

June 17, 2021

Transmittal No. 2021 – 118
(Public)

To: Alexander Brown, Chair, Toronto District School Board (TDSB)

This communication is to inform you of a recent decision made by the TLC Board at its meeting of June 17, 2021 with respect to the report, *Ryerson Community School: Option Agreement with Noventa Energy Partners*, attached herein.

The TLC Board decided that:

1. Authority be granted to TLC, on behalf of TDSB, to enter into an Option Agreement, with Noventa Energy Partners Inc. granting them an option to acquire an easement at Ryerson Community School, 96 Denison Avenue, over a sub-surface area of approximately 0.26 acres (11,500 square feet) including a surface area of approximately 0.01 acres (500 square feet) for the purpose of a wastewater energy transfer facility serving the Toronto Western Hospital;
2. The Option remain exercisable within 21 years of granting approval and include a payment to TDSB, for the benefit of Ryerson Community School, in the amount of \$100,000. and on the terms and conditions described herein;
3. The Option Agreement be in a form and content satisfactory to TLC legal counsel; and,
4. This report be forwarded to TDSB for approval

On behalf of the Board of Directors of the Toronto Lands Corporation, approval of the recommendation in the report, *Ryerson Community School: Option Agreement with Noventa Energy Partners*, is requested.

Sincerely,



Brenda Patterson
Chair, TLC

cc. D. Sage, Executive Officer, TLC

cc. C. Snider, Associate Director, Business Operations and Service Excellence, TDSB

TORONTO LANDS CORPORATION

COMMITTEE DECISION ITEM

RYERSON COMMUNITY SCHOOL: OPTION AGREEMENT WITH NOVENTA ENERGY PARTNERS

To: Chair and Members of the Toronto Lands Corporation

Date: 08 June, 2021

RECOMMENDATION:

It is recommended that:

- 1) Authority be granted to TLC, on behalf of TDSB, to enter into an Option Agreement, with Noventa Energy Partners Inc. granting them an option to acquire an easement at Ryerson Community School, 96 Denison Avenue, over a sub-surface area of approximately 0.26 acres (11,500 square feet) including a surface area of approximately 0.01 acres (500 square feet) for the purpose of a wastewater energy transfer facility serving the Toronto Western Hospital;
- 2) The Option remain exercisable within 21 years of granting approval and include a payment to TDSB, for the benefit of Ryerson Community School, in the amount of \$100,000. and on the terms and conditions described herein;
- 3) The Option Agreement be in a form and content satisfactory to TLC legal counsel; and
- 4) This report be forwarded to TDSB for approval.

ANNUAL PLAN INITIATIVE:

The purpose of proceeding with this authority to act is the identified opportunity that can provide benefit to this school community.

BACKGROUND

Noventa Energy Partners Inc. is a renewable energy company that provides innovative, renewable energy solutions with proprietary technology to significantly reduce carbon emissions and manage energy costs. Toronto City Council on October 2 & 3, 2020, approved the Midtown Wastewater Energy Transfer System, "WET" as the City's first major wastewater energy transfer program. This project is supported by the Board of Directors of the University Health Network and by the Federal Government through the Low Carbon Economy Fund. Noventa's proprietary Huber ThermWin technology is proposed to transfer thermal energy to and from the City of Toronto Midtown Interceptor Sewer to provide carbon free heating and cooling to Toronto Western Hospital.

On April 14, 2021, the project was officially unveiled by senior Government Officials at all levels including the City Mayor and Federal Minister as a historic green energy project. This project demonstrates Toronto as a global leader in the renewal energy field and a hub of technological innovation.

Wastewater Energy Transfer System “WET”

Wastewater energy transfer is a proven technology with over fifteen years success in Europe and has gained popularity and implementation in North America in the last decade. Some examples include the Winter Olympics Athletes’ Village in Vancouver, Eco Quartier in Quebec City and the American Geophysical Union in Washington D.C. By utilizing thermal energy in this way, it may be possible to heat and cool buildings across the City thereby displacing the use of fossil fuels resulting in a reduction of regional greenhouse gas emissions and advancing the City’s climate change goals.

The project, the Midtown WET system, has the following physical key components which, in summary, may be described as follows:

- A Wetwell constructed in the street allowance, pipes below ground, that connect to the sanitary sewer to permit wastewater flow and there will be screening equipment to separate the solids from the wastewater. The wet wells are sealed to avoid odour emissions during the initial separation of solids from water process.
- Next, a thermal energy transfer loop constructed below ground consisting of two pipes will be used to transport wastewater between the Wetwell and the Energy Transfer Station (“ETS”).
- The ETS is a facility to be constructed below ground, having dimensions of approximately 150ft long by 65ft wide by 20ft high, that will house sixteen heat exchangers that will accomplish the thermal energy transfer, four (4) high-temperature chillers that will supply chilled water and hot water to the Toronto Western Hospital, a gas fired generator for electrical back-up, pumps, valves, controls and other ancillary equipment; and
- An underground distribution network comprised of four pipes that will transport hot and chilled water between the ETS and Toronto Western Hospital. There is a self-cleaning mechanism inside the heat exchangers. The WET system will become the Hospital’s primary source of heating over the next 30 years

Location of the Energy Transfer Station (ETS)

Noventa’s underground plant (ETS) is being constructed on the Toronto Western Hospital property, outside of the main building, underground, at the Emergency Wing location. In order for Noventa to secure government funding in support of this project, it was required that the facility be built on-site at Toronto Western Hospital. The primary lender for Noventa on this project is Canada Infrastructure Bank.

