



Overcoming Financial Barriers to Brownfield Redevelopments

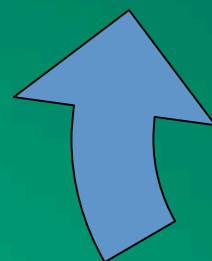
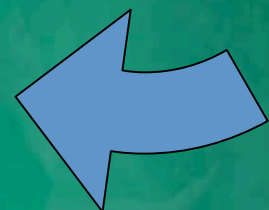
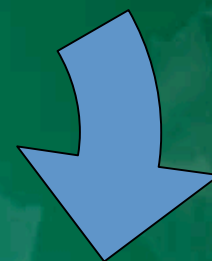
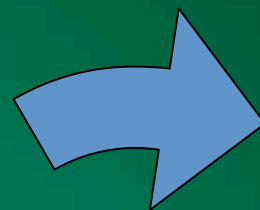
Federal Contaminated Sites National
Workshop
April 30, 2008

*“The problems that we have cannot be solved
at the level of thinking that created them.”*

Albert Einstein



Setting the Stage – Brownfield Restoration



Quantum Murray LP

- Quantum Murray LP has positioned itself to deliver TURN KEY brownfield restoration projects:
 - Since 1992, Quantum Environmental Group has successfully completed more than 6,000 environmental restoration projects
 - In 2002, Murray Demolition was created through the acquisition of the abatement and demolition divisions of Philips Environmental
 - Jan 2007 merger of two companies makes Quantum Murray LP the leading decommissioning contractor in Canada
 - QMLP is part owner of Windmill Development Group, a company that specializes in green building, 'smart growth' redevelopments

Today's Presentation

- What is the Brownfield opportunity?
- How are risks associated with Brownfields successfully managed?
- How can the federal government revitalize the Canadian urban landscape?

What are Brownfields?

“idle or underused properties where past activities have caused environmental contamination but which, nevertheless, exhibit good potential for other uses (or upgrading) and which provide economically viable business opportunities. They are mainly located in established urban areas, where existing municipal services are readily available, or along transportation corridors.”

