

Failure of high-tech rooftop greenhouse in Vancouver leaves \$4-million trail of debt

BY RANDY SHORE, VANCOUVER SUN JANUARY 27, 2014



Len McDonald works among the growing trays at Vancouver's Alterrus rooftop greenhouse.

The failure of the Alterrus rooftop greenhouse has left investors and creditors holding the bag for about \$4 million and the city's parking corporation EasyPark out of pocket for at least \$13,104 in unpaid rent.

EasyPark's liability could rise if the company is forced to remove the high-tech enclosure and mechanized vertical growing systems left on a downtown parking garage by the bankruptcy of Alterrus and its operating partner and marketing arm Local Garden Vancouver.

But EasyPark would much rather see a new tenant step in to run the greenhouse, according to

company spokesman Drew Snider.

“Bowra Group [the bankruptcy trustee] may be able to find somebody to keep the greenhouse in place,” said Snider. “As the lessor, we are going to work with them to see if we can keep it running in some way.”

For the city, the financial hardship is unlikely to be significant. EasyPark collected \$26,000 in rent from Local Garden for ten months ending in August, for a property that generated no income the previous year.

LGV’s costs were exceeded by its revenue, said trustee Martin Hyatt. According to bankruptcy documents, LGV is owed only \$29,153 by its customers, while wages owed by the company to employees and payroll deductions owed to Canada Revenue Agency total \$36,000.

Total liabilities listed for the twin bankruptcies of Local Garden Vancouver and Alterrus are about \$4 million. The largest secured creditor is Vancity Capital Corporation, which loaned Alterrus \$1.2 million, according to Hyatt. Venture investor and Alterrus director Clay Haeber — a former IT director for Lululemon Athletica — is out \$940,000.

Neither Vancity nor Haeber are likely to recover anything from the bankruptcy proceedings, said Hyatt.

“We believe innovative local companies and social enterprises are key to building communities that are socially, environmentally, and economically sustainable, that’s why we provide loans and other financial assistance to many social enterprises and small business to help them grow and make an impact in the communities we serve,” said Andy Broderick, Vancity’s vice-president of community investment. “In general, social enterprises and small businesses can and do come up against many challenges in their development and growth, and some of them survive these challenges and thrive and unfortunately some don’t.”

Accounts receivable and the buildings and equipment left behind by the failure of Local Garden and its parent company are valued at \$45,000. But that figure is essentially zero, because of the potential cost of moving the assets if they were sold, said Hyatt.

Among the 50 unsecured creditors of the Alterrus bankruptcy are Canadian Climacontrol Systems (\$185,679), Dutch firm Van der Hoeven Greenhousebuilders (\$73,425), Kingwood Holdings of Vancouver (\$100,000), and law firm Conley Rose (\$115,123), as well as several dozen private investors, a numbered company and the Vancouver firm Big Boy Investment (\$400,000).

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