

From: "Mochrie, Paul" <Paul.Mochrie@vancouver.ca>
To: "Direct to Mayor and Council - DL"
Date: 6/6/2023 8:51:13 AM
Subject: Council Memo - Kent Recycling Receiving Yard - Technology Incubator - COV - Tenancy Agreement - RTS 15649
Attachments: ENG - SWM - Kent Recycling Receiving Yard - Technology Incubator - COV - Tenancy Agreement - Council - Memo to Council - 2023-05-22.pdf

Dear Mayor and Council,

Please see the attached memo from Lon LaClaire. A short summary of the memo is as follows:

- The memo provides additional background for a Council Report scheduled for June 14th, 2023, which requests Council approval of below-market rent (i.e. a grant) to support the Zero Waste Demonstration Site Pilot at a City-owned property, the former recycling receiving yard located at 1198 East Kent Avenue South.
- The site will host 10-15 Zero Waste Technology Providers (ZWTPs) during two 2.5 year cohorts for a total of five years with the first cohort of ten having been selected using Project Greenlight - the Vancouver Economic Commission's (VEC) market call platform.
- The ZWTPs will pilot their innovative solutions, engaging primarily in commercialization activities, which include processing small batches of solid waste to create value-added products and providing tours to key stakeholders in order to obtain investment, strategic partners, and customers.
- In addition to supporting the ZWTPs gain access to relatively inexpensive land to progress their commercialization journey, the City and VEC will reinforce their position as leaders by being at the centre of innovation and potentially game-changing ideas.
- The City and VEC staff will oversee the five year pilot and report back to Council on the success of the initiative and recommend next steps prior to the first cohort ending. Funding for this initiative was allocated in the previous capital plan

If you have any questions, please feel free to contact Lon LaClaire at 604-873-7336 or lon.laclaire@vancouver.ca.

Best,
Paul

Paul Mochrie (he/him)
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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish), and səliłwətał (Tsleil-Waututh) Nations.

MEMORANDUM

June 5, 2023

TO: Mayor and Council

CC: Paul Mochrie, City Manager
Armin Amrolia, Deputy City Manager
Karen Levitt, Deputy City Manager
Maria Pontikis, Chief Communications Officer, CEC
Rosemary Hagiwara, Acting City Clerk
Teresa Jong, Administration Services Manager, City Manager's Office
Mellisa Morphy, Acting Chief of Staff, Mayor's Office
Trevor Ford, Director of Operations, Mayor's Office
Eleena Marley, CEO, Vancouver Economic Commission
John McPherson, Senior Manager, Vancouver Economic Commission

FROM: Lon LaClaire
General Manager, Engineering Services

SUBJECT: Council Report - Approval of Below-Market Licenses for Zero Waste
Demonstration Site (ZWDS) Pilot at City-Owned Property 1198 East Kent
Avenue South

RTS #: 015649

The purpose of this memo is to provide additional background and context to Council on the above-stated Report, scheduled to go to Council on June 14, 2023. The request for below-market rent on a City-owned property is considered a grant, and therefore requires two-thirds affirmative votes of all Council members under section 206(1) of the *Vancouver Charter*.

The City-owned site, located at 1198 East Kent Avenue South, was formerly a recycling receiving yard but has been vacant since 2017 when curbside residential recycling collection services were transferred to Recycle BC. The site is zoned industrial [M-2](#), is approximately 1-acre in size, and does not generate revenue for the City.

What is the Zero Waste Demonstration Site (ZWDS) Pilot?

The City and VEC are proposing to transform the site into a testbed for entrepreneurs to demonstrate new zero waste technologies referred to as the Zero Waste Demonstration Site (ZWDS). The ZWDS will be collaboratively developed as part of a five-year pilot program that

aims to support growth-oriented zero waste companies through the provision of below-market industrial space and support services. This is an innovative leap forward for the City and the initiative is expected to receive widespread recognition from municipal leaders and stakeholders in the zero waste community and beyond. Funding for this initiative was allocated in the previous capital plan.

During this five-year pilot, the ZWDS will host up to 15 zero waste innovative technologies on the site at any given time through two 2.5-year cohorts over the five years. These small-to-medium start-ups referred to as the Zero Waste Technology Providers (ZWTPs), selected through the Project Greenlight vetting process, have outgrown their laboratory space and are seeking industrial space to demonstrate and grow their business. By using the ZWDS at below-market rent along with City and VEC support, the ZWTPs will engage in the following during their cohort term:

- processing small batches of their respective type of solid waste;
- monitoring the results of end-products and process metrics; and
- providing tenant-, City-, VEC-hosted tours to the public, prospective investors, customers, and strategic partners.

Why is the ZWDS Pilot important?

After analyzing the results of the 2021 market sounding survey sent to the cleantech community (refer to: <https://vancouver.ca/files/cov/2021-11-05-zero-waste-demonstration-hub-project-update.pdf>), the City and VEC received direct confirmations from industry that having access to affordable land in Vancouver was crucial to supporting entrepreneurs and sustaining their growth in the Metro Vancouver region.

The encroachment of higher paying uses (residential, AAA office) displaces less longer-term lucrative uses (cleantech and niche industrial businesses) and subsequently forces entrepreneurs to look elsewhere (Vancouver now has the lowest industrial vacancy rate in North America). The ZWDS is aligned with Council's two recent motions entitled "*Supporting and Expanding Vancouver's Tech Hubs, Clusters, and Districts*" <https://council.vancouver.ca/20230201/documents/cfsc5.pdf> and "*Industrial Modernization and Intensification Framework Development Process*". <https://council.vancouver.ca/20230131/documents/b3.pdf>

What's in it for the ZWTPs?

By taking advantage of the affordable land rent and the City's brand, the tenants will potentially be able to expedite their acquisition of funding, customer off-take agreements, and strategic partnerships. In addition, the pilot presents a low barrier socio-economic opportunity to support small-to-medium start-ups test their zero waste solutions.

The proximity to research institutions including Simon Fraser University, University of British Columbia, and British Columbian Institute of Technology, coupled with the City's brand are significant reasons why small-to-medium start-ups need to stay in Vancouver, at least for this critical pre-commercialization stage.

What's in it for the City and the VEC?

The City will position itself as a cleantech leader at the centre of innovation and potentially game-changing ideas. If any of these technologies were to scale up their business because of the pilot project, zero waste tenants could potentially open up new resource recovering opportunities within the City and region, enabling a decrease in greenhouse gases and an increase in local green jobs. There are also knock-on effects with companies providing ancillary services and products in adjacent industries; which in turn builds on the backs of the zero waste tenants' growth and creates a stronger innovation cluster.

Furthermore, City staff will become aware of various technologies, their technical and market viability, and as a result, would be in first position to adopt a solution early on or integrate within City operations, if feasible.

Where are we now?

The pilot project was issued development permit approval in January 2023 by the Development Review Branch. Currently, City and VEC staff are working with the first ten selected zero waste technology providers to gather the technical documentation requirements and submitting the building permit application through its consultant, Stantec.

Staff would be pleased to provide a presentation to Mayor and Council on this project, if that is of interest. For more information on the ZWDS please visit: <https://vancouver.ca/green-vancouver/zero-waste-demonstration-hub.aspx>.

If you have any questions about this project, please do not hesitate to contact me directly.



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General Manager, Engineering Services

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