

# Staff Report



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To	<b>Committee of the Whole</b>
Service Area	Office of the Chief Administrative Officer
Date	Tuesday, June 6, 2023
Subject	<b>Smart Cities Update – Our Food Future and Circular Opportunity Innovation Launchpad</b>

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## Recommendation

1. That the report “Smart Cities Update – Our Food Future and Circular Opportunity Launchpad” dated June 6, 2023, be received.
  2. That the City encourages Wellington-Dufferin-Guelph Public Health to continue their work in food security and food access and to incorporate the lessons learned from Our Food Future in their ongoing health promotion work in the community.
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## Executive Summary

### Purpose of Report

To provide an update on the wind down of the Smart Cities Office initiatives and closure of the office following the conclusion of federal funding in December 2023.

### Key Findings

Since launching in 2020, Guelph and Wellington’s Smart Cities initiatives have been highly successful in increasing food access in our community, reducing food waste and emissions, and raising the profile of our region as a world-class circular economy innovation leader.

Smart Cities two initiatives, Our Food Future and Circular Opportunity Innovation Launchpad (COIL), are primarily funded by \$15-million in federal grants from Infrastructure Canada and FedDev respectively, as well as approximately \$1-million in funding from corporate collaborators.

Our Food Future and Circular Opportunity Innovation Launchpad (COIL) are on track to achieve or exceed all program objectives by December 2023, two years ahead of schedule. Having achieved our goals and with federal funding fully expended, the Smart Cities Office will close in December 2023. Remaining wind-down functions including grant reporting, audit, and other related activities will continue to be supported through 2024.

A community event is being planned for October 2023 to celebrate the success and conclusion of the initiative.

Several COIL and Our Food Future programs are presently in the process of being transferred to community collaborators. Those programs that cannot find a home with another community organization or that have reached their natural conclusion will be wound down. Efforts will be made over the next six months to transfer learnings from the Smart Cities Office to other City and County departments, which will also be documented in a final report to be published by December 2023.

The City will continue to advance the transition toward a circular economy led by Solid Waste Resources through the Solid Waste Management Master Plan. Other core collaborators, including the County of Wellington and Wellington-Dufferin-Guelph Public Health will seek to incorporate the lessons learned from Smart Cities into their go forward business operations.

### **Strategic Plan Alignment**

The Our Food Future and COIL initiatives specifically align with the Strategic Plan priority areas of Powering our Future, Building our Future and Sustaining our Future.

The Our Food Future initiative contributes to the [Building our Future](#) priority area of the Strategic Plan by facilitating food access programs that nurture social well-being, increase access to affordable, nutritious food, all of which builds strong, vibrant, safe and healthy communities.

Key goals to reduce food waste in businesses and residences will result in a reduction of greenhouse gas (GHG) emissions and continue the City's commitment to care for the local environment which is directly supportive of the [Sustaining our Future](#) priority area.

### **Financial Implications**

The Smart Cities Office is entirely funded by external grants but also receives in kind support from City and County departments. Core funding for Our Food Future (by Infrastructure Canada) and COIL (by FedDev) comes to conclusion at the end of December 2023 and included an allocation to carry resources to wind down the administrative aspects of the programs through early 2024. These initiatives are on track to achieve all milestones, deliverables, and objectives.

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## **Report**

The Smart Cities Office was created in 2019, following the award of \$10 million to the City of Guelph and County of Wellington through Infrastructure Canada's (INFC) Smart Cities Challenge, to support Our Food Future, a five-year initiative aimed at building a regional circular food economy, including:

- Increasing access to affordable nutritious food by 50%
- Supporting 50 new circular food businesses or collaborations
- 50% increase in economic benefit by unlocking the value of waste as a resource.

In 2021, the program expanded to include COIL which extended business-focused circular economy programming through \$5 million in funding from FedDev Ontario. In addition, Smart Cities has secured over \$1 million in corporate funding to expand further into new economic sectors (i.e., construction and demolition materials) and more closely tie circular economy solutions to climate action.

Due to the amazing work of Smart Cities' network of community collaborators, Guelph-Wellington is on track to meet and exceed the 50-50-50 targets endorsed by City and County councils by December 2023. Having achieved our objectives and expended federal funding, the Smart Cities Office will be closed in December 2023.

A community event is being planned for October 2023 to celebrate the success, impacts and conclusion of the program.

### **Smart Cities Program Impacts**

Since 2020, Smart Cities in collaboration with a network of over 1000 stakeholders has launched over 80 circular economy projects that deliver community benefits, economic returns and fight climate change.