Treasury Board Secretariat

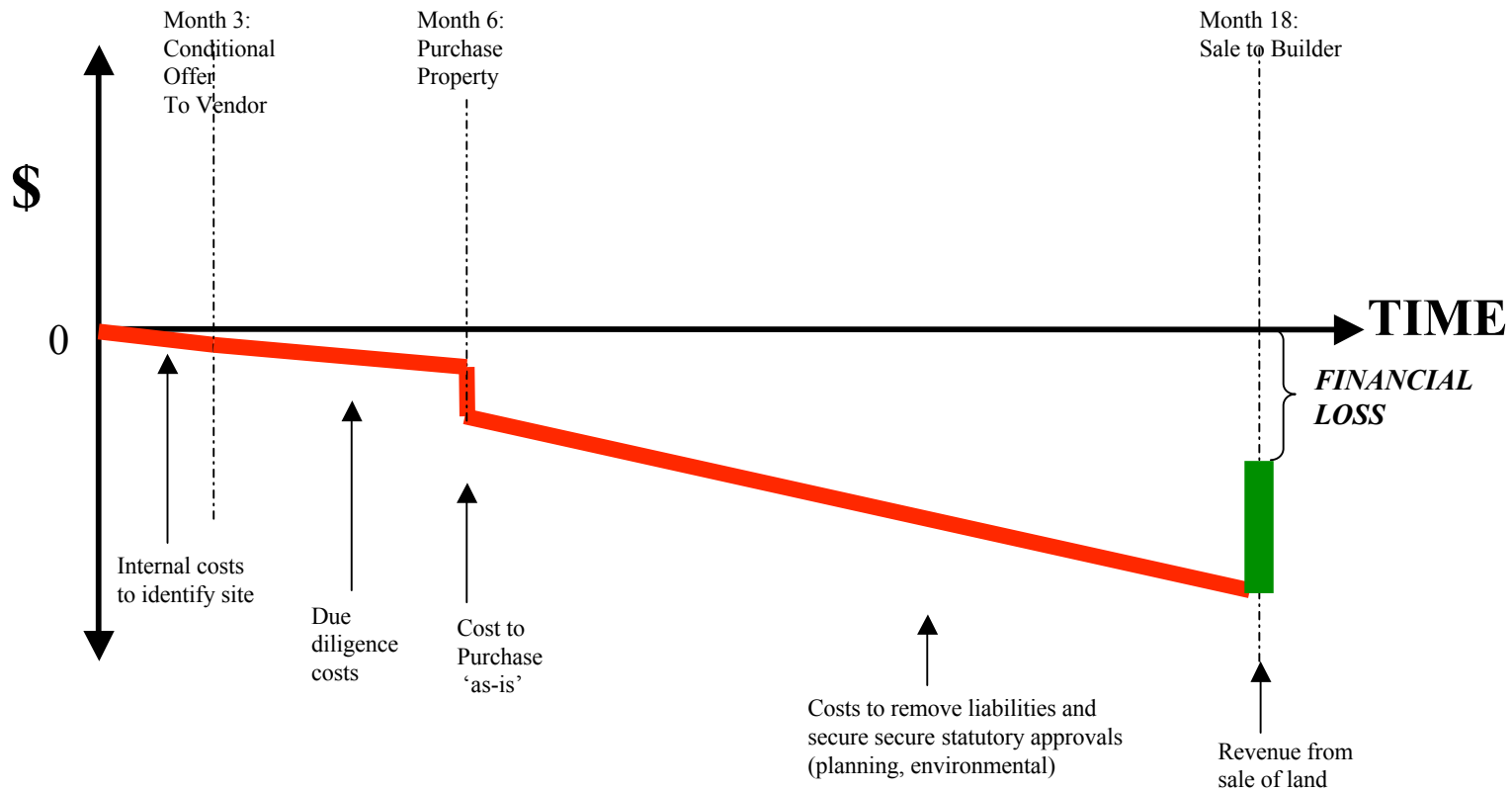
A Simple Brownfield Definition

It's underwater!



(Cost of Environmental Impairments > 'Clean' Land Value)

Typical Cash Flow Model for a 'Non-Viable' Brownfield



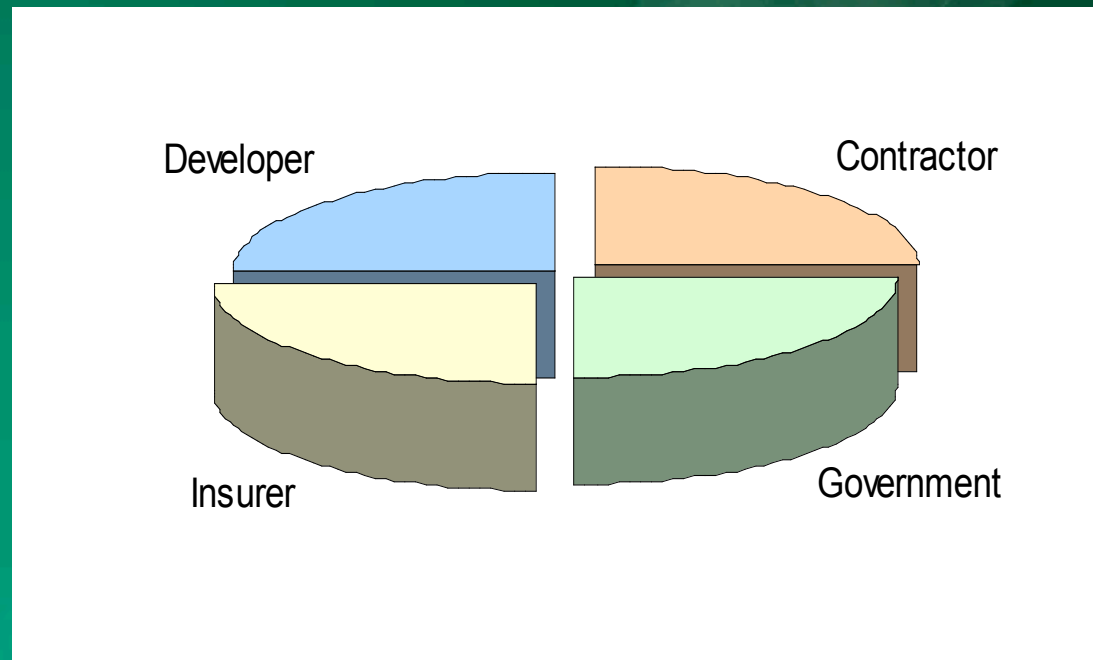
Typical Obstacles for Brownfields

- concerns regarding liability (statutory and civil)
- lack of government legislation and smart growth policies
- a lack of knowledge of remediation technologies
- financing challenges

Overcoming the Obstacles...

