

#### Executive Summary:

The Regional Staff Report, PDL-ECD-24-007, contains many inaccuracies and has ignored important information contained in the original motion from Council. Regional Council should not accept this report as written. The report needs to be reviewed by someone other than Economic Development Staff as agricultural issues and significant gaps in proper planning remain to be adequately addressed.

The report makes no mention whatsoever of the public outrage, the financial costs/implications, nor the significant media coverage of the expensive destruction of an almost mature food crop worth hundreds of thousands of dollars. The low quality of this report and its failure to even address most of the unanimously approved Council motion it is a result of seems to be consistent with the poor planning, insufficient efforts, and the considerable unaddressed issues of this entire Wilmot Land Assembly project.

Rather than address concerns or provide needed answers, this report continues to confirm that this mega-site development scheme needs to be abandoned and restarted using proper processes on potential sites compatible with the Regional Official Plan with far fewer serious negative impacts.

**Report:** PDL-ECD-24-007

#### **Region of Waterloo**

#### **Planning, Development, and Legislative Services**

#### **Commissioner's Office**

**To:** Regional Council

**Meeting Date:** September 25, 2024

**Report Title:** Land Assembly – Due Diligence Impacts

#### **1. Recommendation**

For Information

#### **2. Purpose / Issue:**

At Council's request, to provide an update on the removal of the crop in July 2024, during the due diligence process associated with the Wilmot land assembly efforts.

#### **3. Strategic Plan:**

This update aligns with the Region of Waterloo's Growing with Care Strategic Priority 1.4, to make land available across the region appropriate for affordable housing, shovel-ready employment lands and other supportive infrastructure designed for families and future needs.

One of the core statements of the Region of Waterloo's Growing with Care Strategic Priority is that climate aligned growth will support sustainable growth and steward our natural environment and shared resources as we grow.

However, Freedom of Information Requests from the Fight For Farmland group revealed that there were no discussions about climate change and the commitment to reduce the Region's emission by 50% by 2030.

The 770 mega-site is going to dramatically increase greenhouse gas emissions due to the large amount of long-distance commuter traffic as well as any process emissions.

We fail to see how the mega-site aligns with the Growing with Care Strategic Plan.

<https://www.regionofwaterloo.ca/en/regional-government/strategic-plan-2023-2027.aspx>

No where does this report mention using agricultural land for non-agricultural development.

Why is there no mention of the Dillion Report (PDL-ECD-23-011) dated June 21, 2023? Is it because the report does not mention using land outside of the Countryside line?

#### **4. Report Highlights:**

The Region of Waterloo is currently engaged in the assembly of employment lands to create a large-scale, shovel-ready site that is attractive to a major employer. This initiative aims to secure a generational investment that will result in thousands of well-paying local jobs and further economic prosperity in Waterloo Region. This initiative aims to secure generational investment that will result in thousands of well-paying local jobs and further economic prosperity in Waterloo Region.

It is impossible to predict how many well-paying jobs will be created without knowing who the eventual employer is. Factory automation has replaced many jobs and this development will create jobs to maintain the robots, but it is very unlikely that 50 well-paying jobs per hectare (20 jobs per acre) for greenfield development, as stated in the Region's Official Plan, will be generated. What is a high paying job? How many potential companies are looking to hire thousands of employees?

This site is being assembled for future investment from a major employer. This land assembly is not occurring for any business/end user in particular at this time, yet on-going due diligence must continue to ensure the site is shovel-ready and can be promoted for industrial investment once the entirety of the parcel is acquired.

Regional staff are continually in conversation with industry leaders and various levels of government about possible future investment. Over the last 3 years, \$10 billion in potential investment and over 14,000 jobs from businesses considering Waterloo Region were lost, as different communities were chosen to invest in.

How many of these jobs were lost because of the lack of an industrial mega-site? How many were lost due to:

- lack of water & sewage
- lack of a trained workforce due to scarcity or competition for talent
- lack of truck and rail transportation
- being closer to market
- better incentives or superior sites in other locations

As part of the due diligence process, detailed on-site technical analysis is required. This occurs once an agreement of purchase and sale has been secured. The Region of Waterloo announced on July 18, 2024 that land assembly efforts were progressing and the Region was approaching one-third of the site having been acquired at that time.

In July 2024, in order to conduct an archeological assessment as part of the due diligence process, immature feed corn crop was required to be removed from a site recently acquired by the Region. The crop was estimated to be 10-16 weeks from harvest at the time of its removal. Due diligence timelines did not allow for a delay to allow the crop to reach full maturity.

On July 24<sup>th</sup> and 25<sup>th</sup> 160 acres of corn crop was destroyed. At that time, local farmers, Fight For Farmland and the Waterloo Federation of Agriculture all said the crop would be ready to harvest in 4 weeks. The Council motion asking for this report stated the crop was only “5 or 6 weeks away from harvest” but now is “10-16 weeks from harvest”. The estimates from Economic Development show a complete lack of knowledge on how a corn crop is used.

The lack of agricultural knowledge Regional Staff cannot be used as an excuse for destroying the crop.

