


**TORONTO** Decision Document

## City Council

### City Council - New Business - Meeting 26

CC26.8	ACTION	Amended		Ward:All
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### Proposed Sale of Enwave Energy Corporation

#### City Council Decision

City Council on October 2, 3 and 4, 2012, adopted the following:

1. Council adopt Recommendations 1 to 4 in Confidential Attachment 1 to the report (September 25, 2012) from the Deputy City Manager and Chief Financial Officer, entitled "Recommendations on the Proposed Sale of Enwave Energy Corporation".
2. City Council refer the following Recommendation 5 contained in Confidential Attachment 1 to the report (September 25, 2012) from the Deputy City Manager and Chief Financial Officer, together with the following motions, to the Budget Committee for consideration:
  5. City Council direct that the proceeds (net of legal fees) from the sale of the City's stake in Enwave be deposited to the Capital Financing Reserve Fund (XR 1011) to offset future debt issuance.

Moved by Councillor Pam McConnell

That City Council direct that \$50 million from the proceeds of the sale of Enwave be placed in the Toronto Community Housing Corporation Major Capital Account.

Moved by Councillor David Shiner

That City Council direct that \$21.8 million of the proceeds from the sale of Enwave be used to repay the Water Capital Reserve Account to be used primarily for the basement flooding program.

Moved by Councillor Raymond Cho

That City Council direct that 50 percent of the proceeds from the sale of Enwave Energy Corporation to the Toronto Community Housing Corporation, specifically to the capital repair backlog.

Moved by Councillor Raymond Cho

That City Council direct that 25 percent of the proceeds from the sale of Enwave Energy Corporation to the Toronto Transit Commission (TTC), specifically for the purchase of TTC streetcars.

Moved by Councillor Raymond Cho

That City Council direct that 25 percent of the proceeds from the sale of Enwave Energy Corporation to Toronto Water, specifically to the Reserve Account.

3. Council direct that Confidential Attachment 1 to the report (September 25, 2012) from the Deputy City Manager and Chief Financial Officer remain confidential in its entirety with the exception that:
  - a. Recommendations 1, 4 and 5 of Confidential Attachment 1 to the report (September 25, 2012) from the Deputy City Manager and Chief Financial Officer be made public; and
  - b. Appendix A to Confidential Attachment 1 to the report (September 25, 2012) from the Deputy City Manager and Chief Financial Officer shall be released following completion of the transactions contemplated in Attachment 1.

The following confidential Recommendations 1 and 4 contained in Confidential Attachment 1 to the report (September 25, 2012) from the Deputy City Manager and Chief Financial Officer were adopted by City Council and are now public:

1. City Council accept the recommendation of the Board of Directors of Enwave Energy Corporation ("Enwave") to accept the offer of 2343240 Ontario Inc. - a partnership sponsored by Brookfield Asset Management - to purchase the City's 2,422,193 common shares in the capital of Enwave and its unsecured subordinated loans to Enwave for an amount of \$167,995,286 and to purchase BPC Penco Corporation's 3,210,810 Class A shares and its unsecured subordinated loans to Enwave for an amount of \$222,691,426, subject to an adjustment depending on the working capital of Enwave at closing of the transaction.
4. City Council thank the City's external appointees to the Board of Directors, Vitor Fonseca, and Chair Paul Brown, and the Mayor's designate Councillor Gary Crawford, for their exemplary service and particularly their dedication to the sale process and its positive outcome.

The balance of Confidential Attachment 1 to the report (September 25, 2012) from the Deputy City Manager and Chief Financial Officer remains confidential at this time in accordance with the provisions of the City of Toronto Act, 2006 as it pertains to the security of property belonging to the City or one of its corporations. Appendix A to Confidential Attachment 1 to the report (September 25, 2012) from the Deputy City Manager and Chief Financial Officer will be made public following the completion of the transactions contemplated in Attachment 1.

### **City Council Decision Advice and Other Information**

City Council recessed its public session and met as Committee of the Whole in closed session on October 2, 2012, and considered confidential information on this Item as relates to the security of the property belonging to the City or one of its corporations.

**Confidential Attachment - The security of the property belonging to the City or one of its corporations**

## **Summary**

As directed by Council, this report deals with the proposed sale of Enwave Energy Corporation ("Enwave") and makes recommendations in that regard.

## **Background Information (City Council)**

(September 25, 2012) Report from the Deputy City Manager and Chief Financial Officer on the Proposed Sale of Enwave Energy Corporation (CC26.8)

<http://www.toronto.ca/legdocs/mmis/2012/cc/bgrd/backgroundfile-50564.pdf>

Confidential Attachment 1 - Recommendations on the Proposed Sale of Enwave Energy Corporation