



Community Vibrancy Fund Agreement

Highlights

Background:

It is the Ontario Provincial Governments Green Energy Act which regulates the development and operation of renewable energy projects in the Province. The Ontario Power Authority is an agency of the Province which provides power generation contracts.

Within Haldimand County, Capital Power Corporation, Niagara Region Wind Corporation, Nextera Energy Canada, Pattern Energy and Samsung have entered into Feed-In Tariff Contracts with the Ontario Power Authority.

In addition to the significant economic benefits of these projects, the County has negotiated a voluntary (non-legislated) Community Vibrancy Fund Agreement to support community initiatives and partnerships which would otherwise not be financially feasible.

Agreement Highlights:

- Agreement term is 20 years matching the Ontario Power Authority supply contract and can be extended or reduced should the supply contract term change;
- Contributions to the Fund are projected at approximately \$2 million per year;
- Proponents will use reasonable efforts to hire local suppliers of labour and materials to the extent available and to the extent that such local suppliers are competitive in respect of the construction and operation of its projects;
- If commercial operation is not achieved in 5 years the agreement is null and void;
- Given this is a voluntary contribution on behalf of the energy proponents, should a proponents property taxes increase by greater than 50% in any given year or more than 150% over the term of the contract, their subsequent year's contribution to the Community Vibrancy Fund will be reduced by the value in excess of the percentages noted above. Further, if there are factors such as legislation changes beyond the control

of the energy proponents which affect the financial framework of these projects as we know it today, the parties are to consult in good faith to determine future payment obligations;

- Proponents shall ensure that if projects are sold or transferred that the County will be informed and that the transferee acknowledges this agreement and agrees to be fully bound to perform its obligations and duties;
- Annual payments begin one year from the date of the projects commercial operation;
- A dedicated account will be established to administer the Community Vibrancy Fund;
- All expenditures will be approved by Council;
- Financial reports will be available annually as part of the Council process;
- Use of the Fund will be directed towards expenditures relating to development and construction of County recreational facilities (i.e. arenas, parks, trails), land stewardship initiatives (i.e. habitat creation/improvement; tree planting; shoreline rehabilitation), improvement of community and protective services (i.e. police, fire, EMS,), related to roads and municipal infrastructure and other community-related activities sanctioned by Council;
- In the event that other wind or solar energy project proponents undertake projects within the County, the County shall use commercially reasonable efforts to ensure that such proponents pay equal or greater proportionate amounts into a Community Vibrancy Fund as the proponents to this agreement have done;
- For a period of two years during the application and construction period the energy proponents shall reimburse the County for additional administrative and staffing cost incurred by the County to facilitate the timely processing of the proponent's permit applications;
- The commitment by the County to facilitate the timely processing of the proponent's permit applications as referenced in the last bullet point above shall not be interpreted as implying any obligation on the part of the County to approve such applications. All permit applications shall be considered by Council or the appropriate administrative officer on their own merits at the time the applications are made.