SMART Remediation

Smart Methods in Advanced Remediation Technologies

Environmental Financing – What I've Seen in 23 Years at the Bank & Predictions for the Future

James Evans
Geosyntec Consultants International, Inc.

SMART Remediation
Toronto, ON | January 26, 2023
Ottawa, ON | February 2, 2023

SMART is Powered by: VERTEX Environmental Inc.

www.vertexenvironmental.ca

Geosyntec consultants

Environmental Financing – What I've Seen in 23 Years at the Bank & Predictions for the Future

James Evans

1

James Evans, M.Eng., P.Geo, FGC

Highlights

- 13 Years of Environmental Consulting
- Retired from RBC in May 2022, after 23 years of service

2

Algoma Steel Plant, Sault Ste Marie

Stability of Client Cash Flow

The number one issue for any bank is the ability of borrower to repay the loan and they use cash flow to do that. Fines, shutdowns, clean-up orders, or lawsuits can adversely affect the financial position of borrowers with contaminated properties or significant environmental problems

Reputation Risk

A bank faces negative impacts on its corporate reputation if it does not hold its clients to some reasonable environmental standard and for a bank- reputation is everything.

5

Value of Collateral

The property may be worth much less than the appraised value and may be so contaminated that it has no value at all as collateral

6

Super Priority Environmental Claims

In a bankruptcy situation, federal, provincial or state government claims rank above any other claims, rights or charges against a property

7

Portfolio Liquidity

Liquidity of the portfolio may be adversely affected by contaminated sites since they are less desirable than clean properties for securitization or redevelopment. Liquidity is the ease in which an asset can be converted to cash-usually within one year. Thus, contaminated property is not easy to sell, and it may sit vacant for years because no one wants to buy something with built in headaches

8

Avoid Legal Liability

In some jurisdictions, a bank may be still be held legally liable for remediation of environmental problems in the event it realizes on contaminated security although this risk has declined significantly and there are techniques available to realize on properties without incurring liability for activities on the site. However, if banks are not careful or make the situation worse, they will be tagged for the clean-up.

9

Milton, Ontario

10

Kitchener, Ontario

GEOSYNTEC CONSULTANTS

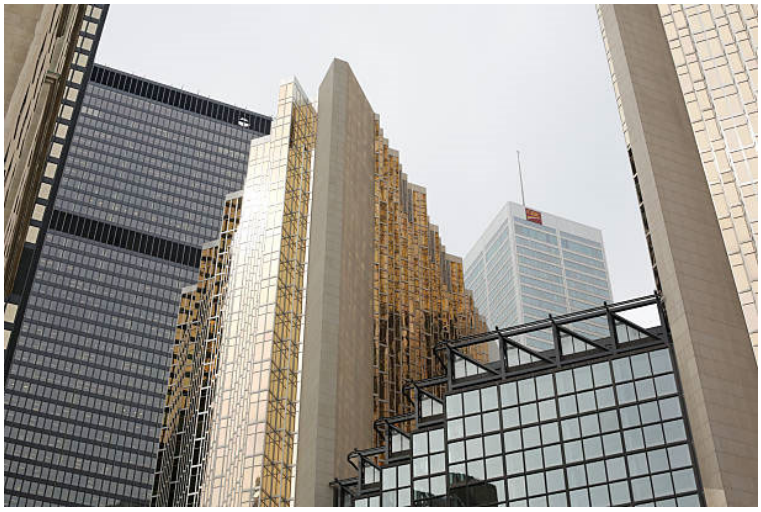
11

911

GEOSYNTEC CONSULTANTS

12

Operations



GEOSYNTEC CONSULTANTS

13

Operations

GEOSYNTEC CONSULTANTS

14

15

Thank you

James R Evans M.Eng. P.Geo., FGC

Senior Consultant
Geosyntec Consultants
605 Boxwood Dr
Cambridge ON N3E 1A5

Email: james.evans@geosyntec.com

Phone: 519.514.2246

Mobile: 519.222-7300

16