

Taxpayers to foot bill for tannery cleanup

March 10, 2009

JEFF OUTHIT
RECORD STAFF

KITCHENER

Local taxpayers are giving a developer \$891,000 to turn the former Lang Tannery site into brick-and-beam offices.

The grant pays for the environmental cleanup inside and outside the buildings at Francis and Charles streets in downtown Kitchener.

Developer Lana Sherman said the redevelopment could have gone forward without the grant, "but we were very honoured and very lucky that we were able to take advantage of this."

Contamination at the former tannery was worse than expected, Sherman said. Dirty soil had to be hauled away, along with contaminated materials found inside. Cleanup took eight months. The site, now clean, is part-way into a \$30-million redevelopment. Toronto-based Cadan Inc. is converting the buildings into space for artisans, offices, restaurants, boutiques and medical facilities.

"The environmental remediation is always a big question when you buy a property," said Sherman, a managing director with Cadan. "You have some idea about the costs that you are going to incur, but at the end of the day it's a big black hole, and it's really nice to have a partner on the other side."

The money is coming from both Kitchener and regional councils. The grant, approved by both councils last week, is part of an incentive program to encourage redevelopment of former industrial sites.

"Otherwise we'd have derelict factories sitting all over our communities," Regional Chair Ken Seiling said. "It's a great investment."

Councillors say the grant will be recovered in two years from increased property taxes generated by the redeveloped property. "It's good for all of us," Kitchener Mayor Carl Zehr said.

jouthit@therecord.com