Project results include:

- **Social Impacts:** Almost 8000 residents reporting increased access to affordable nutritious food through over 45 funded food access and community agriculture programs.
- **System Impacts:** Working with community members to leverage the initial \$10 million in INFC funding to generate an additional \$17 million to support food access and circular economy innovation in our region.
- **Business Impacts:** Working with over 300 businesses to adopt or expand circular practices, resulting in the commercialization of over 80 new circular products and 131 jobs from circular enterprises.
- **Climate Impacts:** Prevention of over 116,000 tonnes of GHG emissions (roughly the equivalent of taking 25,000 cars off the road for a year) including diverting 86,000 tonnes of organic waste from landfill.

Smart Cities has received several national and international awards including a Federation of Canadian Municipalities (FCM) Green Municipalities Award in 2023 and a Special Mention from the Milan Urban Food Policy Pact Awards in 2022. Guelph-Wellington's leadership on creating a climate-smart circular economy has also been highlighted by the World Economic Forum and [Ellen McArthur Foundation](#) (EMF), and at global events including COP27, the World Circular Economy Forum, Circularity23, and many others. In May 2023, FCM released "[A guide for catalyzing the circular economy in your community](#)," a playbook for municipalities across Canada based on the whole-of-community strategies pioneered in Guelph-Wellington. Guelph has also been invited to join the EMF's Circular Cities Stand Up, a global network of the 50 leading cities in the circular economy which meets bi-monthly to share learnings and best practice (one of only three cities invited from Canada).

From the start, Smart Cities has been a whole-of-community movement across both the City and County. Smart Cities' network of community collaborators has contributed thousands of hours to the project: from participating in regular workstream and program delivery meetings, to designing and delivering the innovative programs that will help us exceed our 50-50-50 targets. The overwhelming success of the Smart Cities project is entirely due to the dedicated and passionate community organizations who have worked with the City since 2018 to develop and advance the shared vision of a sustainable and just regional food system.

## **Conclusion and Wind Down of Guelph–Wellington Smart Cities Initiatives**

Originally Smart Cities envisioned the initiative continuing to 2025; however, following 2020 program changes to support COVID-19 recovery, federal funding for Smart Cities will be fully expended by December 2023.

With the conclusion of the City's existing federal grants the Smart Cities Office will close. Several COIL and Our Food Future programs are presently in the process of being transferred to community collaborators. Programs which either cannot find a home with another City/County department or community organization, or have reached their natural conclusion, will be wound down. Remaining wind-down functions including grant reporting, audit and other related activities will continue to be supported through 2024.

The Smart Cities Office will be producing a final report by December 2023 detailing lessons learned and successful strategies that could be considered for future community innovation initiatives.

### **Our Food Future Workstream Action Plans**

In anticipation of the conclusion of Smart Cities, each of Our Food Future's workstreams developed go forward action plans to guide community-led collaborations over the next 3 to 5 years. The three workstream action plans were published in February 2023 through the [Our Food Future website](#).

Presently each workstream is establishing governance models and priority action tables. Smart Cities is working to connect City and County service areas to workstream action tables as relevant to business plans.

Solid Waste Resources is co-lead for the Waste-as-a-Resource Action Plan, whose priorities align with planned circular economy and organic waste activities detailed in the Solid Waste Management Master Plan. Circular economy resourcing needs arising from the Solid Waste Management Master Plan will be brought forward for the consideration of Council as part of the 2024-2027 multi-year budget process and deliberations.

### **Go Forward Plans for Food System Related Programs**

Many of the food systems projects developed through Our Food Future were designed to be scalable, self-sustaining social enterprises many of which we anticipate will continue into the future. These include:

- Guelph Community Health Centre's (GCHC) [Groceries by the SEED](#) program which provides discounted groceries for customers experiencing food insecurity, supported by other customers paying full price.
- Guelph Neighbourhood Support Coalition's [Community FEWD](#) which rescues food which may have otherwise gone to waste and turns it into low cost or free meals in communities with reduced food access.
- Circular Innovation Council's [Institutional, Commercial and Industrial \(ICI\) organic waste diversion pilot](#), which uses a co-operative model to affordably divert organic waste for up to 45 businesses from landfill to compost. This program is in the process of becoming fully self-sustaining, with leadership transferring to the SEED.

With the conclusion of Smart Cities, the City will continue to engage with the food system and as part of regular business through Solid Waste Resources and Economic Development and Tourism. Similarly, Wellington County will maintain staff resources in economic development to support agriculture and rural circularity, as well as continue their work on the circular economy through their solid waste department.

