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| TO: | CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON MARCH 3, 2015 |
| FROM: | JAY STANFORD, M.A., M.P.A. DIRECTOR, ENVIRONMENT, FLEET & SOLID WASTE |
| SUBJECT: | UPDATE ON DISCUSSIONS WITH A GREENHOUSE OPERATOR THAT MAY BE LOCATED ON CITY-OWNED LAND IN THE VICINITY OF THE W12A LANDFILL AND RESOURCE RECOVERY AREA |

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| RECOMMENDATION |
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That on the recommendation of the Director, Environment, Fleet & Solid Waste this report **BE RECEIVED** for information.

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| PREVIOUS REPORTS PERTINENT TO THIS MATTER |
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Relevant reports that can be found at www.london.ca under City Hall (Meetings) include:

- Status of Information and Discussions with a Greenhouse Operator that may be Located on City-owned Land in the Vicinity of the W12A Landfill and Resource Recovery Area (December 16, 2014 meeting of the Corporate Services Committee (CSC), Item #12)
- Proposed Process for Land Leases for City Owned Land in the Vicinity of the W12A Landfill and Resource Recovery Area (September 23, 2014 meeting of the CSC, Item #2)

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| BACKGROUND |
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PURPOSE:

The purpose of this report is to provide Corporate Services Committee (CSC) and Council with a further update since December 2014 on the potential business opportunity with a greenhouse operator (Ontario Corp. 002319529) to lease City-owned lands in the buffer area of the W12A Landfill and Resource Recovery area.

CONTEXT:

City staff received an unsolicited business concept dealing with a greenhouse complex that could possibly be situated on land leased from the City near the W12A Landfill or at another location in London. This matter was brought to the attention of CSC and Council on September 23, 2014 as part of a larger report dealing with potential processes to examine business development opportunities on City-owned lands that are next to the lands identified as the W12A Landfill and Resource Recovery area.

An overview of the vision and map for the W12A Landfill and Resource Recovery Area and nearby city-owned lands is in Appendix A. The lands being considered are zoned Agriculture (AG2) which permits a variety of agricultural uses including greenhouse operations.

Municipal Council provided the following direction to City staff on September 30, 2014:

That the following actions be taken with respect to land leases for City-owned land in the vicinity of the W12A Landfill and Resource Recovery Area:

- a) the staff report dated September 23, 2014, with respect to the proposed process for land leases for City-owned land in the vicinity of the W12A Landfill and Resource Recovery Area **BE RECEIVED** for information; and

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- b) the Civic Administration BE INSTRUCTED to seek additional information from the proponent and report back in 30 to 60 days in order to determine appropriate next steps based upon any additional information that the proponent is able to provide; it being understood that if sufficient information is not provided during this time, staff will report back on a potential RFP process.

City staff and the greenhouse proponent (Ontario Corp. 002319529) have been engaged on these matters since early October working on three general activity areas:

- Addressing greenhouse requirements, opportunities and constraints with the originally proposed property along Wellington Road (near the corner of Scotland Drive and Wellington Road, see map in Appendix A). This includes comments from other government agencies,
- Developing the proposed requirements of a land lease, and
- Developing the proposed requirements of a landfill gas (energy procurement) agreement.

The proposed design being examined is a 40 acre (16 hectare) greenhouse situated on approximately 50 acres (20 hectares) of land. Large scale greenhouses are very common in parts of Ontario notably the Leamington/Kingsville area. Ontario Corp. 002319529 has indicated that projects of this nature tend to employ between 40 and 60 people during construction and between 150 and 250 during regular operations.

On December 1, 2014, representatives from Ontario Corp. 002319529 provided an update on the information requests received from the City. Additional time to prepare and submit the details to City staff was requested. They advised that further details will be submitted by the end of January 2015.

At the Council meeting on December 18, 2014, the CSC update report dated December 16, 2014 was approved by Council.

DISCUSSION:

Recent Action Taken

City staff and the greenhouse proponent (Ontario Corp. 002319529) have been engaged on a number of new matters since December 2014:

- Ontario Corp. 002319529 wishes to change the location of the proposed greenhouse operation from the property along Wellington Road (near the corner of Scotland Drive and Wellington Road, see map in Appendix A) to the property at the southwest corner of Manning Drive and Wellington Road (3243 Manning Drive). The new proposed property remains within the same general area.
- Addressing greenhouse requirements, opportunities and constraints on the new property by the City and Ontario Corp. 002319529 is underway. This includes comments from other government agencies on the previous property as they will apply at the new location.
- Ontario Corp. 002319529 submitted partial site plan details on January 28, 2015. There were reviewed by City staff.
- City staff revised and submitted to Ontario Corp. 002319529 a draft Letter of Intent that outlined the proposed requirements of a land lease for the new location. Ontario Corp. 002319529 responded to this item on February 6, 2015.
- City staff are developing the proposed requirements of a landfill gas (energy procurement) agreement using a proposed technology by Ontario Corp. 002319529 to capture, compress and transport landfill gas by trailer to the greenhouse subject to all required permits and approvals of the Provincial Government and any technical agencies (e.g., Technical Standards & Safety Authority – TSSA).
- Submitted Building Permit requirements to Ontario Corp. 002319529 on February 10, 2015.

