

Disposition of Land Request: Questions & Answers

BACKGROUND	2
What is the Ferguson Forest Centre Corporation?	2
What is the Ferguson Tree Nursery?.....	2
What is the Ferguson Forest Centre?	2
THE REQUEST AND LAND DETAILS	3
What is the Ferguson Forest Centre Corporation requesting?.....	3
Where is the land to be sold located, and how much area does it cover?	3
How will the recreational areas and community activities be affected?	3
Why is the Ferguson Forest Centre Corporation requesting the sale of this specific parcel of land?	4
Is the land potentially subject to the sale a result of the improvements to and widening of County Road 43 by the United County of Leeds and Grenville?	4
Is the proposal to sell forested land, eroding the benefit of tree cover and removing habitat?	4
How did the Municipality of North Grenville acquire the subject land?	4
FUNDING AND ASSURANCES	5
Why should the Ferguson Forest Centre Corporation and Ferguson Tree Nursery get the money from the land sale?	5
Why does the Corporation need the money from the land sale now?	5
Why doesn't the Nursery supplement their operating model by using volunteers at the Nursery? This could free up Nursery staff to be more productive on higher value (revenue generating) work.	6
I read online that the Nursery is facing foreclosure and currently has a two-million-dollar shortfall. Is this true?	6
Rather than selling the land, why not go to traditional financial institutions for financing?	6
Why not undertake fundraising to raise the money needed?	6
Is the Ferguson Forest Centre Corporation continuing to seek grant and other funding opportunities?	7
Why doesn't the Ferguson Tree Nursery apply for charitable status?	7
Why doesn't the Ferguson Forest Centre Corporation apply for charitable status to support the various community initiatives within the Centre?	7
What will the monies from the land sale be used for?	7
What happens if the land sale does not proceed, and no monies are made available to the Ferguson Forest Centre Corporation and Ferguson Tree Nursery.....	8
How will the Municipality of North Grenville and the public have assurance the funds from the sale have been used for the requested purposes?	9
Why does the Nursery and Corporation only release their financial statements to the Municipality of North Grenville, and not the public?	9
What will prevent the Ferguson Forest Centre Corporation from requesting the sale of more land in the future?	9
How is the Ferguson Forest Centre Corporation engaging with the public and with the Municipality on this proposal?	10
FUTURE USE OF THE LAND	10
What would be the future use of the lands to be sold?	10
What is the environmental impact of selling this land, and not using it for tree nursery purposes?.....	10
APPENDIX A: EXAMPLES OF CAPITAL INVESTMENT REQUIREMENTS	11

Disposition of Land Request: Questions & Answers

BACKGROUND

What is the Ferguson Forest Centre Corporation?

The Ferguson Forest Centre Corporation (the FFCC or Corporation) is a not for profit, volunteer-governed social enterprise.

Our mission is to provide policy and direction to the Ferguson Tree Nursery and to use the profits thereof to promote the awareness of and interest in forestry (in particular afforestation and sustainable forest management). In addition, the mission is to maintain, enhance and promote the responsible use and stewardship of recreational and conservation lands managed by the Corporation for the benefit of the residents of the Municipality of North Grenville and surrounding area.

The Corporation operates and has accountability for these lands; but does not own the property.

What is the Ferguson Tree Nursery?

The Ferguson Tree Nursery (FTN, or the Nursery) is a wholly owned subsidiary of the Ferguson Forest Centre Corporation. The Nursery operates on 120 hectares (300 acres) of land formerly used by the Provincial G. Howard Ferguson Forest Station and leased from Municipality of North Grenville. Created as a tree nursery in 1945, the Nursery was operated by the Government of Ontario until 1995, when it was shut down.

By 1997, through efforts of many local volunteers, organizations and townships, the Nursery was saved, and has operated as a non-profit corporation since 2000 on leased municipal lands.