...is about *Managing Environmental Liability*:

- Understand it
- Share it
- Manage it



Developer/Contractor Responses to Address Liability

- Step 1 - Create Team (Developer/Contractor/Investor)
- Step 2 - Integrate Remediation and Redevelopment Plans
- Step 3 – Contractor Accepts Environmental Remediation Liability

The Value of Integrated Planning

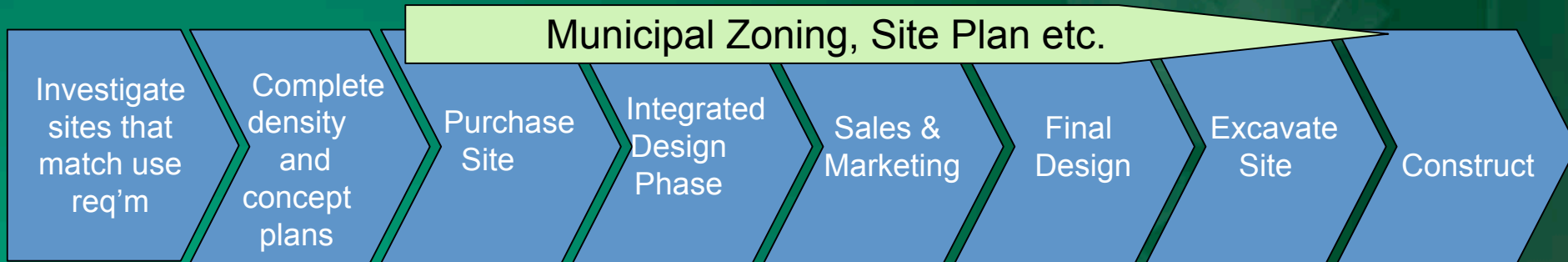
Traditional Brownfield Model:



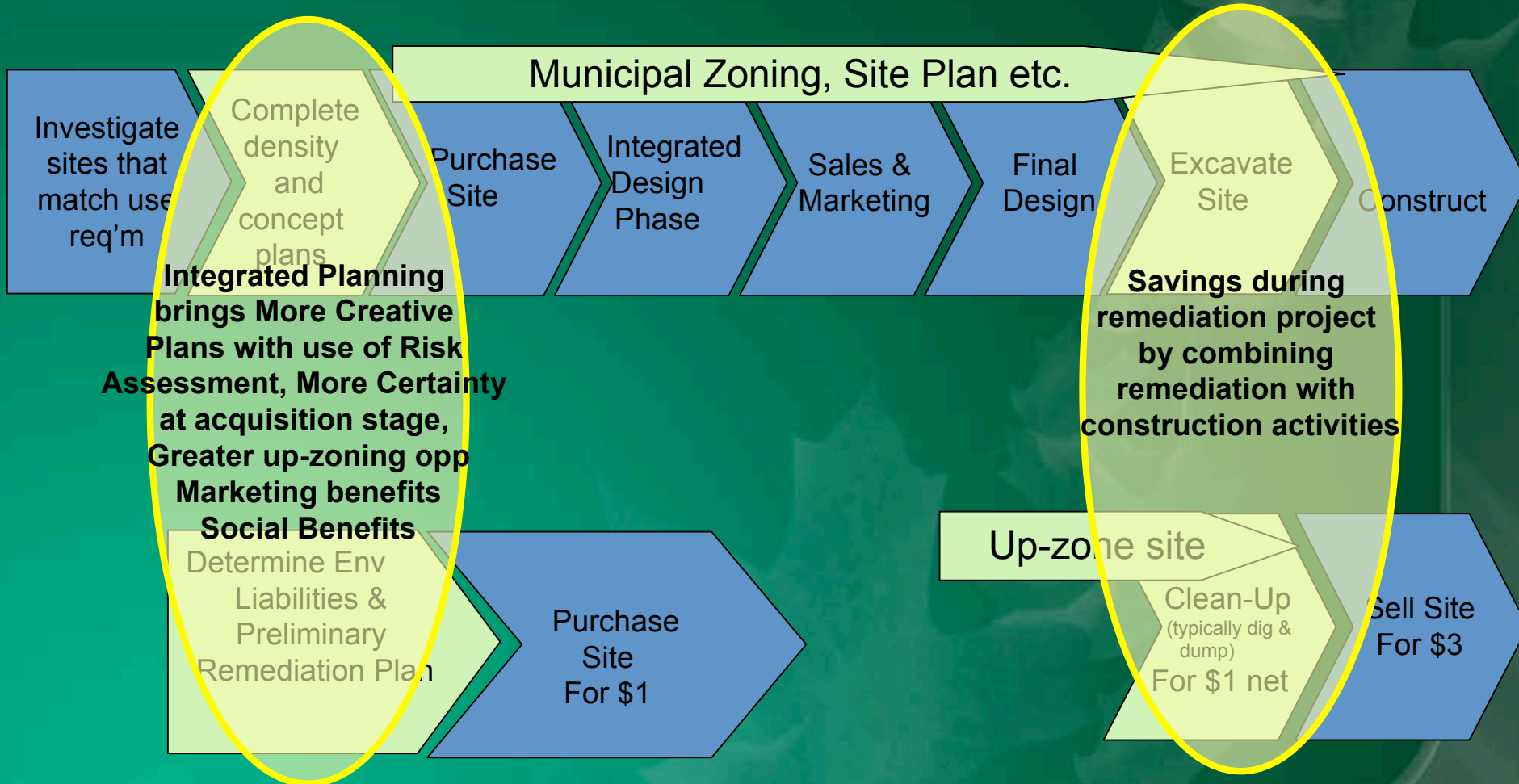
Typically, clean up and development are performed by different parties.

