

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON JUNE 15, 2015
FROM:	JAY STANFORD, M.A., M.P.A. DIRECTOR, ENVIRONMENT, FLEET & SOLID WASTE
SUBJECT:	REQUEST FOR PROPOSALS PROCESS FOR LAND LEASES FOR CITY-OWNED LAND IN THE VICINITY OF THE W12A LANDFILL AND RESOURCE RECOVERY AREA

RECOMMENDATION

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

PREVIOUS REPORTS PERTINENT TO THIS MATTER

Relevant reports that can be found at www.london.ca under City Hall (Meetings) include:

- Application by: The Corporation of City Of London 3243 Manning Drive Public Participation Meeting on May 19, 2015 (May 19, 2015 meeting of the Planning and Environment Committee (PEC), Item # 8)
- 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 (March 3, 2015 meeting of the Corporate Services Committee (CSC), Item # 6)
- 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 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)

BACKGROUND

PURPOSE

The purpose of this report is to outline the Request for Proposals process to identify opportunities to maximize the benefits to the City of the city-owned land in the vicinity 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
- 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 have been engaged on these matters since early October 2014 working on three general activity areas:

- Addressing greenhouse requirements, opportunities and constraints,
- Developing the proposed requirements of a land lease, and
- Developing the proposed requirements of a landfill gas (energy procurement) agreement.

Updates on this matter were provided to CWC on December 16, 2014 and March 3 2015.

On March 10, Municipal Council approved a Letter of Intent with the proponent to negotiate a land lease for 3243 Manning Drive. At the same time, Municipal Council directed that, in the event the requirements listed in the Letter of Intent were not met within the specified timelines, the Civic Administration be directed to initiate the development of a business plan for future use of the lands and a request for proposal process for future use of those lands.

DISCUSSION:

City staff have been engaged on a number of new matters relative to the greenhouse proposal since March 2015 including:

- developed and submitted to the proponent a draft Landfill Gas Purchase Agreement for their review on April 24, 2015
- proceeded with a zoning amendment for 3243 Manning Drive to increase the allowed coverage for a greenhouse to 80% of the property. This zoning amendment went to the Planning & Environment Committee on May 19 and Council on May 26, 2015. Notice of the passing of the by-law was given on June 10, 2015 in conformity with the requirements of the *Planning Act*. The issuance of the notice of the passing of the by-law initiates the 20-day appeal period. If no appeal is received during the appeal period, the by-law shall be deemed to have come into force on the day it was passed.
- completed the preliminary geotechnical study for 3243 Manning Drive
- completed the hydrogeological assessment for 3243 Manning Drive
- engaged a technical consultant to complete a Phase 1 and 2 Archaeological Assessment for 3243 Manning Drive. The Phase 1 Assessment is complete and the Phase 2 Assessment is expected to be completed in late June. It will only be known at that time if a Phase 3 Assessment is required to satisfy provincial requirements.

Despite all the actions undertaken by City staff since March 2015, the requirements of the Letter of Intent were not met.

City staff are confident that every opportunity has been provided to the proponent to work on this project in a sole-sourced arrangement. It is important to recognize that City staff have worked diligently on many different aspects of this proposal including:

- Addressing greenhouse requirements, opportunities and constraints and undertaking the Zoning Amendment process
- Developing and executing the proposed requirements of a land lease for final negotiation with the proponent, and
- Developing the proposed requirements of a landfill gas (energy procurement) agreement subject to

final approval by the Ministry of the Environment & Climate Change and/or the Technical Standards and Safety Authority (TSSA), the organization that administers and enforces technical standards in the province of Ontario notably for fuels, boilers, pressure vessels and operating engineers in order to protect lives and the environment.

It also must be recognized that the proponent is involved with one or two existing greenhouse operations in Kingsville/Leamington area. It is unknown what impact these other projects and operations may have had on the Proponent's ability to complete the requirements of the Letter of Intent and related matters in London.

Next Steps – Prepare and Release a Request for Proposals

In September 2014, staff had previously presented to CSC a process to initiate a Request for Proposals (RFP) to identify opportunities to maximize the benefits to the City of the city-owned land in the vicinity of the W12A Landfill and Resource Recovery Area. This process was put on hold while the potential unsolicited greenhouse opportunity was examined.

The major tasks are presented on the following tables with revised timelines:

Task	Timeline
Finalize inventory of constraints on City-owned land and process to remove the constraints and/or requirements to manage the constraints (e.g., stormwater management and wastewater disposal)	July to August 2015
Finalize list of potential business opportunities that could be undertaken on these properties and list of potential companies	July to August 2015
Finalize and Submit to CSC a Business Plan for future use of the lands	July to September 2015
Initiate process to address and/or manage land use constraints	September to November 2015
Develop request for proposal (RFP) documentation	September to November 2015
Release RFP with complete information on available land, servicing needs and potential business opportunities	November to December 2015

Request for Proposal (RFP) Process

The RFP process ensures transparency and is consistent with the current process for the City-owned lands in this area. The RFP process (or a tender) is also the traditional approach taken for leasing lands or facilities from the City.

The RFP would limit the types of operation the City desires to have on these lands considering zoning requirements, zoning amendments, land constraints and community expectations. The factors to be included in the RFP evaluation for the permitted development would likely include:

- proponent experience with proposed operation,
- fit of operation in the area,
- financial capability of the proponent,
- capital investment in the project,
- review of the business plan,
- lease rate payable to the City, and
- economic benefits to the city of London and region.

ACKNOWLEDGEMENTS

This report was prepared with assistance from Wesley Abbott, Division Manager, Solid Waste Management.

PREPARED BY:	PREPARED BY:
MARK HENDERSON DIRECTOR, BUSINESS LIAISON	BILL WARNER MANAGER OF REALTY SERVICES
PREPARED AND RECOMMENDED BY:	REVIEWED & CONCURRED BY:
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: 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).

