



Dalip Multani stands in front of his development on Grey Street. Renovating a variety store prompted Multani to look into the idea of developing properties.

Christopher Smith, Expositor Staff

'Ahead of the curve'

Some builders quick to take advantage of new direction in development

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and subdivision sprawl discouraged. Kaushik says local developers like Multani, Gabriel Kirchberger and Steve Charest — all of whom have come from outside to live and do business in the area — are serving as good examples and helping local politicians understand the intricacies of the government's policies.

Along with the provincial and local governments, "we are singing from the same song sheet," says Kaushik.

Investing in old areas carries disadvantages that have made them less attractive to developers — particularly brownfield properties with heavy liens, contamination and other liabilities.

But Kaushik says those same properties also carry a huge advantage that is underappreciated by local leaders and developers in many municipalities — an existing infrastructure.

By infrastructure, he means not only water and sewers, but transit, schools, emergency services and parks, which add up to a lot of money.

"They all have to be installed at some point on greenfield sites (new suburban subdivisions) in the form of new bus routes, fire stations and the like. But in older neighbourhoods they're already there."

"When developing, we need to look at the rate of return differently," says Kaushik. "Just to use numbers, if you have an area where \$100 million has been invested in infrastructure, does it make sense to let it remain underutilized only because it needs \$4 million of investment? People should look at the rate of return in that way."

Kaushik sees the challenge as threefold:

- ▶ develop the right policies;
- ▶ attract interested developers capable of building to meet them, and;
- ▶ synchronize efforts between levels of government to clear barriers to investment and shorten the time needed to complete projects.

He notices Brantford's council is beginning to embrace the message after watching some developers make a success out of projects on previously unattractive properties. He also notices city staff have acquired from experience a collective wisdom

about the peculiarities of old lands that they can bring to bear to help developers.

"These projects aren't given to a cookie-cutter approach. They often need some kind of combination of different kinds of housing," says Welch.

He says people like Multani, Kirchberger and Charest are "ahead of the curve," after gaining experience in past projects and learning to better manage risk.

Getting to that point has been a journey of nearly two decades in the building industry for Multani.

Born in a small village near the city of Jalandhar in the Punjab, India, Multani came to Canada in 1972, stayed for a year in Toronto then moved to Brantford to work as a machinist in a succession of companies including Penman's, Sonoco and Massey-Ferguson.

His family took over a variety store and laundromat on Stanley Street. When he renovated it, Multani recounts, "that's what attracted me into development."

First he bought a series of rundown homes and refurbished and sold them.

In 1987, he sold the store, started Multani Custom Homes, acquired a builder's licence and began constructing single-family homes.

He took over a small foundry property on Bond Street and built a 10-plex.

Then in 1989, he eyed the Barber Ellis property between Grey and Marlborough streets that once supported a paper products enterprise and later envelope production. Thus began his odyssey into brownfield redevelopment.

Multani and two other partners bought the property and paid for the environmental assessments that have to be done on such sites, and undertook what turned out to be a limited required cleanup.

Then they

sold the property to another developer from Toronto.

But the deal went on the rocks. The second developer defaulted on a first mortgage held by Multani and his associates. When they went to foreclose to recoup some of their money, they also discovered the bankrupt company was \$175,000 in property tax arrears to the city.

They had just run into pitfalls all too common to brownfields: property falls into the hands of undercapitalized and badly managed enterprises which, in turn, renege on taxes.

The site sat unoccupied until 1999, when Multani took it over as the sole owner of the firm, paid the taxes owing, and then began working on a \$6-million plan to redevelop the property himself into what is now called Central Square Condominiums.

In the meantime, council had begun working toward policies on brownfields and designated 15 sites for special attention. Barber Ellis was one of them.

Multani eventually received approval to develop the 2.4-acre site in stages as a complex with units in the main building and surrounding clusters of semi-detached homes.

He shortened the main building on the west end, kept the superstructure and much of the brick facade and custom-built 44 units. He would also sever the property into lots for clusters of 12 semi-detached homes to the west of the building along the north side of Marlborough, and on the east side.

Multani found he had no trouble acquiring the backing of city planning staff and council, as each stage was approved in a series of discussions and meetings.

His main hurdle was CN Rail, which he found difficult to work with in handling vibration problems from a rail line that runs past the west side of the property.

As months of delays in lining up tests

and waiting for results gradually turned into years, Multani built a noise-break berm along the stretch of track, kept building whatever units he could and sold them, until all the necessary approvals were in place.

He eventually reached a compromise with CN to stave off an expensive Ontario Municipal Board hearing.

While Multani Custom Homes has shouldered all the costs and hasn't looked for incentives, the owner rates invaluable the help he has been given by city hall staff who have become attuned to brownfield problems after years of study and building policy.

"Their assistance made a lot of difference for us," he says.

Construction of the entire project is virtually complete, now, with the exception of a few units in the main building. A walk-through reveals a collection of interesting custom-built units of varying sizes and shapes, with the pillars and cross beams of the old building worked into the design.

Meanwhile, Multani has two other projects on the go: a residential redevelopment is in mid-stream at the former Solaray property (another of the city's designated brownfield properties on Grand River Avenue), and an affordable housing apartment building on Harris Avenue is going through the approval process.

The Solaray factory had been closed since 1990 when it was destroyed by youths who set fire to it in a Devil's Night prank in 1995.

After the gutted factory building was demolished, the land sat vacant until Multani and his business team took it over and gained approval for a plan to build 30 housing units — 25 single-family homes, three townhouses and two semi-detached dwellings.

They first had to remove the foundations and rubble that had been bulldozed into the ground.

While some construction has begun, a crew is in the process this week of excavating about 30 feet down and removing cement tunnels that once carried water for a generator, and tons of rubble, twisted pipes and other material that was

dumped in a big hole in the ground and graded over by the demolition crew nine years ago.

The project is expected to be complete next year.

As Welch and an entourage watch the claw of a big earth mover descend into the big hole, he says the project is in a "fabulous" location right by the river with a recreational trail passing by.

"The negative of an old factory site is being turned into such a positive," he says. "It also gives a boost to the neighbourhood."

Multani's other project is part of a larger Brant-Brantford affordable housing program initiative to build about 100 units across three sites: his spot at 24 Harris, conversion by Y Homes of the YM-YWCA on Queen Street into residential units, and the conversion G.K. York Management of one building at the old Penman factory site in Paris.

Multani's company, 1621882 Ontario Inc., plans to build a 51-unit apartment building. It would contain 39 one-bedroom apartments and 12 two-bedroom suites. Four units would be modified to meet the needs of the physically handicapped and 21 will be made available to the city for the rent supplement program.

Total funding for Multani's part of the endeavour is \$2.55 million. It includes nearly \$1.2 million in municipal incentives, \$102,000 from the province and nearly \$1.3 million in federal funds.

All projects are supported city and county councils and are only awaiting final provincial approval.

Once completed, the latest two projects will give Multani a new status in the business community, says Welch.

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Tim Welch
housing consultant



The Multani development on Grey Street includes semi-detached houses and a large condominium apartment complex.