The Nursery is Eastern Ontario's the largest supplier of high-quality tree seedlings and nursery stock, growing approximately 2,000,000 native and non-invasive naturalized trees and woody shrubs annually, produced from local seed sources.

The Ferguson Tree Nursery provides year-round employment for local residents as well as additional seasonal employment (18 employees and 5-7 temporary workers). The Nursery sells bulk stock to partners such as conservation authorities, as well as to landowners, and operates an outlet store for purchasing in smaller quantities. Over the past few years, the Nursery has strengthened their business focused management approach, including diversification of product lines to increase sales while enhancing resilience in the evolving economic landscape.

What is the Ferguson Forest Centre?

The Ferguson Forest Centre is the name used to encompass the entirety of the area on which the Ferguson Tree Nursery operates, as well as the area for which the Ferguson Forest Centre Corporation has responsibility to operate and maintain in partnership with various organizations.

Disposition of Land Request: Questions & Answers

The land on which the Centre is located includes land owned by the Municipality of North Grenville as well as Crown land, that is, land owned by the government for which the Corporation has authorization to provide oversight and management in accordance with Ontario Ministry of Natural Resources and Forestry requirements.

The total area of the Centre is approximately 445 hectares (1100 acres) and includes 22 kilometres of marked, public trails; a dog park; an arboretum; a toboggan hill; a kayak/canoe launch; picnic shelter and park; an 18-hole disc-golf course; the North Grenville Giving Garden; a winter trail; and nursery greenhouses, fields, and infrastructure.

THE REQUEST AND LAND DETAILS

What is the Ferguson Forest Centre Corporation requesting?


The Corporation is requesting that the Municipality of North Grenville sell a specific, limited parcel of land with limited productivity that is not optimal for the Nursery's agricultural purposes, and that monies from the sale be invested into the Nursery, and by extension, into the Centre over time.

Details about the investment approach and associated accountability for how it is used, are contained in the additional questions and answers.

Where is the land to be sold located, and how much area does it cover?

The parcel of land is 5.3 hectares (13 acres) of vacant land that is owned by the Municipality of North Grenville. The land is currently leased by the Corporation for Nursery use, fronting the northern side of County Road 43 between St. Michael's Catholic High School and Anniversaries Road. This parcel of land is non-prime agricultural land.



 Subject land fronts County Road 43 between St. Michael School and Anniversaries Way are denoted in red

How will the recreational areas and community activities be affected?

None of the current community groups, activities or recreational opportunities will be impacted by our proposal, as we envision it. All current activities and spaces used by the public will remain untouched as a result of this proposal. In addition, no significant existing tree cover should be impacted by this proposal, other than windbreak tree lines.

Disposition of Land Request: Questions & Answers

Why is the Ferguson Forest Centre Corporation requesting the sale of this specific parcel of land?

The proposed 5.3-hectare (13 acre) parcel of land is comprised of low-quality soils, specifically Classes 4 and 5, which are non-prime agricultural soil categories¹ as per the Canada Land Inventory.

The Nursery has sufficient, higher quality locations better suited for utilization which will yield better growing results. To make this parcel of land viable to produce the quantity and quality of seedlings needed for commercial products, it has previously required, and would continue to require, significant investment.

The subject lands are located within the existing defined urban boundary and urban service area, which would maximize return on the area's existing public investment in the road, water, sewer, and stormwater infrastructure. Located on the main thoroughfare and being highly visible, this parcel of land would generate the highest monetary return if approved and assessed for mixed commercial/residential use.

Is the land potentially subject to the sale a result of the improvements to and widening of County Road 43 by the United County of Leeds and Grenville?

While a strip of the Ferguson Forest Centre Corporation's leased lands along County Road 43 will be removed and incorporated into the road improvements and widening, this road work is not a contributing reason for the Corporation's proposal.

The reasons for the requested sale of these lands are detailed in other questions and answers.

Is the proposal to sell forested land, eroding the benefit of tree cover and removing habitat?

