

## City waits for answers over Terrasan deal

Updated 16 hours ago

Some councillors say they are ready to scrap a tentative \$200-million agreement with Terrasan Corp. to redevelop the Greenwich-Mohawk brownfield site in favour of having the city proceed directly with its own cleanup.

Members voiced that sentiment Wednesday after they said they learned that two companies connected to Terrasan Corp. are in bankruptcy proceedings.

City officials have been told that the two companies, Terrasan Environmental Solutions Inc. and Terrasan Metal Fabricators Inc., along with a third related company, WCL Management - all centred in Toronto - have been declared bankrupt.

The two Terrasan companies are part of a four-firm consortium called The Terrasan Group. It also includes Terrasan Corp. and Terrasan Recycling, which are not in the bankruptcy proceedings.

Mayor Chris Friel said senior administrators are still gathering legal advice through WeirFoulds, the Toronto law firm contracted by the city to provide counsel on the Greenwich-Mohawk project.

"I expect we will make a determination on how to proceed within the next few days," he said.

"We want to get moving on cleaning up that property for the sake of the neighbourhood. The neighbours have been waiting a long time and they deserve it. If council keeps in mind what is right and proper for them, we will be doing the right thing."

The city has held off for two months of consultations the signing of an agreement with Terrasan to proceed with remediation of a 52-acre site that has been a blight to Eagle Place residents, followed by a redevelopment with a mix of housing, a museum district, commercial space and a network of parks.

Now, senior administrators and the city's lawyers are assessing what impact - if any - the bankruptcy of the two related companies could have on the agreement.

The Terrasan Group - an international firm -- has two Canadian offices in Toronto and Calgary, and a U.S. office in Old Bridge, N.J., and has a substantial resume of brownfield projects under its belt.

Terrasan officials were unavailable for comment Wednesday.

The bankruptcy proceedings have raised doubts in the minds of some city councillors about the wisdom of going ahead with the Greenwich-Mohawk deal.

"It's disappointing news and it will put us further behind on that site," said Coun. John Utley, chairman of the city's finance committee.

"It's time now for the city to take control and clean up the site. If we can do that, it could make the property more attractive to sell to developers."

The city has fund for the project of about \$18 million, including a \$12-million commitment from the federal government, a \$5-million grant from the province, and about \$1 million of its own reserves earmarked for Greenwich-Mohawk.

"It gives us an opportunity to take another look at the site," Utley said. "While we're cleaning it up we could make a master plan for the whole site and portion out parts to a number of developments."

Coun. Dan McCreary, long a proponent of a private sector-led redevelopment, still held out hope that the deal with Terrasan can be saved.

"It really is a disappointing setback, after years of work in trying to get a solution for this site," he said.

"I guess we're going to learn in a the next little while if this deal can be salvaged. I still believe it was worthwhile to try the private sector approach because there was a potential for cost-savings. Job number one is still to see if this deal can be salvaged. At this point in time, before we perform last rites on it, I still remain hopeful that we can save it."

Coun. Marguerite Ceschi-Smith, who has long pushed for action on Greenwich-Mohawk, said the will of the Eagle Place neighbourhood is uppermost in her mind.

"We are in a position to make a good stab at cleaning up the site ourselves if we have to," she said.

"All these years Eagle Place residents have been patient while we went through the difficult steps of gaining position of three contaminated industrial properties, doing some demolition, winning millions of dollars in financial assistance from two governments and working on a redevelopment plan.

"The community has been patient long enough. It's time to move ahead."

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