



**NOTES FOR REMARKS BY MARK LAROCHE
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CANADA LANDS COMPANY
TO THE CANADIAN BROWNFIELDS
CONFERENCE
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Good afternoon.

I want to begin by thanking Isabelle Hudon for her kind introduction and the Canadian Urban Institute for their invitation to address you today.

It is a pleasure to be here today to renew acquaintances with some of my colleagues from days in municipal government, and also to have the opportunity to meet those of you who work in a variety of occupations associated with brownfield remediation across the country.

A little over a month ago, I took up my new position as President and Chief Executive Officer of Canada Lands Company. Since then, I have had the chance to tour our properties across the country and see for myself the kind of work our company has been doing. I have come away from these trips with a profound respect for both the developments that we are involved in and also for the outstanding people who work for our company. Each day, these men and women work together with developers, municipal, provincial and federal officials and a host of other stakeholders to create financial and community value, while leaving a lasting positive legacy for future generations.

Today, I would like to talk to you briefly about what we do at Canada Lands Company, share with you some of our successes in the area of brownfield remediation, and provide you with a preview of a new, challenging project that we've been asked to undertake here in the City of Montréal.



What is Canada Lands Company?

I know that many of you are familiar with Canada Lands Company and the work we do across the country. But for those of you who are not, I'd like to offer this overview.

Canada Lands Company is a self-financing, federal commercial Crown corporation, which was activated in 1995 by its sole shareholder, the Government of Canada.

The company was created to optimize the financial and community value of surplus strategic government properties, as well as hold and operate certain properties, such as the CN Tower in Toronto. In this role, we operate at arms-length from the government in acquiring properties from various federal departments, agencies and Crown corporations. We then revitalize and reintegrate them into their local communities. We accomplish this by purchasing the properties at fair market value and then create additional value for communities and the Government of Canada through such redevelopment activities as rezoning, planning and site servicing. We then either hold and manage these properties, or sell them to the private sector.

In the latter role, Canada Lands Company typically acts as the master land developer for each of its sites, or in the case of its larger properties, it is in the business of building communities. But long before the first shovel hits the ground, we undertake extensive consultations with stakeholders and special interest groups within the community. This leads to the creation of a development plan, which is moved through the various required municipal and provincial approvals. Once this is completed, we service the property by installing roads, sewer and water lines, public open space and



other community benefits. We then sell the serviced lots to local builders, who are responsible for meeting specific design and sustainability criteria which we establish for them.

We receive no government appropriations and pay any surplus profits as annual dividends to the federal government. Indeed, since its inception, Canada Lands Company has paid over \$120 million in dividends to the government and over \$300 million in overall distributions. We pay all municipal fees and applicable property taxes in communities in which we operate and we respect all municipal planning approval processes and provincial environmental guidelines. As a corporation, we also pay all appropriate income taxes.

To sum up, our strong financial performance and our award-winning developments across the country are not the products of good luck or magic. They are a direct result of hard work and commitment of our staff throughout Canada, who are guided by our corporate vision. This vision is summed up in three crucial elements – innovation, value, legacy. These elements serve as the cornerstone for all of the projects we undertake. They are the major reason why we have been one of the most successful Crown corporations in recent history.

As always, it is the work we do in communities across Canada that is the best illustration of our success. I'd like to take a few moments to tell you about some of the projects we have undertaken over the past several years and give you an overview of some of the challenges we faced.



Case Studies – Moncton Rail Yards, Moncton, N.B.

Many of you are no doubt familiar with our work at the former Moncton Rail Yards. Indeed, this project won the CUP's Brownie Award in 2003. I won't spend a lot of time recounting all the details, but the scope of the work we undertook in Canada's largest brownfield remediation project deserves to be mentioned.

Canada Lands Company acquired this 285-acre site in centre of Moncton, New Brunswick in 1995. At that time, the property had been used as a railway marshalling yard for 85 years and was considered so heavily contaminated that it would take at least a decade for remediation efforts to be successful, with a cost estimated at between \$50 million to \$100 million. In fact, one proposal called for the entire site to be paved over and used as a gigantic parking lot.

Obviously, this project presented us with a lot of challenges, but it also gave us the opportunity to use some new methods and technologies to tackle the problem of widespread soil contamination. We embarked on an aggressive on-site remediation program that saw existing materials, such as asphalt, concrete, pipes and wood recycled for use in other areas of the property, including parking lots, roadbeds and surface water drainage systems. Chemicals and waste material that had leached into the soil were removed and treated on site or, in the case of metal-contaminated soil, removed by a local company and used as part of a reclamation project. In all, the cost of this remediation was a modest \$2 million and was completed within three years.

Today, more than 10 years after we first purchased it, one-third of the former railyards property has been converted into a major public recreation facility that includes baseball diamonds, soccer fields



and an arena featuring four separate hockey rinks. Another third has been given over to a thriving business and technology park, while the remainder of the property is a residential subdivision.