No. The parcel of land within the proposal primarily does not contain trees and is non-prime agricultural lands located within the Kemptville urban boundary and municipal service area. There are mature trees that were planted as windbreak cover for seedling fields. Continued strategic tree planting is planned, where trees can grow to maturity to provide the benefit of those plantings. With limited trees within the subject lands, and minimal other vegetation adjacent to a major road, habitat impacts would be minimal. Hundreds of acres of forest and meadow will continue to remain within the Ferguson Forest Centre.

How did the Municipality of North Grenville acquire the subject land?

Just prior to amalgamation, the Township of Oxford on Rideau purchased the 120 hectare (300 acre) Provincial tree nursery (the G. Howard Ferguson Forest Station) for approximately \$500,000. The Ferguson Forest Centre Corporation and Ferguson Tree Nursery have repaid that purchase price and more through the years, in accordance with a lease agreement with the Municipality of North Grenville.

¹ As per the Canada Land Inventory agricultural soils survey, <https://sis.agr.gc.ca/cansis/nsdb/cli/index.html>

Disposition of Land Request: Questions & Answers

FUNDING AND ASSURANCES

Why should the Ferguson Forest Centre Corporation and Ferguson Tree Nursery get the money from the land sale?

The Corporation has successfully provided the community with land stewardship, conservation, and recreational development for more than 20 years. Through lease agreements with the Municipality of North Grenville, the cost of that initial investment has been more than repaid.

Now, more than ever, the Nursery serves a critical function in afforestation and reforestation but needs to expand and modernize its operations. As the Centre has developed under the Corporation's stewardship, thousands more regular visitors now make use of the Centre, making this green space a unique natural feature directly adjacent to an urban area. Investing the land sale money into the Corporation ensures a long term sustainable growing operation which in turn, will fund the ongoing maintenance and enhancement of the recreational and conservation-focused green space.

This proposal arises from a long-term plan and vision to ensure the future sustainability of the Nursery and Centre, protecting a valuable community asset. Much like what was necessary in 1996 when the Government of Ontario ceased to operate the Nursery and maintain the Centre, action is required to secure its future.

Why does the Corporation need the money from the land sale now?

Traditionally, the Ferguson Tree Nursery operated as a small farm. Like many small farm operations, to stay effective and competitive in the current business environment, the Nursery, and by extension the Corporation, now needs to accelerate their transition to operate in a different way – more efficiently, more effectively, and in a more modern way – to remain a viable, sustainable organization in this community.

Nursery sales have decreased over the past 3-5 years as a result of program and funding changes at the Provincial level, while operating costs have increased.

In addition, the difficulty in hiring skilled workers necessitates that investment in new technologies is required to allow current staff to operate more effectively. Equipment needs to be upgraded; labour and other costs continue to rise; and to remain competitive with other nurseries and to fulfill the major sales opportunities that come with environmental program capital that has become available, timely upgrades and investment is critical. We must be able to invest in "Smart Farm" technologies to remain viable.

The current Nursery leadership, under the oversight and direction of the Corporation, have made numerous positive changes to how the Nursery operates and how the Centre is managed with the resources currently available.

Ultimately, this is an investment to remain relevant and viable through the sale of lands that does not diminish our ability to grow trees, while enhancing the potential for increased community benefits

Disposition of Land Request: Questions & Answers

Why doesn't the Nursery supplement their operating model by using volunteers at the Nursery? This could free up Nursery staff to be more productive on higher value (revenue generating) work.

The Ferguson Tree Nursery, although a social enterprise, is a business. As a business in Ontario, the Nursery is subject to the requirements applicable to businesses operating in the province including obligations to any people who perform services for the business. In addition, the knowledge to work in any area of the Nursery requires a certain level of knowledge and training. As with other small businesses, the Nursery is a busy workplace, which requires careful scheduling to meet production requirements, which can be challenging when relying upon volunteers, particularly when those volunteers are needed during business hours. The time and cost to train temporary volunteers and ensure applicable health and safety measures is prohibitive.

