
CreateTO

Meeting No.	32	Contact	Carol Kaustinen, Committee Administrator
Meeting Date	Monday, June 20, 2022	Phone	416-338-5089
Start Time	3:00 PM	E-mail	trab@toronto.ca
Location	Video Conference	Chair	Ron Carinci

RA32.1	ACTION	Amended		Ward: 3
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Proposed Enwave Geothermal District Energy System, Bloor Kipling

Confidential Attachment - a proposed or pending acquisition or disposition of property belonging to the City, or one of its Agencies, or Corporations

Board Decision

The Board of Directors of CreateTO recommends that:

1. City Council endorse the proposed Project Agreement and income participation model and related Project Term sheet outlined in the report (June 13, 2022) from the Chief Executive Officer, CreateTO and:
 - a. Authorize the Deputy City Manager, Corporate Services, or designate, to negotiate and enter into a Customer Term Sheet and a Customer Agreement between the City of Toronto and Enwave Energy Corporation or its affiliate to provide heating and cooling to the Etobicoke Civic Center, based on the terms and conditions in Schedule “B” of the Project Term Sheet that are acceptable to the Executive Director, Corporate Real Estate Management and in a form acceptable to the City Solicitor; and
 - b. Authorize the Executive Director, Corporate Real Estate Management to provide all City payments required by the executed Customer Agreement and the executed Project Agreement, including without limitation the Upfront Payment for Hot and Chilled Water, the Fixed Charge for Hot and Chilled Water, and the Consumption Charge for Hot and Chilled Water, all as further described in the report (June 13, 2022) from the Chief Executive Officer, CreateTO with subsequent payments to be made to Enwave Energy Corporation on a payment schedule agreed upon by the City and Enwave Energy Corporation.
2. City Council authorize the Deputy City Manager, Corporate Services, or designate to negotiate and enter into such leases, licenses, easements and other agreements as may be required to convey to Build Toronto Inc. or its subsidiary such lease, license, easement or other

interests as may be required to effect the transactions contemplated in the Project Term Sheet and the Project Agreement, on terms and conditions acceptable to Deputy Director, Corporate Services, in consultation with the Executive Director, Corporate Real Estate Management, and in a form satisfactory to the City Solicitor.

3. City Council authorize the Deputy City Manager, Corporate Services to transfer at nominal value the lease, license, easement and other interests described in (2) above to Build Toronto Inc. or its subsidiary.

4. City Council authorize the public release of Confidential Attachments 1 and 2 to the report (June 13, 2022) from the Chief Executive Officer, CreateTO, after the expiry of the Project Agreement, at the discretion of the Chief Executive Officer, CreateTO.

Decision Advice

The Board of Directors of CreateTO:

1. Endorsed the proposed Project Term Sheet, Project Agreement and income participation model, an alternative approach to the limited partnership approach under the joint development agreement originally approved by City Council.

2. Approved the Project Term Sheet substantially on the terms outlined in Confidential Attachments 1 and 2 to the report (June 13, 2022) from the Chief Executive Officer, CreateTO, subject to review of the Project Term Sheet and negotiation of the Customer Term Sheet and Customer Agreement by the City.

3. Authorized the public release of Confidential Attachments 1 and 2 to the report (June 13, 2022) from the Chief Executive Officer, CreateTO, after the expiry of the Project Agreement, at the discretion of the Chief Executive Officer, CreateTO.

Origin

(June 6, 2022) Report from the Chief Executive Officer, CreateTO

Summary

At its meeting on June 20, 2022, the Board of Directors of CreateTO considered item [RA32.1](#) and [RA32.1a](#) and made recommendations to City Council.

Summary from CreateTO report (June 6, 2022):

The City of Toronto signed a joint development agreement with Enwave Energy Corporation on April 4, 2018 at the direction of City Council after selecting Enwave in a competitive process aimed at finding a revenue partner to deliver district energy systems across Toronto at little risk to the City. The joint development agreement provided Enwave certain preferred rights in respect of opportunities for a joint development and operation of district energy systems with the City of Toronto. Such systems include a central heating and cooling plant including geothermal or other renewable energy sources that services a group of buildings through a distributed pipe network.

At its meeting on June 20, 2022 the Built Toronto Inc. Board of Directors will be considering a Project Term Sheet (the "Term Sheet") which Management has negotiated with the Enwave.

The purpose of this report is to advise the Board that, subject to the decision of the Build Toronto Inc. Board of Directors, the Chief Executive Officer will provide a further report to the June 20, 2022 CreateTO Board meeting with additional information, and a recommendation to City Council on the proposed Term Sheet.

Background Information

(June 6, 2022) Report from the Chief Executive Officer, CreateTO on Proposed Enwave Geothermal District Energy System, Bloor Kipling

(<https://www.toronto.ca/legdocs/mmis/2022/ra/bgrd/backgroundfile-226906.pdf>)

(June 20, 2022) Letter from the Chief Executive Officer, CreateTO on Decision of the Build Toronto Inc. (“BTI”) Board of Directors concerning the item “Proposed Enwave Geothermal District Energy System, Bloor Kipling”

(<http://www.toronto.ca/legdocs/mmis/2022/ra/bgrd/backgroundfile-227735.pdf>)

(June 13, 2022) Report to the BTI Board on June 20, 2022 (Proposed Enwave Geothermal District Energy System, Bloor Kipling)

(<http://www.toronto.ca/legdocs/mmis/2022/ra/bgrd/backgroundfile-227743.pdf>)

Confidential Attachment 1- Summaries of Financials, Project Term Sheet and Real Estate Rights

Confidential Attachment 2 - Summary of Project Term Sheet