- City staff have identified the requirements of the Phase 1 and 2 Archaeological Assessment required for the new property. This will be undertaken by the City as soon as it is possible to plow the field so the 'on property' visual site assessment can occur (anticipated for late March, April but is weather dependent)
- City staff have identified that a geotechnical (soils) study is required. The City will be undertaking the preliminary geotechnical (soils) study for the identified lands at 3243 Manning Drive to determine a variety of items including soil stratigraphy (cross section of soil) and soil bearing capacity. Ontario Corp. 002319529 will be required to undertake additional investigations to support the application for a building permit. This work is anticipated for late March, April, subject to weather.

Status of Discussions

City staff have continued information exchanges with Ontario Corp. 002319529 throughout January and February 2015. Information provided by the proponent continues to be limited and requests for additional information have not resulted in the required information to advance this file. We have emphasized on a number of occasions that we are requesting minimum information similar to what is required for a site plan approval.

The rationale for this information stems from the fact that a long term lease will be requested for public lands and the City of London has the responsibility of understanding the nature of the business that will be on these lands.

As a reminder, the lands are currently zoned Agriculture (A2) which permits a greenhouse with a maximum building coverage of 10%. The proposed initial 40 acre facility will cover about 60% of the new property (70 acres to be leased) and the proponent has indicated they have plans to possibly expand in the future to a total coverage as high as 80%. A zoning by-law amendment is required to permit such a coverage increase.

It is important to note that Ontario Corp. 002319529 has also been encouraged to continue to examine available private property within London. City staff have re-iterated many times to Ontario Corp. 002319529 that we desire this business opportunity to be in London. The possibility of transporting compressed landfill gas to a greenhouse may mean that other property locations in London are now possible and perhaps more desirable.

It is not uncommon for information to flow slowly when dealing with an unsolicited proposal versus a proposal obtained through a competitive environment. On a positive note, Ontario Corp. 002319529 has re-iterated its desire to locate on lands near the W12A Landfill. Leasing public land from the City of London requires a number of conditions to be fulfilled and all public processes are to be followed when a zoning amendment is being sought. A zoning amendment for private property (to purchase or lease) would have similar public processes.

Next Steps

As City staff have noted before, this potential project and business opportunity represents a unique opportunity for London and this location. City staff remain committed to this business opportunity.

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| PREPARED BY: | PREPARED BY: |
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| MARK HENDERSON DIRECTOR, BUSINESS LIAISON | BILL WARNER MANAGER OF REALTY SERVICES |
| PREPARED AND RECOMMENDED BY: | REVIEWED & CONCURRED BY: |
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| JAY STANFORD, M.A., M.P.A. DIRECTOR, ENVIRONMENT, FLEET & SOLID WASTE | JOHN BRAAM, P.ENG. MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES AND CITY ENGINEER |

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Appendix A Overview of the Vision and Map of City-Owned Properties in the Vicinity of the W12A Landfill Site and Resource Recovery Area

- c: Ontario Corp. 002319529
- Art Zuidema, City Manager
- Martin Hayward, Managing Director, Managing Director, Corporate Services and City Treasurer,
Chief Financial Officer
- John Fleming, Managing Director, Planning & City Planner
- George Kotsifas, Managing Director, Development and Compliance Services & Chief Building Official
- Kapil Lakhotia, General Manager, London Economic Development Corporation

Appendix A

Overview of the Vision and Map of City-Owned Properties in the Vicinity of the W12A Landfill Site and Resource Recovery Area

W12A Landfill and Resource Recovery Area

Municipal Council adopted the W12A Landfill Area Plan and the Official Plan and Zoning By-law amendments required to implement the W12A Landfill Area Plan in 2009. The purpose of the W12A Landfill Area Plan is to plan for the continued evolution of the W12A Landfill as an integrated waste management centre that utilizes environmentally responsible and sustainable operations and practices in achieving a high standard of compatibility with its environs and neighbours.

This area could include the expansion of the W12A Landfill but also allows for various resource recovery facilities to be located on these lands. The first resource recovery facility to be sited on these lands was the City's new Regional Material Recovery Facility built in 2011.

Nearby City-owned Lands

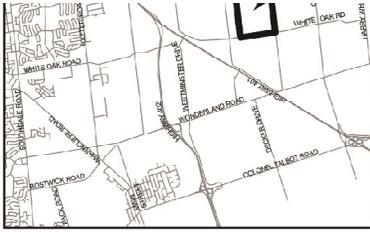
Nearby City-owned lands serve as buffer for potential nuisance impacts such as noise, dust, odour and litter from the landfill and any future resource recovery facilities. These lands also serve to protect encroachment of the landfill and resource recovery area.

Long term plans for these City lands are to have land uses that allow the land to continue to serve as buffer, be compatible with neighbouring properties and the community and maximize benefits to the City as a whole (e.g., additional revenue, create jobs, economic benefits, etc.). Currently these lands are leased for agricultural purposes and revenue is returned to the City. These lands are the subject in this Report.

The City continues to receive enquiries regarding the leasing of specific City properties by businesses who are interested in developing projects such as large-scale solar farms and more recently a greenhouse complex. Some of these lands are next to the large area known as the W12A Landfill and Resource Recovery area. The City owns these lands as they have been acquired to serve as buffer to the existing landfill operation and any future resource recovery and landfill operation.

Map

A map of the above noted properties is provided on the next page. It is important to note that the current discussion deals with nearby City-owned lands outside the W12A Landfill and Resource Recovery area (i.e., properties long Wellington Road).



City of London

W12A Landfill Site

Map W12A Landfill Site Resource Recovery Area and Adjacent Areas

Legend

-  City Property
-  Waste Management Recovery Area
-  Potential Increase Resource Recovery
-  City Owned Landfill or Resource Recovery

Date: September, 2014
 File:
 Scale: 0 250 500
 1:12