I read online that the Nursery is facing foreclosure and currently has a two-million-dollar shortfall. Is this true?

No. The Nursery is not facing imminent foreclosure. The Nursery is not currently profitable due to economic and market challenges and requires capital and operational investment to enhance its efficiencies and reduce costs to reach the productivity and quality goals required to become profitable.

The Corporation and Nursery will continue to operate to the best of their ability. Efforts to modernize and make operations more efficient and effective have been made with the resources available; however, without investment, these organizations will be compelled to operate in a diminished and increasingly precarious capacity in the short term. In the longer term, it may mean ceasing operations.

A lack of investment will limit the ability to grow, adapt to and mitigate impacts from an evolving and changing marketplace. Opportunities to significantly increase sales revenue exist, however the Nursery's ability to compete for this business will remain limited. If the Nursery's revenue is limited, the amount of investment into community recreational spaces will also remain limited.

Rather than selling the land, why not go to traditional financial institutions for financing?

Currently the cost of borrowing remains high. Even with low interest rates, as a non-profit community social enterprise that does not own land assets, and with existing equipment, buildings and infrastructure that are aging and require upgrading, financial institutions are reluctant to provide financing. Potential private sector partnerships as well as senior government grant and funding programs have previously been explored. No feasible opportunities that would meet the needs and mandate of the Ferguson Forest Centre Corporation / Tree Nursery were identified through those avenues.

Why not undertake fundraising to raise the money needed?

A number of the capital investments required have or are becoming urgent to address in the near term. In addition, the amount of money required for some of these investments is significant and cannot reasonably be achieved in the time frame required through fundraising. Examples of the type of investment required can be seen in [Appendix A](#).

Disposition of Land Request: Questions & Answers

Is the Ferguson Forest Centre Corporation continuing to seek grant and other funding opportunities?

Yes. The FFCC is revisiting grant opportunities and has discussed and will continue to investigate potential new opportunities. Given that a number of the limited-potential relevant grants require the organization to match funding, or to meet other criteria, these opportunities remain limited but will continue to be pursued, where it makes sense to do so.

Why doesn't the Ferguson Tree Nursery apply for charitable status?

Nursery staff have carefully reviewed the Canada Revenue Agency (CRA) requirements for charitable status. There are multiple conditions to seek charitable status, and unfortunately, the Nursery does not meet these conditions, despite being a social enterprise (not for profit) business. One major reason appears to be that the Nursery is not primarily run by volunteers, but by paid, skilled staff. The Board of Directors, partner organizations and other ad-hoc volunteers support the Centre and the community spaces therein, with assistance from Nursery staff when they are available outside of their primary Nursery duties. More information about the requirements for charitable status can be seen here:

<https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance-guidance-017-general-requirements-charitable-registration.html>.

Why doesn't the Ferguson Forest Centre Corporation apply for charitable status to support the various community initiatives within the Centre?

Charitable status for the FFCC would require a wholly separate set of accounts and dedicated resources to coordinate the accounting and information. Currently, as has been done in the past, community organizations are fundraising a significant portion of their expenses, through private or corporate sponsorships, extensive mobilization of volunteer resources and donations. The total cost of what the Nursery contributes to these organizations is minimal and not financially material within the scope of the Nursery's overall expenditures and operating cost.

Like many organizations, the FFCC and its partner organizations are challenged in attracting volunteers who are willing to contribute a dedicated weekly effort year over year, which is required for such an endeavour. As such, the benefit of establishing and maintaining this separate accounting system is outweighed by the challenges and return on the effort required. The FFCC is deeply appreciative and proud of the efforts of the volunteers who have been able to contribute their time both on the Board, Committees, the Friends of the Ferguson Forest Centre and at all our partner organizations and adding this additional requirement would be adding work for those already hard-working volunteers.