The Value of Integrated Planning

The Predominant Green Building Development Model :



The Value of Integrated Planning

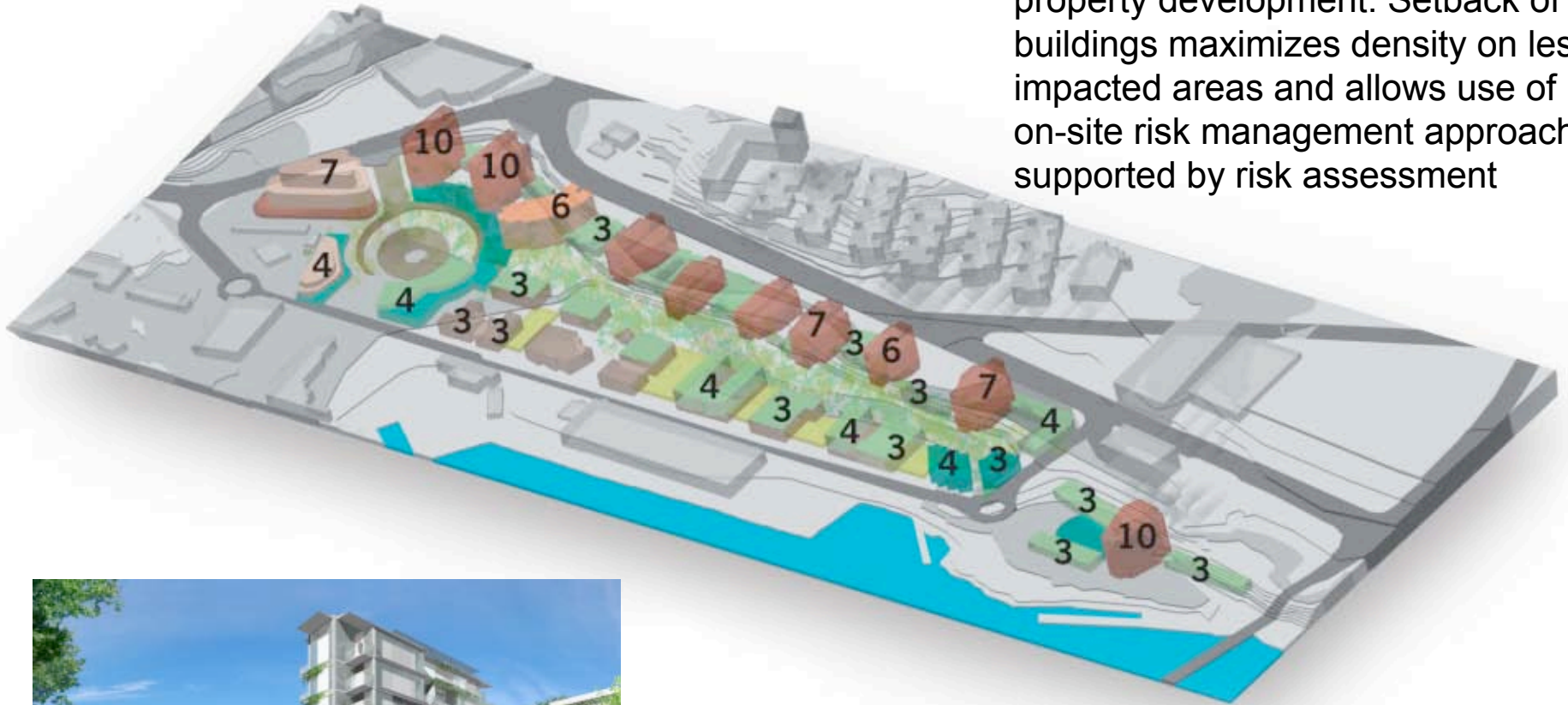


'Dockside Green', Victoria



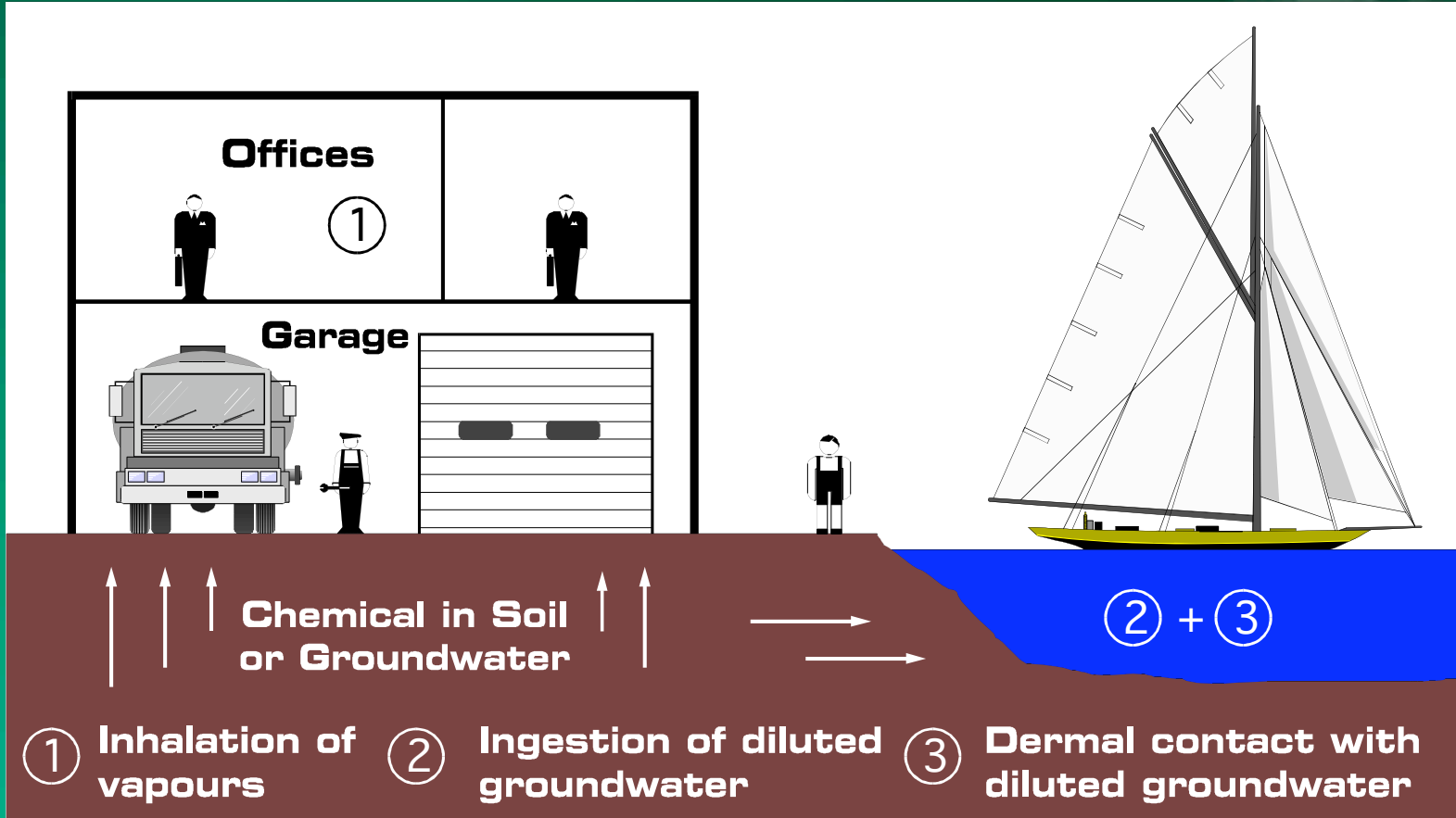
'Dockside Green', Victoria

