



DEVON ESTATES LIMITED



Brownfields
Land Owner Perspective
TOPCA Community Meeting: March 22, 2011



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A Wholly Owned Subsidiary of Imperial Oil

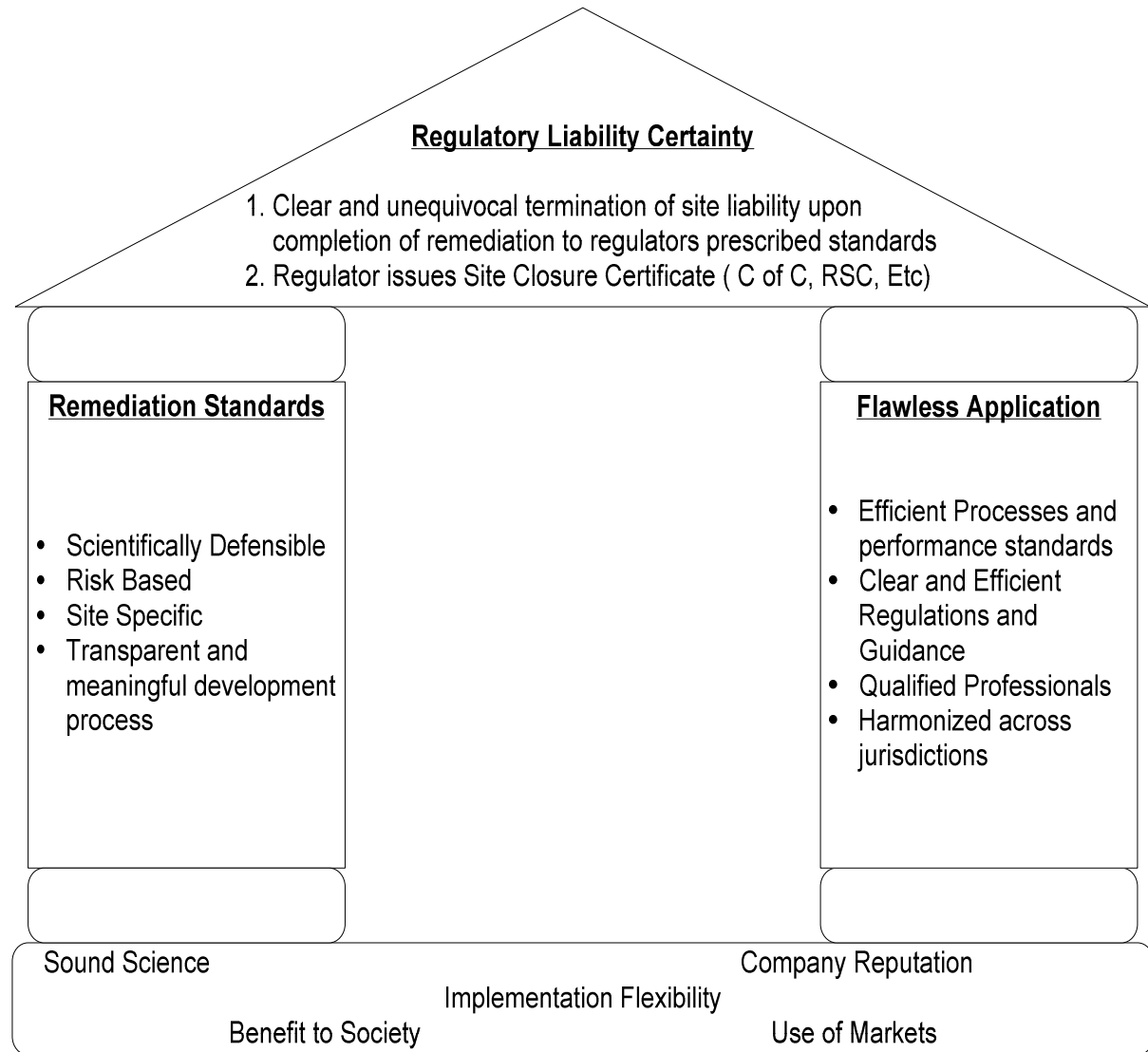
TOPCA Community Meeting

Discussion Topics:

- ❑ Imperial Oil's Brownfield Principles and Objectives
- ❑ The National Roundtable on the Environment and the Economy, 2003 ("NRTEE")
- ❑ Lynnview Ridge, Calgary, AB
 - An illustration of why Imperial Oil is concerned with liability management
- ❑ Imperial Oil's Wish List
- ❑ Good To Know: Canadian Petroleum Products Institute ("CPPI") and Imperial Oil Site Remediation Data
- ❑ Examples: commercial redevelopments from former petroleum sites
- ❑ Discussion: The Port Credit Opportunity

Brownfield Principles and Objectives

- ❑ Principles originally developed in 1994
- ❑ 2008 update kept the core
- ❑ 2011, principles unchanged – continue to guide Imperial



National Roundtable on the Environment and the Economy, 2003

- ❑ NRTEE Mandate: *“play the role of catalyst in identifying, explaining and promoting, in all sectors of Canadian society and in all regions of Canada, principles and practices of sustainable development”*

- ❑ Cleaning Up the Past, Building the Future, A National Brownfield Redevelopment Strategy, 2003
 - Vision: the transformation of Canada’s brownfields into economically productive, environmentally healthy and socially vibrant centres of community life, through the coordinated efforts of all levels of government, the private sector and community organizations

- ❑ Three strategic directions (“SD”) consisting of fourteen specific recommendations:
 - SD # 1: Applying strategic public investments to address upfront costs
 - **SD # 2: Establishing an effective public policy regime for environmental liability and risk management**
 - SD # 3: Building capacity for and community awareness of brownfield redevelopment

- ❑ NRTEE Strategic Direction # 2 Recommendations: Important to large brownfield property owners.
 - Allow for binding contractual allocation of liability
 - Provide for termination of regulatory liability
 - Provide for termination of civil liability after a limitation period
 - Create an insurance fund for post-liability termination claims
 - Apply site-specific assessment and approvals regime
 - Provide for regulatory approvals of remediation

NRTEE Strategic Direction # 2 - Ontario Progress

Strategic Direction # 2

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- Apply site-specific assessment and approvals regime**
- Provide for regulatory approvals of remediation**

Ontario Progress

- Incomplete
- Complete: Record of Site Condition regulation, Reg 153/04; new Reg 511/09 effective July 1, 2011** (subject to certain reopeners)
- Incomplete
- Incomplete
- Incomplete: Site specific process in place, but no approvals regime. Process is inefficient, lacks certainty (actual timelines for completion measured in years)
- Incomplete

Lynnview Ridge, Calgary AB -- A Lesson From the Past

- ❑ 1923 - 1975 - Imperial Oil operated refinery and tank farm
- ❑ 1975 - 1977 - Refinery shut down, dismantled to industry standard of the day and sold to City of Calgary
- ❑ 1978 - Deerfoot Trail construction begins
- ❑ 1978 - 1983 - Lynnview Ridge built (remedial and risk management measures completed to the satisfaction of City of Calgary engineer)

