



Staff Report

Report To: Rebekah Msuya-Collison, Chief Administrative Officer/Deputy Clerk

From: **Julia Warwick, Director of Financial Services/Treasurer**

Date: September 5 2023

Report: FIN17-2023

Subject: Wind Turbine Amenity Fee - Community Funding Agreements Status Update

Recommendations:

That South Huron Council receives the report from Julia Warwick, Director of Financial Services/Treasurer re: Wind Turbine Amenity Fee - Community Funding Agreements Status Update for information only.

Purpose:

The purpose of this report is to provide Council with a summary of key terms within the amenity fee/community fund agreements with Goshen Wind GP, ULC and Grand Bend Wind Limited Partnership and to provide an update on funds received and committed to date, and current reserve balances.

Background and Analysis:

In 2014 and 2015 the Municipality of South Huron entered into amenity fee/community funding agreements with Grand Bend Wind Limited Partnership (2014) and Goshen Wind GP (2015) in relation to their development and construction of wind energy projects within South Huron. In accordance with these agreements South Huron receives an annual amenity fee from each of the companies which is recorded in segregated reserve funds, also known as Community Funds, established solely for the purposes of receiving the Amenity Fees and administering all expenditures of the Fees.

The following is a summary of key terms within these agreements:

Goshen Wind

Term: January 2015 to November 2034.

Funds received commencing January 2016 for 2015 stub year

Amenity Fee: \$289,170 per year (first year prorated \$268,928)

(As long as number of megawatts remains the same)

Grand Bend Wind

Term: April 2016 to March 2035

Funds received commencing March 2017 for 2016 stub year

Amenity Fee: \$60,833.50 per year (first year prorated \$42,833.45)

Use of the Funds (same for both agreements)

The Community Fund shall be utilized in any lawful manner by Municipality to support the following:

- a) Expenditures to energy sustainability (i.e. Municipal renewable energy systems; vehicle fleet upgrades; building energy-efficiency upgrades; conservation programs);
- b) Land stewardship initiatives (i.e. Habitat creation/improvement; tree planting; shoreline rehabilitation);
- c) Expenditures relating to development and construction of Municipality Recreation facilities (i.e. Arenas, parks, trails);
- d) Expenditures for improvement of community and protective services (i.e. Police, fire, EMS, healthcare);
- e) Expenditures related to roads and urban infrastructure;
- f) Expenditures related to education and job training;
- g) Property tax relief for residents and businesses in the community; or
- h) Other community-related activities sanctioned by the Municipality.

No payments made pursuant to this agreement shall be used by the Municipality in connection with or in support of any party or participant, including the Municipality, either directly or indirectly, for appeals or judicial review of Goshen's Renewal Energy Approval.

All proposed expenditures or application of funds from the Community Fund shall firstly require the Municipality to deliver not less than 15 days' written notice to Goshen/Grand Bend Wind with respect to any proposed expenditure or application of funds, along with reasonable details of the

same, and secondly, the proposals approved for submission to Goshen/Grand Bend Wind by the municipality at a meeting of Council.

The last comprehensive status update of these Funds, also known as the Wind Turbine Vibrancy Funds, was provided to a Special Purpose Committee of Council on November 23, 2020. The attached schedule provides an update on the funds with projections to 2024, use of funds to date and amounts committed by council resolution.

Operational Considerations:

As this report is being presented for information purposes only, no alternatives are presented.

Financial Impact:

As this report is being presented for information purposes only, there is financial impact.

Legal Impact:

None.

Staffing Impact:

None.

Communication Actions:

None.

Policies/Legislation:

Consultation:

Related Documents:

Appendix A – Wind Turbine Amenity Fee-Community Funding Schedule

Respectfully submitted,

Julia Warwick, Director of Financial Services/Treasurer

Report Approval Details

Document Title:	FIN17-2023 Wind Turbine Amenity Fee - Community Funding Agreements Status Update.docx
Attachments:	- FIN17-2023 - Appendix A - Wind Turbine Amenity Fee-Community Funding Schedule.xlsx
Final Approval Date:	Sep 21, 2023

This report and all of its attachments were approved and signed as outlined below:

Rebekah Msuya-Collison - Sep 21, 2023 - 1:37 PM