
- Petrochemical facilities (i.e., methanol, ammonia, polypropylene, olefins, and ethylene);
- Associated gas commercialization projects (ex., processing facilities, waste-gas-to-power etc.);
- Regional gas-gathering projects and projects with multiple phases may also be considered under a single project application;
- Helium processing or liquefaction facilities;
- Carbon capture, utilization, and storage for enhanced oil recovery
- Commercialization of oil and gas production byproducts and waste products (i.e., lithium extraction from produced oilfield water);
- Chemical fertilizer facilities;
- Lithium processing facilities.

OIIP Eligible projects include:

- Transmission pipelines;
- Feeder pipelines (including trunk and branch pipeline systems);
- Pipeline terminals; and
- Enabling infrastructure investments that are directly linked and dedicated to an eligible project and are required to bring that project into service, may also be considered as eligible.

ISF: Site cleanup.

Province

Quebec

Program Name5

- *ClimatSol-Plus*
- *Contaminated Soil Treatment Centre Investment Program*
- *Measure for the decontamination and appreciation of strategic lands*

Eligibility

ClimatSol-Plus:

- Municipalities and property owners that wish to rehabilitate contaminated lands;
- Rehabilitation efforts that densify the urban fabric;
- Use of technologies in decontamination treatments;
- Excludes City of Montreal and two eco-districts in the City of Quebec.

Contaminated Soil Treatment Centre Investment Program:

- Soil treatment centres investments that promote their usage and fund the development of innovation technologies.

Measure for the decontamination and appreciation of strategic lands:

- Projects that show economic development potential post-rehabilitation in the following municipalities - Phase 1: Montreal, Quebec (city), Trois-Rivieres, Saguenay, Sherbrooke, Levis, Laval, Gatineau, Longueuil, Phase 2: Shawinigan, L' Assomption, Amos, Sainte-Marie, Rimouski, Delson, Matane, Îles-de-la-Madeleine, Sorel-Tracy, Montreal Metropolitan Community, Thetford Mines, Val des Sources.

Funding

ClimatSol-Plus:

- Funding allocation covers 50% for professional services, 75% for admissible works costs and up to 90% for social housing projects. Maximum funding of \$5M per municipality for projects.

Contaminated Soil Treatment Centre Investment Program:

- Fees obtained from owners of contaminated lands when said land is not treated, collecting an estimated \$20M in fees. Soil treatment centre receives up to 25% of fees to support their work.

Measure for the decontamination and appreciation of strategic lands:

- \$410M from the provincial government towards projects in eligible municipalities to cover 100% of the costs of eligible works.

Eligible Spending Activities ClimatSol-Plus:

- Professional services for site preparation and supervision (plans, documentation, characterization studies);
- Site work (decontamination efforts);
- Administrative fees;
- Post-rehabilitation and follow-up work.

Contaminated Soil Treatment Centre Investment Program:

- Treatment of soil.
- Developing new technologies in soil treatment.

Measure for the decontamination and appreciation of strategic lands:

- Acquiring lands;
- Decontamination works (professional services, rehabilitation, follow-up);
- Infrastructure development;
- Feasibility and technical studies;
- Salary costs.

Municipal Programs

Municipal programs exist in several provinces and one territory, namely Ontario, Alberta, Manitoba, Newfoundland and Labrador, Saskatchewan, Quebec and Northwest Territories.

Ontario municipalities (77) with local programs

In Ontario, properties must be within a built-up area and located inside a

community improvement plan (CIP)⁶. The following municipalities have enacted funding through CIP programs or similar.

- Arnprior
- Asphodel - Norwood
- Aurora
- Bancroft
- Belleville
- Brampton
- Brock
- Brockton
- Brockville
- Cambridge
- Carleton Place
- Casselman
- Cavan - Monaghan
- Chatsworth
- Clarington
- Cobourg
- Cornwall
- Dryden
- Erin
- Fort Erie
- Gananoque
- Greater Sudbury
- Grey Highlands
- Grimsby
- Guelph
- Halton Hills
- Hamilton
- Hawkesbury
- Kenora
- Kingston
- Kitchener
- Laurentian Valley
- London
- Loyalist
- Meaford
- Minden Hills
- Minto
- New Tecumseth
- Niagara Falls
- Norfolk County
- North Bay

- North Dundas
- North Kawartha
- Oakville
- Orangeville
- Orillia
- Oshawa
- Ottawa
- Owen Sound
- Pembroke
- Petawawa
- Peterborough
- Port Colborne
- Red Lake
- Renfrew
- Richmond Hill
- Saugeen Shores
- Scugog
- Smiths Falls
- Smooth Rock Falls
- Southgate
- Springwater
- St. Catharines
- Stratford
- The Blue Mountains
- Thorold
- Timmins
- Toronto
- Tweed
- Uxbridge
- Warwick
- Waterloo
- Welland
- West Grey
- Whitby
- Whitewater Region
- Windsor

Alberta municipalities (2) with local programs

Both municipal programs are grant based programs that are targeted towards brownfields redevelopment.

- Edmonton
- Lethbridge

Manitoba municipality (1) with local program

The municipality offers a tax-based brownfield financial assistant program.

- Brandon

Newfoundland municipality (1) with local program

The municipality offers a grant based on property tax increments

- Paradise

Northwest Territories municipality (1) with local program

The municipality offers a tax-based development incentive, including for brownfield redevelopment.

- Yellowknife

Saskatchewan municipalities (2) with local program

Both municipalities offer tax-based and grant tools for brownfield remediation.

- Regina
- Saskatoon

Quebec municipalities (6) with local program

Municipalities differ in financing, goals, and eligibility.

- Montreal
- Montreal-Est
- Quebec City
- Trois-Rivieres
- Gatineau
- Longueuil

Provinces and Territories without provincial, territorial, or municipal programs

British Columbia, New Brunswick, Nova Scotia, Nunavut, Prince Edward Island, Yukon

Summary

The initial phase of the research and program overview gives the eligibility, available funding, and activities of each federal and provincial program. Although only four provinces offer brownfield financing programs, a few municipalities in the other jurisdictions have opted to offer their own municipal program for brownfield assessment and remediation.

Endnotes

[1] Federal Contaminated Sites Action Plan (FCSAP) (Government of Canada)

[2] Green Municipal Fund (Federation of Canadian Municipalities)

[3] Brownfields financial tax incentive program (Government of Ontario)

[4] Oil and Gas Processing Investment Incentive, Oil Infrastructure Investment Program, Impacted Sites Fund (Government of Saskatchewan)

[5] ClimatSol-Plus, Contaminated Soil Treatment Centre Investment Program, Measure for the decontamination and appreciation of strategic lands (Government of Quebec)

[6] Brownfields financial tax incentive program (Government of Ontario)