The option of delaying the removal of crops was pursued by the Region. Unfortunately, due to various requirements of the parties associated with the land assembly process, it was not possible to delay the removal.

Who are the parties associated with the land assembly process? Why such a rush for such a small portion of the entire site? What are “various requirements” that require an empty field that couldn’t have waited a few weeks? Surely development cannot proceed until there is a complete site. Were there plans to destroy all the crops on all the farms being targetted for acquisition?

Various options for the use of the immature corn crop were investigated as part of the due diligence process, yet none were found to be viable.

The potential uses for a corn crop depend on the moisture content not the maturity. What was the moisture content of the corn when it was destroyed? Local farmers were horrified and outraged at the destruction – raising many options and alternatives instead of shredding and plowing under the crop.

Due diligence timelines and requirements are included in negotiation conversations with landowners, which remain confidential. These negotiations are ongoing, with a focus on fair and equitable deals.

As far as we know, the landowner was not consulted about the destruction of the corn and was just as upset as so many others about the destruction.

Remaining landowners are not negotiating with the Region.

## **5. Background:**

In 2020, the Provincial government put out a call to communities across Ontario to create shovel-ready land to attract investment. At the same time, the Region of Waterloo engaged both the local and global business community to better understand current needs and potential future opportunities for Waterloo Region. It was clear, Waterloo Region lacked an inventory of large-scale, shovel-ready land which is essential for businesses to invest or expand in the region.

If the need for a large-scale site was so dire why was it never included in all of the extensive land use planning undertaken for the Regional Official Plan update occurring during this exact same time period of 2019-2022? Surely if there was such a pressing need and so many lost business opportunities it would have been raised repeatedly in the many public meetings, Open Houses, planning sessions, Council presentations, etc. and yet no record of any need for a mega-industrial site can be found in the public record or recalled by participants.

The ROP did identify and approve the creation of over 1,500 new acres of employment and industrial lands to be shovel-ready for almost 300,000 new employment positions expected to be created in the region between 2021 and 2051 satisfying all employment and industrial needs in this time period. For such an apparently pressing need there was only a single sentence in the entire ROP regarding a possible investigation into the need for a large mega-site at some point in the future. No mention was made of potentially violating the Countryside Line.

The Ontario Job Site Challenge and the Region of Waterloo has 44 selection criteria for a large-scale industrial site. The 770 acres **meets only 7** of those criteria and **fails to meet 32 of them**. The remaining criteria are either not applicable (1) or unknown (4).

By contrast, the East Side employment lands meets 36 of the criteria and fails 1. The remaining criteria are either not applicable (1) or unknown (6).

Over the last few years, this community has lost several investments from major employers as a result of being unable to accommodate land requirements.

Previously in this report, it was *“Over the last 3 years, \$10 billion in potential investment and over 14,000 jobs from businesses considering Waterloo Region were lost”*, now it’s *“several”*. Who were these potential employers and why were they *“lost”*?

How many of these potential employers required such a massive site of 770 acres of land? All potential investments cited by Regional Staff to date required no more than 50 acres of which there are already dozens of potential sites available and shovel-ready throughout Waterloo Region.

To meet this need in Waterloo Region, the Region of Waterloo is assembling land in Wilmot Township to create a large-scale, shovel-ready site that is attractive to a major employer. This initiative aims to secure a generational investment that will result in thousands of well-paying local jobs and further economic prosperity in Waterloo Region.

Why is the east side employment lands not being used for this mega-site since this was considered to be the solution in 2021?

<https://www.cbc.ca/news/canada/kitchener-waterloo/east-side-employment-lands-waterloo-region-1.5961809#:~:text=There's%20a%20large%20parcel%20of,the%20Maple%20Grove%20Road%20area.>

Based on the selection criteria for the Ontario Job Site Challenge and the criteria used by the Region, the East Side employment lands are the best option for the mega-site.

Land assembly efforts have been ongoing in Wilmot Township. The Region of Waterloo announced on July 18, 2024, in a public news release that land assembly efforts were progressing and the Region was approaching one-third of the site having been acquired at that time. Detailed on-site investigations began then, to further complement previous due diligence.

As part of the land assembly process, the Region must take several steps to bring the site to a state of investment readiness. This includes land acquisition, various due diligence activities, and on-site investigations, which include invasive and non-invasive technical studies.

In order to bring the site up to investment readiness, there are far more than “*several steps*” required. This proposed mega-site is contrary to all previous planning, and this area is highly protected prime farmland that has never been contemplated for any sort of development.