- 'Designing-in' savings on overall property development: Setback of buildings maximizes density on less impacted areas and allows use of on-site risk management approach, supported by risk assessment



LEGEND					
	BELOW GRADE PARKING		HOTEL / OFFICE		NUMBER OF FLOORS
	SURFACE PARKING		TOWNHOUSES		CYCLIST PATHS
	LIGHT INDUSTRIAL		RESIDENTIAL TOWERS		PEDESTRIAN PATHS
	RETAIL		SENIOR LIVING		VEHICULAR ACCESS

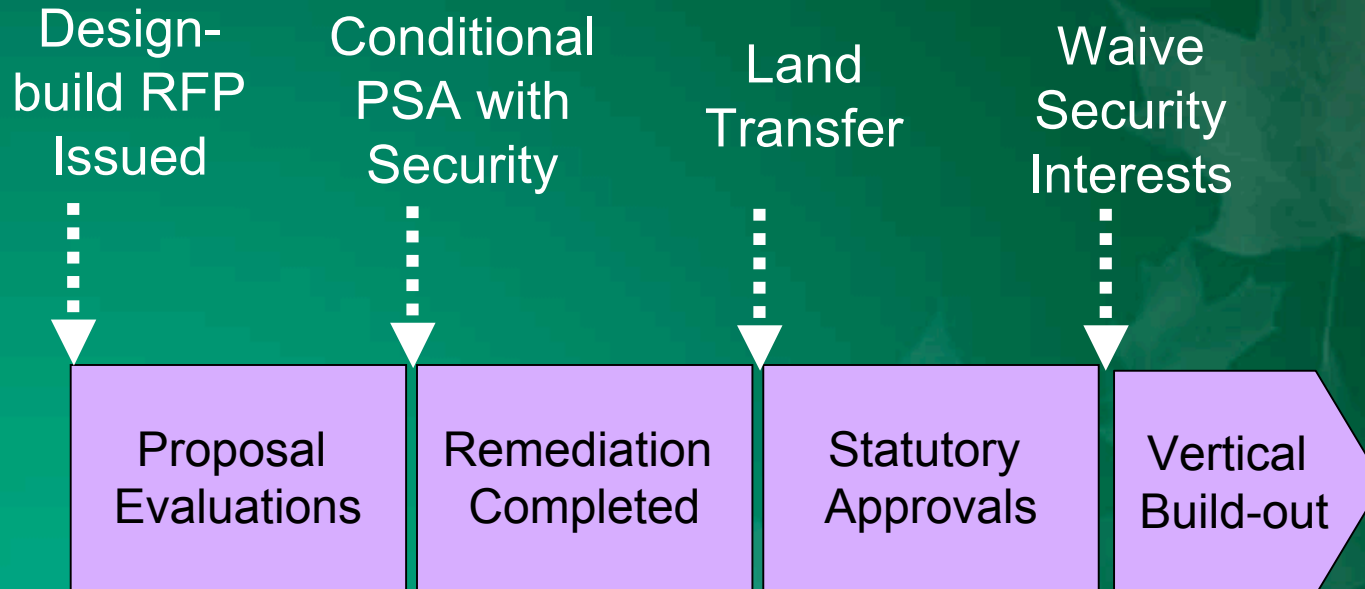
Use of Risk Assessment with Redevelopment Planning Ensures Potential Exposure Pathways are Eliminated