RATIONALE

Approximately three weeks ago, the CEO of Noventa, Mr. Dennis Fotinos, approached TLC and advised that final plans are proceeding to build the plant at the Toronto Western Hospital. Part of the project includes a Wastewater Thermal Energy Agreement with the City of Toronto that stipulates the City with 24 months’ advance notice may require Noventa to relocate as a result of the City determining it will relocate, abandon or substantially makes changes to the Main Sewer. If Noventa is unable to relocate the plant, the City may terminate the agreement.

While it is highly unlikely that this provision would ever materialize, the primary lender, the Canada Infrastructure Bank has required that Noventa provide a mitigation strategy in case of a relocation notice from the City. Noventa is proposing its mitigation strategy is to secure an Option for potential installation of the plant at the Ryerson Community School site which is situated across the street from the Toronto Western Hospital.

The TDSB asset is comprised of 4.94 acres with the school building having a gross floor area of 102,656 square feet on five floors, built circa 1914. Due to the size of the property and the majority of the installation being underground, with only approximately 500 square feet above grade for below grade access, there is sufficient space for this type of installation.

For initial due diligence, TLC had previously engaged WSP Canada Inc. to conduct a risk review relating to environmental emissions relating to air quality, odour, noise and vibration as a result of installation of this type of infrastructure. WSP reviewed the system and discussed with the senior team at Noventa and concluded the risk in these areas are low and general comments were as follows: Generators are to be liquid cooled which reduces noise emissions. Potential air quality impacts can be mitigated through emissions controls if necessary. Vibration can be mitigated through isolators installed at the base of the generator. Pumps are to be located below ground. Potential noise and vibration impact can be mitigated through controls if necessary, heat exchanger cleaning system is self-contained limiting its noise and vibration emissions. Heat pumps are standard heating and cooling systems that can be controlled if necessary.

While it remains unlikely that Noventa will require the TDSB property, the positive review from WSP is informative.

During negotiations with TLC, Noventa will pay a fee of \$100,000 to obtain this Option from the TDSB with the funds to be used towards playground improvements to Ryerson Community School in order to illustrate its support to the school and community.

With the support of TDSB, TLC recommends entering into an Option Agreement with Noventa on the key business terms:

1. Noventa Partners Inc. and TLC, on behalf of TDSB, enter into an Option Agreement for an easement at Ryerson Community School for the potential future requirement to install the physical plant and equipment for an Energy Transfer Station (ETS) that would be connected to the Toronto Western Hospital;
2. The Option is for a land area of approximately 0.26 acres (11,500 square feet) of sub-surface area, for the ETS, and approximately 0.01 acres (500 square feet) of surface area, for a small access building and stairwell for underground access, at the Ryerson Community School, municipally located at 96 Denison Avenue;
3. The primary location of the ETS will be in the current school parking lot but may be secured at another mutually acceptable location on the school property;
4. The Option will be exercisable for a period of 21 years;
5. The fee of One Hundred Thousand Dollars (\$100,000) for the Option to be payable to the TDSB, specifically, the Ryerson Community School, for playground improvements;
6. If the Option is exercised, Noventa will be required to pay the then current market value of the sub-surface and surface value of the property based upon an appraisal report completed by an AACI.
7. If the Option is exercised, Noventa shall cover all costs associated with this transaction which includes but not limited to legal fees, reference plans, studies, etc.
8. The Option Agreement to be currently in the name of Noventa Energy Partners Inc. and Noventa will have the right to assign it in the future subject to the approval of TLC not to be unreasonably withheld.
9. If the Option is exercised, all parties agree to reasonable negotiations to finalize any and all agreements and adhere to legislative requirements to ensure the physical plant will be constructed and operational to support the wastewater project serving the Toronto Western Hospital; and
10. The Agreement be in a form and content satisfactory to TLC legal counsel.

TLC has advised Noventa that any agreement is subject to a surplus declaration as required by the Education Act in order to grant an easement by TDSB.

TLC has brought forward a unique opportunity for the TDSB to illustrate its commitment to this innovative program which through technological advancement allows for a reduction in carbon emissions and savings in energy costs. TDSB students at Ryerson Community School will benefit from immediate funding for new playground improvements. We look forward to discovering further collaboration with industry in innovative projects that can provide student enhancements.

RISK ASSESSMENT

Low Risk

IMPLICATIONS

N/A

COMMUNICATIONS APPROACH

N/A

Routing

TLC Board: June 17, 2021

From

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