City gives new lease on brownfields

Two years ago, Luciano Piccioni returned to Hamilton from Chicago with an overflowing binder of information on how to revitalize abandoned and contaminated urban properties. These days, people are coming to him from across the continent to learn how brownfields, as they are called, can be transformed into assets from liabilities.

"You have to be careful in applying American success stories to Canada but, yes, we saw Chicago as a leader and we tried to learn all we could from as many sources as possible," said Mr. Piccioni, brownfield coordinator at Hamilton's Economic Development Department. "The U.S. has been ahead of us on this; in fact, Canada has lagged behind all the [Group of Seven] nations. But now we're getting calls from across Canada and even some U.S. cities. I just had one from Cincinnati."

And it's not just other cities seeking Hamilton's expertise. Mr. Piccioni helped Ontario draft Bill 56, legislation to make the recycling of urban land more efficient and attractive. (The bill has been passed, but not implemented.) He also serves on a panel in Ottawa working on a national brownfield strategy.

Mr. Piccioni keeps coming back to the word "innovation" as the key to making such initiatives work, but passion might be his secret weapon.

"He's so widely respected . . . I wish we had him in more cities," said Mitchell Fasken, who has been involved with brownfield developments since the early 1980s. "[He] loves his job and his city," said Mr. Fasken, president of Jannock Properties Ltd. and Kimshaw Holdings Ltd., which is developing 10 single-family houses, 17 townhomes and 3,000 square feet of commercial space on a decontaminated three-acre site at Barton and Crooks Streets in Hamilton's north end. Part of the site was an abandoned gas station that required removal of petroleum waste.

A visit to Mr. Piccioni's eighth-floor downtown office bears out Mr. Fasken's description. The brownfield coordinator can't hide his enthusiasm as he says that after years of decline, the inner-city population is growing again. To make a point about the success of colleagues in the downtown renewal department, he quickly hobbles across the room (his ankle was sore from playing soccer) to open the blinds and point out two former office buildings being converted to condominiums.

The 38-year-old apparently comes by his civic pride honestly, having grown up in a working-class east-end neighborhood, surrounded by much of what would eventually be identified as Hamilton's 3,400 acres of brownfields. His love for seeing ideas become buildings likely is inherited from his father, an immigrant construction foreman.

"I've lived in Hamilton all my life, except for two years in Toronto to attend university [studying urban planning and public policy analysis]," he said. "I live here by choice. I remember as a boy when downtown was really busy. It was exciting. Then we saw deterioration. Now it's great to see the building cranes back downtown."

But you have to get away from downtown to see Mr. Piccioni's bailiwick, the largely industrial areas of the north and east ends. Central to his brownfield work is a plan known as ERASE, short for Environmental Remediation and Site Enhancement. It helps finance environmental studies and cleanup, facilitates planning approvals and the acquisition of permits, and provides up to 10 years of property tax rebates for completed projects that meet certain criteria. Although years of study and consultation went into the plan, it has been in place only since August, 2001.

"It's not even a full year, and the word isn't fully out yet," Mr. Piccioni said. "But of the projects that have taken advantage of the program, we have redevelopment of 11.3 acres of industrial land, construction and refurbishing of 228,000 square feet of building space, $1-million in city grant money has leveraged $15-million in private investment and has created a projected increase in property assessments of $5.7-million. The properties [many of which were in arrears on their taxes with no hope of collection] are projected to provide an annual increase in taxes collected of $400,000."

Year one of ERASE earned awards from the Canadian Urban Institute, the Ontario Professional Planners Institute and the Ontario Economic Development Corp.

"Hamilton is light years ahead of [Greater Toronto Area] cities on this stuff," said Mr. Fasken, who also has praise for the way the Ontario cities of Kitchener, London and Brantford approach brownfield projects. "[In the GTA,] they talk of brownfields and smart growth, but in truth it's not even on the radar screen yet."

Besides the Barton and Crooks project, Hamilton has:

Helped the JNE Group demolish and replace a vacant and obsolete plant with a 186,000-square-foot warehouse to store steel. City grants will come from the increase in taxes collected on the site.

Helped Your Storage and Office Co. turn a vacant lumber yard and hardware store into a shared office and storage facility. Grants went toward demolition and soil cleanup costs.

Helped two joint projects with the Labourers' International Union of North America -- the restoration of the old Canadian National Railway station to provide a conference facility, offices and a food storage warehouse, as well as the development of a nursing home on the site of an old wire manufacturing plant. The city sold the "negative cash value" site to the union for $1 and split the costs of a $1.2-million cleanup of soil contaminated with petroleum waste.

Turned, with $1.7-million from the provincial Ministry of the Environment, the badly contaminated site of the infamous Plastimet fire into a park with allotment gardens and multisport courts. The park benefits a community hit hard by the four-day 1997 blaze at what was then a plastics recycling plant.

So why is Hamilton a leader?

"We got in mostly out of necessity," he said. "Cities with a long heritage of heavy industry -- and that includes Kitchener, Cambridge and Thunder Bay, where they also are doing good work -- can't ignore brownfields. But even in new cities, where at first blush there doesn't seem to be a problem, printing plants, dry cleaning facilities and gas stations are everywhere."

He also says keeping programs accountable, giving them long-term stability and not getting too focused on big projects is crucial. "You have to protect taxpayers. In Hamilton, we have the developer 'up-front' the costs of the cleanup and then, assuming they create increased assessed value on the site and there's an increase in tax revenues, they get part of the taxes back through annual grants for up to 10 years . . . and grants are stopped and money will be reclaimed if the land is recontaminated." He calls Barton and Crooks an example of the ideal small-scale project. "It fits into a neighborhood and is helping to turn it around. That land sat vacant for quite a long time."

Marguerite Ceschi-Smith, a city councillor in Brantford and chairwoman of the Federation of Canadian Municipalities brownfield committee, has praise for Hamilton's program, but cautions that more needs to be done.

"That type of program is still not enough to tackle the sites that really threaten community health," she said. "It might be good for Hamilton or Toronto, but there's a bigger problem in the smaller cities."

Some in the United States argue that brownfield incentives constitute unfair interference in the marketplace. But Mr. Piccioni says "that argument assumes the playing field is level. Our subsidies level the field; they correct inefficiencies created by sins of the past."

And Mr. Fasken adds that brownfields are "a better long-term investment for municipalities than greenfields. All the infrastructure is in place, including water, sanitary and storm servicing; transit routes, schools and community centres are usually existing and underutilized. Why [unnecessarily] extend services and infrastructure beyond the boundaries of a municipality?"

Mr. Piccioni also likes the societal benefits of brownfield projects and the role they can play in reviving cities. "It can be so satisfying to take projects that otherwise can't happen and find ways to make them happen. We learned that zoning changes weren't enough. We had to recognize and remove some of the financial barriers as well. Yes, there's self-interest, but we can't expect developers to get involved in projects where there is no prospect of a profit."