

MOTION ON NOTICE

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1. Request to the Auditor General for Local Government Regarding Local Garden Vancouver Inc., a wholly owned subsidiary of the public company Alterrus Systems Inc.

MOVER: Councillor George Affleck

SECONDER: Councillor Elizabeth Ball

WHEREAS

1. The City of Vancouver owns the parkade located at 535 Richards Street;
2. The City has recently reportedly (<http://www.mayorofvancouver.ca/verticrop>) entered into an agreement with Local Garden Vancouver Inc., a wholly owned subsidiary of the public company Alterrus Systems Inc. (the "Company"), whereby the Company has been given a 10-year license to use an undisclosed portion of the top two levels of the parkade. *(Page 49. Alterrus Systems Inc. Consolidated Financial Statements - March 31, 2012);*
3. No request for proposals was made to the public to invite alternate uses of the space;
4. The Company is paying rent of \$2400 per month per floor. It is not known the amount of the rental per square foot. *(Page 49. Alterrus Systems Inc. Consolidated Financial Statements - March 31, 2012);*
5. The Company has a working capital deficiency of \$4.4 million. *(Page 6, Alterrus Systems Inc. Management Discussion and Analysis - September 30, 2012);*
6. The Company has an accumulated deficit of \$52.8 million. *(Page 6, Alterrus Systems Inc. Management Discussion and Analysis - September 30, 2012);*
7. On 30 Sept 2012, the Company had \$6,323 in cash. *(Page 6, Alterrus Systems Inc. Management Discussion and Analysis - September 30, 2012);*
8. Recent financing has been obtained by the Company at 18% per annum. *(Page 20. Alterrus Systems Inc. Consolidated Financial Statements - March 31, 2012);*
9. The Company is without a permanent Chief Financial Officer. The previous CFO was terminated on August 31, 2011. *(Page 4, Alterrus Systems Inc. Management Discussion and Analysis - September 30, 2012);*
10. The Company proposes to use a new greenhouse technology to grow vegetables on its licensed space.

THEREFORE BE IT RESOLVED THAT the City of Vancouver invite the newly appointed Auditor General for Local Government (AGLG) to examine the reported contract between the City and Local Garden Vancouver Inc., a wholly owned subsidiary of the public company Alterrus Systems Inc., including the lease agreement, the revenue sharing model, and the forgone revenue to Vancouver taxpayers;

BE IT FURTHER RESOLVED THAT staff release the details of any agreements between the City and Local Garden Vancouver Inc., a wholly owned subsidiary of the public company Alterrus Systems Inc.

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