

Municipality Of Chatham-Kent
Economic Development Services
Chief Administrative Office

To: Mayor and Members of Council
From: Stuart McFadden, Acting Director, Economic Development Services
Date: June 15, 2018
Subject: Property Option Purchase – Blenheim Business Park

Recommendations

It is recommended that:

1. Council direct Administration to enter into a property purchase agreement with 1090577 B.C., ULC for a 5 acre parcel of land in the Blenheim Business Park for the price of \$120,000 on the following conditions:
 - a. 1090577 B.C. ULC have a 1-year option to finalize the property purchase agreement;
 - b. 1090577 B.C. ULC be required to pay for any servicing extensions required;
 - c. 1090577 B.C. ULC provide a 10% down payment due 45 days from the effective date, which would be applied to the final purchase price upon closing;
 - d. If 1090577 B.C. ULC does not complete the property purchase within 1 year from the effective date, the Municipality will retain \$5,000 from the original deposit;
 - e. 1090577 B.C. ULC be granted the ability to assign this option to an affiliate or third party.

Background

Administration was contacted by 1090577 B.C. ULC inquiring about available land in the Blenheim area for a project they are considering. The proposed project would see waste landfill gas from the Ridge Landfill, which is currently being flared into the atmosphere, be piped to a location. This gas would then be put through a process to create

Renewable Natural Gas (RNG), which would then be put back into the natural gas distribution network. (see attached for similar looking facility - Attachment A).

Comments

The proposed 5-acre parcel in the Blenheim Business Park is adjacent to the recently acquired parcel purchased by Voorwinden Greenhouses (Attachment B).

The company has stated that there will be a flare stack which is designed such that the volatile organic compounds (VOCs) are exposed to the high temperature for about two minutes, so no odour should escape. A blue flame extends about 1' in the air above the top of the stack and is not visible during the day, but may be visible at night.

The construction of the facility would have the following benefits to the Municipality:

1. Support environmental sustainability with the reduction of greenhouse gas;
2. Create an estimated 5 jobs;
3. Estimation of \$2.2M in hydro sales, resulting in approximately \$65,000 revenue for Entegrus;

Areas of Strategic Focus and Critical Success Factors

The recommendations in this report supports the following areas of strategic focus:

Economic Prosperity:

Chatham-Kent is an innovative and thriving community with a diversified economy

A Healthy and Safe Community:

Chatham-Kent is a healthy and safe community with sustainable population growth

People and Culture:

Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

Environmental Sustainability:

Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report supports the following critical success factors:

Financial Sustainability:

The Corporation of the Municipality of Chatham-Kent is financially sustainable

Open, Transparent and Effective Governance:

The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership

Has the potential to support all areas of strategic focus & critical success factors

Neutral issues (does not support negatively or positively)

Consultation

The following were consulted and have reviewed the recommendations:

Technical Advisory Committee
Manager, Legal Services
Director, Financial Services
Manager, Revenue

Financial Implications

The Municipality would receive \$120,000 if 1090577 B.C. ULC decides to remove the condition and close the transaction within the 1-year option period. If 1090577 B.C. ULC decides not to proceed with the project, the Municipality would retain \$5,000 from the original deposit.

Prepared by:

Reviewed by:

Stuart McFadden, Acting Director
Economic Development Services

Don Shropshire
Chief Administrative Officer

Reviewed by:

Reviewed by:

John Norton, General Manager
Community Development Services

Mike Turner
Chief Financial Officer

Attachments: Attachment A: Renewable Natural Gas Facility
Attachment B: Proposed 5-Acre Parcel

- c. Steven Brown, Director, Financial Services
- Dave Taylor, Manager, Legal Services
- Bruce McAllister, Director, Planning Services
- Amy McLellan, Manager, Revenue

P:\RTC\ECODEV\2018\JUNE 25 - -PROPERTY PURCHASE OPTION-BLENHEIM
BUSINESS PARK.DOCX





Attachment B