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Firm's bankruptcy leaves cleanup of Brantford industrial site in limbo

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A long-awaited \$200-million development to revitalize a Brantford, Ont. industrial site is in jeopardy following the unexpected bankruptcy of a company the city was counting on to clean up the property.

The city planned to partner with Toronto-based Terrasan Corp. to clean the soil beneath a 20-hectare site that once housed factories for farm-equipment companies such as Massey-Harris, Massey Ferguson and Adams Wagons.

However, Terrasan's cleanup division — Terrasan Environmental Solutions — filed for bankruptcy earlier this month. City officials had been negotiating with Terrasan for several months on a final agreement, when it received notice of the subsidiary's bankruptcy last week.

City officials will meet with Terrasan management Tuesday to determine whether the project — which would see a mix of housing, commercial space and parks rise on the site — can proceed.

The project has been under consideration since 2002, and is Mayor Chris Friel sees it as critical component of his city's post-industrial development. He said smaller cities across Ontario are trying to deal with vacant factory sites, and Brampton's project is among the most ambitious.

“[Terrasan management] will come down and hopefully explain their position and the position they have put us in,” said Mr. Friel. “Then we'll have to decide how to proceed — do we do it in smaller bites? Maybe we do smaller projects.”

Terrasan Environmental Solutions met with its creditors for the first time on Thursday after filing for bankruptcy on April 4, telling them it owed \$9.5-million and only had \$27 of assets to draw on. Terrasan Metal Fabricators also filed for bankruptcy, stating it owed \$5.5-million and declaring \$12 in assets.

In its preliminary bankruptcy report, the company blamed delayed payments from contractors, a failed expansion into the United States and “a lack of confidence in the industry that has created difficulties in collecting outstanding accounts receivables for its troubles.”

Collectively, the two divisions employed 72 employees.

Company president Luigi Santaguida could not be reached for comment. On the company's website, Mr. Santaguida refers to the environmental division as the company's "core business".

"There's not much to say at this time," bankruptcy trustee Alan Spergel said. "Right now we're working things out with the secured creditors and Canada Revenue Agency."

The environmental company, which was founded in 2002, has worked on several high-profile clean-up projects across the province, including the waterfront revitalization in Toronto that allowed for the construction of a \$130-million home for Corus Entertainment.

The company's banners were also prominent at the site of the former Regal Constellation Hotel near Toronto's airport. Terrasan tore down half of the 800-room facility, but stopped work when the hotel's new owners declared bankruptcy. Terrasan was owed almost \$350,000 when work stopped.

"Our projects have included railings, staircases, entrances, fences, and custom ornaments, requiring not only a solid understanding of the materials we are working with, but also an artisan's touch," the company states on its website.

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