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BROWNFIELD REDEVELOPMENT FOR HOUSING

CASE STUDIES

Built Project Initiatives

QUAI DES ÉCLUSIERS, 4300, RUE SAINT-AMBROISE

Montréal, Quebec

PROJECT SUMMARY

The site of a former wrought iron factory and foundry on the Lachine Canal in Montréal's Secteur Saint-Antoine is being redeveloped for 400 residential units in four, six-storey condominium buildings. Through grants of \$820,000 from the province's Revi-Sols program and \$800,000 from the City of Montréal, the site is being remediated and transformed into attractive, market-priced condominium units.



Figure 1: Aerial view of Quai des Éclusiers
Credit: Développements des Éclusiers inc.

Developer

Développements des Éclusiers inc.

Date project started

January 2003

Date project completed

Expected completion, December 2006

Site area

1.8 hectares (4.4 acres)

Previous site use(s)

Wrought iron factory, metal fabrication and steel foundry

Number and types of residential units

400 units in four, six-storey buildings
Approximately 140, one-bedroom; 200, two-bedroom;
and, 60, three-bedroom.

Floor area of residential units

56 m² (600 sq.ft.)–205 m² (2,205 sq.ft.)

Gross residential density

222 units per hectare (90 units per acre)

Maximum height

20.6 m (67.6 ft.)

Parking

1.0 space per unit (400 spaces total)

Landscaped open space

None

Selling prices

Phase 1: \$108,700 - \$369,900

Phase 2: \$117,200 - \$488,100

Non-residential uses

None

PROJECT OVERVIEW

This 1.8 hectare (4.4 acre) site on the Lachine Canal in Montréal was home to industrial activities since at least 1889. The site housed a wrought iron factory, steel foundry and metal fabrication plant.

Environmental assessments showed that the site contained fill material, debris and waste. The fill on the site was contaminated mainly by heavy metals and polycyclic aromatic hydrocarbons (PAHs). Remediation costs to date are \$5,000,000 with a total estimated final remediation cost of \$6,500,000.

The first two phases of the 400 unit residential condominium project, with 210 units, are complete. Phase 1 is sold out and Phase 2 is 90 per cent sold. Construction recently started on the third building, Phase 3.

This \$66,000,000 project is leading the revitalization of a former industrial area along the Lachine Canal containing abandoned and derelict industrial buildings. Développements des Éclusiers inc. worked with the City of Montréal to include design features that blend the condominium buildings with the original industrial architecture along the Lachine Canal.

PREVIOUS SITE USE(S) AND CONDITION

Property records show that there was a wrought iron factory on the site in 1889. Several buildings were used for galvanizing iron and fabricating steel pipes and nails. The site was the F. Hodgson foundry, which later became Montréal Rolling Mills and finally, Stelco.

The site contained fill material, debris and waste. The fill material was contaminated mainly by heavy metals and PAHs, with an average thickness of 1 to 1.5 metres (3.3 to 4.9 feet).

The phased remediation uses removal and off-site disposal of contaminated soils and waste materials. This approach is necessary because there will be underground parking under the entire site. Since the contamination is not as deep as the building foundations, all the soils must be removed.

Phases 1 and 2 of the development were remediated between February and April, 2003 and Phase 3 between November and December 2004. The remediation of the fourth and final phase is planned for the end of 2005.



Figure 2: Site excavation, Quai des Éclusiers
Credit: Développements des Éclusiers inc.

The estimated total project remediation cost is \$6,500,000.

Remediation Costs	
Phase 1 and 2	\$3,500,000
Phase 3	\$1,500,000
Phase 4	\$1,500,000, estimated

The government of Quebec, through its Revi-Sols Program, provided a grant of approximately \$820,000 for Phases 1 and 2 of the project¹. Revi-Sols provides funding towards eligible program costs, which include treatment of soils and groundwater; excavation and disposal of contaminated soils and materials; underground tank removal; and, all related studies required for these activities.

The City of Montréal provided a grant of \$800,000 for Phase 1 and 2 under a City program for demolition of non-residential space and reconstruction of residential units. This grant was also available because the site is considered in a “Zone prioritaire”—a zone in great need of improvement.



Figure 3: Original Foundry Building
Credit: Développements des Éclusiers inc.

¹ For further information on Quebec’s Revi-Sols program, see CMHC’s residential intensification case study, Urban Contaminated Sites Rehabilitation Program – Revi-Sols, which can be viewed at, http://www.cmhc-schl.gc.ca/en/imquaf/hehosu/sucopl/upload/E_montreal_EN.pdf or in the CMHC report, *Residential Intensification Case Studies, Municipal Initiatives*.