Imperial Oil Refinery, circa 1960



Lynnview Ridge built form post 1983



Lynnview Ridge, Calgary AB – How the Story Evolved & the Outcome

- ❑ 1999, City of Calgary Lynnview Ridge task group created (Alberta Environment [“AENV”], Calgary Health Region, Imperial Oil).
- ❑ May 2001, AENV requests City and Imperial Oil to prepare a remedial plan by June 2001
 - Regulator concerned primarily with lead, despite best science (US EPA) indicating no basis for concern (US EPA; 400 ppm lead = bare soil child’s play area vs. Lynnview Ridge avg 95 ppm).
 - Lead in soil due primarily to imported top soil brought to the site for Lynnview Ridge development (top 30 cm).
- ❑ May 2001, media attention creates community anxiety, emotion.
- ❑ June 2001 AENV issues Environmental Protection Order against Imperial Oil.
- ❑ 2001 - 2004, Imperial Oil voluntarily purchased 149 of 160 single family houses and seven townhouse buildings (86 units in total). All homes demolished in 2007.
- ❑ 2006 - 2008, Imperial Oil remediation and restoration of occupied area.
- ❑ In the end:
 - Issue driven by emotional / perceived risk versus real / scientific risk
 - Homeowner disruption, reputational impacts for City of Calgary and Imperial Oil, and high cost to Imperial Oil
 - An unfortunate situation for all, that no one wishes to see repeated

Port Credit Lands Owned by Imperial Oil

- ❑ No single dwelling homes (learning from Lynnview Ridge)
- ❑ Commercial redevelopments (along Lakeshore Rd.)
- ❑ Institutional (slab on grade recreational facilities)
- ❑ Maintain, possibly enhance Waterfront Trail green space
- ❑ Phased redevelopment, but with the total plan or “end” in mind
- ❑ Support of municipal and provincial government, and community
 - Province: improve site specific remediation approach -- more efficient, reasonable timelines for completion and outcome certainty
 - Municipal: practical use of Record of Site Condition requirements
 - Community: continued patience, practicality
- ❑ Imperial interested in progressing the site and wishes to work with stakeholders in the process

Wish List

- ❑ A sustainable alternative to dig and dump, that provides the same degree of environmental and health protection, and liability closure

- ❑ An efficient / effective, science-based site specific remediation regime
 - Tier II modified generic risk assessment must have meaningful application
 - Administrative efficiency of Tier III comprehensive risk assessment must dramatically improve to maximize its potential and actually stimulate versus discourage brownfield redevelopment

- ❑ Clear delineation of responsibility between the Ministry of the Environment and Municipalities
 - Some confusion and / or misapplication of jurisdictional authority by municipalities
 - ◆ Consistent application of RSC - e.g. Municipalities sometimes request RSC when not required, or not possible
 - ◆ Application of non potable ground water condition - many municipalities go beyond what is stipulated in the regulation

- ❑ Stakeholder (MOE, Municipalities, Industry and Community) recognition that environment and economy must be balanced. One without the other results in inaction - a step backward for Brownfield redevelopment.

Good to Know

- ❑ Imperial (and industry) do remediate sites on an ongoing prioritized and sustainable basis

2009 CPPI Aggregated Site Remediation Data			
Total Service Stations Remediated	Total Other Sites Remediated	Total Sites Conveyed	Interim Use
94	18	94	13

Imperial Oil Site Remediation Data		
Year	Spend for Assessment, Risk Management, Land Remediation & Reclamation for Surplus Properties	Number of Property Sales and / or Lease Returns Enabling Productive Re-use
2010	\$180M	66
2009	\$125M	59
2008	\$150M	70

- ❑ Upon decommissioning, all sites are characterized and any threats to human health or the environment are addressed immediately
- ❑ Idle decommissioned sites are maintained on an ongoing basis
- ❑ “Interim use” can successfully balance community and company needs until economic redevelopment is realized

Examples: Commercial Redevelopments From Former Petroleum Sites

LCBO Store – former Esso service station



Examples: Commercial Redevelopments From Former Petroleum Sites

PharmaPlus Plaza – Former Shell service station



1931: 300 Waterloo Row, Fredericton, NB



WATERLOO SERVICE STATION

November 1931

1997: 300 Waterloo Row, Fredericton, NB



2006: 300 Waterloo Row, Fredericton, NB



300 Waterloo Row: Grand Opening March 2009



The Port Credit Opportunity

1978 - Port Credit South in Operation



The Port Credit Opportunity

Current Day Aerial View: Port Credit South decommissioned





End

Discussion