



REPORT FOR ACTION

Assignment of Wind Turbine Lease

Date: May 30, 2019

To: Board of Governors of Exhibition Place

From: Dianne Young, Chief Executive Officer

Wards: All

SUMMARY

The Board of Governors of Exhibition Place (the "Board"), as landlord and Toronto Hydro Energy Services Inc. ("THESI") and TREC Windpower Co-Operative (No. 1) Incorporated ("TREC", and THESI and TREC are collectively referred to as the "Tenant") entered into a Lease dated February 15, 2002, as extended by a Lease Extension Agreement dated March 1, 2017 (collectively, the "Lease") for certain lands near the west end of the Exhibition Place grounds, on which the Tenant constructed a wind turbine, for a term expiring on February 28, 2021.

On March 4, 2019, a written request was received from THESI for it to be removed as a Tenant under the Lease, so that the co-Tenant TREC would become the sole Tenant. The Board has advised the Tenant that this would constitute an assignment by THESI of its interest in the Lease to TREC. Article 15 of the Lease provides that the Tenant shall not effect any assignment of its interest in the Lease without first obtaining the written consent of the Landlord, which consent shall not be unreasonably withheld or delayed.

RECOMMENDATIONS

The Chief Executive Officer recommends that:

1. Subject to obtaining the necessary authority from the City of Toronto (the "City"), the Board consent to the assignment by Toronto Hydro Energy Services Inc. ("THESI") of its interest in the Lease dated February 15, 2002, extended March 1, 2017 and expiring February 28, 2021, for certain lands near the west end of the Exhibition Place grounds on which the tenant constructed a wind turbine, to TREC Windpower Co-Operative (No. 1) Incorporated (the Assignment).
2. The Board authorize the Chief Executive Officer to request that the necessary City authorities consent to the Assignment.

3. Subject to obtaining the necessary authority from the City, the Board enter into any agreements, documents or instruments required to give effect to Recommendation 1, above.

FINANCIAL IMPACT

There is no financial impact to the Board of Governors.

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.

At its meeting on May 18, 2017 the Board approved an extension of the Lease for a term commencing March 1, 2017 and expiring February 28, 2021.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EP3.9>

COMMENTS

Over the past 17 years the wind turbine has produced approximately 12,633,000 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 an on 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 an icon on our site and remains one of only a few major turbines operating within a large urban centre in North America.

The Board has received a request from one of the Tenants, THESI, to be removed as a Tenant, so that its co-Tenant, TREC, would be the sole Tenant under the Lease. The Board has advised THESI that this constitutes an assignment of THESI's interest in the Lease to TREC. Section 15.2(1) of the Lease requires the Tenant to obtain the prior written consent of the Landlord before assigning its interest in the Lease. The Landlord's consent shall not be unreasonably withheld or delayed. No assignment is effective until the assignee agrees to assume and be bound by all of the terms and conditions of the Lease, and no assignment relieves the original Tenant of its obligations under the Lease.

CONTACT

Laura Purdy, Acting General Manager, Sales & Event Management Department, 416-263-3020, lpurdy@explace.on.ca

Dianne Young, Chief Executive Officer, 416-263-3611, dyoung@explace.on.ca

SIGNATURE

Dianne Young
Chief Executive Officer

ATTACHMENTS
