



Subject: Grain Terminal Update and Public Engagement Plan

To: Council

From: Development and Government Relations Department

Report Number: 2025-30

Meeting Date: February 11, 2025

Recommendation:

That Development and Government Relations Report 2025-30 regarding the City's Grain Terminal Update and Public Engagement Plan be received; and

That the Director of Development and Government Relations be directed to implement the proposed public engagement plan outlined in this report.

Purpose:

The purpose of this report is to provide an update on the City's grain terminal and outline a proposed public engagement plan to solicit community input on it's future.

Background:

The grain elevator in Port Colborne was constructed in 1898. There were several grain elevators constructed along Canada's waterfront during the same period that played a critical role in grain movement through the Great Lakes and to global markets.

Ownership of the grain terminal was transferred from the Canada Ports Corporation (CPC) to the City of Port Colborne on October 1, 1999. This transfer was completed pursuant to CPC's National Marine Policy which promoted and facilitated the transfer of regional and local ports to private interests "with a view to providing services that are more cost effective, local operations that are more responsive to local needs, and levels of service that more closely match local demands".

Most recently, Parrish & Heimbecker (P&H) leased the grain terminal from the City from January 1, 2015 to December 31, 2024, when their lease expired. P&H advised City staff in March 2024 that they would not be renewing their lease.

After this notification, City staff reviewed alternative options including securing new tenants, revised lease terms, potential divestment, and other uses for the grain terminal that may be in the City's long-term interests. These were presented to Council during the May 28, 2024 closed session meeting. It was agreed that the City should find a new partner and/or an owner who has the financial resources to invest in capital expenditures and has the vision and expertise to maximize the value of the property.

As per Council direction, City staff created a Request for Expressions of Interest (REI) document that was issued on June 28, 2024 and emailed to six companies who had expressed interest. The document was also posted on the City's website and Bids & Tenders. August 1, 2024 was established as the deadline and three (3) companies submitted Expressions of Interest. These proposals were shared with Council during the September 10, 2024 closed session meeting and staff were directed to enter into negotiations with one of the proponents. Following the December 10, 2024 closed session discussion, Council decided not to proceed with the proposal and directed staff to explore other options and seek public engagement.

Discussion:

The grain terminal property is a unique piece of property located on Lake Erie at the south end of the Welland Canal. The property allows for multi-modal transportation for year-round shipping to North American markets, an active rail spur to the terminal, and an adjacent road for trucks.

Presently the grain terminal is vacant with Public Works managing the day-to-day facility stewardship with the support of an independent contractor familiar with the grain terminal.

Staff propose a Public Engagement process as outlined in this report below to help identify options and inform future decision-making. This public engagement process is developed recognizing the financial implications of this site as outlined in the Financial Implications section of this report below.

Internal Consultations:

City staff from Economic Development, Strategic Projects, Public Works, Corporate Services, and Corporate Communications have been working together on transitional issues related to the grain terminal property including: a process to solicit investor interest; developing a public engagement plan; obtaining studies and assessments for the building and dock wall; and assisting with day-to-day operations, maintenance, and security.

Financial Implications:

There are no immediate financial implications associated with this report. Current financial topics related to the grain terminal include:

- the building has \$2 million dollars worth of liabilities to remediate hazardous substances within the building;
 - an independent Building Condition Assessment completed in January 2024 identified \$6.2 million in capital expenditures and maintenance required to maintain the property and building in a state of good repair;
 - one major capital expense is a roof replacement at an estimated cost of \$500,000;
 - based on estimates obtained by staff and external parties, the cost of demolishing the grain terminal building is approximately \$10 million;
 - the operating costs are estimated to be \$3000-\$4000 a month;
 - the City has lease agreements with telecommunications companies who have towers and transmitters on the grain terminal property and building. These leases generate about \$21,000 annually.
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Public Engagement:

Staff are proposing a public engagement plan that would gather feedback from the community regarding the future of the Port Colborne grain elevator.

The engagement plan has several high-level objectives, including:

- **Inform the community:** Ensure the community has clear, transparent and accessible information about the proposed project.
- **Gather feedback:** Provide residents with a variety of in-person and virtual channels so they can freely share their thoughts and ideas.
- **Promote accessibility:** Offer multiple ways to participate to ensure individuals can choose the method that best suits their needs and preferences.
- **Identify concerns and opportunities:** Review feedback to highlight areas of alignment and identify potential improvements or alternatives to the proposal.
- **Ensure transparency:** Provide the community with access to the feedback collected to demonstrate how this information informs Council's decision-making.

The proposed engagement plan includes a three-pronged approach to ensure key audiences are aware of the opportunity to provide feedback and can do so in a way that works best for them. If approved, this plan would include:

1. Online survey/feedback form

2. Paper-based survey/feedback form
3. In-person open houses/drop-in sessions

Each item is discussed further below:

1. Online survey / feedback form

An online survey would launch on February 24, 2025, and would ask multiple-choice and open-ended questions for community members to offer their thoughts on the future of the grain elevator. Multiple-choice questions are an efficient option to collect and analyze feedback, while open-ended questions allow community members to provide qualitative insights in their own words. The survey would close on March 7, 2025.

2. Paper-based survey / feedback form

To accommodate community members without access to the online survey, an identical paper-version would be available at various city facilities (City Hall, Vale Health & Wellness Centre, Port Colborne Public Library). The surveys would be collected for analysis beginning March 7, 2025.

3. In-person open houses / drop in sessions

City staff would host two consecutive days of in-person drop-in style open houses on Wednesday, March 5 and Thursday, March 6. These open houses would collect feedback on both the marina project and the future of the grain elevator location, if approved by Council. Daytime and evening sessions would allow residents to attend when it suits their schedule and talk with City staff to learn more about both projects.

Successfully communicating about the engagement opportunities will be a vital part of gathering enough meaningful feedback to support Council's decision-making process. The Corporate Communications team would launch a comprehensive communications campaign to promote the engagement opportunities, which would include (but not be limited to):

- Sharing information on the City's website
- Posting social media content and events on City channels
- Media outreach/promotion
- ... and more.

The engagement project would begin Monday, February 24 and end on Friday, March 7. Once completed, results would be collected, analyzed, and provided to Council in a comprehensive summary report in early April 2025.

This engagement plan ensures residents have a meaningful role in determining the future of the grain elevator and its use in Port Colborne, fostering a collaborative approach to these important community decisions.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillars of the strategic plan:

- Welcoming, Livable, Healthy Community
 - Economic Prosperity
 - Sustainable and Resilient Infrastructure
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Conclusion:

Parrish and Heimbecker's decision not to renew their lease on the City's grain terminal has presented an opportunity for Council and staff to explore alternative options regarding the future of the property. To help determine options and inform future decision-making, Council has directed staff to gather public feedback through a multi-pronged public engagement plan.

Staff are recommending that Council approve the proposed public engagement plan and that a report come back to open session this spring that shares the findings.

Respectfully submitted,

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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.