DEVELOPMENT COSTS AND FINANCING

- Land purchase costs were \$2,500,000.
- Construction costs on Phases 1 and 2 were \$32,000,000 (approximately \$130/sq.ft. or \$1,399/m²).
- Construction costs on Phase 3 are budgeted at \$17,000,000 (approximately \$153/sq.ft. or \$1,647/m²).
- Phase 4 construction costs are budgeted at \$17,000,000 (approximately \$160/sq.ft. or \$1,722/m²).
- Total project construction costs are estimated at \$66,000,000.
- Servicing costs equalled \$720,000 to extend Ste-Marguerite Street including water and sewer lines for Phases 1 and 2.
- Environmental consulting fees were approximately \$350,000.
- Planning application fees of \$16,130 were paid to the municipality for Phases 1 and 2.
- \$104,600 in building permit fees were paid for Phases 1 and 2.

AFFORDABILITY

All units are offered for sale at market rates. Selling prices ranged from \$108,700 to \$369,900 for Phase 1 and \$117,200 to \$488,100 for Phase 2.



Figure 4: View of Quai des Éclusiers from the Lachine Canal
Credit: Développements des Éclusiers inc.

PLANNING

The area east of Atwater Street along the Lachine Canal has been redeveloped over the last 14 years, creating at least 1,500 residential units and changing the dynamics of that part of the city. However, the area west of Atwater Street along the Lachine Canal was deteriorated, with abandoned industrial buildings, and had not been redeveloped. The Quai des Éclusiers development site presented great potential because of its size and proximity to the Lachine Canal.

The City of Montréal put in place a development and land use strategy for the area, known as Secteur Saint-Antoine, and changed zoning by-laws to implement the development plan.

The site had been rezoned by the City when the developer purchased it. The residential pre-zoning was one of the main reasons that the developer purchased the property.

The first two phases of Quai des Éclusiers were fully approved in accordance with municipal urban planning by-laws. Public hearings were held regarding the proposed demolition of the Hodgson foundry complex. The demolition was necessary because the building's facade, fronting on St-Ambroise, could not be preserved and integrated into the housing project.

Several community groups were concerned that the project could lead to gentrification of the area and cause increases in market rents and purchase prices, which would eventually push existing lower income residents out of the area.

Several social housing groups wanted to incorporate social housing on the site and opposed the development. The developer worked with the groups to show them that the land and remediation costs precluded building economically feasible social housing.

The Quai des Éclusiers project was required to meet certain criteria for land parcelling, minimum and maximum allowable building heights, building layout, architectural design and parking space. Also, phases of construction were submitted to the Comité consultatif d'urbanisme and the Sud-Ouest borough council for approval and permits.

After presenting the project at three different Comité consultatif d'urbanisme meetings, the architectural plan for the project was approved. The City of Montréal required that the design of this project and any future development in the area blend with the original industrial architecture along the Lachine Canal. As a result, the project incorporates a number of unique design features, including:

- 3-metre (10-foot) ceilings, making each building quite tall for a six-storey building;
- 2.4 x 2.4 metres (8 x 8 feet) windows with a grid pattern that looks like an industrial building;
- outside brick similar to the original red brick used at the beginning of the century in many of the local industrial buildings, including the original foundry;
- balconies supported by concrete columns covered by thick aluminium, giving the balconies an industrial look;
- prominent use of exterior glass on the buildings, recalling the steel towers that were seen along the Canal at the beginning of the century.

ECONOMIC AND OTHER BENEFITS

Property taxes are estimated to increase to about \$1,900,000 a year from \$25,000 a year.

Total units sales are estimated at \$95,000,000, with \$10,000,000 in QST (Quebec sales tax) and GST (Goods and services tax) on the sales of units. Taxable subcontractor profits are estimated at \$10,000,000 and the project will generate 800,000 person hours on the site, or 400 jobs a year.

The development will result in greater housing densities and renewed links between the Lachine Canal and the neighbouring area. Other benefits from this project include a consolidated urban landscape and the reduction of nuisances caused by local industries and trucking. The project is improving the area's overall image and public safety.

LESSONS LEARNED

Having the residential zoning in place before development facilitated the approvals process, notwithstanding the desire on the part of several social housing groups for social housing to be constructed on the site.

Proper long-term planning of all project components is a key element to success on a multi-phase project of this scale and size.

From a municipal perspective, integration of efforts from both the public and private sectors, as well as from the community, is important to ensure that the project blends in well with the existing urban landscape.

SUCCESS FACTORS – DEVELOPER PERSPECTIVE

Financial support from Revi-Sols and the City of Montréal contributed to the success of this project.

A large project such as this is anticipated to change the future development of this part of the city.

SUCCESS FACTORS – MUNICIPAL PERSPECTIVE

From the municipality's perspective the development will result in a considerable increase in property tax revenues and significant economic spinoff benefits. The project is also contributing to the area's revitalization:

- through environmental remediation of the site
- by renewing links between Lachine Canal and the neighbouring area
- by adding 400 new residential units near downtown Montréal.

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