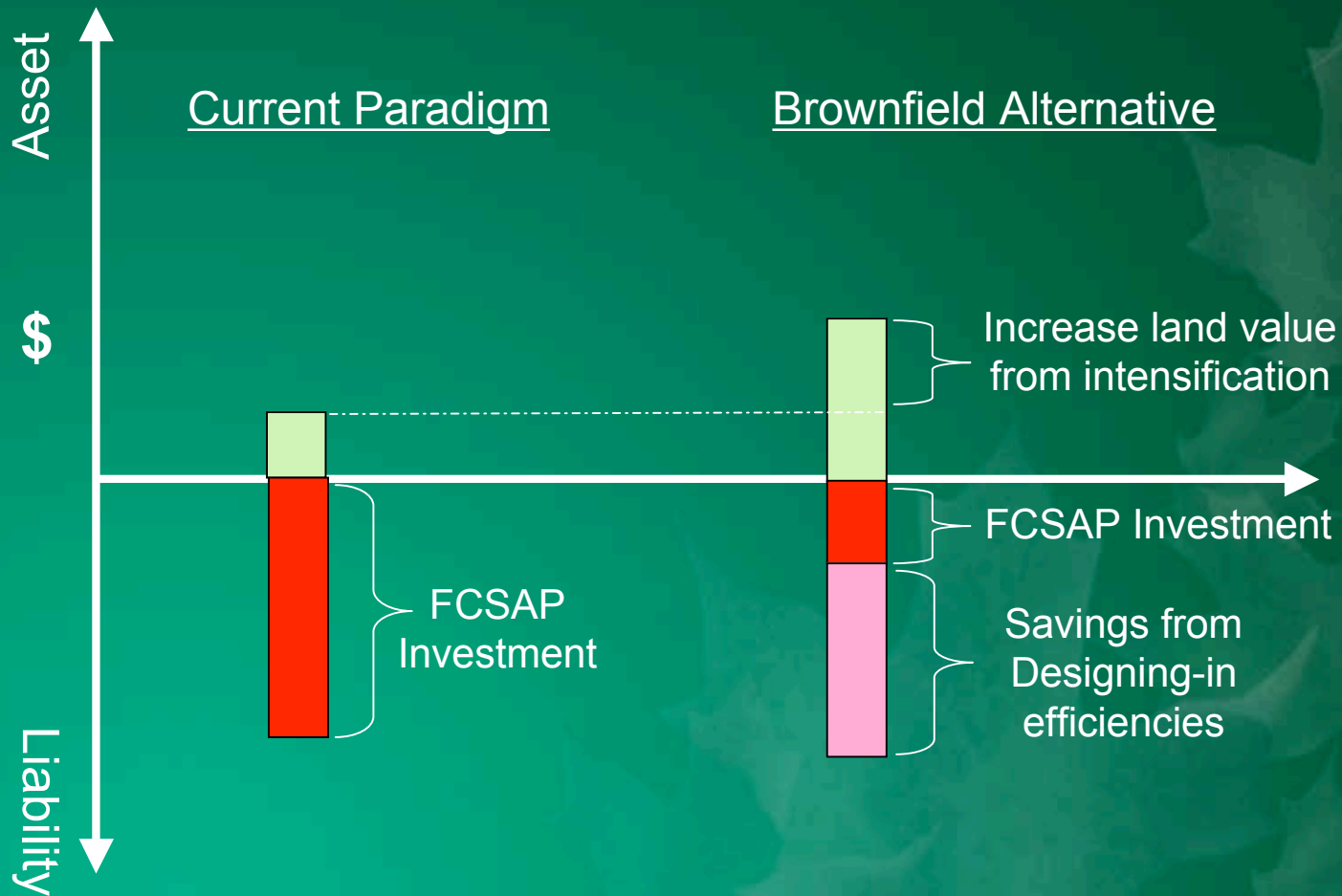
Opportunity for Federal Government Participation

- Legislative changes to address non-federal property:
 - Implement NRTEE recommendation to allow remediation expenses to be deducted from income tax
- Leverage federal real property to improve our urban landscape:
 - Identify those sites on FCSI that could benefit from intensification
 - Develop innovative procurement approach to combine remediation with redevelopment planning

