



The Tannery District in Kitchener, Ont.

Courtesy of Cadan Inc.

Making brownfields viable a win-win-win situation

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Real estate developers are not always an altruistic or patient lot, typically looking for maximum returns on their investments right away.

For those who develop brownfields sites – where the soil and water are contaminated by former industrial and commercial uses – such expectations might have to be held in check. Cleaning up environmental messes, obtaining planning approvals, and building on such sites can mean long lead times and substantial costs.

Now provincial incentives, municipal planning enhancements, and trends toward urban intensification are making the redevelopment of such sites pay off, says David Harper, a managing partner with the Kilmer Brownfield Equity Fund, a private investment firm focused on redeveloping brownfields.

Mr. Harper was recently proclaimed Brownfielder of the Year at the 12th annual Canadian Brownfields conference, staged by the Canadian Urban Institute (CUI). Among other winners of CUI Brownie Awards, sponsored by the Canada Mortgage and Housing Corporation, were leaders in sustainable remediation

Brownfield redevelopment is most viable and lucrative in urban centres where property values are highest, services are available and mixed-use development is most desirable. “You’re creating vibrant communities that have significant impact,” Mr. Harper says.

The following projects all won 2011 CUI Brownie Awards.

Best Overall Project: The Tannery District, Kitchener, Ont.

Lana Sherman recalls the first time she saw The Tannery, a derelict manufacturing plant occupying an entire city block in downtown Kitchener, Ont. At a friend’s suggestion, she and Gary Maister, managing directors of Cadan Inc., a development company based in Toronto, drove to the property in 2007 to consider it for possible redevelopment.

“I see amazing things here,” Ms. Sherman recalls thinking. Others weren’t so sure, given the site’s sheer scale and soil contaminated with oil and heavy metals – not to mention an uncertain economy and questionable demand for commercial rental property in Kitchener.

Today, Ms. Sherman’s “amazing things” have come to pass, with the refurbished Tannery District more than 90 per cent occupied by an eclectic group of tenants.

The huge complex, which dates to 1853 (when Kitchener was called Berlin) was originally built for industrial uses, including the stretching and finishing of leather. Today, it comprises an astonishing 340,000 square feet (almost 31,600 metres), which Ms. Sherman likens to “the TD Tower lying on its side.” Another 30,000 square feet (almost 2,800 metres) of “junk” and add-ons were demolished during the three-year restoration and reconstruction process, she says, which also involved removing soil that had been fouled by former oil tanks and a rail line.

The exposed-brick-and-wood development includes Class A office space, which houses “new-economy” tenants paying premium rents, such as Google and the Digital Media Convergence Centre. Then there’s a vast collection of artisans, a boxing studio, music school, coffee shops and more, a mix that Ms. Sherman says gives it character and energy.

“I’ve always believed that if you have creative people sharing spaces, creativity will flourish,” she says, adding that the project has especially drawn technology companies looking to attract employees. “It’s the kind of cool place where people want to spend their days.”