



Subject: Lease Agreement – ADM Agri-Industries Company

To: Council

From: Development and Government Relations Department

Report Number: 2025-128

Meeting Date: June 24, 2025

Recommendation:

That Development and Government Relations report 2025-128 be received; and

That Council approve an agreement between ADM Agri-Industries Company and the City of Port Colborne regarding the leasing of the scales and truck weigh station at the Port Colborne Grain Terminal; and

That the Mayor and City Clerk be authorized to sign the lease agreement and by-law.

Purpose:

The purpose of this report is to seek Council support for a short-term agreement between the City and ADM Agri-Industries Company regarding the leasing of the scales and truck weigh station at the Port Colborne Grain Terminal for the purposes of probing and weighing trucks.

Background:

ADM Agri-Industries Company (“ADM”) representatives approached City staff earlier this year regarding their interest in utilizing the scales at the City’s grain terminal during the busy harvest season which typically runs from the early part of the summer to late fall.

ADM, located at 1 King Street and adjacent to the grain terminal, is one of the City’s oldest and largest employers. The scales at the grain terminal are not being used as it is currently vacant while the City explores options regarding its future.

Discussion:

According to ADM, utilizing the City's grain terminal scales would better support local agricultural producers by efficiently weighing, grading, and unloading trucks. It would also allow ADM to handle additional grain to benefit sustainable wheat farmers in the Niagara Region. The efficiencies of the scale lease would reduce dwell time for the trucks and thus reduce the number of staged trucks waiting to unload. Earlier this month, City staff arranged to have the truck scales at the grain terminal tested and re-certified.

The proposed lease term is July 1, 2025, to December 31, 2025, with ADM having an option to extend the lease for an additional six months from July 1, 2026, to December 31, 2026. The City Solicitor and the City's insurer reviewed the draft lease agreement and provided comments that were shared with ADM, and these were addressed during the lease review process. City staff are continuing to review potential options and proposals regarding the grain terminal and are planning to provide an update to Council this fall.

Internal Consultations:

The proposed lease arrangement has been reviewed by Facilities staff at Public Works who are assisting with day-to-day issues at the grain terminal.

Financial Implications:

As per the terms of the lease, ADM will pay the City \$12,000 in rent plus a portion of the hydro and taxes. This lease revenue will help offset some of the monthly operating costs of the grain terminal, estimated to be approximately \$4000-\$5000 per month.

Public Engagement:

This is not applicable to this lease agreement. Earlier this year, there was public engagement, including open houses and a survey, regarding the future of the City's grain terminal property.

Strategic Plan Alignment:

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

- Economic Prosperity

Conclusion:

ADM would like to lease the scales at the City's grain terminal property on a short-term basis from July to December. A lease agreement, which has been drafted to formalize this arrangement, has been reviewed by the City Solicitor and insurer.

With the grain terminal currently vacant while the City explores options and proposals, there is an opportunity to lease the scales and weighing station to ADM to improve efficiencies and reduce truck staging for the delivery of commodities during the busy harvest season.

Staff are recommending that Council approve the lease agreement between ADM and the City and that the Mayor and City Clerk be authorized to sign the agreement and by-law.

Appendices:

- a. Lease Agreement
- b. By-law

Respectfully submitted,

Gary Long
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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.