What will the monies from the land sale be used for?

Much of the equipment and all the infrastructure in operation today, was purchased and implemented in the last century when the Provincial government operated the nursery. The monies will be used to increase operational capacity and to modernize infrastructure. *(continued next page)*

Disposition of Land Request: Questions & Answers

This investment will enhance the Ferguson Tree Nursery's competitiveness through improved product quality, making this the nursery of choice for large customers; and through increased production and sales, thereby ensuring sustainability into the future. The Corporation has undertaken capital planning to identify areas that need investment, and the timing of that investment.

This includes updating buildings, equipment, and infrastructure. In addition, a solution to address the unacceptable levels of sodium in the groundwater, which compromises the quality and survivability of seedlings, is required. For specific examples of what would be addressed through the capital plan, please see [Appendix A](#) in this document.

Funds available beyond the Nursery's capital needs will be utilized to enhance the public spaces within the Centre for enjoyment of the community.

These spaces and activities include walking, cross country skiing and horseback riding trails; a dog park; arboretum development; tobogganing; disc golfing; and park areas within the Ferguson Forest Centre. Creation of new spaces to meet community needs are under discussion, and may include an Indigenous cultural area, along with other potential new educational and recreational opportunities. The Ferguson Forest Centre Corporation has demonstrated to the community that it is an organization that will steadfastly work for the benefit of the community.

What happens if the land sale does not proceed, and no monies are made available to the Ferguson Forest Centre Corporation and Ferguson Tree Nursery?

The Corporation and Nursery will continue to operate to the best of their ability. Efforts to modernize and make operations more efficient and effective have been made with the resources available; however, without investment, these organizations will be compelled to operate in a diminished and increasingly precarious capacity in the short term. In the longer term, it may mean ceasing operations.

A lack of investment will limit the ability to grow, adapt to and mitigate impacts from an evolving and changing marketplace. Opportunities to significantly increase sales revenue exist, however the Nursery's ability to compete for this business will remain limited. (*continued next page*)

If the Nursery's revenue is limited, the amount of investment into community recreational spaces will also remain limited.

Enhancements that have been requested by the community and which the Corporation would like to make will not likely occur, at a time when investment in green space and outdoor recreation are increasingly expected and while the community is experiencing significant growth.

Disposition of Land Request: Questions & Answers

How will the Municipality of North Grenville and the public have assurance the funds from the sale have been used for the requested purposes?

The Ferguson Forest Centre Corporation will commit to annually reporting and detailing to the Municipality of North Grenville how the funds have been used towards the intended purposes.

With a member of municipal council holding a voting seat on the Board of Directors, a Councillor attends regular meetings of the Board throughout the year where detailed financial and operational information is reviewed. In addition, the lease agreement, allows the Municipality of North Grenville access to audited financial statements.

The Corporation has a demonstrated history of a productive, mutually beneficial relationship with the Municipality and partner organizations in the community, which will continue to be the foundation of our relationship.

The forecast capital investments for the Ferguson Tree Nursery will be less than the estimated revenue from the land sale, providing ample funds to address current and future enhancements of the recreational and conservation areas within the Ferguson Forest Centre.

Why does the Nursery and Corporation only release their financial statements to the Municipality of North Grenville, and not the public?

The Ferguson Tree Nursery, although a social enterprise, is a business. As such we compete with other businesses for contracts and to expose our financial records publicly would give our competitors a substantive strategic advantage. Private businesses are not obligated to release their financial statements to the public partly for this reason. The Nursery is however, required to release information to the Municipality of North Grenville, as part of the land lease agreement. The Municipality also has a standing member on the Board of Directors who attends, or sends their delegate to attend, all Board meetings. These representatives can ask questions and probe the information provided.

What will prevent the Ferguson Forest Centre Corporation from requesting the sale of more land in the future?