Innovative Procurement Approach



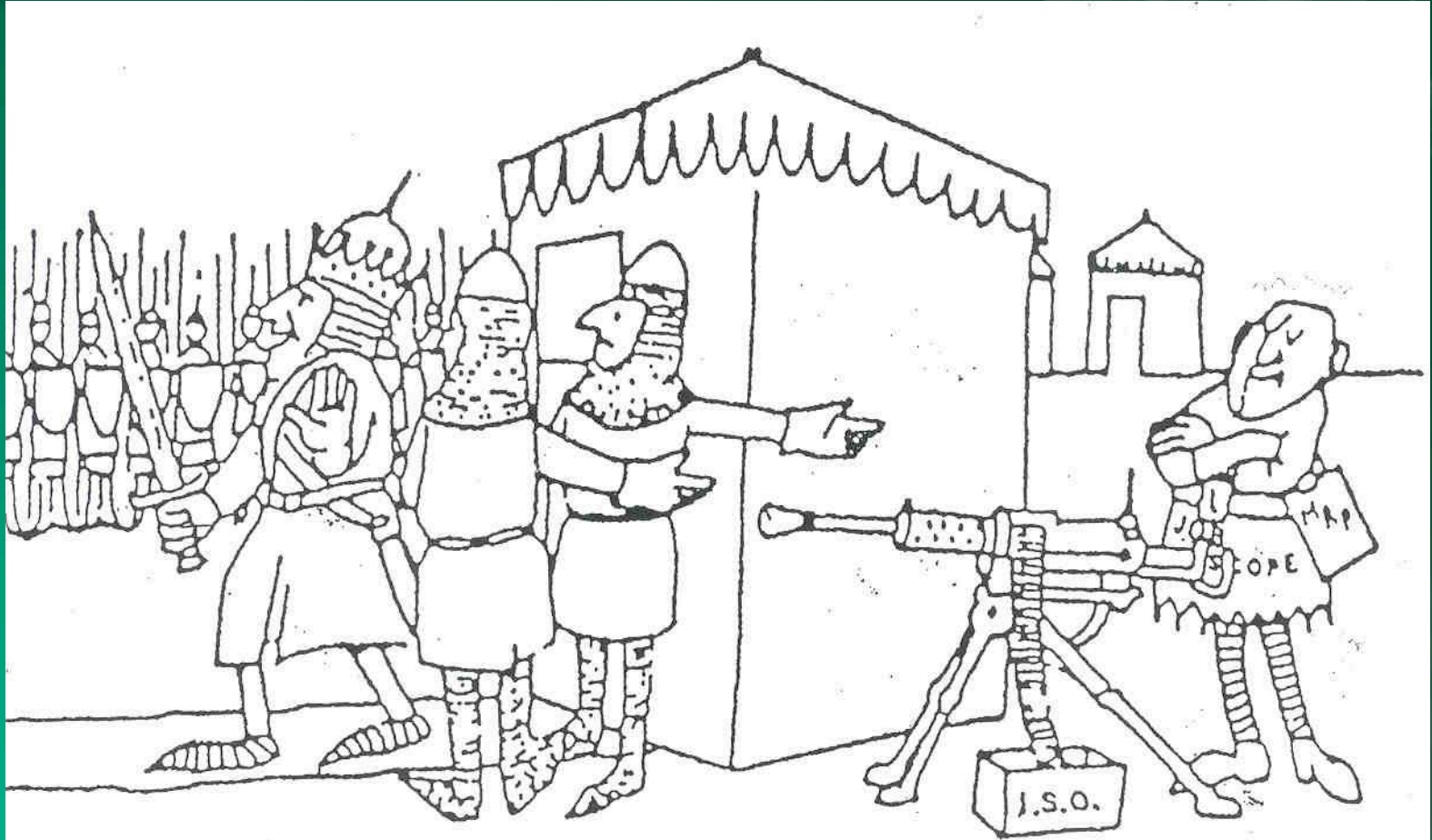
Financial Benefits



Summary

- The right team can make the difference to accept liability from a vendor and mobilize an idle brownfield
- Combination of remediation and redevelopment plans = significant 'designing-in' savings
- Federal government has a great opportunity to optimize FCSAP resources and revitalize Canada's urban landscape

WE NEED TO THINK OUTSIDE THE BOX TO ACHIEVE CHANGE



"No! I can't be bothered to see any crazy salesman.
We've got a battle to fight!"

Thank-you

Quantum Murray LP

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www.quantumgroup.ca

www.murraydemolition.com