Wellington Dufferin Guelph (WDG) Public Health regularly engages the community on food access and nutrition as part of their health promotion mandate. For this reason, Public Health has led Our Food Future's Nutritious Food workstream since 2020. As part of this report, staff recommends Council encourage WDG Public Health to incorporate the lessons learned from Our Food Future into their ongoing food access and health promotion activities.

### **COIL and Circular Economy Innovation Programs**

The COIL initiative has positioned Guelph-Wellington as a global leader in circular economy innovation. Over the past two years, COIL has worked with almost 150 companies to commercialize over 80 new circular products and create or sustain over 130 new circular jobs. COIL has also received over \$1 million in corporate funding to extend our work into new sectors (e.g., construction, renovation and demolition materials) and more closely link circular economy transitions to emissions reductions and climate action.

The COIL model has attracted significant interest across the country. Smart Cities is currently working with the Vancouver Economic Commission and Halifax Partnership to stand up COIL Pacific and Atlantic outposts which we hope will form the first two nodes of a national COIL network.

Considering the success of the COIL program, it is hoped that the federal government through FedDev Ontario will be interested in continuing to fund the program. With the Smart Cities Office is set to close by December, the second application for COIL will be submitted with Innovation Guelph taking the leadership position with close support from 10C. While the City of Guelph and County of Wellington will play a partner role in the next phase of COIL, it will be on a project basis with the leadership and all assets of the initiative passing to external organizations.

### **Continued Circular Economy Activity in the City of Guelph**

45 per cent of global emissions come from how we use land and natural resources. Generating more value from the natural materials we consume through the circular economy will be essential to meet net-zero commitments, including Race to Zero.

The City has long been a leader in progressive waste management initiatives. With the conclusion of Smart Cities, the enterprise-level leadership on circular economy will rest with Solid Waste Resources. Under the Solid Waste Master Plan approved by Council last May, Solid Waste Resources is convening City departments to develop an internal circular economy policy to continue to advance sustainability within City operations.

As part of this work, the City is currently a participant in FCM's Circular Cities and Regions Initiative where it is working with 25 communities across Canada to share information and consider new policies, programs or infrastructure that could support circular transition within our communities.

As part of the proposed second phase of COIL, there could be the potential for future collaboration with Innovation Guelph and others on pilots that bring new circular innovations into City operations or innovation challenges that help prototype and commercialize new circular community infrastructure.

## **Financial Implications**

The Smart Cities Office is entirely funded by external grants and only receives in kind support from City departments including legal services and finance. Smart Cities also receives in kind support from the County of Wellington, including dedicated office space at 27 Douglas Street and a dedicated staff resource. Core funding for Our Food Future (funded through INFC) and COIL (funded through FedDev) comes to conclusion at the end of Dec 2023. These initiatives are on track to achieve all milestones, deliverables and objectives.

Smart Cities has investigated the potential of continued or new funding from the federal and provincial governments. We have reached the conclusion that there are no immediate opportunities for additional baseline funding that would not require matched contributions from City or County budgets.

The Smart Cities Office presently employs eight staff on a temporary contract basis, funded across the various INFC, FedDev and corporate grants. The size of the office has grown over the course of the project as additional funding has been acquired. These contracts will conclude with the closure of the Office. With its current compliment, Smart Cities would require approximately \$1 million annually to maintain operations at the current level (estimate includes salaries, operating expenses, office space and other costs that are presently contributed in-kind). It is possible that scaled-down elements of the program could be extended through the multi-year budget at a lower cost. Approval of a mandate and objectives for Smart Cities beyond December 2023 would be required to confirm the necessary budget allocation.

While these programs achieved great results and were a success, the [Solid Waste Management Master Plan](#) needs to be fully resourced through the budget in order to deliver on those initiatives. To implement the Master Plan, more robust analysis of project timing and cost estimates will be performed. The Master Plan and continuation of work on the circular economy will be considered with other master plans and will be viewed with a lens to incorporate the City's strategic goals. Once the overall financial impact is understood the plan will be compared to the existing capital plan, incorporate fiscal constraints, and our capacity to deliver. The 2024-2027 budget will consider affordability with delivering on strategic goals.

## **Consultations**

The go-forward approach for the Smart Cities Office outlined in this report was developed through a cross-departmental working group of general managers and senior leaders from Strategy, Innovation and Intergovernmental Services, Finance, Human Resources, Facilities and Energy Management, Environmental Services, Economic Development and Tourism, as well as counterparts from Wellington County Economic Development and Solid Waste Services.

This working group convened between February and April 2023 and considered a range of potential go forward scenarios before agreeing to the approach detailed above.

## **Attachments**

Attachment-1: Smart Cities Office Update Report to Council presentation

## **Departmental Approval**

None.

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