The intent of this specific sale of a limited parcel of land is to allow the Ferguson Tree Nursery to re-capitalize operations, thereby moving into a more competitive position that will be sustainable into the future. The Nursery has been diversifying product offerings to expand in different markets, thereby gradually reducing the Nursery's reliance on government tree planting programs. This investment will support these efforts into the future, building a more resilient, self-sustaining organization. Therefore, no further land sells would be warranted. Any request for the sale of land in the future would have to be approved by the Municipality of North Grenville; would have to be supported by a sufficient case to warrant such a sale; and would need to be demonstrably of the benefit of the community.

This current request is based on research, costing analysis, and forecasting of what will be required to place the Nursery, and the Corporation, into that position of sustainability. It is expected to meet current and projected needs with planned growth in a measured, reasonable way. *(continued next page)*

Disposition of Land Request: Questions & Answers

Opportunities for the Nursery currently include Federal funding, with a contract secured to 2031; client feedback that this is the nursery of choice if quality can be maintained; and increasing social desire and pressure for reforestation/afforestation and community green spaces is aligned with the Corporation's mission.

The subject lands of this proposal are non-prime agricultural lands, which means that they present a specific opportunity that will not impact the Nursery operations, while enabling community development needs to be considered in a cost-effective way, given that the lands are within the urban boundary and service area.

How is the Ferguson Forest Centre Corporation engaging with the public and with the Municipality on this proposal?

The FFCC has taken calls and held meetings with interested members of the public, agencies, stakeholders and municipal representatives. As a result of these meetings, the materials available to the public have been updated. As the Municipality of North Grenville staff are reviewing the proposal and requesting information, the FFCC is gathering and providing the requested information and will continue to do so.

FUTURE USE OF THE LAND

What would be the future use of the lands to be sold?

The Municipality of North Grenville will determine the use of the site through future official plan and zoning by-law amendments.

This could include potential mixed commercial and residential uses, aligning with the Municipality's goals of improving housing availability and affordability in locations that are accessible through active transportation.

This parcel of land presents opportunities in the areas of affordable, geared to income housing; accessible housing in rental units; connection to other areas of the community and to businesses previously only safely accessible by car; and more. With careful planning and consideration, several community needs can be addressed with appropriate development.

What is the environmental impact of selling this land, and not using it for tree nursery purposes?

This land currently contains limited seedling stock planted by the nursery which requires supplementation to successfully grow, and which is removed as the stock is ready to sell.

Mature tree lines at the edges of fields were planted as windbreaks to protect seedling stock. The Ferguson Tree Nursery will continue planting trees in other areas of the Centre, as part of ongoing enhancements. *(continued next page)*

Disposition of Land Request: Questions & Answers

This request is part of a longer-term vision for a sustainable, successful Nursery operation, which will ultimately benefit the community through enhancement of those existing green spaces. This can best be achieved by ensuring the success of the Nursery.

The Municipality of North Grenville is bound to observe all required environmental requirements in the sale and development of the land through the applicable by-laws, acts, and regulations.

APPENDIX A: EXAMPLES OF CAPITAL INVESTMENT REQUIREMENTS

Much of the equipment and all the infrastructure in operation today, was purchased and implemented in the last century when the Provincial government operated the nursery.

As a result, examples of capital investments required for long-term success include:

- Engineering solutions to the unacceptable levels of sodium in the well water, which currently inhibits seedling growth and compromises quality.
- Upgrades and repairs of greenhouses (new air compressors, new computer boards for water walkers, new AC fans, replace lower walls greenhouses, new greenhouse controllers, upgrading corrugated plastic).
- Engineering solution acceptable to the Ministry of Labour for gutter connect greenhouse roof accessibility.
- Generators for east greenhouses and seed freezers to ensure protection of stock during power outages.
- New equipment for seed processing (fanning mill, kiln/cone conditioning room) and field operations (laser weeder, fertilizer drop spreader, six row furrow machine).