

Extension of Wind Turbine Lease

Date: April 26, 2017
To: The Board of Governors of Exhibition Place
From: Dianne Young, Chief Executive Officer
Wards: All

SUMMARY

At its meeting of May 25, 2001, the Board approved of a lease with 1512830 Ontario Inc. (now Toronto Hydro Energy Services Inc.) and TREC Windpower Co-Operative (No. 1) Incorporated (together referred to as the "Tenant") for the construction and operation of a wind turbine at Exhibition Place (the "Lease"), which agreement was also approved by City Council. The initial term of the Lease was for fifteen (15) years commencing March 1, 2002 and expiring February 28, 2017. Pursuant to the Lease, the Tenant has a right to renew the Lease on the same terms and conditions, at the Basic Rent stipulated in the Lease for the renewal term. The Tenant has advised that it wishes to renew the Lease and this report is recommending an extension on the same terms and conditions for a 4-year term commencing March 1, 2017 and expiring February 28, 2021.

All energy produced by the wind turbine is fed to the Exhibition Place electrical grid and used on site which assists the Board in achieving its Environment Objective to target net "0" grid supplied electricity use.

RECOMMENDATIONS

The Chief Executive Officer recommends that:

1. The Board approve of an extension of the Lease with Toronto Hydro Energy Services Inc. and TREC Windpower Co-Operative (No. 1) Incorporated for a term commencing March 1, 2017 and expiry February 28, 2021, substantially on the same terms and conditions as the existing Lease and at a Basic Rent of \$4,000 per annum, plus HST, being the Basic Rent stipulated in the Lease for the renewal term.

FINANCIAL IMPACT

The Lease will provide a financial return over the extension Term of \$16,000.

DECISION HISTORY

At its meeting of May 25, 2001, the Board approved of the terms and conditions of the Lease, which terms were subsequently approved by City Council pursuant to Clause No. 5 of Report No. 9 of the Policy and Finance Committee, approved without amendment by City Council at its meeting of June 26, 27 & 28, 2001.

COMMENTS

The Lease contemplated a 5 year renewal option that could be exercised by the Tenant provided the Tenant is not in default of the lease provisions. In accordance with Section 3.1(2) of the Lease, the renewal is to be on the same terms and conditions as the initial agreement, except for Basic Rent which is to be \$4,000 per annum plus HST, as provided for under Section 4.2 of the Lease. The Tenant has advised that it wishes to extend the Lease, but through inadvertence it did not provide notice within the required timelines set out in the Lease. This report is recommending the Lease be extended for a term of 4 years, otherwise on the terms and conditions and at the Basic Rent provided for under the Lease.

Over the initial term of 15 years, the wind turbine has produced 11,950,000 kWh of clean energy which has been fed into the Exhibition Place electrical grid to power the buildings on site. In addition to the clean energy produced by the turbine, Windshare has on an annual basis organized in cooperation with the Toronto District School Board to produce at Exhibition Place classes for hundreds of elementary students to learn about wind technology and the specifics of the Exhibition Place wind turbine.

The wind turbine is definitely an icon on our site and remains one of only a few major turbines operating within a large urban centre in North America.

CONTACT

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SIGNATURE

Dianne Young
Chief Financial Officer

