

## Public meeting May 17 re: status of sale of Orillia Power Distribution Corporation

**For immediate release (April 25, 2018)** – If you have a question about the recent Ontario Energy Board (OEB) decision regarding Orillia Power Distribution Corporation, the economic benefits of the sale and what the next steps are, the City of Orillia is inviting members of the public to a Public Meeting of Council on May 17, 2018.

The meeting will take place from 7 to 9 p.m. in the Council Chamber at Orillia City Centre. The format of the meeting will include a presentation and the opportunity for members of the public to ask questions. Members of the public have the opportunity to provide their comments in advance of the meeting in writing or at the meeting verbally.

“We understand there are questions about the decision and what the next steps are. We want to ensure the information getting out to the community is accurate about rates and what is included in the sale. Having a public meeting is an avenue to engage those with questions whether they support the deal or not,” said Mayor Steve Clarke.

On April 12, 2018, the City of Orillia received notification that the OEB denied the application for the sale of Orillia Power Distribution Corporation to Hydro One Inc. (Hydro One). On April 16, 2018, a special meeting of Council was held to provide Council with the next steps moving forward.

“This Council identified economic development as one of its top priorities and in 2016 approved and entered into a significant commercial transaction to sell Orillia Power Distribution only,” said Clarke. “We are committed to following this direction, which includes making a motion to the OEB to review and revise the decision. Once the motion has been filed, we will be able to provide more details.”

The negotiations formally started in September 2015 and only included the sale of the Orillia Power **Distribution** Corporation, the Orillia Power **Generation** Corporation remains in the ownership of the City. In August 2016, a final deal was reached. Submission to the OEB for approval took place in September 2016.

The sale includes the purchase of all shares of Orillia Power Distribution Corporation for \$26.4 million and the assumption of approximately \$14.9 million of debt, for a total transaction of \$41.3 million. The deal includes the following:

- **Economic Impact:** Subject to regulatory approval, three new facilities on 36 acres of land:
  - A back-up Ontario Grid Control Centre/Integrated System Operation Centre (ISOC)
  - Provincial Warehouse
  - Regional Operations Centre
- **Orillia Power Distribution sold:** \$26.4 million cash purchase.
- **Horne Business Park land sale:** Hydro One has purchased 16.41 acres of the land required for the ISOC portion of the development for approximately \$3 million – validated as fair market value by a third-party valuator.
- **Orillia consumers protected:** Distribution charges will be reduced by 1 per cent and frozen for five years. The distribution portion of a utility bill accounts for approximately 20 per cent of the overall bill (the remaining portion is set based on market costs at the provincial level) and rates will continue to be regulated by the OEB.

- **OPDC jobs protected:** All OPDC employees are protected with comparable pay, benefits and pension, along with a one-year location guarantee.
- **Orillia Power Generation Corporation:** City retains complete ownership, along with annual dividend which accounts for approximately 78 per cent of the overall Orillia Power Corporation dividend.
- **Orillia Legacy Fund:** City to deposit all proceeds from the deal to the Fund, which will likely generate investment income in excess of the existing OPDC portion of the annual dividend.
- **Philanthropic investment:** Hydro One will provide \$250,000 to the City toward a co-branded community project and has corporate programs in place to continue philanthropic support in the Orillia community.

During the process, Mayor and Council members held three open house meetings and numerous meetings throughout the community to enable the public to provide comments on the opportunity. Council commenced negotiations based on a set of principles that they followed to ensure that the deal was in the best interests of the community.

The economic impact of the sale and Hydro One's investment is estimated to be one of the largest in the City's history. As noted in the public consultation, the short-term economic impact of the construction of the buildings and related activity is anticipated to inject \$200 to \$300 million into the Orillia economy. Once all the facilities are operational, significant new dollars in payroll/incomes and property taxes will be injected into the Orillia economy year after year. This will result in economic spin-offs through the creation of new jobs and additional spending in housing construction, retail, restaurants, personal services (i.e. dentists, taxis), schools and colleges and many other fields throughout the Orillia economy.

"This economic development opportunity will bring new much-needed jobs, create improved infrastructure for other businesses, open up opportunities to entice investment in related businesses and suppliers and has already generated active discussions with large corporations interested in investing/partnering in the City of Orillia," said Clarke.

Information regarding the details of the sale is available on the City's website at [Orillia.ca/techhub](http://Orillia.ca/techhub).

The City of Orillia is a city of 31,000 people in the heart of Ontario's Lake Country on the shores of Lake Couchiching and Lake Simcoe. Visit our website at [orillia.ca](http://orillia.ca).

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