Here is a partial list of steps:

- The impact of salt and tire dust runoff from the mega site on the Waterloo Recharge Area, which is within 100 metres of the site, must be determined.
- Land must be acquired between Baden and New Hamburg for the rail spur. This land was previously allocated for residential growth and will be severely impacted by the diesel exhaust, noise and vibration. What is the cost and who is paying for it?
- The impact of the rail spur on the main street and intersection in Baden must be evaluated
- As CN North is currently configured, rail freight from the site will probably impact the Kitchener VIA Rail station and all day two way GO service. How is this impact to be mitigated?
- A bridge must be built to carry Highway 7/8 traffic over the rail spur. What is the cost and who is paying for it?
- A new interchange must be built at Nafziger Road and Highway 7/8. What is the cost and who is paying for it?
- The interchange at Wilmot Centre Road and Highway 7/8 must be upgraded. What is the cost and who is paying for it?
- Truck traffic to and from the west is severely constrained and needs to be resolved with Oxford County. What is the cost and who is paying for it?
- The impact of considerable additional traffic on Wilmot’s tar and chip rural roads must be determined as over 80% of township roads are tar and chip and unsuitable for high volumes of traffic or truck traffic. What is the cost and who is paying for it?
- The cost to upgrade Regional Roads around the mega-site must be determined. What is the cost and who is paying for it?
- What is the cost of the sewer pipeline to Kitchener and who is paying for it?
- Many other environmental assessments, hydrology, archeology, heritage and other studies are required. Who is paying for them?

There are many more questions that must be addressed before any more time and money is spent on what seems to be a very unsuitable and remote location lacking most needed infrastructure for an industrial mega-site.

All this ignores the fact that this site is located outside of the Countryside Line and is on prime agricultural land. Industrial sites should be on marginal land, away from the Water Recharge Zone and far closer to needed infrastructure.

These studies may include, but are not limited to, topographic surveys, natural heritage studies, environmental impact studies, wetland analysis, arborist assessments, species at risk studies, archaeological assessments, hydrology studies, geomorphic assessments, contamination studies, grading and earthworks analysis, and erosion threshold assessments.

In July 2024, in order to conduct an archeological assessment as part of the due diligence process, immature feed corn crop was required to be removed from a site recently acquired by the Region. The crop was estimated to be 10-16 weeks from harvest at the time of its removal. Due diligence timelines did not allow for a delay to allow the crop to reach full maturity.

How many of these studies required the corn to be destroyed? How many of these could have been done in a less intrusive manner, or waited until the corn had been harvested?

Prior to the removal of the crop, the Region made multiple efforts to arrange for the completion of the technical work without disruption before or after crops were planted or harvested, but all efforts were not viable. The Region also explored various uses for the premature crop, including speaking to multiple livestock feed producers and a biofuel company.

Duplicate: see above

A number of these studies require the completion of the work within pre-established deadlines the Region is subject to through various agreements. As is the case with all real estate transactions at the Region of Waterloo, the details, including timelines and the requirement to complete various due diligence activities, are confidential.

Duplicate: see above

The Region continues to advance the land assembly in Wilmot Township. Negotiations with landowners are ongoing, with a focus on fair and equitable deals. On-site investigations and further due diligence work will continue throughout the remainder of the land assembly process. This includes making every possible effort to avoid removing any future crop prematurely. Notification will be provided to Council prior to the commencement of any future due diligence work.

Duplicate: see above.

## 6. Communication and Engagement with Area Municipalities and the Public

**Area Municipalities:** Regional staff work closely with Wilmot Township staff on the site assembly, specifically the due diligence work required to ready the site for a future job creation opportunity. Given the confidentiality requirements the Region is subject to, engagement with the public remains limited at this time.

There has yet to be a single public meeting for this massive development contrary to all previous planning. This has to be unprecedented in all of Ontario if not Canada to propose such massive change to an entire municipality with absolutely no public consultation or engagement.

## **7. Financial Implications:**

N/A

Economic Development may think that wasting \$160,000 of corn is not a Financial Implication but what is the true cost of the destruction? Farmers from Strathroy had to be brought in to cut the crop down because all local farmers refused to destroy the crop. The Waterloo Federation of Agriculture estimates that the total cost was potentially worth \$500,000.

Additional costs include:

- Highway upgrades and numerous new interchanges
- Rail line construction including significant land acquisition and infrastructure such as bridges and tunnels
- Pipelines to Kitchener or even Lake Erie
- Significant upgrades to numerous Regional and Township roads
- Infrastructure upgrades and costly impacts in distant communities.

And the list goes on. Why not stop hiding behind the NDA and release the studies that the Region did on the rail, water, sewage, and transportation since the Provincial Government said the NDA only applied to the financial negotiations?

## **8. Conclusion / Next Steps:**

The Region continues to advance the land assembly in Wilmot Township. Negotiations with landowners are ongoing, with a focus on fair and equitable deals. On-site investigations and further due diligence work will continue throughout the remainder of the land assembly process. This includes making every possible effort to avoid removing any future crop prematurely. Notification will be provided to Council prior to the commencement of any future due diligence work.

Fair and equitable negotiations with landowners is not ongoing.



It is doubtful that the Region has the authority to expropriate the land and the Province will have to approve the expropriation. The Ontario Government has already indicated reluctance to use expropriation given the considerable public opposition to this poorly planned mega-industrial proposal.

Why would the Region start do an archeological assessment on a portion of the property without waiting until all the land has been assembled?

Specifically, the Premier of Ontario said *"We're just asking regions around the province to assemble land. **But there has to be a willing host.** If they're not willing, then just move on. That's what it comes down to."*

## **We Are NOT A Willing Host!**

### **9. Attachments:**

N/A

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