

## City Council

### Notice of Motion

MM32.12	ACTION			Ward: 11
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**Amending an encroachment agreement with the University of Toronto to enable low carbon district energy - by Councillor Dianne Saxe, seconded by Councillor Parthi Kandavel**

*\* Notice of this Motion has been given.*

*\* This Motion is subject to referral to the Toronto and East York Community. A two-thirds vote is required to waive referral.*

### Recommendations

Councillor Dianne Saxe, seconded by Councillor Parthi Kandavel, recommends that:

1. City Council amend the encroachment agreement authorized by Item 2022.TE34.128 adopted on June 29 and 30, 2022, by waiving the annual license fee for the use of the public right of way.
2. City Council direct the General Manager, Transportation Services and the Executive Director, Environment, Climate and Forestry to report to the Infrastructure and Environment Committee by the second quarter of 2026 on the feasibility of enabling low carbon energy infrastructure located in the public right-of-way or other public lands, including but not limited to, reductions in proposed licensing fees.

### Summary

On June 29, 2022, the Toronto and East York Community Council approved installation of geothermal pipes in the public right of way and laneway to connect the geothermal system beneath the Robert Street Field from 60 Sussex Avenue to the University of Toronto's new Oak House student residence at 700 Spadina Avenue and 54 Sussex Avenue, subject to entering into a license agreement with the City that included payment of an annual Real Estate appraisal licensing fee ([Item 2022.TE34.128](#)). Oak House has almost completed construction and is scheduled to open in September 2025.

By provincial law, fossil fuel piping systems use the City's public right of way without payment, despite the climate damage that fossil fuels cause to our city. Nevertheless, the appraisal proposes an annual licensing fee of \$50,000, indexed every five years to the Consumer Price Index. The University of Toronto objects to this fee, as it exceeds the total cost of constructing and installing the underground pipes, which provides low carbon heating and cooling to its new development and will be maintained entirely by the University of Toronto.

As part of the University of Toronto's Climate Positive strategy, which has garnered the University of Toronto recognition as the world's most sustainable university, the University of Toronto is committed to modernizing and expanding its district energy system to support

campus growth and reduce greenhouse gas emissions. However, the financial implications of the Oak House encroachment agreement were not anticipated by the University of Toronto. The University of Toronto advises that if the current fee structure remains, the expansion of district energy infrastructure will be financially unsustainable.

Charging standard market-value rates for the use of the City's public highway may limit the uptake of net-zero, resilient energy sources in both new and existing developments. It is harmful to Toronto's TransformTO climate goals to charge low-carbon energy solutions more to use the public right of way than the City charges for comparable fossil fuel infrastructure. There could be benefits to allowing a reduction of fees if more projects can be realized.

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

Member Motion MM32.12

(<https://www.toronto.ca/legdocs/mmis/2025/mm/bgrd/backgroundfile-257450.pdf>)