By utilizing new technologies and adopting a “3Rs” approach, which stands for recover, reuse and recycle, we were able to complete this project in less than half the time of the original estimate and at a cost of approximately \$16.5 million.

Case Studies - Wolseley Barracks – London, Ontario

Not all of the work we’ve done presents as many potential difficulties as the former Moncton Rail Yards, but each project does present challenges in its own way.

For example, at the site of the former Wolseley Barracks in London, Ontario, we faced a much different set of problems than we’d had to deal with in previous remediation efforts. While our experts are used to dealing with problems involving metals in the soil, in this case, what we found on the property had the potential to be far more deadly to both workers on the site and those who eventually would live and work there.

An electromagnetic scan of the 38-acre property revealed not only abandoned steam pipes, wood and other debris left by the previous owners, the Department of National Defence, but also several cases of buried military hardware, including old ammunition and even a few hand grenades! Experts from the Canadian Forces had to be called in to help safely remove and dispose of this material and avoid a potentially explosive situation. Work to clean up any remaining metal particulates was



subsequently completed and, by 2003, CLC had overseen the construction of a highly successful, mixed-use development that includes residential, commercial and recreational uses.

Case Studies – Bayside, Victoria, B.C

While CLC is justly proud of its environmental remediation efforts, we can also take pride in projects where studies and careful planning help us avoid the need for costly cleanup work, while still ensuring that the property itself is safe for development.

A good example of this is our work at Bayside, another former rail yard located on a 12 acre site in downtown Victoria, B.C., along an area known as the Selkirk Waterway. While testing did find low levels of hydrocarbons and metal contamination in the soil, the big question mark for this property was the condition of the land located along the waterway and whether potentially expensive remediation efforts would be needed to help restore this area to its natural state.

By working with the developers and municipal and provincial officials, CLC created an environmental remediation plan that called for the removal of soils with higher level of contamination and the incorporation of less contaminated soils into the roadbed for the project. In addition, CLC was able to demonstrate that the delicate ecosystem along the edge of the waterway had not been harmed significantly by the activities that used to take place at the site. In fact, what we discovered was a surprisingly vibrant marine environment that included both plant and animal life. Two areas of concern along the waterfront were remediated and today, another outstanding residential community exists in an area that many people had thought could never be used for housing.



Case Studies – Keys to Success

Ladies and gentlemen, all of the projects that I've just outlined share some common characteristics, which have played a major role in making them successful.

First, CLC employs the latest technologies and looks for innovative, cost-effective solutions in remediation to help keep expenses down, while ensuring that the property in question meets all relevant environmental standards and best practices. We are willing to take risks and consider new technologies as part of our commitment to providing a clean, safe environment for all of our projects.

Second, we are big believers in reusing and recycling the soil and materials we find on site to create roadbeds, infill and even green spaces in all of our projects

Third, even before the first shovel hits the ground, Canada Lands Company conducts consultations with stakeholders and members of the public to ascertain the community's needs. We also provide regular updates to municipal officials and the public on the progress of our work to help maintain public support for our efforts.

Using all of these elements and guided by our corporate vision, CLC is ready to take on one of our most ambitious projects to date – one that will leave a positive lasting legacy to the citizens of this city. I'm referring, of course, to Montréal's New Harbourfront.



Montréal's New Harbourfront – Background and Challenges

On April 20, 2007, the Government of Canada announced that Canada Lands Company had been given the mandate to redevelop a significant portion of Montréal's waterfront area and revitalize it for the benefit of the local community and all Montréalers.

As a result, CLC will take control of five distinct pieces of federally owned property along the waterfront area, covering more than five million square feet of space. That represents an area of about one-and-a-half times the size of the McGill University's main campus.

These properties, as outlined on the screen, are:

- Pointe-du-Moulin / Grain Elevator No. 5
- Rue des Irlandais
- Lachine Canal sector
- 1500 Ottawa Street (the former Canada Post building)
- Cité du Harve sector

All five of these properties have a rich and varied history in the City of Montréal. The Rue des Irlandais commemorates the Irish immigrants who came to the city in the mid-1800s to help build the Victoria Bridge and created the area known as Victoriatown. The grain elevators on Pointe-du-Moulin, particularly Silo #5, stand as a tribute to the city's role as one of the major grain handling ports of the world before the development of the St. Lawrence Seaway. The Lachine Canal, which bypassed the rapids, helped improve navigation on the river and played a significant role in helping



the city grow and prosper. At one time, the area around the canal played host to dozens of factories and workshops, as well as the homes of thousands of immigrant workers.

Today, these lands have various uses, ranging from light industry to parking lots. But it is fair to say that they all have one thing in common; at least some degree of soil contamination.

It's important to remember that all of these properties have a long history of industrial use, in some cases dating all the way back to the middle of the 19th century. As well, anywhere from one third to half of these properties have, at one time or another, served as landfill dumping sites for soil excavated for Montréal's Metro, Expo '67 or a host of other building projects. Initial testing has shown that the soil on these properties contains a little bit of everything, ranging from blast furnace slag, coal ash and construction debris to hydrocarbons and metal residue. Indeed, we have already spent approximately \$200,000 on Phase II environmental testing on the 1500 Ottawa Street property as part as of our initial due diligence.

And, while CLC does have access to environmental studies that were previously conducted on some of these properties, many of them are several years old and don't completely reflect the current situation. Since provincial environmental laws in Québec have undergone changes in recent years, aggressive remediation efforts may be needed to ensure that the property is fit for further development.

As a next step, further analysis will be needed and new studies will likely have to be conducted to give us an accurate assessment of the exact state of the soil on all five properties. From here, we will likely get a much clearer picture of how we can proceed in this area.



The redevelopment process is also complicated by a number of other factors. For example, many of the existing tenants on the properties have long-standing leases, which we are committed to honour until they expire. In some cases, this may mean that some portions of the properties may not become accessible to us for several years. This could make it difficult for us to develop a unifying vision for all of the sites as a whole.

And of course, wherever publicly owned land changes hands, there will be differing interpretations and competing visions of what should be done with it. Already, a number of public interest groups and other stakeholders have informed Canada Lands Company that they wish to make their views known as to how the properties should be used. Some are advocating more public housing, others to convert the properties to public green space, while still others favour a mixture of commercial and residential uses.

Obviously, not all of the elements of these competing visions can be incorporated into our master development plan. But CLC has shown in the past that by working with stakeholders, political leaders and the public, a consensus can be created on how these developments can proceed. It is not always easy and progress is often measured in small increments, but we are confident that we can put together a plan that will create a vibrant, exciting place for Montréalers to live, work and play.

That is what we do at Canada Lands Company. And it is a role that we are proud to play on behalf of all Canadians.



Montréal's New Harbourfront – CLC's Plan of Action

So where do we go from here? Our first step as an organization will be to continue our efforts to expand our knowledge of all of the properties by conducting further due diligence and research, particularly into the previous uses of the property. Additional soil testing and other studies will be conducted to help us determine what type of remediation work will need to be done and to gain some insight as to how it might be accomplished. The first set of tests will likely be conducted in early 2008.

We also expect to begin consultations early next year to gain input from stakeholders and the general public on potential uses for the 1500 Ottawa Street site, which is the only Montréal harbourfront property currently owned by Canada Lands Company. These consultations, as well as the discussions that will follow as we take possession of other properties, will help develop a unified vision of the new harbourfront for the citizens of Montréal. Some of these discussions will be conducted in public through meetings and open houses, while others will be done in a more informal, one-on-one setting with both groups and individuals. But whatever the method, we will ensure that as many people as possible are given the opportunity to have their say on our proposals for these projects.

Once the market studies, environmental assessments and public input have been received, Canada Lands Company will begin to develop a master plan for the entire project that will encompass the results of our efforts and determine what will be the best uses for these properties. As all of you know, the creation of a master plan for a project that is as complex as this one cannot happen overnight. This plan will take some time to complete and will be rolled out in a phased basis, property-by-property, over the next several years.



As we do with all of our projects, CLC's work on the new harbourfront project will be guided by our corporate mandate and will rest upon three key principles:

- To develop a unified vision that will revitalize the harbourfront area for the local community and the citizens of Montréal;
- To consult with stakeholders and the public on potential uses for the properties; and
- To take whatever time is necessary to make sure the properties are safe, clean and environmentally friendly.

I would encourage all of you to take a look at our Web site for this project at

www.montrealsnewharbourfront.ca to learn more about our ongoing work with this project and to get updates on its progress.

Conclusion

To sum up, it's clear that we at Canada Lands Company are facing a number of challenges in tackling this ambitious project here in Montréal.

There is no doubt in my mind that these challenges, and probably some others that we didn't anticipate, will come to the forefront in the months ahead. However, I am equally certain that whatever occurs, our team in Montréal, ably assisted by our staff across Canada, will be more than ready to tackle any obstacles that arise.

As we have shown with our work on projects in places like Moncton, London and Victoria, as well as other projects such as Glenlyon Business Park near Vancouver and Benny Farm in Montréal, we



have the capacity to take on potentially difficult projects and provide not only financial and community benefits to the cities and towns in which we operate, but also to leave a lasting positive legacy for future generations.

In case after case, we have shown that we have the tools and the talented people to work with our partners in both the public and private sector to get the job done.

We look forward to working with the Canadian Urban Institute on this project and on our other projects across the country. Together, we have already shown that there is much we can accomplish to help create sustainable communities with an unparalleled quality of life.

And together, there is so much more we can do in the future.

Thank you for your attention and I would now be happy to answer any of your questions.